



BDC SURVEYS AND RELATED RESOURCES

MORRISON | FOERSTER

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SURVEY OF BDC ADMINISTRATION AGREEMENTS:

FS Investment Corporation IV (October 28, 2015)

FSIC IV Advisor will be reimbursed for administrative expenses it incurs on our behalf overseeing our day-to-day operations, including the provision of general ledger accounting, fund accounting, legal services, investor relations and other administrative services. FSIC IV Advisor also will perform, or oversee the performance of, our corporate operations and required administrative services, which includes being responsible for the financial records that we are required to maintain and preparing reports for our stockholders and reports filed with the SEC. In addition, FSIC IV Advisor will assist us in calculating the net asset value for each class of our shares, overseeing the preparation and filing of tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others.

We will reimburse FSIC IV Advisor for expenses necessary to perform services related to our administration and operations, including FSIC IV Advisor's allocable portion of the compensation and related expenses of certain personnel of Franklin Square Holdings providing administrative services to us on behalf of FSIC IV Advisor. The amount of this reimbursement will be the lesser of (1) FSIC IV Advisor's actual costs incurred in providing such services and (2) the amount that we estimate we would be required to pay alternative service providers for comparable services in the same geographic location. FSIC IV Advisor will be required to allocate the cost of such services to us based on factors such as assets, revenues, time allocations and/or other reasonable metrics. Our board of directors will review the methodology employed in determining how the expenses are allocated to us and the proposed allocation of the administrative expenses among us and certain affiliates of FSIC IV Advisor. Our board of directors will then assess the reasonableness of such reimbursements for expenses allocated to us based on the breadth, depth and quality of such services as compared to the estimated cost to us of obtaining similar services from third-party service providers known to be available. In addition, our board of directors will consider whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, our board of directors will, among other things, compare the total amount paid to FSIC IV Advisor for such services as a percentage of our net assets to the same ratio as reported by other comparable BDCs. We will not reimburse FSIC IV Advisor for any services for which it will receive a separate fee, or for rent, depreciation, utilities, capital equipment or other administrative items allocated to a controlling person of FSIC IV Advisor.

Indemnification

The investment advisory and administrative services agreement provides that FSIC IV Advisor and its officers, managers, partners, members (and their members, including the owners of their members), agents, employees, controlling persons and any other person or entity affiliated with it are not entitled to indemnification (including reasonable attorneys' fees and amounts reasonably paid in settlement) for any liability or loss suffered by FSIC IV Advisor or such other person, nor will FSIC IV Advisor or such other person be held harmless for any loss or liability suffered by us, unless: (1) FSIC IV Advisor or such other person has determined, in good faith, that the course of conduct which caused the loss or liability was in our best interests; (2) FSIC IV Advisor or such other person was acting on behalf of or performing services for us; (3) the liability or loss suffered was not the result of negligence or misconduct by FSIC IV Advisor or such other person acting as our agent; and (4) the indemnification or agreement to hold FSIC IV Advisor or such other person harmless for any loss or liability suffered by us is only recoverable out of our net assets and not from our stockholders. We maintain a joint liability insurance policy with our affiliates, including FSIC IV Advisor. The premiums for this policy are allocated across all insureds based on, among other things, the proportional share of the premium that we and our affiliates would pay had we purchased our policies separately and the asset base of each such entity. The independent directors of our board of directors must review and approve our allocation on an annual basis. As a result, FSIC IV Advisor bears the cost of its own liability insurance.

Corporate Capital Trust II (October 21, 2015)

Under the terms of the Administrative Services Agreement, and on our behalf, CNL performs or oversees the performance of various administrative services that we require. These include investor services, general ledger accounting, fund accounting, maintaining required financial records, calculating our net asset value, filing tax returns, preparing and filing SEC reports, preparing, printing and disseminating shareholder reports and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. CNL provides us with facilities and access to personnel necessary for our business and these services. For providing these services, facilities and personnel, we reimburse CNL for administrative expenses it incurs in performing its obligations.

Indemnification

The Investment Advisory Agreement provides that CNL and KKR and each of its officers, trustees, persons associated with each advisor, shareholders (and owners of the shareholders), controlling persons and agents are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by them in or by reason of any pending, threatened or completed action, suit, investigation or other proceedings arising out of or otherwise based on the performance of any of such advisor's duties or obligations under the Investment Advisory Agreement or the Sub-Advisory Agreement, as applicable, or otherwise as our investment adviser, (i) to the extent such damages,

liabilities, cost and expenses (A) are not fully reimbursed by insurance and (B) do not arise by reason of willful misfeasance, bad faith, or gross negligence in such advisor's performance of such duties or obligations, or such advisor's reckless disregard of such duties or obligations, and (ii) otherwise to the fullest extent such indemnification is consistent with the provisions of our declaration of trust, the 1940 Act, the laws of the State of Delaware and other applicable law.

Freedom Capital Corporation (September 14, 2015)

Freedom Capital Investment Advisors will be reimbursed for administrative expenses it incurs on our behalf overseeing our day-to-day operations, including the provision of general ledger accounting, fund accounting, legal services, investor relations and other administrative services. Freedom Capital Investment Advisors also performs, or oversees the performance of, our corporate operations and required administrative services, which includes being responsible for the financial records which we are required to maintain and preparing reports for our stockholders and reports filed with the SEC. In addition, Freedom Capital Investment Advisors assists us in calculating our net asset value, overseeing the preparation and filing of tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others.

We will reimburse Freedom Capital Investment Advisors for expenses necessary to perform services related to our administration and operations. The amount of this reimbursement will be the lesser of (1) Freedom Capital Investment Advisors' actual costs incurred in providing such services and (2) the amount that we estimate we would be required to pay alternative service providers for comparable services in the same geographic location. Freedom Capital Investment Advisors will be required to allocate the cost of such services to us based on objective factors such as assets, revenues, time allocations and/or other reasonable metrics. Our board of directors will assess the reasonableness of such reimbursements based on the breadth, depth and quality of such services as compared to the estimated cost to us of obtaining similar services from third-party service providers known to be available. In addition, our board of directors will consider whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, our board of directors will compare the total amount paid to Freedom Capital Investment Advisors for such services as a percentage of our net assets to the same ratio as reported by other comparable BDCs. We will not reimburse Freedom Capital Investment Advisors for any services for which it will receive a separate fee, or for rent, depreciation, utilities, capital equipment or other administrative items allocated to a controlling person of Freedom Capital Investment Advisors.

Indemnification

The investment advisory and administrative services agreement provides that Freedom Capital Investment Advisors and its officers, managers, controlling persons and any other person or entity affiliated with it acting as our agent are not entitled to indemnification (including reasonable attorneys' fees and amounts reasonably paid in

settlement) for any liability or loss suffered by Freedom Capital Investment Advisors or such other person, nor will Freedom Capital Investment Advisors or such other person be held harmless for any loss or liability suffered by us, unless: (1) Freedom Capital Investment Advisors or such other person has determined, in good faith, that the course of conduct which caused the loss or liability was in our best interests; (2) Freedom Capital Investment Advisors or such other person was acting on behalf of or performing services for us; (3) the liability or loss suffered was not the result of negligence or misconduct by Freedom Capital Investment Advisors or such other person acting as our agent; and (4) the indemnification or agreement to hold Freedom Capital Investment Advisors or such other person harmless for any loss or liability suffered by us is only recoverable out of our net assets and not from our stockholders. We maintain a joint liability insurance policy with our affiliates, including Freedom Capital Investment Advisors. The premiums for this policy are allocated across all insureds based on, among other things, the proportional share of the premium that we and our affiliates would pay had we purchased our policies separately and the asset base of each such entity. The independent directors of our board of directors must review and approve our allocation on an annual basis. As a result, Freedom Capital Investment Advisors bears the cost of its own liability insurance.

Carey Credit Income Fund - I (July 31, 2015)

Under the terms of the Administrative Services Agreement, W. P. Carey performs or oversees the performance of various administrative services that we require. These include investor services, general ledger accounting, fund accounting, maintaining required financial records, calculating our net asset value, filing tax returns, preparing and filing SEC reports, preparing, printing, and disseminating shareholder reports, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. W. P. Carey also provides us with facilities and access to personnel necessary for our business and these services. For providing these services, facilities, and personnel, we will reimburse W. P. Carey for administrative expenses it incurs in performing its obligations.

For providing these services, facilities, and personnel, we (indirectly through the Master Fund) will reimburse W. P. Carey for administrative expenses it incurs in performing its obligations. The amount of this reimbursement is set at the lesser of (i) W. P. Carey's actual costs and (ii) the amount that we would be required to pay for comparable administrative services in the same geographic location. W. P. Carey is required to allocate the cost of such services to us based on objective factors such as total assets, revenues, time allocations, and/or other reasonable metrics. Our Board of Trustees assesses the reasonableness of such reimbursements based on the breadth, depth, and quality of such services as compared to the estimated cost to us of obtaining similar services from third-party providers known to be available. In addition, our Board of Trustees considers whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, our Board of Trustees compares the total amount paid to W. P. Carey for administrative services as a percentage of our net assets to the same ratio as reported by other comparable BDCs. We will not reimburse W. P. Carey for any administrative services for which it receives a

separate fee, or for rent, depreciation, utilities, capital equipment, or other administrative items allocated to a controlling person of W. P. Carey.

Indemnification

The Investment Advisory Agreement and the Investment Sub-Advisory Agreement provide that W. P. Carey and Guggenheim (and each of the officers, trustees, and persons associated with each advisor), shareholders (and owners of the shareholders), controlling persons, and agents are entitled to indemnification from the Master Fund for any damages, liabilities, costs, and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by them in or by reason of any pending, threatened, or completed action, suit, investigation, or other proceedings arising out of, or otherwise based on the performance of any of, such Advisor's duties or obligations under the Investment Advisory Agreement or the Investment Sub-Advisory Agreement, as applicable, or otherwise as our investment advisor, (i) to the extent such damages, liabilities, costs, and expenses (A) are not fully reimbursed by insurance, and (B) the standard set forth in our Declaration of Trust has been satisfied, and (ii) otherwise to the fullest extent such indemnification is consistent with the provisions of our Declaration of Trust, the 1940 Act, the laws of the State of Delaware, and other applicable law.

Carey Credit Income Fund 2016 T (July 24, 2015)

Under the terms of the Administrative Services Agreement, W. P. Carey performs or oversees the performance of various administrative services that we require. These include investor services, general ledger accounting, fund accounting, maintaining required financial records, calculating our net asset value, filing tax returns, preparing and filing SEC reports, preparing, printing, and disseminating shareholder reports, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. W. P. Carey also provides us with facilities and access to personnel necessary for our business and these services. For providing these services, facilities, and personnel, we will reimburse W. P. Carey for administrative expenses it incurs in performing its obligations.

For providing these services, facilities, and personnel, we (indirectly through the Master Fund) will reimburse W. P. Carey for administrative expenses it incurs in performing its obligations. The amount of this reimbursement is set at the lesser of (i) W. P. Carey's actual costs and (ii) the amount that we would be required to pay for comparable administrative services in the same geographic location. W. P. Carey is required to allocate the cost of such services to us based on objective factors such as total assets, revenues, time allocations, and/or other reasonable metrics. Our Board of Trustees assesses the reasonableness of such reimbursements based on the breadth, depth, and quality of such services as compared to the estimated cost to us of obtaining similar services from third-party providers known to be available. In addition, our Board of Trustees considers whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, our Board of Trustees compares the total amount paid to W. P. Carey for administrative services as a percentage of our net assets to the same ratio as reported by other comparable BDCs.

We will not reimburse W. P. Carey for any administrative services for which it receives a separate fee, or for rent, depreciation, utilities, capital equipment, or other administrative items allocated to a controlling person of W. P. Carey.

Indemnification

The Investment Advisory Agreement and the Investment Sub-Advisory Agreement provide that W. P. Carey and Guggenheim (and each of the officers, trustees, and persons associated with each advisor), shareholders (and owners of the shareholders), controlling persons, and agents are entitled to indemnification from the Master Fund for any damages, liabilities, costs, and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by them in or by reason of any pending, threatened, or completed action, suit, investigation, or other proceedings arising out of, or otherwise based on the performance of any of, such Advisor's duties or obligations under the Investment Advisory Agreement or the Investment Sub-Advisory Agreement, as applicable, or otherwise as our investment advisor, (i) to the extent such damages, liabilities, costs, and expenses (A) are not fully reimbursed by insurance, and (B) the standard of care set forth in our Declaration of Trust has been satisfied, and (ii) otherwise to the fullest extent such indemnification is consistent with the provisions of our Declaration of Trust, the 1940 Act, the laws of the State of Delaware, and other applicable law.

Terra Income Fund 6, Inc. (April 20, 2015)

Terra Income Advisors is reimbursed for administrative expenses it incurs on our behalf, including general ledger accounting, fund accounting and investor services. Our advisor also performs, or oversees the performance of, our corporate operations and required administrative services, which includes being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, our advisor assists us in publishing our NAV, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others.

For providing these services, facilities and personnel, we reimburse our advisor for administrative expenses it incurs in performing its obligations. The amount of this reimbursement is set at the lesser of (1) our advisor's actual costs incurred in providing such services and (2) the amount that our board of directors, including a majority of our independent directors, estimates we would be required to pay alternative service providers for comparable services in the same geographic location. Our advisor is required to allocate the cost of such services to us based on objective factors such as total assets, revenues, time allocations and/or other reasonable metrics. Our board of directors then assesses the reasonableness of such reimbursements based on the breadth, depth and quality of such services as compared to the estimated cost to us of obtaining similar services from third-party providers known to be available. In addition, our board of directors considers whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, our

board of directors compares the total amount paid to our advisor for such services as a percentage of our net assets to the same ratio as reported by other comparable BDCs. We do not reimburse our advisor for any services for which it receives a separate fee, or for rent, depreciation, utilities, capital equipment or other administrative items allocated to a controlling person of our advisor.

Indemnification

The investment advisory and administrative services agreement provides that our advisor and its officers, managers, controlling persons and any other person or entity affiliated with it acting as our agent are not entitled to indemnification (including reasonable attorneys' fees and amounts reasonably paid in settlement) for any liability or loss suffered by our advisor or such other person, nor will our advisor or such other person be held harmless for any loss or liability suffered by us, unless: (1) our advisor or such other person has determined, in good faith, that the course of conduct which caused the loss or liability was in our best interests; (2) our advisor or such other person was acting on behalf of or performing services for us; (3) the liability or loss suffered was not the result of negligence or misconduct by our advisor or such other person acting as our agent; and (4) the indemnification or agreement to hold our advisor or such other person harmless for any loss or liability suffered by us is only recoverable out of our net assets and not from our stockholders. We maintain a joint liability insurance policy with our affiliates, including our advisor. The premiums for this policy are allocated across all insureds based on, among other things, the proportional share of the premium that we and our affiliates would pay had we purchased our policies separately and the asset base of each such entity. The independent directors of our board of directors must review and approve our allocation on an annual basis. As a result, our advisor bears the cost of its own liability insurance.

Sierra Income Corporation (April 14, 2015)

Under the terms of the Administration Agreement, and on our behalf, Medley Capital LLC performs or oversees the performance of various administrative services that we require. These include investor services, general ledger accounting, fund accounting, maintaining required financial records, calculating our net asset value, filing tax returns, preparing and filing SEC reports, preparing, printing and disseminating stockholder reports and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. Medley provides us with facilities and access to personnel necessary for our business and these services. For providing these services, facilities and personnel, we reimburse Medley for administrative expenses it incurs in performing its obligations.

Additionally, as a BDC, we must offer managerial assistance to our portfolio companies. This managerial assistance may include monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of our portfolio companies and providing other organizational and financial guidance. Medley will make available such managerial assistance, on our behalf, to our portfolio companies whether or not they request this assistance. We may

receive fees for these services and will reimburse Medley for its allocated costs in providing such assistance, subject to review and approval by our board of directors.

Credit Suisse Park View BDC, Inc. (March 19, 2015)

We have entered into a Co-Administration Agreement with the Adviser and will enter into a Master Administration and Accounting Agreement with State Street (the “Administration Agreement”) pursuant to which the Adviser and /or State Street will perform or oversee the performance of various administrative services that we require.

Co-Administration Agreement with the Adviser

The Co-Administration Agreement was approved by our Board of Directors on August 20, 2014 and became effective as of September 5, 2014. Unless earlier terminated as described below, the Administration Agreement will remain in effect for a period of one year from the effective date and will remain in effect from year to year thereafter if approved annually by a vote of a majority of the Board of Directors and a vote of a majority of the members of the Board of Directors who are not interested persons.

Pursuant to the Co-Administration Agreement with the Adviser, subject to the supervision and direction of the Board of Directors, the Adviser will, among other services, assist in supervising all aspects of our operations, except those performed by other parties pursuant to written agreements with us, preparing and filing SEC reports, preparing, printing and disseminating stockholder reports and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. The Adviser will also provide corporate governance services and compliance services, and provide us with facilities and access to personnel necessary for our business. Additionally, as a BDC, we must generally offer managerial assistance to our portfolio companies. This managerial assistance may include monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of our portfolio companies and providing other organizational and financial guidance. The Adviser will make available such managerial assistance under the Co-Administration Agreement, on our behalf, to our portfolio companies whether or not they request this assistance. The Adviser will bear all expenses in connection with the performance of its services under the Co-Administration Agreement.

We may terminate the Co-Administration Agreement, without penalty, on 60 days’ written notice, upon approval by the Board of Directors, including a majority of our independent directors or by the affirmative vote of (1) 67% or more of the outstanding voting securities present at a meeting if the holders of more than 50% of our outstanding voting securities are present or represented by proxy or (2) 50% of our outstanding voting securities. The Adviser may terminate the Co-Administration Agreement on 90 days’ written notice, without penalty.

Indemnification

Pursuant to the Co-Administration Agreement with the Adviser, we will indemnify, defend and protect the Adviser and certain of its related parties, and hold them harmless from and against all damages, liabilities, costs and expenses (including

reasonable attorney's fees and amounts reasonably paid in settlement) incurred by the Adviser and such related parties arising out of or otherwise based upon the performance of any of its obligations under the agreement. Such indemnity does not apply in instances of willful misfeasance, bad faith or gross negligence in the performance of the Adviser's duties, by reason of reckless disregard of its duties and obligations under the Co-Administration Agreement or by reason of a material and knowing violation of United States securities laws.

Administration Agreement with State Street

Pursuant to the Administration Agreement and subject to our authorization and direction, State Street will provide us with certain treasury, tax, legal and accounting services. State Street will perform such other services for us that are mutually agreed to from time to time.

For providing these services, State Street will be entitled to reasonable compensation for its services and expenses, as agreed upon from time to time. We will bear all expenses incurred in our operation and not specifically assumed by State Street.

The Administration Agreement will remain in effect for an initial term ending December 31, 2017, after which the Administration Agreement shall automatically renew for successive one-year terms, unless a written notice of non-renewal is delivered by the non-renewing party no later than 90 days prior to the expiration of the initial term or any successive one-year term. Either party may terminate the Administration Agreement in the event of the other party's material breach of a material provision of the Administration Agreement that the other party has either failed to cure or failed to establish a remedial plan to cure that is reasonably acceptable, within 60 days' written notice of the breach. In addition, the Administration Agreement may also be terminated by either party in the event of the appointment of a conservator or receiver for the other party or similar event. In the event we terminate the Administration Agreement, we will be required to pay State Street its compensation due and reimburse the Administrator for its costs, expenses and disbursements incurred and that remain unpaid through the date of termination.

In the event we terminate the Administration Agreement during the initial term for any reason other than those set out above, or in the case of certain transactions not in the ordinary course of business pursuant to which the Administrator is not retained to continue to provide services to us, we will be required to pay the Administrator its compensation due through the end of the then-current term (based on the average monthly compensation previously earned by the Administrator under the Administration Agreement and reimburse the Administrator for its costs, expenses and disbursements).

Indemnification

Pursuant to the Administration Agreement, we will indemnify and hold State Street harmless from all loss, cost, damage and expense, including reasonable fees and expenses for counsel, incurred by State Street and its directors, officers, employees and agents resulting from any claim, demand, action or suit in connection with State Street's acceptance of the Administration Agreement, any action or omission by State Street in the performance of its duties thereunder, or as a result of acting upon any instructions

reasonably believed by State Street to have been duly authorized by us or upon reasonable reliance on information or records given or made by us or our Adviser. However, such indemnification shall not apply to actions or omissions of State Street, its directors, officers, employees or agents in cases of its or their own fraud, negligence, willful misconduct, or bad faith.

Goldman Sachs BDC, Inc. (March 17, 2015)

Pursuant to the Administration Agreement between us and State Street Bank and Trust Company, our administrator, our administrator is responsible for providing various accounting and administrative services to us.

The Administration Agreement provides that the administrator is not liable to us for any damages or other losses arising out of the performance of its services thereunder except under certain circumstances, and contains provisions for the indemnification of the administrator by us against liabilities to other parties arising in connection with the performance of its services to us.

We pay the administrator fees for its services as we determine are commercially reasonable in our sole discretion. We also reimburse the administrator for all reasonable expenses. To the extent that our administrator outsources any of its functions, the administrator pays any compensation associated with such functions.

We are not obligated to retain our administrator. The Administration Agreement may be terminated by either party without penalty upon 30 days' written notice to the other party.

The terms of any administration agreement that we may enter with any subsequent administrator may differ materially from the terms of the Administration Agreement with State Street Bank and Trust Company in effect prior to such retention, including, without limitation, providing for a fee structure that results in us, directly or indirectly, bearing higher fees for similar services and other terms that are potentially less advantageous to us. Our stockholders will not be entitled to receive prior notice of the engagement of an alternate administrator or of the terms of any agreement that is entered into with such administrator.

Business Development Corporation of America II (September 18, 2014)

We expect to enter into a fund administration servicing agreement and a fund accounting servicing agreement, each with our Administrator. Our Administrator will provide services to us, such as accounting, financial reporting, legal and compliance support and investor relations support, necessary for us to operate.

Pursuant to the fund administration servicing agreement and the fund accounting servicing agreement, we will be required to pay our Administrator annual fees equal to 10 basis points on the first \$500,000,000 that we raise in connection with our initial public offering and seven basis points on any amount raised between \$500,000,000

and \$1,500,000,000, five basis points on any amount raised between \$1,500,000,000 and \$2,500,000,000 and 2.5 basis points on the balance of the assets, with a minimum annual fee of \$25,000. We also will be required to pay an annual \$3,000 fee for support provided to our chief compliance officer and reimburse our Administrator for out of pocket expenses incurred on our behalf.

FS Energy and Power Fund II (August 29, 2014)

FSEP II Advisor will be reimbursed for administrative expenses it incurs on our behalf overseeing our day-to-day operations, including the provision of general ledger accounting, fund accounting, legal services, investor relations and other administrative services. FSEP II Advisor will also perform, or oversee the performance of, our corporate operations and required administrative services, which includes being responsible for the financial records which we are required to maintain and preparing reports for our shareholders and reports filed with the SEC. In addition, FSEP II Advisor assists us in calculating our net asset value, overseeing the preparation and filing of tax returns and the printing and dissemination of reports to our shareholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others.

We will reimburse FSEP II Advisor for expenses necessary to perform services related to our administration and operations. The amount of this reimbursement will be the lesser of (1) FSEP II Advisor's actual costs incurred in providing such services and (2) the amount that we estimate we would be required to pay alternative service providers for comparable services in the same geographic location. FSEP II Advisor will be required to allocate the cost of such services to us based on factors such as assets, revenues, time allocations and/or other reasonable metrics. Our board of trustees will assess the reasonableness of such reimbursements based on the breadth, depth and quality of such services as compared to the estimated cost to us of obtaining similar services from third-party service providers known to be available. In addition, our board of trustees will consider whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, our board of trustees will compare the total amount paid to FSEP II Advisor for such services as a percentage of our net assets to the same ratio as reported by other comparable BDCs. We will not reimburse FSEP II Advisor for any services for which it will receive a separate fee, or for rent, depreciation, utilities, capital equipment or other administrative items allocated to a controlling person of FSEP II Advisor.

In addition, we have contracted with State Street Bank and Trust Company to provide various accounting and administrative services, including, but not limited to, preparing preliminary financial information for review by FSEP II Advisor, preparing and monitoring expense budgets, maintaining accounting and corporate books and records, processing trade information provided by us and performing testing with respect to RIC compliance.

Indemnification

The investment advisory and administrative services agreement provides that FSEP II Advisor and its officers, managers, partners, members (and their members, including

the owners of their members), agents, employees, controlling persons and any other person or entity affiliated with it are not entitled to indemnification (including reasonable attorneys' fees and amounts reasonably paid in settlement) for any liability or loss suffered by FSEP II Advisor or such other person, nor will FSEP II Advisor or such other person be held harmless for any loss or liability suffered by us, unless (i) FSEP II Advisor or such other person has determined, in good faith, that the course of conduct which caused the loss or liability was in our best interests, (ii) FSEP II Advisor or such other person was acting on behalf of or performing services for us, (iii) the liability or loss suffered was not the result of negligence or misconduct by FSEP II Advisor or such other person and (iv) the indemnification or agreement to hold FSEP II Advisor or such other person harmless for any loss or liability suffered by us is only recoverable out of our net assets and not from our shareholders. We maintain a joint liability insurance policy with our affiliates, including FSEP II Advisor. The premiums for this policy are allocated across all insureds based on, among other things, the proportional share of the premium that we and our affiliates would pay had we purchased our policies separately and the asset base of each such entity. The independent trustees of our board of trustees must review and approve our allocation on an annual basis. As a result, FSEP II Advisor bears the cost of its own liability insurance.

NexPoint Capital, Inc. (August 20, 2014)

Pursuant to the Administration Agreement, NexPoint Advisors furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services to enable us to operate. Under the Administration Agreement, NexPoint Advisors also will perform, or oversee the performance of, our required administrative services, which include being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, NexPoint Advisors assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, NexPoint Advisors also provides on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. We have agreed to reimburse NexPoint Advisors for our allocable portion of overhead and other expenses incurred by NexPoint Advisors in performing its obligations under the Administration Agreement. In no event, however, will we reimburse NexPoint Advisors under the Administration Agreement in an amount that exceeds an annual rate of 0.4% of our gross assets, including cash and cash equivalents and assets purchased with borrowed funds. In addition, we will reimburse NexPoint Advisors the actual costs incurred in providing managerial assistance to our portfolio companies that request such assistance and the costs of providing such assistance will not be subject to the cap on reimbursement. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. NexPoint Advisors may outsource any of the functions it performs pursuant to the Administration Agreement. To the extent that NexPoint Advisors outsources any of its

functions, we pay the fees associated with such functions on a direct basis without profit to NexPoint Advisors.

Limitation of Liability and Indemnification

The Administration Agreement provides that NexPoint Advisors and its officers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with NexPoint Advisors, including its members, are not liable to us or any of our stockholders for any act or omission by it or its employees in the supervision or management of our investment activities or for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) or losses sustained by us or our stockholders, except that the foregoing exculpation does not extend to any act or omission constituting willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations under the Administration Agreement. The Administration Agreement also provides for indemnification by us of NexPoint Advisors' members, directors, officers, employees, agents and control persons for liabilities incurred by them in connection with their services to us, subject to the same limitations and to certain conditions.

TPG Specialty Lending, Inc. (March 20, 2014)

On March 15, 2011, we entered into the Administration Agreement with our Adviser. Under the terms of the Administration Agreement, the Adviser provides administrative services to us. These services include providing office space, equipment and office services, maintaining financial records, preparing reports to stockholders and reports filed with the SEC, and managing the payment of expenses and the performance of administrative and professional services rendered by others. Certain of these services are reimbursable to the Adviser under the terms of the Administration Agreement. See “—Payment of our Expenses” below. In addition, the Adviser is permitted to delegate its duties under the Administration Agreement to affiliates or third parties and we pay or reimburse the Adviser expenses incurred by any such affiliates or third parties for work done on our behalf.

On November 5, 2013, the Board renewed the Administration Agreement. Unless earlier terminated as described below, the Administration Agreement will remain in effect until November 5, 2014, and may be extended subject to required approvals. The Administration Agreement may be terminated by either party without penalty upon at least 60 days' written notice to the other party.

Indemnification

The Investment Advisory Agreement and the Administration Agreement provide that the Adviser and its members, managers, officers, employees, agents, controlling persons and any other person or entity affiliated with it shall not be liable to us for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of ours (except to the extent specified in Section 36(b) of the 1940 Act concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services). We will, to the

fullest extent permitted by law, provide indemnification and the right to the advancement of expenses, to each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, because he or she is or was a member, manager, officer, employee, agent, controlling person or any other person or entity affiliated with the Adviser, including without limitation the Administrator, or is or was a member of the Adviser's Investment Review Committee, on the same general terms set forth in our certificate of incorporation. See "Description of our Capital Stock." Our obligation to provide indemnification and advancement of expenses is subject to the requirements of the 1940 Act and Investment Company Act Release No. 11330, which, among other things, preclude indemnification for any liability (whether or not there is an adjudication of liability or the matter has been settled, arising by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of duties) and require reasonable and fair means for determining whether indemnification will be made.

TriplePoint Venture Growth BDC Corp. (March 5, 2014)

The Administration Agreement provides that our Administrator will be responsible for furnishing us with office facilities and equipment and will provide us with clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Under the Administration Agreement, our Administrator will perform, or oversee, or arrange for, the performance of, our required administrative services, which will include being responsible for the financial and other records that we are required to maintain and preparing reports to our stockholders and reports and other materials filed with the SEC or any other regulatory authority. In addition, our Administrator will assist us in determining and publishing our net asset value, oversee the preparation and filing of our tax returns and the printing and dissemination of reports and other materials to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, our Administrator will also provide managerial assistance on our behalf to those companies that have accepted our offer to provide such assistance.

Payments under the Administration Agreement will be equal to an amount equal to our allocable portion (subject to the review of our Board) of our Administrator's overhead resulting from its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs. In addition, if requested to provide significant managerial assistance to our portfolio companies, our Administrator will be paid an additional amount based on the services provided, which shall not exceed the amount we receive from such companies for providing this assistance. The Administration Agreement will have an initial term of two years and may be renewed with (i) (A) the approval of our Board or (B) by the affirmative vote of the holders of a majority of our outstanding voting securities and (ii) the approval by a majority of our directors who are not "interested persons." The Administration Agreement may be terminated by either

party without penalty upon 60 days' written notice to the other party. Stockholder approval is not required to amend the Administration Agreement.

The Administration Agreement provides that, absent criminal conduct, willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our Administrator and any person or entity affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of our Administrator's services under the Administration Agreement or otherwise as our administrator.

CM Finance Inc. (February 5, 2014)

The Administration Agreement provides that the Adviser will furnish us with office facilities and equipment and will provide us with clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Under the Administration Agreement, the Adviser will perform, or oversee the performance of, our required administrative services, which will include being responsible for the financial and other records that we are required to maintain and preparing reports to our stockholders and reports and other materials filed with the SEC. In addition, the Adviser will assist us in determining and publishing our net asset value, oversee the preparation and filing of our tax returns and the printing and dissemination of reports and other materials to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, the Adviser will also provide managerial assistance on our behalf to those portfolio companies that have accepted our offer to provide such assistance. The Adviser will satisfy certain of its obligations under the Administration Agreement to us through the Services Agreement with Cyrus Capital, including supplying us with our interim chief financial officer. See "Related Party Transactions and Certain Relationships – Services Agreement."

Payments under the Administration Agreement will be equal to an amount based upon our allocable portion (subject to the review of our board of directors) of the Adviser's overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. In addition, if requested to provide significant managerial assistance to our portfolio companies, the Adviser will be paid an additional amount based on the services provided, which shall not exceed the amount we receive from such portfolio companies for providing this assistance. The Administration Agreement will have an initial term of two years and may be renewed with the approval of our board of directors. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that the Adviser outsources any of its functions, we will pay the fees associated with such functions on a direct basis without any incremental profit to the Adviser.

Indemnification

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

American Capital Senior Floating, Ltd. (January 15, 2014)

Because neither we nor our Manager have any employees or separate facilities, our Manager will provide services to us through certain employees of American Capital or the parent company of our Manager pursuant to an administrative services agreement. Under such agreement, our Manager will also be provided with the services and other resources necessary for our Manager to perform its obligations and responsibilities under the management agreement. In addition, certain members of American Capital's senior management team will serve as officers of our Manager and us. Further, under the administrative services agreement, American Capital and the parent company of our Manager will be required to provide our Manager with the services of their employees such that our Manager may provide us with a chief executive officer, chief financial officer and chief investment officer pursuant to the terms of the management agreement.

If either we or our Manager elect to terminate the management agreement pursuant to its terms (as described above), the administrative services agreement would likewise be terminated. The administrative services agreement will only be able to be terminated upon the expiration or termination of the management agreement. Pursuant to the administrative services agreement, American Capital and the parent company of our Manager will be able to assign their rights and obligations thereunder to any of their affiliates, including ACAM, the sole member of the parent company of our Manager.

We are not a party to the administrative services agreement. Therefore, we do not have any recourse against American Capital or the parent company of our Manager if they do not fulfill their obligations under the administrative services agreement or if they elect to assign the agreement to one of their affiliates.

FS Investment Corporation III (January 10, 2014)

FSIC III Advisor will be reimbursed for administrative expenses it incurs on our behalf overseeing our day-to-day operations, including the provision of general ledger accounting, fund accounting, legal services, investor relations and other administrative services. FSIC III Advisor also performs, or oversees the performance of, our corporate operations and required administrative services, which includes being responsible for

the financial records which we are required to maintain and preparing reports for our stockholders and reports filed with the SEC. In addition, FSIC III Advisor assists us in calculating our net asset value, overseeing the preparation and filing of tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others.

We will reimburse FSIC III Advisor for expenses necessary to perform services related to our administration and operations. The amount of this reimbursement will be the lesser of (1) FSIC III Advisor's actual costs incurred in providing such services and (2) the amount that we estimate we would be required to pay alternative service providers for comparable services in the same geographic location. FSIC III Advisor will be required to allocate the cost of such services to us based on objective factors such as assets, revenues, time allocations and/or other reasonable metrics. Our board of directors will assess the reasonableness of such reimbursements based on the breadth, depth and quality of such services as compared to the estimated cost to us of obtaining similar services from third-party service providers known to be available. In addition, our board of directors will consider whether any single third-party service provider would be capable of providing all such services at comparable cost and quality. Finally, our board of directors will compare the total amount paid to FSIC III Advisor for such services as a percentage of our net assets to the same ratio as reported by other comparable BDCs. We will not reimburse FSIC III Advisor for any services for which it will receive a separate fee, or for rent, depreciation, utilities, capital equipment or other administrative items allocated to a controlling person of FSIC III Advisor.

Indemnification

The investment advisory and administrative services agreement provides that FSIC III Advisor and its officers, managers, controlling persons and any other person or entity affiliated with it acting as our agent are not entitled to indemnification (including reasonable attorneys' fees and amounts reasonably paid in settlement) for any liability or loss suffered by FSIC III Advisor or such other person, nor will FSIC III Advisor or such other person be held harmless for any loss or liability suffered by us, unless: (1) FSIC III Advisor or such other person has determined, in good faith, that the course of conduct which caused the loss or liability was in our best interests; (2) FSIC III Advisor or such other person was acting on behalf of or performing services for us; (3) the liability or loss suffered was not the result of negligence or misconduct by FSIC III Advisor or such other person acting as our agent; and (4) the indemnification or agreement to hold FSIC III Advisor or such other person harmless for any loss or liability suffered by us is only recoverable out of our net assets and not from our stockholders. We maintain a joint liability insurance policy with our affiliates, including FSIC III Advisor. The premiums for this policy are allocated across all insureds based on, among other things, the proportional share of the premium that we and our affiliates would pay had we purchased our policies separately and the asset base of each such entity. The independent directors of our board of directors must review and approve our allocation on an annual basis. As a result, FSIC III Advisor bears the cost of its own liability insurance.

Capitala Finance Corp. (September 24, 2013)

Capitala Advisors Corp., a North Carolina corporation, serves as our administrator. Capitala Advisors Corp., pursuant to a sub-administration agreement, will engage U.S. Bancorp Fund Services, LLC to act on behalf of Capitala Advisors Corp. in its performance of certain administrative services for us. Pursuant to the Administration Agreement, our administrator furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, our administrator also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records that we are required to maintain and preparing reports to our stockholders. In addition, our administrator assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are equal to an amount based upon our allocable portion of our administrator's overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the compensation of our chief financial officer, chief compliance officer and our allocable portion of the compensation of any administrative support staff. Under the Administration Agreement, our administrator will also provide on our behalf managerial assistance to those portfolio companies that request such assistance. The administration agreement will have an initial term of two years and may be renewed with the approval of our Board of Directors. The administration agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that our administrator outsources any of its functions, we will pay the fees associated with such functions on a direct basis without any incremental profit to our administrator. Stockholder approval is not required to amend the administration agreement.

Our administrator will also provide administrative services to our investment adviser, Capitala Investment Advisors. As a result, Capitala Investment Advisors will also reimburse our administrator for its allocable portion of our administrator's overhead, including rent, the fees and expenses associated with performing compliance functions for Capitala Investment Advisors, and its allocable portion of the compensation of any administrative support staff.

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

MacKenzie Realty Capital, Inc. (August 2, 2013)

MacKenzie Capital Management, a California limited partnership, serves as our manager and administrator. Pursuant to an Administration Agreement, our Manager furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, our Manager also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records which we are required to maintain and preparing reports to our stockholders. In addition, our Manager assists us in determining and publishing our NAV, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are equal to an amount based upon our allocable portion of our Manager's overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the compensation of our chief financial officer and our allocable portion of the compensation of any administrative support staff. All such allocations will be approved by the Independent Directors. Under the Administration Agreement, our Manager will also provide on our behalf managerial assistance to those portfolio companies that request such assistance. The Administration Agreement may be terminated by us without penalty upon 120 days' written notice, and the Administrator must provide our stockholders with 120 days' notice to terminate and will be liable for any expenses we incur as a result of such withdrawal.

Our Manager will also provide administrative services to our Adviser. As a result, our Adviser will also reimburse our Manager for its allocable portion of our Manager's overhead, including rent, the fees and expenses associated with performing compliance functions for our Adviser, and its allocable portion of the compensation of any administrative support staff. To the extent our Adviser or any of its affiliates manage other investment vehicles in the future, no portion of any administrative services provided by our Manager to such other investment vehicles will be charged to us.

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

A Sponsor, including our Administrator, may also provide goods and services to us other than as an administrator provided that the following conditions are met: (i) any self-dealing arrangement is in our best interests; (ii) the terms of providing such goods or services are governed by a written Sponsor Contract as defined in our Charter; (iii) such Sponsor must be independently engaged in the business of providing such goods or

services and 33% of its revenues come from persons other than Affiliates, with certain exceptions as described in our Charter; and (iv) the compensation for such goods and services must be comparable with fees charged by similar unrelated third parties. Any Sponsor is also limited to acquiring assets from us unless such acquisition is approved by the stockholders in accordance with our Charter. We will also not lease any of our assets to any Sponsor.

Fifth Street Senior Floating Rate Corp. (July 11, 2013)

We have entered into an administration agreement with FSC, Inc. under which FSC, Inc. will provide administrative services for us, including office facilities and equipment and clerical, bookkeeping and record-keeping services at such facilities. Under the administration agreement, FSC, Inc. also will perform, or oversee the performance of, our required administrative services, which includes being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, FSC, Inc. will assist us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. For providing these services, facilities and personnel, we will reimburse FSC, Inc. the allocable portion of overhead and other expenses incurred by FSC, Inc. in performing its obligations under the administration agreement, including rent and our allocable portion of the costs of compensation and related expenses of our chief financial officer and chief compliance officer, and their staffs. Such reimbursement is at cost, with no profit to, or markup by, FSC, Inc. Our allocable portion of FSC, Inc.'s costs will be determined based upon costs attributable to our operations versus costs attributable to the operations of other entities for which FSC, Inc. provides administrative services. FSC, Inc. may also provide on our behalf managerial assistance to our portfolio companies. The administration agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

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

Harvest Capital Credit Corporation (May 2, 2013)

JMP Credit Advisors will serve as our administrator. Pursuant to an administration agreement, JMP Credit Advisors will furnish us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the administration agreement, the administrator also will perform, or oversee the

performance of, our required administrative services, which include, among other things, being responsible for the financial records which we are required to maintain and preparing reports to our stockholders. In addition, the administrator will assist us in determining and publishing our net asset value, oversee the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversee the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the administration agreement will be equal to an amount based upon our allocable portion of the administrator's overhead in performing its obligations under the administration agreement, including rent and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. Under the administration agreement, the payments required to be made to the administrator during the first year of the term of the agreement will be capped such that the amounts payable to the administrator will not exceed \$275,000. The existence of a cap, and the determination of a proper cap amount, in subsequent years will be determined by the mutual agreement of the independent members of our board of directors, on our behalf, and the administrator. The administration agreement may be terminated by either party without penalty upon 60 days' written notice to the other.

The administration agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, JMP Credit Advisors and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the administrator's services under the administration agreement or otherwise as administrator for us.

Garrison Capital Inc. (March 26, 2013)

Pursuant to the Administration Agreement, Garrison Capital Administrator furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services. Under the Administration Agreement, Garrison Capital Administrator also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, Garrison Capital Administrator assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are equal to an amount based upon our allocable portion of Garrison Capital Administrator's overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our chief compliance officer and chief financial officer and their respective staffs. Under the Administration Agreement, Garrison Capital Administrator also provides on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. The Administration

Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that our administrator outsources any of its functions we pay the fees associated with such functions on a direct basis without any profit to Garrison Capital Administrator. Garrison Capital Administrator has retained SEI Investments Global Fund Services, Inc. to provide certain accounting and administrative services to it.

Limitation of Liability and Indemnification

The Administration Agreement provides that Garrison Capital Administrator and its officers, managers, partners, agents, employees, controlling persons, members and affiliates are not liable to us or any of our stockholders for any act or omission by it or such other persons or entities in connection with its duties or obligations under the Administration Agreement or otherwise as our administrator, except that the foregoing exculpation does not extend to any act or omission constituting willful misfeasance, bad faith, gross negligence or reckless disregard of its duties or obligations under the Administration Agreement. The Administration Agreement also provides for indemnification by us of Garrison Capital Administrator and its managers, partners, officers, employees, agents, controlling persons, members and affiliates for damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by them in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by us or our stockholders or in our or our stockholders' right) arising out of or otherwise based on Garrison Capital Administrator's duties or obligations under the Administration Agreement or otherwise as our administrator, subject to the same limitations and conditions.

Triton Pacific Investment Corporation, Inc. (March 21, 2013)

We will enter into an administration agreement with our Administrator. Pursuant to the administration agreement, the Administrator will furnish us with office facilities, equipment, clerical, bookkeeping and record keeping services. Our Administrator will perform, assist us in performing or oversee the performance of our required administrative services, which include, among other things, maintaining required financial records; preparing, printing and disseminating reports to our stockholders; assist us in publishing our net asset value per share; oversee the preparation and filing of our tax returns and, generally, oversee the payment of our expenses and the performance of administrative and professional services rendered to us by others. Our Administrator will act as our transfer agent, plan administrator, distribution paying agent and registrar, although it may retain one or more third parties to assist in providing such services to us. At the time of this offering, our Administrator has contracted with Bank of New York Mellon and affiliated entities to provide additional compliance and administrative services, while we have directly engaged Bank of New York Mellon and affiliated entities to act as our custodian.

We will compensate our Administrator by payment of service fees approved by our independent directors which will reimburse the Administrator for our allocable portion

of its overhead and other expenses incurred in performing its obligations under the administration agreement, including rent and our allocable portion of the cost of our chief executive officer, chief compliance officer and chief financial officer and their respective staffs. At the time of this offering, our Administrator has contracted with Bank of New York Mellon and affiliated entities to provide additional compliance and administrative services. Our Administrator may, at any time, engage one or more third parties to assist it in carrying out its duties as our Administrator. The administration agreement will be able to be terminated by either party without penalty upon 60 days' written notice to the other party.

The administration agreement will provide that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, we will indemnify, to the fullest extent permitted by law, our Administrator and its officers, manager, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it against any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from our Administrator's rendering of services to us under the administration agreement or otherwise.

WhiteHorse Finance, Inc. (December 10, 2012)

Pursuant to the Administration Agreement, WhiteHorse Administration furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services to enable us to operate. WhiteHorse Administration also provides us with access to the resources necessary for us to perform our obligations as collateral manager of WhiteHorse Warehouse under the Credit Facility. Under the Administration Agreement, WhiteHorse Administration also performs, or oversees the performance of, our required administrative services, which include being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, WhiteHorse Administration assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement equal an amount based upon our allocable portion of WhiteHorse Administration's overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our chief compliance officer, chief operating officer and chief financial officer along with their respective staffs. Under the Administration Agreement, WhiteHorse Administration also provides on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that our administrator outsources any of its functions, we will pay the fees associated with such functions on a direct basis without any profit to WhiteHorse Administration.

Limitation of Liability and Indemnification

The Administration Agreement provides that WhiteHorse Administration and its officers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including its members, are not liable to us or any of our stockholders for any act or omission by it or its employees in the supervision or management of our investment activities or for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) or losses sustained by us or our stockholders, except that the foregoing exculpation does not extend to any act or omission constituting willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations under either Administration Agreement. The Administration Agreement also provides for indemnification by us of WhiteHorse Administration's members, directors, officers, employees, agents and control persons for liabilities incurred by them in connection with their services to us, subject to the same limitations and to certain conditions.

Stellus Capital Investment Corporation (November 13, 2012)

The administration agreement provides that Stellus Capital Management will furnish us with office facilities and equipment and will provide us with clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Under the administration agreement, Stellus Capital Management will perform, or oversee the performance of, our required administrative services, which will include being responsible for the financial and other records that we are required to maintain and preparing reports to our stockholders and reports and other materials filed with the SEC. In addition, Stellus Capital Management will assist us in determining and publishing our net asset value, oversee the preparation and filing of our tax returns and the printing and dissemination of reports and other materials to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the administration agreement, Stellus

Capital Management will also provide managerial assistance on our behalf to those portfolio companies that have accepted our offer to provide such assistance.

Payments under the administration agreement will be equal to an amount based upon our allocable portion (subject to the review of our board of directors) of Stellus Capital Management's overhead in performing its obligations under the administration agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. In addition, if requested to provide significant managerial assistance to our portfolio companies, Stellus Capital Management will be paid an additional amount based on the services provided, which shall not exceed the amount we receive from such portfolio companies for providing this assistance. The administration agreement will have an initial term of two years and may be renewed with the approval of our board of directors.

The administration agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that Stellus Capital Management outsources any of its functions, we will pay the fees associated with such functions on a direct basis without any incremental profit to Stellus Capital Management. Stockholder approval is not required to amend the administration agreement.

Indemnification

The administration agreement provides that, absent criminal conduct, willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Stellus Capital Management, its affiliates and their respective directors, officers, managers, partners, agents, employees, controlling persons and members, and any other person or entity affiliated with it, are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Stellus Capital Management's services under the administration agreement or otherwise as our administrator.

OFS Capital Corporation (November 7, 2012)

Pursuant to an Administration Agreement, OFS Services will furnish us with office facilities and equipment, necessary software licenses and subscriptions and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, OFS Services will perform, or oversee the performance of, our required administrative services, which include being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and all other reports and materials required to be filed with the SEC or any other regulatory authority. In addition, OFS Services will assist us in determining and publishing our net asset value, oversee the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversee the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, OFS Services will also provide managerial assistance on our behalf to those portfolio companies that have accepted our offer to provide such assistance. Payments under the Administration Agreement will be equal to an amount based upon our allocable portion (subject to the review and approval of our board of directors) of OFS Services' overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our officers, including our chief executive officer, chief financial officer, chief compliance officer, chief accounting officer, if any, and their respective staffs. The Administration Agreement will have an initial term of two years and may be renewed with the approval of our board of directors, including a majority of our directors who are not "interested persons." The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that OFS Services outsources any of its functions we will pay the fees associated with such functions on a direct basis without profit to OFS Services.

Indemnification

The Administration Agreement provides that OFS Services and its affiliates' respective officers, directors, members, managers, stockholders and employees are entitled to indemnification from us from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Administration Agreement, except where attributable to willful misfeasance, bad faith or gross negligence in the performance of such person's duties or reckless disregard of such person's obligations and duties under the Administration Agreement.

Monroe Capital Corporation (October 24, 2012)

Pursuant to an Administration Agreement, MC Management furnishes us with office facilities and equipment and provides us clerical, bookkeeping and record keeping and other administrative services at such facilities. Under the Administration Agreement, MC Management performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. MC Management also assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns, prints and disseminates reports to our stockholders and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, MC Management will also provide managerial assistance on our behalf to those portfolio companies that have accepted our offer to provide such assistance.

Payments under the Administration Agreement will be equal to an amount based upon our allocable portion (subject to the review and approval of our board of directors) of MC Management's overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our officers, including our chief financial officer and chief compliance officer and their respective staffs.

The Administration Agreement will have an initial term of two years and may be renewed with the approval of our board of directors. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that MC Management outsources any of its functions we will pay the fees associated with such functions on a direct basis, without incremental profit to MC Management. Amounts payable to MC Management in any quarter through the quarter ending December 31, 2013 will not exceed the greater of (i) 0.375% of our average assets for such quarter and (ii) \$375,000.

Indemnification

The Administration Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, MC Management and its and its affiliates' respective officers, directors, members, managers, stockholders and employees are entitled to

indemnification from us from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Administration Agreement, except where attributable to gross negligence, willful misconduct, bad faith or reckless disregard of such person's duties under the Administration Agreement.

Sierra Income Corporation (April 30, 2013)

Under the terms of the Administration Agreement, and on our behalf, Medley Capital LLC will perform or oversee the performance of various administrative services that we require. These include investor services, general ledger accounting, fund accounting, maintaining required financial records, calculating our net asset value, filing tax returns, preparing and filing SEC reports, preparing, printing and disseminating stockholder reports and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. Medley will provide us with facilities and access to personnel necessary for our business and these services. For providing these services, facilities and personnel, we will reimburse for administrative expenses it incurs in performing its obligations. Additionally, as a BDC, we must offer managerial assistance to our portfolio companies. This managerial assistance may include monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of our portfolio companies and providing other organizational and financial guidance. Medley will make available such managerial assistance, on our behalf, to our portfolio companies whether or not they request this assistance. We may receive fees for these services and will reimburse Medley for its allocated costs in providing such assistance, subject to review and approval by our board of directors.

The Administration Agreement was approved by our board of directors on February 16, 2012, and will become effective as of the date that we meet our minimum offering requirement. Unless earlier terminated as described below, the agreement will remain in effect for a period of two years from the date it first becomes effective and will remain in effect from year-to-year thereafter if approved annually by a majority of our directors who are not interested persons and either our board of directors or the holders of a majority of our outstanding voting securities. We may terminate the Administration Agreement with Medley Capital LLC on 60 days' written notice without penalty. Medley Capital LLC may terminate the Administration Agreement on 120 days' written notice without penalty.

TCP Capital Corp. (April 3, 2012)

We have entered into administration agreements with the Administrator, which we refer to as the administration agreement, under which the Administrator provides administrative services to us. The Administrator will provide services including, but not limited to, the arrangement for the services of, and the overseeing of, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries,

insurers, banks, stockholders and such other persons in any such other capacity deemed to be necessary or desirable. The Administrator will also make reports to the boards of its performance of obligations under the administration agreement and furnish advice and recommendations with respect to such other aspects of our business and affairs that we determine to be desirable. The Administrator will be responsible for our financial and other records that are required to be maintained and will prepare all reports and other materials required by any agreement or to be filed with the Securities and Exchange Commission or any other regulatory authority, including reports on Forms 8-K, 10-Q and periodic reports to stockholders, determining the amounts available for distribution as dividends and distributions to be paid by us to our stockholders, reviewing and implementing any share purchase programs authorized by the boards and maintaining or overseeing the maintenance of our books and records as required under the 1940 Act, maintaining (or overseeing maintenance by other persons) such other books and records required by law or for our proper operation. For providing these services, facilities and personnel, we will reimburse the Administrator for expenses incurred by the Administrator in performing its obligations under the administration agreement, including our allocable portion of overhead under the administration agreement and the cost of certain of our officers and the Administrator's administrative staff and providing, at our request and on our behalf, significant managerial assistance to our portfolio companies to which we are required to provide such assistance. From time to time, the Administrator may pay amounts owed by us to third-party providers of goods or services. We will subsequently reimburse the Administrator for such amounts paid on our behalf.

FS Investment Corporation II (February 16, 2012)

FSIC II Advisor has registered as an investment adviser under the Advisers Act and serves as our investment adviser pursuant to the investment advisory and administrative services agreement in accordance with the 1940 Act. Subject to the overall supervision of our board of directors, FSIC II Advisor oversees our day-to-day operations and provides us with investment advisory services. Under the terms of the investment advisory and administrative services agreement, FSIC II Advisor:

- determines the composition and allocation of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- determines what securities we will purchase, retain or sell;
- identifies, evaluates, negotiates and structures the investments we make; and
- executes, monitors and services the investments we make.

FSIC II Advisor's services under the investment advisory and administrative services agreement may not be exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired. In addition, FSIC II Advisor performs certain administrative services under the investment advisory and administrative services agreement. See "Administrative Services."

FSIC II Advisor will be reimbursed for administrative expenses it incurs on our behalf, including general ledger accounting, fund accounting, and investor services. FSIC II

Advisor also performs, or oversees the performance of, our corporate operations and required administrative services, which includes being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, FSIC II Advisor assists us in publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. For providing these services, facilities and personnel, we have agreed to reimburse FSIC II Advisor for administrative expenses it incurs in performing its obligations.

Indemnification

The investment advisory and administrative services agreement provides that FSIC II Advisor and its officers, managers, controlling persons and any other person or entity affiliated with it acting as our agent are not entitled to indemnification (including reasonable attorneys' fees and amounts reasonably paid in settlement) for any liability or loss suffered by FSIC II Advisor or such other person, nor will FSIC II Advisor or such other person be held harmless for any loss or liability suffered by us, unless: (1) FSIC II Advisor or such other person has determined, in good faith, that the course of conduct which caused the loss or liability was in our best interests; (2) FSIC II Advisor or such other person was acting on behalf of or performing services for us; (3) the liability or loss suffered was not the result of negligence or misconduct by FSIC II Advisor or such other person acting as our agent; and (4) the indemnification or agreement to hold FSIC II Advisor or such other person harmless for any loss or liability is only recoverable out of our net assets and not from our stockholders.

Fidus Investment Corporation (June 20, 2011)

Pursuant to an Administration Agreement, Fidus Investment Advisors, LLC will act as our administrator and will furnish us with office facilities and equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, our investment advisor will perform, or oversee the performance of, our required administrative services, which include being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, our investment advisor will assist us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, our investment advisor will also provide managerial assistance on our behalf to those portfolio companies that have accepted our offer to provide such assistance. Payments under the Administration Agreement will be equal to an amount based upon our allocable portion (subject to the review and approval of our board of directors) of our investment advisor's overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our officers, including our chief financial officer and chief compliance officer and their respective staffs. The Administration Agreement will have an initial term of two

years and may be renewed with the approval of our board of directors or by a vote of the holders of a majority of our outstanding voting securities, and, in either case, if also approved by a majority of our directors who are not “interested persons.” The Administration Agreement may be terminated by either party without penalty upon 60 days’ written notice to the other party. The holders of a majority of our outstanding voting securities may also terminate the Administration Agreement without penalty. To the extent that our investment advisor outsources any of its functions we will pay the fees associated with such functions on a direct basis without profit to our investment advisor.

Indemnification

The Administration Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our investment advisor and its and its affiliates’ respective officers, directors, members, managers, stockholders and employees are entitled to indemnification from us from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Administration Agreement.

New Mountain Finance Corporation (May 19, 2011)

New Mountain Finance and the Operating Company have also entered into an Administration Agreement with the Administrator under which the Administrator provides administrative services for New Mountain Finance and the Operating Company, including arranging office facilities for New Mountain Finance and the Operating Company and providing office equipment and clerical, bookkeeping and recordkeeping services at such facilities. Under the Administration Agreement, the Administrator also performs, or oversees the performance of, New Mountain Finance's and the Operating Company's required administrative services, which includes being responsible for the financial records which New Mountain Finance and the Operating Company are required to maintain and preparing reports to New Mountain Finance's stockholders and reports filed with the SEC, which includes, but is not limited to, providing the services of New Mountain Finance's and the Operating Company's chief financial officer. In addition, the Administrator assists New Mountain Finance and the Operating Company in determining and publishing their respective net asset values, overseeing the preparation and filing of New Mountain Finance's tax returns and the printing and dissemination of reports to New Mountain Finance's stockholders, and generally overseeing the payment of New Mountain Finance's and the Operating Company's expenses and the performance of administrative and professional services rendered to New Mountain Finance and the Operating Company by others. For providing these services, facilities and personnel, the Operating Company reimburses the Administrator the allocable portion of overhead and other expenses incurred by it in performing its obligations to New Mountain Finance and the Operating Company under the Administration Agreement, including rent and New Mountain Finance's allocable portion of the costs of compensation and related expenses of New Mountain Finance's and the Operating Company's chief financial officer and chief compliance officer, and

their respective staffs. The Administrator may also provide on the Operating Company's behalf managerial assistance to our portfolio companies. The Administration Agreement may be terminated by New Mountain Finance, the Operating Company or the Administrator without penalty upon 60 days' written notice to the other party. Amounts payable to the Administrator under the Administration Agreement will not exceed \$3 million for the first year of the Administration Agreement.

Indemnification

The Administration Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of the reckless disregard of their respective duties and obligations, the Administrator and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from New Mountain Finance and the Operating Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of services under the Administration Agreement or otherwise as administrator for New Mountain Finance and the Operating Company. Any amounts owing by New Mountain Finance pursuant to this indemnification obligation will be payable by the Operating Company.

GSV Capital Corp. (formerly NeXt Innovation Corp.) (April 28, 2011)

Pursuant to a separate Administration Agreement, NeXt Innovation Service Company, a Delaware limited liability company, furnishes us with office facilities, together with equipment and clerical, bookkeeping and record keeping services at such facilities. The principal executive offices of NeXt Innovation Service Company are located at 2965 Woodside Road, Woodside, CA 94062. Under the Administration Agreement, NeXt Innovation Service Company also performs, or oversees the performance of, our required administrative services, which includes being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, NeXt Innovation Service Company assists us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are based upon our allocable portion of overhead and other expenses incurred by NeXt Innovation Service Company in performing its obligations under the administration agreement, including a portion of the rent and the compensation of our chief financial officer and chief compliance officer and any administrative support personnel. While there is no limit on the total amount of expenses we may be required to reimburse to NeXt Innovation Service Company, our administrator will only charge us for the actual expenses it incurs on our behalf, or our allocable portion thereof, without any profit to NeXt Innovation Service Company. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

NeXt Innovation Service Company will also provide administrative services to our investment adviser, NeXt Asset Management. As a result, NeXt Asset Management will also reimburse NeXt Innovation Service Company for its allocable portion of NeXt Innovation Service Company's overhead, including rent, the fees and expenses associated with performing compliance functions for NeXt Asset Management, and its allocable portion of the compensation of any administrative support staff. We estimate that we will incur approximately \$1.5 million in aggregate expenses under our Administration Agreement during our first twelve months of operations following completion of this offering.

Indemnification

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

Corporate Capital Trust, Inc. (April 4, 2011)

Under the terms of the Administrative Services Agreement, and on our behalf, CNL will perform or oversee the performance of various administrative services that we require. These include investor services, general ledger accounting, fund accounting, maintaining required financial records, calculating our net asset value, filing tax returns, preparing and filing SEC reports, preparing, printing and disseminating shareholder reports and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. CNL will provide us with facilities and access to personnel necessary for our business and these services. For providing these services, facilities and personnel, we will reimburse CNL for administrative expenses it incurs in performing its obligations.

Business Development Corporation of America (January 25, 2011)

We expect to enter into an administration agreement with an entity affiliated with our Adviser. We expect that, pursuant to the administration agreement, the administrator will furnish us with office facilities, equipment, clerical, bookkeeping and record keeping services at such facilities. We anticipate that, under the administration agreement, our administrator also will perform, or oversee the performance of, our required administrative services, which include, among other things, being responsible for the financial records which we are required to maintain and preparing reports to our stockholders. In addition, we expect that our administrator will assist us in determining and publishing our net asset value, oversee the preparation and filing of our tax returns

and the printing and dissemination of reports to our stockholders, and generally oversee the payment of our expenses and the performance of administrative and professional services rendered to us by others. We expect that payments under the administration agreement will be equal to an amount based upon our allocable portion of our administrator's overhead in performing its obligations under the administration agreement, including rent and our allocable portion of the cost of our chief compliance officer and chief financial officer and their respective staffs. We anticipate that, under the administration agreement, the administrator will also provide on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. We anticipate that the administration agreement will be able to be terminated by either party without penalty upon 60 days' written notice to the other party.

Indemnification

We expect that the administration agreement will provide that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our administrator and its officers, manager, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it will be entitled to indemnification from Business Development Corporation of America for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of administrator's services under the administration agreement or otherwise as administrator for Business Development Corporation of America.

Medley Capital Corporation (January 20, 2011)

We have entered into an administration agreement with our administrator, which we refer to as the "administration agreement", under which our administrator provides administrative services to us. For providing these services, facilities and personnel, we reimburse our administrator for our allocable portion of overhead and other expenses incurred by our administrator in performing its obligations under the administration agreement, including rent and our allocable portion of the cost of certain of our officers and their respective staffs. From time to time, our administrator may pay amounts owed by us to third-party providers of goods or services. We will subsequently reimburse our administrator for such amounts paid on our behalf.

Indemnification

The investment management agreement provides that MCC Advisors and its officers, directors, employees and affiliates are not liable to us or any of our stockholders for any act or omission by it or its employees in the supervision or management of our investment activities or for any loss sustained by us or our stockholders, except that the foregoing exculpation does not extend to any act or omission constituting willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations under the investment management agreement. The investment management agreement also provides for indemnification by us of MCC Advisors' members, directors, officers,

employees, agents and control persons for liabilities incurred by it in connection with their services to us, subject to the same limitations and to certain conditions.

Horizon Technology Finance Corporation (October 28, 2010)

We have entered into an administration agreement with HTFM, our Administrator and Advisor, to provide administrative services to us. For providing these services, facilities and personnel, we will reimburse our Administrator for our allocable portion of overhead and other expenses incurred by our Administrator in performing its obligations under the administration agreement, including rent, the fees and expenses associated with performing compliance functions, and our allocable portion of the costs of compensation and related expenses of our chief compliance officer and our chief financial officer and their respective staffs.

From time to time, our Administrator may pay amounts owed by us to third-party providers of goods or services. We will subsequently reimburse our Administrator for such amounts paid on our behalf.

Indemnification

The investment management agreement provides that our Advisor and its officers, managers, partners, agents, employees, controlling persons and any other person or entity affiliated with our Advisor will not be liable to us for any act or omission by it in the supervision or management of our investment activities or for any loss sustained by us except for acts or omissions constituting willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations under the investment management agreement. The investment management agreement also provides for indemnification by us of our Advisor and its officers, managers, partners, agents, employees, controlling persons and any other person or entity affiliated with our Advisor for liabilities incurred by them in connection with their services to us (including any liabilities associated with an action or suit by or in the right of us or our stockholders), but excluding liabilities for acts or omissions constituting willful misfeasance, bad faith or gross negligence or reckless disregard of their duties under the investment management agreement to certain conditions.

Full Circle Capital Corporation (August 31, 2010)

Full Circle Service Company, a Delaware limited liability company, serves as our administrator. The principal executive offices of Full Circle Service Company are located at 800 Westchester Ave., Suite S-620, Rye Brook, New York 10573. Pursuant to an Administration Agreement, Full Circle Service Company furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, Full Circle Service Company also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records which we are required to maintain and preparing reports to our stockholders. In addition, Full Circle

Service Company assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are equal to an amount based upon our allocable portion of Full Circle Service Company's overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the compensation of our chief financial officer and our allocable portion of the compensation of any administrative support staff. Under the Administration Agreement, Full Circle Service Company will also provide on our behalf managerial assistance to those portfolio companies that request such assistance. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

Full Circle Service Company will also provide administrative services to our investment adviser, Full Circle Advisors. As a result, Full Circle Advisors will also reimburse Full Circle Service Company for its allocable portion of Full Circle Service Company's overhead, including rent, the fees and expenses associated with performing compliance functions for Full Circle Advisors, and its allocable portion of the compensation of any administrative support staff. To the extent Full Circle Advisors or any of its affiliates manage other investment vehicles in the future, no portion of any administrative services provided by Full Circle Service Company to such other investment vehicles will be charged to us.

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

Our Chief Financial Officer, William E. Vastardis, is the President of Vastardis Fund Services LLC. Full Circle

Service Company has engaged Vastardis Fund Services to provide certain administrative services to us and our investment adviser, Full Circle Advisors, including the service of Mr. Vastardis as our Chief Financial Officer, Treasurer and Secretary. In exchange for providing such services, Full Circle Service Company will pay Vastardis Fund Services an asset-based fee with a \$200,000 annual minimum. This asset-based fee will vary depending upon our gross assets as follows:

Gross Assets

Fee

first \$150 million of gross assets	20 basis points (0.20%)
next \$150 million of gross assets	15 basis points (0.15%)
next \$200 million of gross assets	10 basis points (0.10%)
in excess of \$500 million of gross assets	5 basis points (0.05%)

Full Circle Advisors will be responsible for paying the allocable portion of the administrative fees charged by Vastardis Fund Services for administrative services provided to both Full Circle Capital and Full Circle Advisors reflecting the proportionate share of such administrative services that it receives.

In addition, we will reimburse Full Circle Service Company for the fees charged by Vastardis Fund Services for the service of Mr. Vastardis as our Chief Financial Officer, Treasurer and Secretary at an annual rate of \$250,000. Vastardis Fund Services has agreed to cap its first year fees at \$200,000 for administrative services to us and Full Circle Advisors, and at \$100,000 for the service of Mr. Vastardis as our Chief Financial Officer, Treasurer and Secretary.

THL Credit, Inc. (April 21, 2010)

We have entered into an administration agreement with the Administrator, which we refer to as the “administration agreement,” under which the Administrator provides administrative services to us. For providing these services, facilities and personnel, we reimburse the Administrator for our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the administration agreement, including rent and our allocable portion of the cost of certain of our officers and their respective staffs.

From time to time, the Administrator may pay amounts owed by us to third-party providers of goods or services. We will subsequently reimburse the Administrator for such amounts paid on our behalf.

Additionally, at our request, the Administrator will provide on our behalf significant managerial assistance to our portfolio companies to which we are required to provide such assistance.

Golub Capital BDC LLC (April 14, 2010)

Payments under the Administration Agreement will be equal to an amount based upon our allocable portion (subject to the review and approval of our board of directors) of GC Service’s overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our officers, including our chief financial officer and chief compliance officer and their respective staffs. The Administration Agreement will have an initial term of two years and may be renewed with the approval of our board of directors. The Administration Agreement may be terminated by either party without penalty upon 60 days’ written notice to the other

party. To the extent that GC Service outsources any of its functions we will pay the fees associated with such functions on a direct basis without profit to GC Service.

Solar Capital Ltd. (February 9, 2010)

Solar Capital Management, LLC, a Delaware limited liability company, serves as our administrator. The principal executive offices of Solar Capital Management are located at 500 Park Avenue, 5th Floor, New York, New York 10022. Pursuant to an Administration Agreement, Solar Capital Management furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, Solar Capital Management also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records which we are required to maintain and preparing reports to our stockholders. In addition, Solar Capital Management assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholder, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are equal to an amount based upon our allocable portion of Solar Capital Management's overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the compensation of our chief financial officer and any administrative support staff. Under the Administration Agreement, Solar Capital Management will also provide on our behalf managerial assistance to those portfolio companies that request such assistance. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

Fifth Street Finance Corp. (June 11, 2008)

We have also entered into an administration agreement with FSC, Inc. under which FSC, Inc. provides administrative services for us, including office facilities and equipment and clerical, bookkeeping and recordkeeping services at such facilities. Under the administration agreement, FSC, Inc. also performs, or oversees the performance of, our required administrative services, which includes being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, FSC, Inc. assists us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. For providing these services, facilities and personnel, we reimburse FSC, Inc. the allocable portion of overhead and other expenses incurred by FSC, Inc. in performing its obligations under the administration agreement, including rent and our allocable portion of the costs of compensation and related expenses of our chief financial officer and chief compliance officer, and their staff. FSC, Inc. has voluntarily determined to forgo receiving

reimbursement for the services performed for us by our chief compliance officer, Bernard D. Berman, given his compensation arrangement with our investment adviser. However, although FSC, Inc. currently intends to forgo its right to receive such reimbursement, it is under no obligation to do so and may cease to do so at any time in the future. FSC, Inc. may also provide on our behalf managerial assistance to our portfolio companies. The administration agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

BlackRock Kelso Capital Corporation (June 26, 2007)

We have entered into an administration agreement with the Administrator, a subsidiary of BlackRock, Inc., under which the Administrator provides administrative services to us. For providing these services, facilities and personnel, we reimburse the Administrator for our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the administration agreement, including rent and our allocable portion of the cost of certain of our officers and their respective staffs.

For the six months ended June 30, 2008 and 2007, we incurred \$512,561 and \$388,681, respectively, for administrative services expenses payable to the Administrator under the administration agreement. For the years ended December 31, 2007 and 2006, we incurred \$947,028 and \$588,741, respectively, in such expenses.

PennantPark Investment Corporation (April 19, 2007)

Pursuant to the Administration Agreement, PennantPark Administration will furnish us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, PennantPark Administration also will perform, or oversee the performance of, our required administrative services, which include, among other things, being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, PennantPark Administration will assist us in determining and publishing our net asset value, oversee the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversee the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement will be equal to an amount based upon our allocable portion of PennantPark Administration's overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our chief compliance officer and chief financial officer and their respective staffs. Under the Administration Agreement, PennantPark Administration will also provide on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that our administrator outsources any of its functions we will pay the fees associated with such functions on a direct basis without profit to the administrators.

Indemnification

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

Prospect Capital Corporation (July 27, 2004)

Pursuant to a separate administration agreement, Prospect Administration will furnish us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the administration agreement, Prospect Administration also will perform, or oversee the performance of, our required administrative services, which include, among other things, being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, Prospect Administration will assist us in determining and publishing our net asset value, oversee the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversee the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the administration agreement will be equal to an amount based upon our allocable portion of Prospect Administration's overhead in performing its obligations under the administration agreement, including rent and our allocable portion of the costs of our chief compliance officer and chief financial officer and their respective staffs. Under the administration agreement, Prospect Administration will also provide on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. The administration agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

Indemnification

The administration agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Prospect Administration and its officers, manager, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from Prospect Energy for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Prospect Administration's services under the administration agreement or otherwise as administrator for Prospect Energy.

Apollo Investment Corporation (April 5, 2004)

Pursuant to a separate administration agreement, AIA furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the administration agreement, AIA also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, AIA assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the administration agreement are equal to an amount based upon our allocable portion of AIA's overhead in performing its obligations under the administration agreement, including rent and our allocable portion of the cost of our chief compliance officer and chief financial officer and their respective staffs. Under the administration agreement, AIA also provides on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. Either party may terminate the administration agreement without penalty upon 60 days' written notice to the other party.

At the fiscal years ended March 31, 2009, 2008 and 2007, AIA was reimbursed \$3,247, \$3,162 and \$2,237, respectively, from us on the \$4,794, \$3,450 and \$2,437, respectively, of expenses accrued under the administration agreement. For administrative expenses accrued during the most recently completed fiscal quarter, please see "Management's Discussion and Analysis of Financial Condition and Result of Operations – Results of Operations – Expenses."

SURVEY OF BDC ADVISER FEES:

FS Investment Corporation IV (October 28, 2015)

We will pay FSIC IV Advisor a fee for its services under the investment advisory and administrative services agreement consisting of two components—an annual base management fee based on the average weekly value of our gross assets and an incentive fee based on our performance. The cost of both the base management fee payable to FSIC IV Advisor and any incentive fees it earns will ultimately be borne by our stockholders.

Base Management Fee

The base management fee will be calculated at an annual rate of 2.0% of the average weekly value of our gross assets. The base management fee will be payable quarterly in arrears and is calculated based on the average weekly value of our gross assets during the most recently completed calendar quarter. The base management fee may or may not be taken in whole or in part at the discretion of FSIC IV Advisor. All or any part of the base management fee not taken as to any quarter will be deferred without interest and may be taken in such other quarter as FSIC IV Advisor shall determine. The base management fee for any partial month or quarter will be appropriately prorated.

Incentive Fee

The incentive fee consists of two parts. The first part of the incentive fee, which is referred to as the subordinated incentive fee on income, will be calculated and payable quarterly in arrears based upon our “pre-incentive fee net investment income” for the immediately preceding quarter. The subordinated incentive fee on income will be subject to a quarterly hurdle rate, expressed as a rate of return on adjusted capital for the most recently completed calendar quarter, equal to 1.875% (7.5% annualized), subject to a “catch up” feature. For purposes of this fee, “adjusted capital” means cumulative gross proceeds generated from sales of shares of our common stock (including proceeds from our distribution reinvestment plan) reduced for amounts paid for share repurchases pursuant to our share repurchase program. For this purpose, “pre-incentive fee net investment income” means interest income, dividend income and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses reimbursed to FSIC IV Advisor under the investment advisory and administrative services agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee and distribution fees). 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 we have 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. The calculation of the subordinated incentive fee on income for each quarter is as follows:

- No subordinated incentive fee is payable to FSIC IV Advisor in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate of 1.875%;
- 100% of our pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 2.34375% in any calendar quarter (9.375% annualized) will be payable to FSIC IV Advisor. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than or equal to 2.34375%) as the “catch-up.” The “catch-up” provision is intended to provide FSIC IV Advisor with an incentive fee of 20.0% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income reaches 2.34375% in any calendar quarter; and
- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.34375% in any calendar quarter (9.375% annualized) will be payable to FSIC IV Advisor once the hurdle rate is reached and the catch-up is achieved (20.0% of all pre-incentive fee net investment income thereafter is allocated to FSIC IV Advisor).

These calculations will be appropriately pro rated for any period of less than three months and adjusted, if appropriate, for any equity capital raises or repurchases during the applicable calendar quarter.

The second part of the incentive fee, which is referred to as the incentive fee on capital gains, will be determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory and administrative services agreement). This fee will equal 20.0% of our incentive fee capital gains, which will equal our realized capital gains on a cumulative basis from inception, will be calculated as of the end of the applicable period, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gains incentive fees. All percentages are based on average adjusted capital as defined above.

Corporate Capital Trust II (October 21, 2015)

We will pay CNL a fee for its services under the Investment Advisory Agreement consisting of two components: a management fee and an incentive fee. CNL will compensate KKR for advisory services that it provides to us with 50% of the fees that CNL receives from us under the Investment Advisory Agreement. We believe that this fee structure benefits shareholders by aligning the compensation of both of our Advisors with overall investment performance. Therefore, the cost of both the management fee and the incentive fee is ultimately borne by our shareholders.

Additionally, from the fees that CNL receives from us under the Investment Advisory Agreement, CNL will pay to KKR beginning the date we meet our minimum offering requirement and continuing for a period of five (5) years an acquisition fee consisting of

an ongoing quarterly fee of 0.25% on originated investments, which includes all originated loan, bond or equity transactions sourced for the Company directly by the Sub-Adviser and recorded under generally accepted principles as assets in the financial records, and an ongoing quarterly fee of 0.125% on primary issuance investments, which includes all loan, bond or equity transactions purchased (but not sourced) by the Company through the Sub-Adviser and recorded under generally accepted principles as assets in the financial records. The total of this acquisition fee from inception will not exceed an aggregate of sixteen million dollars and will not be paid from our assets. Such acquisition fee shall be payable so long as, in each quarter that such fee is payable, the cumulative realized and unrealized gains from inception exceed the cumulative realized and unrealized losses from inception on originated investments and primary issuance investments.

Management Fee

The management fee will be calculated at an annual rate of 2% of our average gross assets and will be payable monthly in arrears and is calculated based on the average value of the Company's gross assets at the end of the two most recently completed calendar months. The determination of gross assets will reflect changes in the fair market value of portfolio investments, which will not necessarily equal their notational value, reflecting both realized and unrealized capital appreciation.

Incentive Fee

The incentive fee consists of two parts: (i) a subordinated incentive fee on income and (ii) an incentive fee on capital gains. Each part of the incentive fee is outlined below.

The subordinated incentive fee on income will be earned on pre-incentive fee net investment income and shall be determined and payable in arrears as of the end of each calendar quarter during which the Investment Advisory Agreement and the Sub-Advisory Agreement are in effect. In the case of a liquidation or if the Investment Advisory Agreement or Sub-Advisory Agreement is terminated, the fee will also become payable as of the effective date of the event.

The subordinated incentive fee on income for each calendar quarter will be calculated as follows:

- No subordinated incentive fee on income will be payable in any calendar quarter in which the pre-incentive fee net investment income does not exceed a quarterly return to investors of 1.75% per quarter on our average adjusted capital. We refer to this as the quarterly preferred return.
- All of our pre-incentive fee net investment income, if any, that exceeds the quarterly preferred return, but is less than or equal to 2.1875% on our average adjusted capital in any quarter, will be payable to our Advisors. We refer to this portion of the subordinated incentive fee on income as the catch up. It is intended to provide an incentive fee of 20% on all of our pre-incentive fee net investment income when the pre-incentive fee net investment income reaches 2.1875% on our average adjusted capital in any quarter. Average adjusted capital is computed on the daily adjusted capital for the actual number of days in the

quarter. The quarterly preference return of 1.75% and upper level breakpoint of 2.1875% are also adjusted for the actual number of days each calendar quarter.

- For any quarter in which our pre-incentive fee net investment income exceeds 2.1875% on our average adjusted capital, the subordinated incentive fee on income shall equal 20% of the amount of our pre-incentive fee net investment income, because the preferred return and catch up will have been achieved.
- Pre-incentive fee net investment income is defined as investment income and any other income, accrued during the calendar quarter, minus operating expenses for the quarter, including the management fee, expenses payable under the Administrative Services Agreement, any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee. Pre-incentive fee net investment income does not include any expense support payments and/or any reimbursement by the Company of expense support payments (see “Management’s Discussion and Analysis of Financial Condition and Results of Operations— Contractual Obligations —Expense Support Agreement”), nor any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation, except for net investment income associated with derivatives or swaps.
- Adjusted capital is defined as cumulative proceeds generated from sales of our common stock, including proceeds from our distribution reinvestment plan, net of sales load (upfront sales commissions and upfront dealer manager fees) reduced for (i) distributions paid to our shareholders that represent return of capital on a tax basis and (ii) the full amounts paid for share repurchases pursuant to our share repurchase program, if any.

For purposes of computing the subordinated incentive fee on income, the calculation methodology will look through derivatives or swaps as if we owned the reference assets directly. Therefore, net interest, if any, associated with a derivative or swap (which represents the difference between (i) the interest income and fees received in respect of the reference assets of the derivative or swap and (ii) the interest expense paid by us to the derivative or swap counterparty) will be included in pre-incentive fee net investment income for purposes of the subordinated incentive fee on income.

Freedom Capital Corporation (September 14, 2015)

We will pay Freedom Capital Investment Advisors a fee for its services under the investment advisory and administrative services agreement consisting of two components — a base management fee and an incentive fee based on our performance. The cost of both the base management fee payable to Freedom Capital Investment Advisors and any incentive fees it earns will ultimately be borne by our stockholders.

Base Management Fee

The base management fee will be payable quarterly in arrears and will be calculated at an annual rate of 2.0% of our average monthly gross assets during such period. The base management fee may or may not be taken in whole or in part at the discretion of Freedom Capital Investment Advisors. All or any part of the base management fee not

taken as to any quarter will be deferred without interest and may be taken in such other quarter as Freedom Capital Investment Advisors shall determine. The base management fee for any partial month or quarter will be appropriately prorated.

Incentive Fee

The incentive fee consists of two parts. The first part, which we refer to as the subordinated incentive fee on income, will be calculated and payable quarterly in arrears based upon our “pre-incentive fee net investment income” for the immediately preceding quarter. The subordinated incentive fee on income will be subject to a quarterly hurdle rate, or the rate of return that must be met before incentive fees are payable to Freedom Capital Investment Advisors, expressed as a rate of return on adjusted capital for the most recently completed calendar quarter, of 1.375% (5.5% annualized), subject to a “catch up” feature. For this purpose, “pre-incentive fee net investment income” means interest income, dividend income and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses reimbursed to Freedom Capital Investment Advisors under the investment advisory and administrative services agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, 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 we have 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. The calculation of the subordinated incentive fee on income for each quarter is as follows:

- No incentive fee is payable to Freedom Capital Investment Advisors in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate of 1.375%;
- 100% of our pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 1.71875% in any calendar quarter (6.875% annualized) is payable to Freedom Capital Investment Advisors. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than or equal to 1.71875%) as the “catch-up.” The “catch-up” provision is intended to provide Freedom Capital Investment Advisors with an incentive fee of 20.0% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income reaches 1.71875% in any calendar quarter; and
- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 1.71875% in any calendar quarter (6.875% annualized) is payable to Freedom Capital Investment Advisors once the hurdle rate is reached and the catch-up is achieved (20.0% of all pre-incentive fee net investment income thereafter is allocated to Freedom Capital Investment Advisors).

Percentage of pre-incentive fee net investment income allocated to income-related portion of incentive fee

These calculations will be appropriately prorated for any period of less than three months and adjusted, if appropriate, for any equity capital raises or repurchases during the applicable calendar quarter. For purposes of this fee, “adjusted net capital” means cumulative gross proceeds generated from sales of our common stock (including our distribution reinvestment plan) reduced for amounts paid for share repurchases pursuant to our share repurchase program. The second part of the incentive fee, which we refer to as the incentive fee on capital gains, will be determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory and administrative services agreement). This fee will equal 20.0% of our incentive fee capital gains, which will equal our realized capital gains on a cumulative basis from inception, calculated as of the end of the applicable period, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gains incentive fees.

All percentages are based on average adjusted capital as defined above.

Carey Credit Income Fund - I (July 31, 2015)

The Company does not incur a separate advisory fee, but the Company and its shareholders are indirectly subject to the Master Fund's advisory fee on a pro rata basis. The Master Fund will pay W. P. Carey a fee for its services under the Investment Advisory Agreement. The fee will consist of two components: a management fee and an incentive fee. The Investment Sub-Advisory Agreement between W. P. Carey and Guggenheim provides that Guggenheim will receive 50% of all fees payable to W. P. Carey under the Investment Advisory Agreement. We believe that this fee structure benefits shareholders by aligning the compensation of both of our Advisors with our overall investment performance. The cost of both the management fee and the incentive fee is ultimately borne by our shareholders.

The management fee will be calculated at the following annual rates based on the simple average of the Master Fund's gross assets (i.e., total assets) at the end of the two most recently completed calendar months and will be payable monthly in arrears:

Annual Rate	2.000% on the portion of assets below \$1 billion
	1.875% on the portion of assets between \$1 billion and \$2 billion
	1.750% on the portion of assets above \$2 billion

The determination of gross assets will reflect changes in the fair value of portfolio investments, including both realized and unrealized capital appreciation. Although we do not anticipate making significant investments in derivative financial instruments, the fair value of any such investments, which will not necessarily equal their notional value, will be included in our calculation of gross assets.

Incentive Fee

The incentive fee consists of two parts: (i) a subordinated incentive fee on income and (ii) an incentive fee on capital gains.

The subordinated incentive fee on income will be earned on pre-incentive fee net investment income and shall be determined and payable in arrears as of the end of each calendar quarter during which the Investment Advisory Agreement is in effect. In the case of a liquidation or if the Investment Advisory Agreement is terminated, the fee will also become payable as of the effective date of the event.

The subordinated incentive fee on income for each quarter will be calculated as follows:

- No subordinated incentive fee on income will be payable in any calendar quarter in which the pre-incentive fee net investment income does not exceed a quarterly return to investors of 1.875% on average adjusted capital (the "quarterly preferred return").
- All pre-incentive fee net investment income, if any, that exceeds the quarterly preferred return, but is less than or equal to 2.344% on average adjusted capital in any quarter, will be payable to the Advisors (the "catch-up"). The catch-up is intended to provide an incentive fee of 20% on all pre-incentive fee net investment income when pre-incentive fee net investment income reaches 2.344% on average adjusted capital in any quarter.
- For any quarter in which pre-incentive fee net investment income exceeds 2.344% on average adjusted capital, the subordinated incentive fee on income shall equal 20% of the amount of pre-incentive fee net investment income, because the preferred return and catch up will have been achieved.
- Pre-incentive fee net investment income is defined as the Master Fund's quarterly net investment income as determined by GAAP, excluding the expenses of quarterly Incentive Fee; plus Net Interest, if any, as defined below; less dividends declared in the quarter on any issued outstanding preferred stock of the Master Fund; less the quarterly operating expenses for (i) the Company and (ii) any future feeder funds as described in the prospectus, disregarding any feeder fund distribution and shareholder servicing fees; less any quarterly expense support obligations from the Advisors under the Expense Support and Conditional Reimbursement Agreement; plus any quarterly expense support reimbursement obligation from the feeder funds to the Advisors under the Expense Support and Conditional Reimbursement Agreement (See "Discussion of Operating Plans — Operating Expenses").
- Any management fees waived by the Advisor shall be disregarded in the calculation of the incentive fee.
- For purposes of computing the subordinated incentive fee on income, the calculation methodology will look through derivatives or swaps as if the Master Fund owned the reference assets directly. Therefore, Net Interest, if any, associated with a derivative or swap (which is defined as the difference between (i) the interest income and transaction fees received in respect of the reference assets of the derivative or swap and (ii) all interest and other expenses paid by the

Master Fund to the derivative or swap counterparty) will be included in the calculation of quarterly pre-incentive fee net investment income for purposes of the subordinated incentive fee on income.

- Average adjusted capital is defined as the daily average of (i) cumulative proceeds generated from sales of the Master Fund's common shares, (ii) reduced for (A) distributions paid to the Master Fund shareholders that represent return of capital on a tax basis and (B) the cumulative historical proceeds originally generated from sales of the Master Fund's common shares that have been repurchased pursuant to the share repurchase program or a Liquidity Event.

The incentive fee on capital gains will be earned on liquidated investments and shall be determined and payable in arrears as of the end of each calendar year during which the Investment Advisory Agreement is in effect. In the case of a liquidation, or if the Investment Advisory Agreement is terminated, the fee will also become payable as of the effective date of such event. The annual fee will equal 20% of realized capital gains on a cumulative basis from inception, net of (i) all realized capital losses and unrealized depreciation on a cumulative basis from inception and (ii) the aggregate amount, if any, of previously paid incentive fees on capital gains as calculated in accordance with GAAP.

For purposes of computing the incentive fee on capital gains, the calculation methodology will look through derivatives or swaps as if the Master Fund owned the reference assets directly. Therefore, realized gains and realized losses on the disposition of any reference assets, as well as unrealized depreciation on reference assets retained in the derivative or swap, will be included on a cumulative basis in the calculation of the incentive fee on capital gains.

Because of the structure of the subordinated incentive fee on income and the incentive fee on capital gains, it is possible that the Master Fund may pay such fees in a quarter where it incurs a net loss. For example, if the Master Fund receives pre-incentive fee net investment income in excess of the 1.875% on average adjusted capital for a quarter, it will pay the applicable incentive fee even if it has incurred a net loss in the quarter due to a realized or unrealized capital loss. Our Advisors will not be under any obligation to reimburse the Master Fund for any part of the incentive fee they receive that is based on prior period accrued income that the Master Fund never receives as a result of a subsequent decline in the value of its portfolio or any borrower default.

The fees that are payable under the Investment Advisory Agreement for any partial period will be appropriately prorated. The fees are calculated using a detailed policy and procedure approved by our Advisors and the Master Fund's Board of Trustees, including a majority of the Independent Trustees, and such policy and procedure are consistent with the description of the calculation of the fees set forth above.

Our Advisors may elect to defer or waive all or a portion of the fees that would otherwise be paid to them in their sole discretion. Any portion of a fee deferred as to any month, quarter, or year will be deferred without interest and may be taken in any such other month (prior to the occurrence of a Liquidity Event) as our Advisors may determine in their sole discretion. Deferred fees may be paid at a later date, but in any case no later than three years from the date such fees were incurred. Any fee waivers or deferrals may not be made for the purpose or effect of increasing the amount of the incentive fee to be

paid by the Master Fund to the Advisors (and indirectly borne by the feeder funds). To the extent that Guggenheim elects to waive or defer all or any portion of its allocable share of the fees, W. P. Carey will make the election on its behalf and any amounts due to Guggenheim under the Investment Sub-Advisory Agreement will be adjusted accordingly

Carey Credit Income Fund 2016 T (July 24, 2015)

The Company does not incur a separate advisory fee, but the Company and its shareholders are indirectly subject to the Master Fund's advisory fee on a pro rata basis. The Master Fund will pay W. P. Carey a fee for its services under the Investment Advisory Agreement. The fee will consist of two components: a management fee and an incentive fee. The Investment Sub-Advisory Agreement between W. P. Carey and Guggenheim provides that Guggenheim will receive 50% of all fees payable to W. P. Carey under the Investment Advisory Agreement. We believe that this fee structure benefits shareholders by aligning the compensation of both of our Advisors with our overall investment performance. The cost of both the management fee and the incentive fee is ultimately borne by our shareholders.

Management Fee

The management fee will be calculated at the following annual rates based on the simple average of the Master Fund's gross assets (i.e., total assets) at the end of the two most recently completed calendar months and will be payable monthly in arrears:

Annual Rate	2.000% on the portion of assets below \$1 billion
	1.875% on the portion of assets between \$1 billion and \$2 billion
	1.750% on the portion of assets above \$2 billion

The determination of gross assets will reflect changes in the fair value of portfolio investments, including both realized and unrealized capital appreciation. Although we do not anticipate making significant investments in derivative financial instruments, the fair value of any such investments, which will not necessarily equal their notional value, will be included in our calculation of gross assets.

Incentive Fee

The incentive fee consists of two parts: (i) a subordinated incentive fee on income and (ii) an incentive fee on capital gains.

The subordinated incentive fee on income will be earned on pre-incentive fee net investment income and shall be determined and payable in arrears as of the end of each calendar quarter during which the Investment Advisory Agreement is in effect. In the case of a liquidation or if the Investment Advisory Agreement is terminated, the fee will also become payable as of the effective date of the event. The subordinated incentive fee on income for each quarter will be calculated as follows:

- No subordinated incentive fee on income will be payable in any calendar quarter in which the pre-incentive fee net investment income does not exceed a quarterly

return to investors of 1.875% on average adjusted capital (the "quarterly preferred return").

- All pre-incentive fee net investment income, if any, that exceeds the quarterly preferred return, but is less than or equal to 2.344% on average adjusted capital in any quarter, will be payable to the Advisors (the "catch-up"). The catch-up is intended to provide an incentive fee of 20% on all pre-incentive fee net investment income when pre-incentive fee net investment income reaches 2.344% on average adjusted capital in any quarter.
- For any quarter in which pre-incentive fee net investment income exceeds 2.344% on average adjusted capital, the subordinated incentive fee on income shall equal 20% of the amount of pre-incentive fee net investment income, because the preferred return and catch up will have been achieved.
- Pre-incentive fee net investment income is defined as the Master Fund's quarterly net investment income as determined by GAAP, excluding the expenses of quarterly Incentive Fee; plus Net Interest, if any, as defined below; less dividends declared in the quarter on any issued outstanding preferred stock of the Master Fund; less the quarterly operating expenses for (i) the Company and (ii) any future feeder funds as described in the prospectus, disregarding any feeder fund distribution and shareholder servicing fees; less any quarterly expense support obligations from the Advisors under the Expense Support and Conditional Reimbursement Agreement; plus any quarterly expense support reimbursement obligation from the feeder funds to the Advisors under the Expense Support and Conditional Reimbursement Agreement (See "Discussion of Operating Plans – Operating Expenses").
- Any management fees waived by the Advisor shall be disregarded in the calculation of the incentive fee.
- For purposes of computing the subordinated incentive fee on income, the calculation methodology will look through derivatives or swaps as if the Master Fund owned the reference assets directly. Therefore, Net Interest, if any, associated with a derivative or swap (which is defined as the difference between (i) the interest income and transaction fees received in respect of the reference assets of the derivative or swap and (ii) all interest and other expenses paid by the Master Fund to the derivative or swap counterparty) will be included in the calculation of quarterly pre-incentive fee net investment income for purposes of the subordinated incentive fee on income.
- Average adjusted capital is defined as the daily average of (i) cumulative proceeds generated from sales of the Master Fund's common shares, (ii) reduced for (A) distributions paid to the Master Fund shareholders that represent return of capital on a tax basis and (B) the cumulative historical proceeds originally generated from sales of the Master Fund's common shares that have been repurchased pursuant to the share repurchase program or a Liquidity Event.

The incentive fee on capital gains will be earned on liquidated investments and shall be determined and payable in arrears as of the end of each calendar year during which the

Investment Advisory Agreement is in effect. In the case of a liquidation, or if the Investment Advisory Agreement is terminated, the fee will also become payable as of the effective date of such event. The annual fee will equal 20% of realized capital gains on a cumulative basis from inception, net of (i) all realized capital losses and unrealized depreciation on a cumulative basis from inception and (ii) the aggregate amount, if any, of previously paid incentive fees on capital gains as calculated in accordance with GAAP.

For purposes of computing the incentive fee on capital gains, the calculation methodology will look through derivatives or swaps as if the Master Fund owned the reference assets directly. Therefore, realized gains and realized losses on the disposition of any reference assets, as well as unrealized depreciation on reference assets retained in the derivative or swap, will be included on a cumulative basis in the calculation of the incentive fee on capital gains.

Because of the structure of the subordinated incentive fee on income and the incentive fee on capital gains, it is possible that the Master Fund may pay such fees in a quarter where it incurs a net loss. For example, if the Master Fund receives pre-incentive fee net investment income in excess of the 1.875% on average adjusted capital for a quarter, it will pay the applicable incentive fee even if it has incurred a net loss in the quarter due to a realized or unrealized capital loss. Our Advisors will not be under any obligation to reimburse the Master Fund for any part of the incentive fee they receive that is based on prior period accrued income that the Master Fund never receives as a result of a subsequent decline in the value of its portfolio or any borrower default.

The fees that are payable under the Investment Advisory Agreement for any partial period will be appropriately prorated. The fees are calculated using a detailed policy and procedure approved by our Advisors and the Master Fund's Board of Trustees, including a majority of the Independent Trustees, and such policy and procedure are consistent with the description of the calculation of the fees set forth above.

Our Advisors may elect to defer or waive all or a portion of the fees that would otherwise be paid to them in their sole discretion. Any portion of a fee deferred as to any month, quarter, or year will be deferred without interest and may be taken in any such other month (prior to the occurrence of a Liquidity Event) as our Advisors may determine in their sole discretion. Deferred fees may be paid at a later date but in any case no later than three years from the date such fees were incurred. Any fee waivers or deferrals may not be made for the purpose or effect of increasing the amount of the incentive fee to be paid by the Master Fund to the Advisors (and indirectly borne by the feeder funds). To the extent that Guggenheim elects to waive or defer all or any portion of its allocable share of the fees, W. P. Carey will make the election on its behalf and any amounts due to Guggenheim under the Investment Sub-Advisory Agreement will be adjusted accordingly.

Terra Income Fund 6, Inc. (April 20, 2015)

We pay our advisor a fee for its services under the investment advisory and administrative services agreement consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee payable to our advisor and any incentive fees it earns are ultimately borne by our stockholders.

Base Management Fee

The base management fee is calculated at an annual rate of 2.0% of our average gross assets. The base management fee is payable quarterly in arrears and is calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters. The base management fee may or may not be taken in whole or in part at the discretion of our advisor. All or any part of the base management fee not taken as to any quarter will be deferred without interest and may be taken in such other quarter as our advisor shall determine. The base management fee for any partial month or quarter will be appropriately prorated.

Incentive Fee

The incentive fee consists of two parts. The first part, which we refer to as the subordinated incentive fee on income, is calculated and payable quarterly in arrears based upon our “pre-incentive fee net investment income” for the immediately preceding quarter. The subordinated incentive fee on income is subject to a quarterly hurdle rate, expressed as a rate of return on adjusted capital at the beginning of the most recently completed calendar quarter, of 2.0% (8.0% annualized), subject to a “catch up” feature. For this purpose, “pre-incentive fee net investment income” means interest income, dividend income and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses reimbursed to our advisor under the investment advisory and administrative services agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, 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 we have 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. The calculation of the subordinated incentive fee on income for each quarter is as follows:

- No incentive fee is payable to our advisor in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate of 2.0% (8.0% annualized);
- 100% of our pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 2.5% in any calendar quarter (10% annualized) is payable to our advisor, all or any portion of which may be waived or deferred in our advisor’s discretion. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than or equal to 2.5%) as the “catch-up.” The “catch-up” provision is intended to provide our advisor with an incentive fee of 20.0% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income reaches 2.5% in any calendar quarter; and

- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.5% in any calendar quarter (10.0% annualized) is payable to our advisor once the hurdle rate is reached and the catch-up is achieved.

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

The second part of the incentive fee, which we refer to as the incentive fee on capital gains, is an incentive fee on capital gains earned on liquidated investments from the portfolio and is determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory and administrative services agreement). This fee equals 20.0% of our incentive fee on capital gains, which equals our realized capital gains on a cumulative basis from inception, calculated as of the end of the applicable period, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gains incentive fees. On a quarterly basis, we will accrue (but not pay) for the capital gains incentive fee by calculating such fee as if it were due and payable as of the end of such period.

All percentages are based on adjusted capital. See “Compensation of the Dealer Manager and the Advisor” for information regarding the calculation of adjusted capital.

Sierra Income Corporation (April 14, 2015)

We pay SIC Advisors a fee for its services under the Investment Advisory Agreement consisting of two components: a management fee and an incentive fee. We believe that this fee structure benefits stockholders by aligning the compensation of our Advisor with our overall investment performance. The cost of both the management fee and the incentive fee are ultimately borne by our stockholders.

Base Management Fee

The base management fee is calculated at an annual rate of 1.75% of our gross assets payable quarterly in arrears. For purposes of calculating the base management fee, the term “gross assets” includes any assets acquired with the proceeds of leverage. The Advisor will benefit when we incur debt or use leverage. The base management fee is calculated based on our gross assets at the end of each completed calendar quarter. Base management fees for any partial quarter will be appropriately prorated.

Incentive Fee

The incentive fee is divided into two parts: (i) a subordinated incentive fee on income and (ii) an incentive fee on capital gains. Each part of the incentive fee is outlined below.

The subordinated incentive fee on income is earned on pre-incentive fee net investment income and is determined and payable in arrears as of the end of each calendar quarter during which the Investment Advisory Agreement is in effect. If the Investment Advisory Agreement is terminated, the fee will also become payable as of the effective date of the termination.

The subordinated incentive fee on income for each quarter will be calculated as follows:

- No subordinated incentive fee on income is payable in any calendar quarter in which the pre-incentive fee net investment income does not exceed a quarterly return to investors of 1.75% per quarter on our net assets at the end of the immediately preceding fiscal quarter. We refer to this as the quarterly preferred return.
- All of our pre-incentive fee net investment income, if any, that exceeds the quarterly preferred return, but is less than or equal to 2.1875% on our net assets at the end of the immediately preceding fiscal quarter in any quarter, is payable to the Advisor. We refer to this portion of our subordinated incentive fee on income as the catch up. It is intended to provide an incentive fee of 20% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income exceeds 2.1875% on our net assets at the end of the immediately preceding fiscal quarter in any quarter.
- For any quarter in which our pre-incentive fee net investment income exceeds 2.1875% on our net assets at the end of the immediately preceding fiscal quarter, the subordinated incentive fee on income shall equal 20% of the amount of our pre-incentive fee net investment income, because the preferred return and catch up will have been achieved.

Pre-incentive fee net investment income is defined as interest income, dividend income and any other income accrued during the calendar quarter, minus our operating expenses for the quarter, including the base management fee, expenses payable under the Administration Agreement, any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

Credit Suisse Park View BDC, Inc. (March 19, 2015)

We will pay the Adviser a fee for its services under the Investment Advisory Agreement consisting of two components: a Management Fee and an Incentive Fee. We believe that this fee structure benefits our stockholders by aligning the compensation of the Adviser with its overall investment performance. The cost of both the Management Fee and the Incentive Fee will ultimately be borne by our stockholders.

Base Management Fee

The Management Fee is payable monthly in arrears at an annual rate of 1.75% of our average gross assets, excluding cash and cash equivalents but including assets purchased with borrowed amounts, at the end of our two most recently completed calendar months. Thereafter, and until such time as our shares are listed on a national securities exchange, the Management Fee will be payable quarterly in arrears at an annual rate of 1.75% of our average gross assets, excluding cash and cash equivalents but including assets purchased with borrowed amounts, at the end of our two most recently completed calendar quarters. Until such time, if any, as our common stock is listed on a national securities exchange, the Adviser has agreed to waive its right to receive 0.25%

of the Management Fee such that the annual rate at which the Management fee is calculated is 1.50% of our average gross assets, rather than 1.75%. In the event of the listing of our common stock on a national securities exchange, the Management Fee will be payable quarterly in arrears at an annual rate of 1.75% of our average gross assets, including cash and cash equivalents and assets purchased with borrowed amounts, at the end of each of the two most recently completed calendar quarters. The Management Fee for any partial month or quarter, as the case may be, will be appropriately prorated and adjusted for any share issuances or repurchases during the relevant calendar months or quarters, as the case may be. For purposes of the Investment Advisory Agreement, gross assets means our total assets determined on a consolidated basis in accordance with generally accepted accounting principles in the United States, excluding cash and cash equivalents, but including assets purchased with borrowed amounts. In the event our shares are listed on a national securities exchange, gross assets shall include cash and cash equivalents and assets purchased with borrowed amounts.

Incentive Fee

The Incentive Fee consists of two components that are independent of each other, with the result that one component may be payable even if the other is not. A portion of the Incentive Fee is based on our income and a portion is based on our capital gains, each as described below.

Income-Based Incentive Fee:

The portion of the Incentive Fee based on income is determined and paid quarterly in arrears, commencing with the quarter ending September 30, 2014, by reference to our aggregate pre-Incentive Fee net investment income, as adjusted, from the immediately preceding calendar quarter. The aggregate pre-Incentive Fee net investment income at the immediately preceding calendar quarter (the “Ordinary Income”), expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, will be compared to a “performance threshold” of 1.75% per quarter (7% annualized). For the avoidance of doubt, pre-Incentive Fee net investment income is net of all our fees and expenses, including the Management Fee but excluding any Incentive Fee paid.

“Ordinary Income” means consolidated interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence and consulting fees but excluding fees for providing significant managerial assistance) accrued by us during the calendar quarter, minus our operating expenses for the quarter (including the Management Fee, any expenses whether incurred directly by us or incurred by the Adviser on our behalf, including expenses under any Placement Agent Agreement and any administration agreement with an administrator, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee (both on income and capital gains). Ordinary Income includes, in the case of investments with a deferred interest feature (such as market discount, debt instruments with payment-in-kind interest, preferred stock with payment-in-kind dividends and zero coupon securities), consolidated accrued income that we have not yet received in cash. Ordinary Income does not include any realized capital gains, realized capital losses or unrealized capital depreciation.

Ordinary Income, expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, will be compared to a “hurdle rate” of 1.75% per quarter (7% annualized). We will pay the Adviser an Incentive Fee with respect to our Ordinary Income in each calendar quarter as follows:

- (A) No Incentive Fee in any calendar quarter in which our Ordinary Income does not exceed the hurdle rate;
- (B) 100% of our Ordinary Income with respect to that portion of such Ordinary Income, if any, that exceeds the hurdle rate but is less than 2.1875% in any calendar quarter (8.75% annualized); and
- (C) 20% of the amount of our Ordinary Income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized).

These calculations will be appropriately pro rated for any period of less than three months and appropriately adjusted for any share issuances or repurchases during the current quarter.

Capital Gains Incentive Fee:

The portion of the Incentive Fee based on capital gains is calculated on an annual basis and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as applicable). For each period beginning on January 1 of each calendar year and ending on December 31 of the calendar year or, in the case of our first and last year, the appropriate portion thereof (each, an “Annual Period”), the Adviser will receive an Incentive Fee equal to 20% of the difference, if positive, of the sum of our aggregate realized capital gains, if any, computed net of our aggregate realized capital losses, if any, and our aggregate unrealized capital depreciation, if any, in each case from the beginning of the annual period until the end of such annual period. For the avoidance of doubt, unrealized capital gains are excluded from the calculation above. The capital gains-based Incentive Fee is payable commencing with the annual period in which the date of the effectiveness of the Investment Advisory Agreement occurred.

The fees that are payable under the Investment Advisory Agreement for any partial period will be appropriately prorated.

Goldman Sachs BDC, Inc. (March 17, 2015)

We pay our investment adviser for its services to us the Management Fee and the Incentive Fee as set forth in the Investment Management Agreement. We will make any payments due under the Investment Management Agreement to our investment adviser (or to its designees as it may otherwise direct).

Management Fee

The Management Fee is calculated at an annual rate of 1.50% (0.375% per quarter) of the average value of our gross assets (excluding cash or cash equivalents but including assets purchased with borrowed amounts) at the end of each of the two most recently completed calendar quarters (and, in the case of our first quarter, our gross assets as of

such quarter-end). The Management Fee is payable quarterly in arrears. The Management Fee for any partial quarter will be appropriately prorated.

Incentive Fee

The Incentive Fee consists of two components that are determined independent of each other, with the result that one component may be payable even if the other is not. The calculation of our incentive fee pursuant to our Investment Management Agreement has been modified from the method used to calculate the Incentive Fee payable for the periods included in the audited financial statements included in this prospectus.

A portion of the Incentive Fee is based on our income and a portion is based on our capital gains, each as described below. Our investment adviser is entitled to receive the Incentive Fee based on income from us if our Ordinary Income (as defined below) exceeds a quarterly “hurdle rate” of 1.75%. For this purpose, the hurdle is computed by reference to our NAV and does not take into account changes in the market price of our common stock.

Beginning with the calendar quarter that commenced on January 1, 2015, the Incentive Fee based on income will be determined and paid quarterly in arrears at the end of each calendar quarter by reference to our aggregate net investment income, as adjusted as described below, from the calendar quarter then ending and the eleven preceding calendar quarters (or if shorter, the number of quarters that have occurred since January 1, 2015). We refer to such period as the “Trailing Twelve Quarters.” The Incentive Fee based on capital gains will be determined and paid annually in arrears at the end of each calendar year by reference to an “Annual Period,” which means the period beginning on January 1 of each calendar year and ending on December 31 of the calendar year or, in the case of our first and last year, the appropriate portion thereof. The hurdle amount for the Incentive Fee based on income is determined on a quarterly basis, and is equal to 1.75% multiplied by our NAV at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. The hurdle amount is calculated after making appropriate adjustments for subscriptions (which shall include all issuances by us of shares of our common stock, including issuances pursuant to our dividend reinvestment plan) and distributions that occurred during the relevant Trailing Twelve Quarters. The Incentive Fee for any partial period will be appropriately prorated.

Quarterly Incentive Fee Based on Income

For the portion of the Incentive Fee based on income, we pay our investment adviser a quarterly Incentive Fee based on the amount by which (A) aggregate net investment income (“Ordinary Income”) in respect of the relevant Trailing Twelve Quarters exceeds (B) the hurdle amount for such Trailing Twelve Quarters. The amount of the excess of (A) over (B) described in this paragraph for such Trailing Twelve Quarters is referred to as the “Excess Income Amount.” For the avoidance of doubt, Ordinary Income is net of all fees and expenses, including the Management Fee but excluding any Incentive Fee.

The Incentive Fee based on income for each quarter is determined as follows:

- No Incentive Fee based on income is payable to our investment adviser for any calendar quarter for which there is no Excess Income Amount.

- 100% of the Ordinary Income, if any, that exceeds the hurdle amount, but is less than or equal to an amount, which we refer to as the “Catch-up Amount,” determined as the sum of 2.1875% multiplied by our NAV at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters is included in the calculation of the Incentive Fee based on income; and
- 20% of the Ordinary Income that exceeds the Catch-up Amount is included in the calculation of the Incentive Fee based on income.

The amount of the Incentive Fee based on income that will be paid to our investment adviser for a particular quarter will equal the excess of the Incentive Fee so calculated minus the aggregate Incentive Fees based on income that were paid in respect of the first eleven calendar quarters (or the portion thereof) included in the relevant Trailing Twelve Quarters but not in excess of the Incentive Fee Cap (as described below).

The Incentive Fee based on income that is paid to our investment adviser for a particular quarter is subject to a cap (the “Incentive Fee Cap”). The Incentive Fee Cap for any quarter is an amount equal to (a) 20% of the Cumulative Net Return (as defined below) during the relevant Trailing Twelve Quarters minus (b) the aggregate Incentive Fees based on income that were paid in respect of the first eleven calendar quarters (or the portion thereof) included in the relevant Trailing Twelve Quarters.

“Cumulative Net Return” means (x) the Ordinary Income in respect of the relevant Trailing Twelve Quarters minus (y) any Net Capital Loss, if any, in respect of the relevant Trailing Twelve Quarters. If, in any quarter, the Incentive Fee Cap is zero or a negative value, the Company will pay no Incentive Fee based on income to our investment adviser for such quarter. If, in any quarter, the Incentive Fee Cap for such quarter is a positive value but is less than the Incentive Fee based on income that is payable to our investment adviser for such quarter (before giving effect to the Incentive Fee Cap) calculated as described above, the Company will pay an Incentive Fee based on income to our investment adviser equal to the Incentive Fee Cap for such quarter. If, in any quarter, the Incentive Fee Cap for such quarter is equal to or greater than the Incentive Fee based on income that is payable to our investment adviser for such quarter (before giving effect to the Incentive Fee Cap) calculated as described above, the Company will pay an Incentive Fee based on income to our investment adviser equal to the Incentive Fee calculated as described above for such quarter without regard to the Incentive Fee Cap.

“Net Capital Loss” in respect of a particular period means the difference, if positive, between (i) aggregate capital losses, whether realized or unrealized, in such period and (ii) aggregate capital gains, whether realized or unrealized, in such period.

Annual Incentive Fee Based on Capital Gains

The portion of the Incentive Fee based on capital gains is calculated on an annual basis. For each Annual Period, we will pay our investment adviser an Incentive Fee equal to (A) 20% of the difference, if positive, of the sum of our aggregate realized capital gains, if any, computed net of our aggregate realized capital losses, if any, and our aggregate unrealized capital depreciation, in each case from April 1, 2013 until the end of such Annual Period minus (B) the cumulative amount of Incentive Fees based on capital

gains previously paid to our investment adviser from April 1, 2013. For the avoidance of doubt, unrealized capital gains are excluded from the calculation in clause (A), above.

We will accrue, but not pay, a portion of the Incentive Fee based on capital gains with respect to net unrealized appreciation. Under GAAP, we are required to accrue an Incentive Fee based on capital gains that includes net realized capital gains and losses and net unrealized capital appreciation and depreciation on investments held at the end of each period. In calculating the accrual for the Incentive Fee based on capital gains, we consider the cumulative aggregate unrealized capital appreciation in the calculation, since an Incentive Fee based on capital gains would be payable if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the Investment Management Agreement. This accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital appreciation or depreciation. If such amount is positive at the end of a period, then we record a capital gains incentive fee equal to 20% of such amount, minus the aggregate amount of actual Incentive Fees based on capital gains paid in all prior periods. If such amount is negative, then there is no accrual for such period. There can be no assurance that such unrealized capital appreciation will be realized in the future.

Business Development Corporation of America II (September 18, 2014)

Pursuant to the Investment Advisory Agreement, we pay our Adviser a fee for investment advisory and management services consisting of two components — a management fee and an incentive fee.

Management Fees

The management fee is calculated at an annual rate of 1.0% of our average gross assets. The management fee is payable quarterly in arrears, and is calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters. The management fee for any partial month or quarter will be appropriately pro rated.

Incentive Fees

The incentive fee consists of two parts. The first part, referred to as the subordinated incentive fee on income, is calculated and payable quarterly in arrears based on our “pre-incentive fee net investment income” for the immediately preceding quarter. The payment of the subordinated incentive fee on income is subject to payment of a preferred return to investors each quarter, expressed as a quarterly rate of return on adjusted capital at the beginning of the most recently completed calendar quarter, of 1.6875% (6.75% annualized), subject to a “catch up” feature (as described below).

For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies)

accrued during the calendar quarter, minus our operating expenses for the quarter (including the management fee, expenses payable under the administration agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, 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 payment-in-kind interest and zero coupon securities), accrued income that we have 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. For purposes of this fee, adjusted capital means cumulative gross proceeds generated from sales of our common stock (including proceeds from our distribution reinvestment plan) reduced for distributions from non-liquidating dispositions of our investments paid to stockholders and amounts paid for share repurchases pursuant to our share repurchase program.

The calculation of the subordinated incentive fee on income for each quarter is as follows:

- No subordinated incentive fee on income shall be payable to the Adviser in any calendar quarter in which our pre-incentive fee net investment income does not exceed the preferred return rate of 1.6875% or 6.75% annualized, the “preferred return” on adjusted capital;
- 100% of our pre-incentive fee net investment income, if any, that exceeds the preferred return but is less than or equal to 1.9853% in any calendar quarter (7.94% annualized) shall be payable to the Adviser. This portion of the subordinated incentive fee on income is referred to as the “catch up” and is intended to provide the Adviser with an incentive fee of 15.0% on all of our pre-incentive fee net investment income when the pre-incentive fee net investment income reaches 1.9853% (7.94% annualized) in any calendar quarter; and

For any quarter in which our pre-incentive fee net investment income exceeds 1.9853% (7.94% annualized), the subordinated incentive fee on income shall equal 15.0% of the amount of our pre-incentive fee net investment income, as the preferred return and catch-up will have been achieved.

FS Energy and Power Fund II (August 29, 2014)

We will pay FSEP II Advisor a fee for its services under the investment advisory and administrative services agreement consisting of two components—a base management fee and an incentive fee based on our performance. The cost of both the base management fee payable to FSEP II Advisor and any incentive fees it earns will ultimately be borne by our shareholders.

Base Management Fee

The base management fee is calculated at an annual rate of 2.0% of our average weekly gross assets. The base management fee is payable quarterly in arrears and is calculated

based on the average weekly value of our gross assets during the most recently completed calendar quarter. The base management fee may or may not be taken in whole or in part at the discretion of FSEP II Advisor. All or any part of the base management fee not taken as to any quarter will be deferred without interest and may be taken in such other quarter as FSEP II Advisor shall determine. The base management fee for any partial month or quarter will be appropriately prorated.

Incentive Fee

The incentive fee consists of two parts. The first part, which we refer to as the subordinated incentive fee on income, will be calculated and payable quarterly in arrears based upon our "pre-incentive fee net investment income" for the immediately preceding quarter. The subordinated incentive fee on income will be subject to a quarterly hurdle rate, expressed as a rate of return on adjusted capital for the most recently completed calendar quarter, of 1.625% (6.5% annualized), subject to a "catch up" feature. For this purpose, "pre-incentive fee net investment income" means interest income, dividend income and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses reimbursed to FSEP II Advisor under the investment advisory and administrative services agreement and any interest expense and dividends paid on any issued and outstanding preferred shares, 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 we have 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. The calculation of the subordinated incentive fee on income for each quarter is as follows:

- No incentive fee is payable to FSEP II Advisor in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate of 1.625%.
- 100% of our pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 2.031% in any calendar quarter (8.125% annualized) is payable to FSEP II Advisor. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than or equal to 2.031%) as the "catch-up." The "catch-up" provision is intended to provide FSEP II Advisor with an incentive fee of 20.0% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income reaches 2.031% in any calendar quarter.

20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.031% in any calendar quarter (8.125% annualized) is payable to FSEP II Advisor once the hurdle rate is reached and the catch-up is achieved (20.0% of all pre-incentive fee net investment income thereafter is allocated to FSEP II Advisor).

NexPoint Capital, Inc. (August 20, 2014)

Management Fee

The base management fee will be calculated at an annual rate of 2.0% of our gross assets including cash and cash equivalents and assets purchased with borrowed funds, and is payable quarterly in arrears. The base management fee will be calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. For purposes of calculating the base management fee, gross assets will be the equivalent of the “Total Assets” line item on our balance sheet.

Unrealized gains on any total return swaps that we may enter into will be reflected in the “Total Assets” line item on our balance sheet and therefore included in the computation of the base management fee. Base management fees for any partial quarter will be appropriately prorated.

Incentive Fee

The incentive fee consists of two components that are independent of each other, with the result that one component may be payable even if the other is not.

The first component, which is income-based, will be calculated and payable quarterly in arrears, commencing with the quarter ending September 30, 2014, based on our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter. For this purpose, Pre-Incentive Fee Net Investment Income means in each case on a consolidated basis interest income, distribution income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense and any dividends paid on any issued and outstanding preferred stock, 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 we have 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.

The operation of the first component of the incentive fee for each quarter is as follows:

- no incentive fee is payable to our investment adviser in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the Hurdle Rate of 1.875% (7.5% annualized);
- 100% of our 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 2.34375% in any calendar quarter (9.375% annualized) is payable to our investment adviser. We refer to this portion of our Pre-Incentive Fee Net Investment Income

(which exceeds the Hurdle Rate but is less than 2.34375%) as the “catch-up.” The effect of the “catch-up” provision is that, if such Pre-Incentive Fee Net Investment Income exceeds 2.34375% in any calendar quarter, our investment adviser will receive 20% of such Pre-Incentive Fee Net Investment Income as if the Hurdle Rate did not apply; and

- 20% of the amount of such Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.34375% in any calendar quarter (9.375% annualized) is payable to our investment adviser.

The portion of such incentive fee that is attributable to deferred interest (such as PIK interest or original issue discount) will be paid to our investment adviser, without interest, only if and to the extent we actually receive such interest in cash, and any accrual will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual. Any reversal of such amounts would reduce net income for the quarter by the net amount of the reversal (after taking into account the reversal of incentive fees payable) and would result in a reduction of the incentive fees for such quarter.

There is no accumulation of amounts on the Hurdle Rate from quarter to quarter and, accordingly, there is no clawback of amounts previously paid if subsequent quarters are below the quarterly Hurdle Rate and there is no delay of payment if prior quarters are below the quarterly Hurdle Rate. Since the Hurdle Rate is fixed, as interest rates rise, it will be easier for our investment adviser to surpass the Hurdle Rate and receive an incentive fee based on Pre-Incentive Fee Net Investment Income.

Our net investment income used to calculate this component of the incentive fee is also included in the amount of our consolidated gross assets used to calculate the 2.0% base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The second component, the capital gains component 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 Advisory Agreement, as of the termination date), commencing on December 31, 2014, and will equal 20% of our cumulative aggregate realized capital gains from our formation through the end of that calendar year, computed net of our aggregate cumulative realized capital losses and our aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid capital gains incentive fees. If such amount is negative, then no capital gains incentive fee will be payable for such year. Additionally, if the Investment Advisory Agreement is terminated as of a date that is not a calendar year end, the termination date will be treated as though it were a calendar year end for purposes of calculating and paying the capital gains incentive fee. The capital gains component of the incentive fee is not subject to any minimum return to stockholders.

Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive Pre-Incentive Fee Net Investment Income in excess of the Hurdle Rate, we will pay the applicable incentive fee

even if we have incurred a loss in that quarter due to realized and unrealized capital losses.

For purposes of computing the capital gains incentive fee, the Adviser will become entitled to a capital gains incentive fee only upon the termination or disposition of a total return swap, at which time all net gains and losses of the underlying loans constituting the reference assets of the total return swap will be realized. For purposes of computing the incentive fee on income the Adviser is not entitled to any incentive fee on income with respect to a total return swap.

TPG Specialty Lending, Inc. (March 20, 2014)

Under the terms of the Investment Advisory Agreement, we pay the Adviser the Management Fee and may also pay certain Incentive Fees.

Management Fee

Beginning October 1, 2011, the Management Fee has been calculated at an annual rate of 1.5% based on the average value of our gross assets calculated using the values at the end of the two most recently completed calendar quarters, adjusted for any share issuances or repurchases during the period. The Management Fee is payable quarterly in arrears.

Incentive Fee

The Incentive Fee consists of two parts, as follows:

- The first component, payable at the end of each quarter in arrears, equals 100% of the pre-Incentive Fee net investment income in excess of a 1.5% quarterly “hurdle rate,” the calculation of which is further explained below, until the Adviser has received 17.5% of the total pre-Incentive Fee net investment income for that quarter (an increase from 15% prior to this IPO and for the quarter in which this IPO is completed) and for pre-Incentive fee net investment income in excess of 1.82% quarterly, 17.5% of all remaining pre-Incentive Fee net investment income for that quarter (an increase from 15% prior to the completion of this IPO and for the quarter in which this IPO is completed). The 100% “catch-up” provision for pre-Incentive Fee net investment income in excess of the 1.5% “hurdle rate” (6.0% annualized) is intended to provide the Adviser with an incentive fee of 17.5% on all pre-Incentive fee net investment income when that amount equals 1.82% in a quarter (7.28% annualized), which is the rate at which catch-up is achieved. Once the “hurdle rate” is reached and catch-up is achieved, 17.5% of any pre-Incentive Fee net investment income in excess of 1.82% in any quarter is payable to the Adviser.

Pre-Incentive Fee net investment income means dividends (including reinvested dividends), interest and fee income accrued by us during the calendar quarter, minus our operating expenses for the quarter (including the Management Fee, expenses payable under the Administration Agreement to the Administrator, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-Incentive Fee net investment income includes, in the

case of investments with a deferred interest feature (such as original issue discount, debt instruments with pay-in-kind interest and zero coupon securities), accrued income that we may not have 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.

The second component, payable at the end of each fiscal year in arrears, prior to the end of the quarter in which this IPO is completed equals 15%, and following the completion of this IPO, will equal a weighted percentage of cumulative realized capital gains from our inception to the end of that fiscal year, less cumulative realized capital losses and unrealized capital depreciation. We refer to this component of the Incentive Fee as the Capital Gains Fee. Each year, the fee paid for this component of the Incentive Fee is net of the aggregate amount of any previously paid Capital Gains Fee for prior periods. For capital gains that accrue following the end of the quarter in which this IPO is completed, the Incentive Fee rate will be 17.5%. The weighted percentage is intended to ensure that for each fiscal year following the completion of this IPO, the portion of our realized capital gains that accrued prior to the end of the quarter in which this IPO is completed will be subject to an Incentive Fee rate of 15% and the portion of our realized capital gains that accrued following the end of the quarter in which this IPO is completed will be subject to an Incentive Fee rate of 17.5%. Although unrealized gains that occur after the quarter in which the IPO occurs will lead to a higher fee accruing for such future unrealized gains than would have accrued prior to the IPO, at the date of the IPO, no additional amounts will accrue because the increase in the Incentive Fee rate to 17.5% does not apply to any unrealized gains accrued on our books through the date of the IPO. We accrue, but do not pay, a Capital Gains Fee with respect to unrealized appreciation because a Capital Gains Fee would be owed to the Adviser if we were to sell the relevant investments and realize a capital gain. The increase in fee rate will also cause a reduction in net asset value in the periods after the quarter in which the IPO occurs for the same reason..

TriplePoint Venture Growth BDC Corp. (March 5, 2014)

Pursuant to the Investment Advisory Agreement, we will agree to pay our Adviser a fee for its investment advisory and management services consisting of two components—a base management fee and an incentive fee. The cost of both the base management fee and the incentive fee will ultimately be borne by our stockholders.

Base Management Fee

The base management fee will be calculated at an annual rate of 1.75% of our average adjusted gross assets, including assets purchased with borrowed funds. For services rendered under the Investment Advisory Agreement, the base management fee will be payable quarterly in arrears. The base management fee will be calculated based on the average value of our gross assets at the end of our two most recently completed calendar quarters. Such amount shall be appropriately adjusted (based on the actual number of days elapsed relative to the total number of days in such calendar quarter) for any share issuances or repurchases during a calendar quarter. Base management fees for any partial month or quarter will be appropriately pro-rated.

Incentive Fee

The incentive fee, which provides our Adviser with a share of the income that it generates for us, will consist of two components—investment income and capital gains—which are largely independent of each other, with the result that one component may be payable even if the other is not.

Under the investment income component we will pay our Adviser each quarter 20.0% of the amount by which our pre-incentive fee net investment income for the quarter exceeds a hurdle rate of 2.0% (which is 8.0% annualized) of our net assets at the end of the immediately preceding calendar quarter, subject to a "catch-up" provision pursuant to which our Adviser receives all of such income in excess of the 2.0% level but less than 2.5% and subject to a total return requirement. The effect of the "catch-up" provision is that, subject to the total return provision discussed below, if pre-incentive fee net investment income exceeds 2.5% in any calendar quarter, our Adviser will receive 20.0% of our pre-incentive fee net investment income as if the 2.0% hurdle rate did not apply. The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of our pre-incentive fee net investment income will be payable except to the extent that 20.0% of the cumulative net increase in net assets resulting from operations since the effective date of our election to be regulated as a BDC exceeds the cumulative incentive fees accrued and/or paid since the effective date of our election to be regulated as a BDC. In other words, any investment income incentive fee that is payable in a calendar quarter will be limited to the lesser of (i) 20.0% of the amount by which our pre-incentive fee net investment income for such calendar quarter exceeds the 2.0% hurdle, subject to the "catch-up" provision and (ii) (x) 20.0% of the cumulative net increase in net assets resulting from operations since the effective date of our election to be regulated as a BDC minus (y) the cumulative incentive fees accrued and/or paid since the effective date of our election to be regulated as a BDC. For the foregoing purpose, the "cumulative net increase in net assets resulting from operations" is the sum of our pre-incentive fee net investment income, realized gains and losses and unrealized appreciation and depreciation since the effective date of our election to be regulated as a BDC.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss, subject to the total return requirement. For example, if we receive pre-incentive fee net investment income in excess of the quarterly minimum hurdle rate, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses. Our net investment income used to calculate this component of the incentive fee is also included in the amount of our assets used to calculate the 1.75% base management fee. These calculations will be appropriately pro-rated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

Under the capital gains component of the incentive fee, we will pay our Adviser at the end of each calendar year 20.0% of our aggregate cumulative realized capital gains from inception through the end of that year, computed net of our aggregate cumulative realized capital losses and our aggregate cumulative unrealized depreciation through the

end of such year, less the aggregate amount of any previously paid capital gain incentive fees. For the foregoing purpose, our "aggregate cumulative realized capital gains" will not include any unrealized appreciation. It should be noted that we will accrue an incentive fee for accounting purposes taking into account any unrealized appreciation in accordance with GAAP. The capital gains component of the incentive fee is not subject to any minimum return to stockholders. If such amount is negative, then no capital gains incentive fee will be payable for such year. Additionally, if the Investment Advisory Agreement is terminated as of a date that is not a calendar year end, the termination date will be treated as though it were a calendar year end for purposes of calculating and paying the capital gains incentive fee.

CM Finance Inc. (February 5, 2014)

Pursuant to the Investment Advisory Agreement, we have agreed to pay the Adviser a fee for investment advisory and management services consisting of two components—a base management fee and an incentive fee. The cost of both the base management fee and the incentive fee will ultimately be borne by our stockholders.

Management Fee

The base management fee is calculated at an annual rate of 1.75% of our gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents. For services rendered under the Investment Advisory Agreement, the base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of our gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters. Base management fees for any partial month or quarter will be appropriately pro-rated.

Incentive Fee

We will pay the Adviser an incentive fee. Incentive fees are calculated as below and payable quarterly in arrears (or, upon termination of the Investment Advisory Agreement, as of the termination date). The incentive fee, which provides the Adviser with a share of the income that it generates for us, has two components, ordinary income and capital gains, calculated as follows:

The ordinary income component is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter, subject to a total return requirement and deferral of non-cash amounts, and will be 20.0% of the amount, if any, by which our pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets attributable to our common stock, for the immediately preceding calendar quarter, exceeds a 2.0% (which is 8.0% annualized) hurdle rate and a "catch-up" provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, the Adviser receives no incentive fee until our pre-incentive fee net investment income equals the hurdle rate of 2.0%, but then receives, as a "catch-up," 100% of our 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 2.5% (which is 10.0%

annualized). The effect of the “catch-up” provision is that, subject to the total return and deferral provisions discussed below, if pre-incentive fee net investment income exceeds 2.5% in any calendar quarter, the Adviser receives 20.0% of our pre-incentive fee net investment income as if a hurdle rate did not apply. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense and any distributions paid on any issued and outstanding preferred stock, but excluding the incentive fee).

Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as OID, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received in cash. The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of the Company’s pre-incentive fee net investment income will be payable except to the extent 20.0% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding quarters. In other words, any ordinary income incentive fee that is payable in a calendar quarter will be limited to the lesser of (i) 20.0% of the amount by which our pre-incentive fee net investment income for such calendar quarter exceeds the 2.0% hurdle, subject to the “catch-up” provision, and (ii) (x) 20.0% of the cumulative net increase in net assets resulting from operations for the then current and 11 preceding calendar quarters minus (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. For the foregoing purpose, the “cumulative net increase in net assets resulting from operations” is the amount, if positive, of the sum of pre-incentive fee net investment income, realized gains and losses and unrealized appreciation and depreciation of the Company for the then current and 11 preceding calendar quarters. In addition, the portion of such incentive fee that is attributable to deferred interest (such as PIK interest or OID) will be paid to the Adviser only if and to the extent we actually receive such interest in cash, and any accrual thereof will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual. Any reversal of such accounts would reduce net income for the quarter by the net amount of the reversal (after taking into account the reversal of incentive fees payable) and would result in a reduction and possible elimination of the incentive fees for such quarter. There is no accumulation of amounts on the hurdle rate from quarter to quarter, and accordingly there is no clawback of amounts previously paid if subsequent quarters are below the quarterly hurdle, and there is no delay of payment if prior quarters are below the quarterly hurdle.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss, subject to the total return requirement and deferral of non-cash amounts. For example, if we receive pre-incentive fee net investment income in excess of the quarterly minimum hurdle rate, we will pay the applicable incentive fee even if we

have incurred a loss in that quarter due to realized and unrealized capital losses. Our net investment income used to calculate this component of the incentive fee is also included in the amount of our gross assets used to calculate the 1.75% base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The capital gains component of the incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), commencing on December 31, 2014, and is equal to 20.0% of our cumulative aggregate realized capital gains from inception through the end of that calendar year, computed net of our aggregate cumulative realized capital losses and our aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid capital gains incentive fees, provided that the incentive fee determined as of December 31, 2014 will be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation for the period ending December 31, 2014. If such amount is negative, then no capital gains incentive fee will be payable for such year. Additionally, if the Investment Advisory Agreement is terminated as of a date that is not a calendar year end, the termination date will be treated as though it were a calendar year end for purposes of calculating and paying the capital gains incentive fee.

American Capital Senior Floating, Ltd. (January 15, 2014)

Management Fee

Our Manager will receive a management fee from us that is payable quarterly in arrears. The management fee will be calculated at an annual rate of 0.8% of our total assets, excluding cash and cash equivalents and net unrealized appreciation or depreciation, each as determined under GAAP at the end of the most recently completed fiscal quarter. There is no incentive compensation paid to our Manager under the management agreement.

FS Investment Corporation III (January 10, 2014)

We will pay FSIC III Advisor a fee for its services under the investment advisory and administrative services agreement consisting of two components—a base management fee and an incentive fee based on our performance. The cost of both the base management fee payable to FSIC III Advisor and any incentive fees it earns will ultimately be borne by our stockholders.

Base Management Fee

The base management fee is calculated at an annual rate of 2.0% of our average weekly gross assets. The base management fee is payable quarterly in arrears and is calculated based on the average weekly value of our gross assets during the most recently completed calendar quarter. The base management fee may or may not be taken in

whole or in part at the discretion of FSIC III Advisor. All or any part of the base management fee not taken as to any quarter will be deferred without interest and may be taken in such other quarter as FSIC III Advisor shall determine. The base management fee for any partial month or quarter will be appropriately prorated.

Incentive Fee

The incentive fee consists of two parts. The first part, which we refer to as the subordinated incentive fee on income, will be calculated and payable quarterly in arrears based upon our “pre-incentive fee net investment income” for the immediately preceding quarter. The subordinated incentive fee on income will be subject to a quarterly hurdle rate, expressed as a rate of return on adjusted capital for the most recently completed calendar quarter, of 1.875% (7.5% annualized), subject to a “catch up” feature. For this purpose, “pre-incentive fee net investment income” means interest income, dividend income and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses reimbursed to FSIC III Advisor under the investment advisory and administrative services agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, 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 we have 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. The calculation of the subordinated incentive fee on income for each quarter is as follows:

- No incentive fee is payable to FSIC III Advisor in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate of 1.875%;
- 100% of our pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 2.34375% in any calendar quarter (9.375% annualized) is payable to FSIC III Advisor. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than or equal to 2.34375%) as the “catch-up.” The “catch-up” provision is intended to provide FSIC III Advisor with an incentive fee of 20.0% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income reaches 2.34375% in any calendar quarter; and
- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.34375% in any calendar quarter (9.375% annualized) is payable to FSIC III Advisor once the hurdle rate is reached and the catch-up is achieved (20.0% of all pre-incentive fee net investment income thereafter is allocated to FSIC III Advisor).

The second part of the incentive fee, which we refer to as the incentive fee on capital gains, will be determined and payable in arrears as of the end of each calendar year (or

upon termination of the investment advisory and administrative services agreement). This fee will equal 20.0% of our incentive fee capital gains, which will equal our realized capital gains on a cumulative basis from inception, calculated as of the end of the applicable period, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gains incentive fees.

Capitala Finance Corp. (September 24, 2013)

Pursuant to the Investment Advisory Agreement, we have agreed to pay Capitala Investment Advisors a fee for investment advisory and management services consisting of two components — a base management fee and an incentive fee.

The base management fee is calculated at an annual rate of 1.75% of our gross assets, which is our total assets as reflected on our balance sheet and includes any borrowings for investment purposes. Although we do not anticipate making significant investments in derivative financial instruments, the fair value of any such investments, which will not necessarily equal their notional value, will be included in our calculation of gross assets. For services rendered under the Investment Advisory Agreement, the base management fee is payable quarterly in arrears. The base management fee will initially be calculated based on the value of our gross assets at the end of the first calendar quarter subsequent to consummation of this offering, and thereafter based on the average value of our gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. For the first twelve months following this offering, Capitala Investment Advisors has agreed to waive the portion of the base management fee payable on cash and cash equivalents held at the Capitala Finance level, excluding cash and cash equivalents held by the Legacy Funds that will be acquired by Capitala Finance in connection with the Formation Transactions.

The incentive fee has two parts. The first part of the incentive fee is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement to our administrator, and any interest expense and dividends paid on any issued and outstanding preferred stock, 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 we have not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, computed net of all 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 our net assets at the end of the immediately preceding calendar quarter, is compared to a hurdle of 2.0% per quarter (8.0% annualized). Our

net investment income used to calculate this part of the incentive fee is also included in the amount of our gross assets used to calculate the 1.75% base management fee. We pay Capitala Investment Advisors an incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle of 2.0%;
- 100% of our 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 but is less than 2.5% in any calendar quarter (10.0% annualized). We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle but is less than 2.5%) as the “catch-up.” The “catch-up” is meant to provide our investment adviser with 20% of our pre-incentive fee net investment income as if a hurdle did not apply if this net investment income exceeds 2.5% in any calendar quarter; and
- 20% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.5% in any calendar quarter (10.0% annualized) is payable to Capitala Investment Advisors (once the hurdle is reached and the catch-up is achieved, 20% of all pre-incentive fee investment income thereafter is allocated to Capitala Investment Advisors).

The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), commencing with the 2013 calendar year, and will equal 20% of our realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees with respect to each of the investments in our portfolio, provided that, the incentive fee determined as of December 31, 2013 will be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation from the inception of Capitala Finance.

Mackenzie Realty Capital, Inc. (August 2, 2013)

Under the Investment Advisory Agreement, we will pay our Adviser a fee for investment advisory and management services consisting of three components — the Portfolio Structuring Fee, a base management fee and a subordinated incentive fee.

The Portfolio Structuring Fee will be payable as we raise capital in this offering and will compensate our Adviser for its services of composing our portfolio by identifying, evaluating and structuring each portfolio acquisition, including the Legacy Portfolio. The Portfolio Structuring Fee is 3.5% of amounts raised in this offering. The Portfolio Structuring Fee will be payable monthly throughout the period of this offering. Once this offering is completed, our Adviser will no longer be paid the Portfolio Structuring Fee.

The base management fee is calculated at an annual rate as a percentage of our Managed Funds (the number of Shares issued multiplied by the price at which such Shares are issued, plus any borrowed funds). The base management fee will be 3% of the first \$20 million of our Managed Funds, 2% of the next \$80 million of our Managed Funds, and 1.5% of our Managed Funds in excess of \$100 million. The base management fee is calculated quarterly on the last day of each calendar quarter and paid quarterly in arrears within 15 days of the end of each calendar quarter. The base management fee for any partial quarter will be appropriately pro-rated.

The subordinated incentive fee has two parts: the income fee and the capital gains fee. The income fee is calculated and payable quarterly in arrears based on our “preliminary net investment income” for the immediately preceding calendar quarter. For this purpose, “preliminary net investment income” means interest income, dividend income and any other income (including accrued income that we have not yet received in cash, any fees such as commitment, origination, syndication, structuring, diligence, monitoring and consulting fees or other fees that we receive from portfolio companies) received or accrued during the calendar quarter, with such amount then reduced: (i) to the extent that any distribution or dividend from a portfolio company that (A) has been made as a result of such company’s disposition of a specified asset, and (B) results in the fair value of the investment in such portfolio company (as approved by our Board) falling to less than 110% of the carrying cost of that portfolio company, is applied against the carrying cost of the portfolio company, and (ii) by our accrued or paid operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement to MacKenzie Capital Management, any interest expense, any tax expense, and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). “Preliminary net investment income” includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with pay in kind interest and zero coupon securities), accrued income that we have not yet received in cash. “Preliminary net investment income” does not include any realized capital gains, computed net of all realized capital losses or unrealized capital appreciation or depreciation. Preliminary fee net investment income used to calculate this part of the incentive fee is also included in the amount of our gross assets used to calculate the base management fee.

The income fee is not payable until we have paid dividends to stockholders equal to 7% per year of our Contributed Capital (the number of Shares issued multiplied by the price at which such Shares are issued). Thus, the income fee will be (i) 100% of our preliminary net investment income for any calendar quarter that exceeds 1.75% (7% annualized) but is less than 2.1875% (8.75% annualized) of our Contributed Capital; and (ii) 20% of our preliminary net investment income for any calendar quarter that exceeds 2.1875% (8.75% annualized) of our Contributed Capital.

The second part of the subordinated incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), commencing with the 2013 calendar year, and is similarly subordinated to us having first paid dividends to stockholders of 7% per year of our Contributed Capital. Therefore, the capital gains fee will equal (i) 100% of our realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year above 7% and up to 8.75% of our Contributed Capital as of such date,

and (ii) 20% of our realized capital gains on a cumulative basis from inception through the end of each calendar year above 8.75%, all computed net of all realized capital losses, and less any unrealized capital depreciation at the end of such calendar year, and also less the aggregate amount of any previously paid capital gains fee. The capital gains fee in no event may exceed 20% of our realized capital gains, net of realized capital losses and unrealized capital depreciation. The capital gains fee determined as of December 31, 2013 will be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation from the inception of MacKenzie Realty.

The effect of the “catch-up” (where the Adviser gets 100% of net investment income or realized capital gains, respectively, between 7% and 8.75% of Contributed Capital on an annualized basis) is to make the Adviser’s overall incentive compensation equal 20% of all net investment income or realized capital gains, respectively, without regard to the 7% “hurdle,” so long as the overall return is at least 8.75%.

The subordinated incentive fee in the year we liquidate all of our assets equals 20% of our realized capital gains, less all capital gains incentive fees paid to our Adviser in prior fiscal years. In no event will the capital gains incentive fee calculated in the year of liquidation exceed 20% of all of our realized capital gains for such year, computed net of all realized capital losses and unrealized capital depreciation.

Fifth Street Senior Floating Rate Corp. (July 11, 2013)

We will pay our investment adviser a fee for its services under the investment advisory agreement consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee payable to our investment adviser and any incentive fees earned by our investment adviser will ultimately be borne by our common stockholders.

Base Management Fee

The base management fee is calculated at an annual rate of 1% of our gross assets (i.e., total assets held before deduction of any liabilities), which includes any investments acquired with the use of leverage and excludes any cash and cash equivalents (as defined in the notes to our financial statements). Although we do not anticipate making significant investments in derivative financial instruments, the fair value of any such investments, if positive, which will not necessarily equal their notional value, will be included in our calculation of gross assets. The base management fee is calculated based on the average value of our gross assets at the end of the two most recently completed quarters. For example, the average value of our gross assets used for calculating the third quarter base management fee will be equal to our gross assets at the end of the second quarter plus our gross assets at the end of the third quarter, divided by two. The base management fee is payable quarterly in arrears and the fee for any partial month or quarter is appropriately prorated.

Incentive Fee

The incentive fee has two parts. The first part is calculated and payable quarterly in arrears based on our “Pre-Incentive Fee Net Investment Income” for the immediately

preceding quarter. For this purpose, “Pre-Incentive Fee Net Investment Income” means interest income, dividend income and any other income (including (i) any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, advisory, diligence and consulting fees or other fees that we receive from portfolio companies), (ii) any gain realized on the extinguishment of our own debt and (iii) any other income of any kind that we are required to distribute to our stockholders in order to maintain our RIC status) accrued during the quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement with FSC, Inc., and any interest expense and dividends paid on any issued and outstanding preferred stock, 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, or OID, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received and may never receive 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 our net assets at the end of the immediately preceding quarter, will be compared to a “hurdle rate” of 1.5% per quarter (6% annualized), subject to a “catch-up” provision measured as of the end of each quarter. Our net investment income used to calculate this part of the incentive fee is also included in the amount of our gross assets used to calculate the 1% base management fee. The operation of the incentive fee with respect to our Pre-Incentive Fee Net Investment Income for each quarter is as follows:

- no incentive fee is payable to the investment adviser in any quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate of 1.5% (the “preferred return” or “hurdle”);
- 50% of our 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 quarter (10% annualized) is payable to the investment adviser. We refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the hurdle rate but is less than or equal to 2.5%) as the “catch-up.” The “catch-up” provision is intended to provide our investment adviser with an incentive fee of 20% on all of our Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply when our Pre-Incentive Fee Net Investment Income exceeds 2.5% in any quarter; and
- 20% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any quarter (10% 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 is determined and payable in arrears as of the end of each fiscal year (or upon termination of the investment advisory agreement, as of the termination date) and equals 20% of our realized capital gains, if any, on a cumulative basis from inception through the end of each fiscal year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees, provided that, the incentive fee determined at the end of our first fiscal year will be calculated for a period

of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation from inception.

Harvest Capital Credit Corporation (May 2, 2013)

Pursuant to our investment advisory and management agreement, we will pay HCAP Advisors a fee for investment advisory and management services consisting of a base management fee and a two-part incentive fee. Our investment adviser has agreed to waive its incentive fee for the year ending December 31, 2013 to the extent required to support a minimum annual dividend yield of 9% (to be paid on a monthly basis) based on our initial public offering price per share.

Base Management Fee

The base management fee will be calculated at an annual rate of 2.0% on our gross assets up to and including \$350 million, 1.75% on gross assets above \$350 million and up to and including \$1 billion, and 1.5% on gross assets above \$1 billion, and will be payable quarterly in arrears. For purposes of calculating the base management fee, the term “gross assets” includes all assets, including any assets acquired with the proceeds of leverage, but excludes cash and cash equivalents. Our investment adviser will benefit when we incur debt or use leverage. For services rendered under the investment advisory and management agreement, the base management fee will be payable quarterly in arrears. The base management fee will be calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters. Base management fees for any partial quarter will be appropriately prorated.

Incentive Fee

The incentive fee will have two parts, as follows:

One component will be calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter and will be 20% of the amount, if any, by which our pre-incentive fee net investment income for the immediately preceding calendar quarter exceeds a 2.0% (which is 8.0% annualized) hurdle rate and a “catch-up” provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, our investment adviser receives no incentive fee until our net investment income equals the hurdle rate of 2.0%, but then receives, as a “catch-up”, 100% of our 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 2.5%. The effect of this provision is that, if pre-incentive fee net investment income exceeds 2.5% in any calendar quarter, our investment adviser will receive 20% of our pre-incentive fee net investment income as if a hurdle rate did not apply. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration

agreement (as defined below), and any interest expense and any dividends paid on any issued and outstanding preferred stock, 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 payment-in-kind interest and zero coupon securities), accrued income that we have not yet received in cash. Since the hurdle rate is fixed, as interest rates rise, it will be easier for our investment adviser to surpass the hurdle rate and receive an incentive fee based on net investment income. The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of the Company's pre-incentive fee net investment income will be payable except to the extent 20% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding quarters. In other words, any ordinary income incentive fee that is payable in a calendar quarter will be limited to the lesser of (i) 20% of the amount by which our pre-incentive fee net investment income for such calendar quarter exceeds the 2% hurdle, subject to the "catch-up" provision, and (ii) (x) 20% of the cumulative net increase in net assets resulting from operations for the then current and 11 preceding calendar quarters minus (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. For the foregoing purpose, the "cumulative net increase in net assets resulting from operations" is the amount, if positive, of the sum of pre-incentive fee net investment income, realized gains and losses and unrealized appreciation and depreciation of the Company for the then current and 11 preceding calendar quarters.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the quarterly minimum hurdle rate, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses. Our net investment income used to calculate this component of the incentive fee is also included in the amount of our gross assets used to calculate the base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

Garrison Capital Inc. (March 26, 2013)

Management Fee

The base management fee is calculated at an annual rate of 1.75% of our gross assets, excluding cash and cash equivalents but including assets purchased with borrowed funds, and is payable quarterly in arrears. The base management fee is calculated based on the average carrying value of our gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. Base investment advisory fees for any partial month or quarter will be appropriately pro rated. Our investment adviser has agreed to waive its base management fee from the date of this prospectus through September 30, 2013. In addition, our investment adviser waived certain portions of the

base management fee for periods from October 9, 2012 through the date of this prospectus. For purposes of the Investment Advisory Agreement, cash equivalents means U.S. government securities and commercial paper maturing within 270 days of purchase.

Incentive Fee

The incentive fee consists of two components that are independent of each other (except as provided in the Incentive Fee Cap and Deferral Mechanism described below), with the result that one component may be payable even if the other is not.

Incentive Fee Cap and Deferral Mechanism

We have structured the calculation of these incentive fees, which we refer to collectively in this prospectus as the “Income and Capital Gain Incentive Fee Calculations,” to include a fee limitation such that, following the pricing of this offering, no incentive fee will be paid to our investment adviser for any fiscal quarter if, after such payment, the cumulative incentive fees paid to our investment adviser for the period that includes such fiscal quarter and the 11 full preceding fiscal quarters, which we refer to in this prospectus as the Incentive Fee Look-back Period, would exceed 20.0% of our Cumulative Pre-Incentive Fee Net Return during the Incentive Fee Look-back Period.

The Incentive Fee Look-back Period will commence on April 1, 2013. Prior to April 1, 2016, the Incentive Fee Look-back Period will consist of fewer than 12 full fiscal quarters. For example, at the end of our first full fiscal quarter after the offering, the Incentive Fee Look-back Period will consist of one full fiscal quarter and our Cumulative Pre-Incentive Fee Net Return will equal the sum of (a) the Pre-Incentive Fee Net Investment Income during that fiscal quarter and (b) our realized capital gains, realized capital losses, unrealized capital depreciation and unrealized capital appreciation, if any, during such fiscal quarter.

Similarly, at the end of our second full fiscal quarter after the offering, the Incentive Fee Look-back Period will consist of two full fiscal quarters and our Cumulative Pre-Incentive Fee Net Return will equal the sum of (a) the Pre-Incentive Fee Net Investment Income during those two fiscal quarters and (b) our cumulative realized capital gains, cumulative realized capital losses, cumulative unrealized capital depreciation and cumulative unrealized capital appreciation, with “cumulative” meaning occurring during the two full fiscal quarters elapsed since April 1, 2013.

The deferral component of the Incentive Fee Cap and Deferral Mechanism may cause incentive fees that accrued during one fiscal quarter to be paid to our investment adviser at any time during the 11 full fiscal quarters following such initial full fiscal quarter. We accomplish this incentive fee limitation by subjecting each incentive fee payable to a cap, which we refer to in this prospectus as the Incentive Fee Cap. The Incentive Fee Cap in any quarter is equal to (a) 20.0% of Cumulative Pre-Incentive Fee Net Return during the Incentive Fee Look-back Period less (b) cumulative incentive fees of any kind paid to our investment adviser by us during the Incentive Fee Look-back Period. To the extent the Incentive Fee Cap is zero or a negative value in any quarter, we will pay no incentive fee to our investment adviser in that quarter. We will only pay incentive fees to the extent allowed by the Incentive Fee Cap and Deferral Mechanism. To the extent that the payment of incentive fees is limited by the Incentive Fee Cap and Deferral Mechanism,

the payment of such fees may be deferred and paid in subsequent quarters up to three years after their date of deferment, subject to applicable limitations included in the Investment Advisory Agreement.

In this prospectus, Cumulative Pre-Incentive Fee Net Return refers to the sum of (a) Pre-Incentive Fee Net Investment Income for each period during the Incentive Fee Look-back Period and (b) the sum of cumulative realized capital gains, cumulative realized capital losses, cumulative unrealized capital depreciation and cumulative unrealized capital appreciation during the applicable Incentive Fee Look-back Period.

Income-Based Incentive Fee

The first component of the incentive fee, which is income-based, is calculated and payable quarterly in arrears based on our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter, subject to a catch-up feature and the Incentive Fee Cap and Deferral Mechanism. For this purpose, “Pre-Incentive Fee Net Investment Income” means interest income, distribution income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense and any distributions paid on any issued and outstanding preferred stock, 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 or original issue discount and zero coupon securities), accrued income that we have 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. The portion of such incentive fee that is attributable to deferred interest (such as PIK interest or original issue discount) is paid to our investment adviser, together with any other interest accrued on the loan from the date of deferral to the date of payment, only if and to the extent we actually receive such interest in cash, and any accrual thereof will be reversed if and to the extent such interest is reversed in connection with any writeoff or similar treatment of the investment giving rise to any deferred interest accrual.

The operation of the first component of the incentive fee for each quarter is as follows:

- no incentive fee is payable to our investment adviser in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the Hurdle Rate of 2.00% (8.00% annualized);
- 100% of our 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 2.50% in any calendar quarter (10.00% annualized) is payable to our investment adviser. We refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the Hurdle Rate but is less than 2.50%) as the “catch-up.” The effect of the “catch-up” provision is that, if such Pre-Incentive Fee Net Investment Income exceeds 2.50% in any calendar quarter,

our investment adviser will receive 20% of such Pre-Incentive Fee Net Investment Income as if the Hurdle Rate did not apply; and

- 20% of the amount of such Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.50% in any calendar quarter (10.00% annualized) is payable to our investment adviser (once the Hurdle Rate is reached and the catch-up is achieved).

The portion of such incentive fee that is attributable to deferred interest (such as PIK interest or original issue discount) will be paid to our investment adviser, together with any other interest accrued on the loan from the date of deferral to the date of payment, only if and to the extent we actually receive such interest in cash, and any accrual thereof will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual.

Any reversal of such amounts would reduce net income for the quarter by the net amount of the reversal (after taking into account the reversal of incentive fees payable) and would result in a reduction and possibly elimination of the incentive fees for such quarter. For the avoidance of doubt, no interest will be paid to Garrison Capital Advisers on amounts accrued and not paid in respect of deferred interest.

There is no accumulation of amounts on the Hurdle Rate from quarter to quarter and, accordingly, there is no clawback of amounts previously paid if subsequent quarters are below the quarterly Hurdle Rate and there is no delay of payment if prior quarters are below the quarterly Hurdle Rate. Since the Hurdle Rate is fixed, as interest rates rise, it will be easier for our investment adviser to surpass the Hurdle Rate and receive an incentive fee based on Pre-Incentive Fee Net Investment Income.

Our net investment income used to calculate this component of the incentive fee is also included in the amount of our gross assets used to calculate the 1.75% base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

Triton Pacific Investment Corporation, Inc. **(March 21, 2013)**

Pursuant to the investment adviser agreement, we will pay our Adviser a fee for investment advisory and management services consisting of two components—a base management fee and an incentive fee.

The base management fee will be calculated at a quarterly rate of 0.5% of our average gross assets (including amounts borrowed for investment purposes) and payable quarterly in arrears. For the first quarter of our operations, the base management fee will be calculated based on the initial value of our gross assets. Subsequently, the base management fee for any calendar quarter will be calculated based on the average value of our gross assets at the end of that and the immediately preceding quarters, appropriately adjusted for any share issuances or repurchases during that quarter. The base management fee may or may not be taken in whole or in part at the discretion of

our Adviser. All or any part of the base management fee not taken as to any quarter shall be accrued without interest and may be taken in such other quarter as our Adviser shall determine. The base management fee for any partial quarter will be appropriately pro-rated.

Though, pursuant to the Advisers Act, the Adviser could receive to an incentive fee on both current income earned and income from capital gains, the Adviser has agreed to waive its right to any incentive fees from current income. As such, the Adviser will be paid an incentive fee only upon the realization of a capital gain from the sale of an investment. The incentive fee will be calculated and payable quarterly in arrears or as of the date of our liquidation or the termination of the investment adviser agreement, and will equal 20.0% of our realized capital gains on a cumulative basis from inception through the end of each quarter, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees.

For purposes of the foregoing: (1) the calculation of the incentive fee shall include any capital gains that result from cash distributions that are treated as a return of capital, (2) any such return of capital will be treated as a decrease in our cost basis for the relevant investment and (3) all fiscal year-end valuations will be determined by us in accordance with GAAP, applicable provisions of the Company Act and our pricing procedures. In determining the incentive fee payable to our Adviser, we will calculate the aggregate realized capital gains, aggregate realized capital losses and aggregate unrealized capital depreciation, as applicable, with respect to each of the investments in our portfolio. For this purpose, aggregate realized capital gains, if any, will equal the sum of the positive differences between the net sales prices of our investments, when sold, and the cost of such investments since inception. Aggregate realized capital losses will equal the sum of the amounts by which the net sales prices of our investments, when sold, is less than the original cost of such investments since inception. Aggregate unrealized capital depreciation will equal the sum of the difference, if negative, between the valuation of each investment as of the applicable date and the original cost of such investment. At the end of the applicable period, the amount of capital gains that serves as the basis for our calculation of the capital gains incentive fee will equal the aggregate realized capital gains less aggregate realized capital losses and less aggregate unrealized capital depreciation with respect to our portfolio investments. If this number is positive at the end of such period, then the incentive fee for such period will be equal to 20% of such amount, less the aggregate amount of any incentive fees paid in all prior periods.

WhiteHorse Finance, Inc. (December 10, 2012)

Management Fee

The base management fee will be calculated at an annual rate of 2.0% of our consolidated gross assets, including cash and cash equivalents and assets purchased with borrowed funds, and is payable quarterly in arrears. The base management fee will be calculated based on the average carrying value of our consolidated gross assets at the end of the two most recently completed calendar quarters and will be appropriately adjusted for any share issuances or repurchases during the current calendar quarter.

Base investment advisory fees for any partial month or quarter will be appropriately pro rated. Our investment advisor has agreed to exclude cash and cash equivalents from the calculation of the base management fee for the calendar quarters ending December 31, 2012, March 31, 2013, June 30, 2013 and September 30, 2013.

Incentive Fee

The incentive fee consists of two components that are independent of each other, except as provided by the incentive fee cap and deferral mechanism discussed below.

We have structured the calculation of these incentive fees, which we refer to collectively in this prospectus as the “Income and Capital Gain Incentive Fee Calculations,” to include a fee limitation such that no incentive fee will be paid to our investment adviser for any quarter if, after such payment, the cumulative incentive fees paid to our investment adviser for the period that includes the current fiscal quarter and the 11 full preceding fiscal quarters, which we refer to in this prospectus as the Incentive Fee Look-back Period, would exceed 20.0% of our Cumulative Pre-Incentive Fee Net Return during the Incentive Fee Look-back Period.

The Incentive Fee Look-back Period will commence on January 1, 2013. Prior to January 1, 2016, the Incentive Fee Look-back Period will consist of fewer than 12 full fiscal quarters.

For example, at the end of our first full fiscal quarter after the offering, the Incentive Fee Look-back Period will consist of one full fiscal quarter and our Cumulative Pre-Incentive Fee Net Return will equal the sum of (a) the Pre-Incentive Fee Net Investment Income during that fiscal quarter and (b) our realized capital gains, realized capital losses, unrealized capital depreciation and unrealized capital appreciation, if any, during such fiscal quarter.

Similarly, at the end of our second full fiscal quarter after the offering, the Incentive Fee Look-back Period will consist of two full fiscal quarters and our Cumulative Pre-Incentive Fee Net Return will equal the sum of (a) the Pre-Incentive Fee Net Investment Income during those two fiscal quarters and (b) our cumulative realized capital gains, cumulative realized capital losses, cumulative unrealized capital depreciation and cumulative unrealized capital appreciation, with “cumulative” meaning occurring during the two full fiscal quarters elapsed since January 1, 2013.

The deferral component of the Incentive Fee Cap and Deferral Mechanism may cause incentive fees that accrued during one fiscal quarter to be paid to our investment adviser at any time during the 11 full fiscal quarters following such initial full fiscal quarter.

We accomplish this limitation by subjecting each incentive fee payable to a cap, which we refer to in this prospectus as the Incentive Fee Cap. The Incentive Fee Cap in any quarter is equal to (a) 20.0% of Cumulative Pre-Incentive Fee Net Return during the Incentive Fee Look-back Period less (b) cumulative incentive fees of any kind paid to our investment adviser by us during the Incentive Fee Look-back Period. To the extent the Incentive Fee Cap is zero or a negative value in any quarter, we will pay no incentive fee to our investment adviser in that quarter. We will only pay incentive fees to the extent allowed by the Incentive Fee Cap and Deferral Mechanism. To the extent that the payment of incentive fees is limited by the Incentive Fee Cap and Deferral Mechanism, the payment of such fees may be deferred and paid in subsequent quarters up to three

years after their date of deferment, subject to applicable limitations included in the Investment Advisory Agreement.

In this prospectus, Cumulative Pre-Incentive Fee Net Return refers to the sum of (a) Pre-Incentive Fee Net Investment Income for each period during the Incentive Fee Look-back Period and (b) the sum of cumulative realized capital gains, cumulative realized capital losses, cumulative unrealized capital depreciation and cumulative unrealized capital appreciation during the applicable Incentive Fee Look-back Period.

The first component, which is income-based, will be calculated and payable quarterly in arrears, commencing with the quarter beginning January 1, 2013, based on our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter, subject to the Incentive Fee Cap and Deferral Mechanism. For this purpose, Pre-Incentive Fee Net Investment Income means, in each case on a consolidated basis, interest income, distribution income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

The operation of the first component of the incentive fee for each quarter is as follows:

- no incentive fee is payable to our investment adviser in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the Hurdle Rate of 1.75% (7.00% annualized);
- 100% of our 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 2.1875% in any calendar quarter (8.75% annualized) is payable to our investment adviser. We refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the Hurdle Rate but is less than 2.1875%) as the “catch-up.” The effect of the “catch-up” provision is that, if such Pre-Incentive Fee Net Investment Income exceeds 2.1875% in any calendar quarter, our investment adviser will receive 20% of such Pre-Incentive Fee Net Investment Income as if the Hurdle Rate did not apply; and
- 20% of the amount of such Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized) is payable to our investment adviser (once the Hurdle Rate is reached and the catch-up is achieved, 20% of all Pre-Incentive Fee Net Investment Income).

The portion of such incentive fee that is attributable to deferred interest (such as PIK interest or original issue discount) will be paid to our investment adviser, together with interest from the date of deferral to the date of payment, only if and to the extent we actually receive such interest in cash, and any accrual will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of

the investment giving rise to any deferred interest accrual. Any reversal of such amounts would reduce net income for the quarter by the net amount of the reversal (after taking into account the reversal of incentive fees payable) and would result in a reduction and possibly elimination of the incentive fees for such quarter.

There is no accumulation of amounts on the Hurdle Rate from quarter to quarter and, accordingly, there is no clawback of amounts previously paid if subsequent quarters are below the quarterly Hurdle Rate and there is no delay of payment if prior quarters are below the quarterly Hurdle Rate. Since the Hurdle Rate is fixed, as interest rates rise, it will be easier for our investment adviser to surpass the Hurdle Rate and receive an incentive fee based on Pre-Incentive Fee Net Investment Income.

Our net investment income used to calculate this component of the incentive fee is also included in the amount of our consolidated gross assets used to calculate the 2.0% base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The second component, the capital gains component 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 Advisory Agreement, as of the termination date), commencing on January 1, 2013, and will equal 20% of our cumulative aggregate realized capital gains from January 1, 2013 through the end of that calendar year, computed net of our aggregate cumulative realized capital losses and our aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid capital gains incentive fees and subject to the Incentive Fee Cap and Deferral Mechanism. If such amount is negative, then no capital gains incentive fee will be payable for such year. Additionally, if the Investment Advisory Agreement is terminated as of a date that is not a calendar year end, the termination date will be treated as though it were a calendar year end for purposes of calculating and paying the capital gains incentive fee. The capital gains component of the incentive fee is not subject to any minimum return to stockholders.

Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss subject to the Incentive Fee Cap and Deferral Mechanism. For example, if we receive Pre-Incentive Fee Net Investment Income in excess of the Hurdle Rate, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses.

Stellus Capital Investment Corporation (November 13, 2012)

Pursuant to the investment advisory agreement, we have agreed to pay Stellus Capital Management a fee for investment advisory and management services consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee and the incentive fee will ultimately be borne by our stockholders.

Management Fee

The base management fee is calculated at an annual rate of 1.75% of our gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents. For services rendered under the investment advisory agreement, the base management fee is payable quarterly in arrears. For the first quarter of our operations, the base management fee will be calculated based on the initial value of our gross assets. Beginning with our second quarter of operations, the base management fee will be calculated based on the average value of our gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters. Base management fees for any partial month or quarter will be appropriately pro-rated.

Incentive Fee

We will pay Stellus Capital Management an incentive fee. Incentive fees are calculated as below and payable quarterly in arrears. Stellus Capital Management has agreed to waive its incentive fee for the years ending December 31, 2012 and December 31, 2013 to the extent required to support a minimum annual dividend yield of 9.0% (to be paid on a quarterly basis) based on our initial public offering price per share. The incentive fee, which provides Stellus Capital Management with a share of the income that it generates for us, has two components, ordinary income and capital gains, calculated as follows:

The ordinary income component is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter, subject to a total return requirement and deferral of non-cash amounts, and will be 20.0% of the amount, if any, by which our pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets attributable to our common stock, for the immediately preceding calendar quarter, exceeds a 2.0% (which is 8.0% annualized) hurdle rate and a “catch-up” provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, Stellus Capital Management receives no incentive fee until our pre-incentive fee net investment income equals the hurdle rate of 2.0%, but then receives, as a “catch-up,” 100% of our 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 2.5%. The effect of the “catch-up” provision is that, subject to the total return and deferral provisions discussed below, if pre-incentive fee net investment income exceeds 2.5% in any calendar quarter, Stellus Capital Management receives 20.0% of our pre-incentive fee net investment income as if a hurdle rate did not apply. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement (as defined below), and any interest expense and any distributions paid on any issued and outstanding preferred stock, 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 we have

not yet received in cash. The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of the Company's pre-incentive fee net investment income will be payable except to the extent 20.0% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding quarters. In other words, any ordinary income incentive fee that is payable in a calendar quarter will be limited to the lesser of (i) 20.0% of the amount by which our pre-incentive fee net investment income for such calendar quarter exceeds the 2.0% hurdle, subject to the "catch-up" provision, and (ii) (x) 20.0% of the cumulative net increase in net assets resulting from operations for the then current and 11 preceding calendar quarters minus (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. For the foregoing purpose, the "cumulative net increase in net assets resulting from operations" is the amount, if positive, of the sum of pre-incentive fee net investment income, realized gains and losses and unrealized appreciation and depreciation of the Company for the then current and 11 preceding calendar quarters. In addition, the portion of such incentive fee that is attributable to deferred interest (such as PIK interest or OID) will be paid to Stellus Capital Management, together with interest thereon from the date of deferral to the date of payment, only if and to the extent we actually receive such interest in cash, and any accrual thereof will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual. Any reversal of such accounts would reduce net income for the quarter by the net amount of the reversal (after taking into account the reversal of incentive fees payable) and would result in a reduction and possible elimination of the incentive fees for such quarter. There is no accumulation of amounts on the hurdle rate from quarter to quarter, and accordingly there is no clawback of amounts previously paid if subsequent quarters are below the quarterly hurdle, and there is no delay of payment if prior quarters are below the quarterly hurdle. Stellus Capital Management has agreed to permanently waive any interest accrued on the portion of the incentive fee attributable to deferred interest (such as PIK interest or OID).

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss, subject to the total return requirement and deferral of non-cash amounts. For example, if we receive pre-incentive fee net investment income in excess of the quarterly minimum hurdle rate, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses. Our net investment income used to calculate this component of the incentive fee is also included in the amount of our gross assets used to calculate the 1.75% base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The capital gains component of the incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory agreement, as of the termination date), commencing on December 31, 2012, and is equal to 20.0% of our cumulative aggregate realized capital gains from inception through the end of that calendar year, computed net of our aggregate cumulative realized capital

losses and our aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid capital gains incentive fees, provided that the incentive fee determined as of December 31, 2012 will be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation for the period ending December 31, 2012. If such amount is negative, then no capital gains incentive fee will be payable for such year. Additionally, if the investment advisory agreement is terminated as of a date that is not a calendar year end, the termination date will be treated as though it were a calendar year end for purposes of calculating and paying the capital gains incentive fee.

OFS Capital Corporation (November 7, 2012)

Management and Incentive Fee

Pursuant to the Investment Advisory Agreement with OFS Advisor and subject to the overall supervision of our board of directors and in accordance with the 1940 Act, OFS Advisor provides investment advisory services to us. For providing these services, OFS Advisor receives a fee from us, consisting of two components—a base management fee and an incentive fee. From the completion of this offering through October 31, 2013, the base management fee will be calculated at an annual rate of 0.875% based on the average value of our total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts and including assets owned by any consolidated entity) at the end of the two most recently completed calendar quarters. After October 31, 2013, the base management fee will be calculated at an annual rate of 1.75% based on the average value of our total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts and including assets owned by any consolidated entity) at the end of the two most recently completed calendar quarters. The base management fee is payable quarterly in arrears.

The incentive fee has two parts. One part is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the quarter. “Pre-incentive fee net investment income” means interest income, dividend income and any other income (including any other fees such as commitment, origination and sourcing, structuring, diligence and consulting fees or other fees that we receive from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as OID, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received in cash.

Pre-incentive fee net investment income does not include any realized gains, realized losses, unrealized capital appreciation or unrealized capital depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate (as defined below) for a quarter, we will pay the

applicable incentive fee even if we have incurred a loss in that quarter due to realized capital losses and unrealized capital depreciation.

Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets as of the closing of this offering (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed “hurdle rate” of 2.0% per quarter. If market interest rates rise, we may be able to invest our funds in debt instruments that provide for a higher return, which would increase our pre-incentive fee net investment income and make it easier for OFS Advisor to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income. There is no accumulation of amounts on the hurdle rate from quarter to quarter and accordingly there is no clawback of amounts previously paid if subsequent quarters are below the quarterly hurdle rate and there is no delay of payment if prior quarters are below the quarterly hurdle rate. Our pre-incentive fee net investment income used to calculate this part of the incentive fee is also included in the amount of our total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts and including assets owned by any consolidated entity) used to calculate the base management fee.

We pay OFS Advisor an incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee in any calendar quarter in which the pre-incentive fee net investment income does not exceed the hurdle rate;
- 100% of our 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 2.5% in any calendar quarter. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 2.5%) as the “catch-up” provision. The catch-up is meant to provide OFS Advisor with 20.0% of the pre-incentive fee net investment income as if a hurdle rate did not apply if this pre-incentive fee net investment income exceeds 2.5% in any calendar quarter; and
- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.5% in any calendar quarter.

The second part of the incentive fee (the “Capital Gains Fee”) is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date) and is calculated at the end of each applicable year by subtracting (a) the sum of our cumulative aggregate realized capital losses and our aggregate unrealized capital depreciation from (b) our cumulative aggregate realized capital gains. If such amount is positive at the end of such year, then the Capital Gains Fee for such year is equal to 20.0% of such amount, less the aggregate amount of Capital Gains Fees paid in all prior years. If such amount is negative, then there is no Capital Gains Fee for such year.

The cumulative aggregate realized capital gains are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in our

portfolio when sold and (b) the accreted or amortized cost basis of such investment as of the closing of this offering.

The cumulative aggregate realized capital losses are calculated as the sum of the amounts by which (a) the net sales price of each investment in our portfolio when sold is less than (b) the accreted or amortized cost basis of such investment as of the closing of this offering.

The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in our portfolio as of the applicable Capital Gains Fee calculation date and (b) the accreted or amortized cost basis of such investment as of the closing of this offering.

Monroe Capital Corporation (October 24, 2012)

Under the Investment Advisory Agreement with MC Advisors and subject to the overall supervision of our board of directors, MC Advisors provides investment advisory services to us. For providing these services, MC Advisors receives a fee from us, consisting of two components—a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 1.75% based on the average value of our total assets (including assets purchased with borrowed amounts and not including cash and cash equivalents). The base management fee is payable quarterly in arrears.

The incentive fee has two parts. One part is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the preceding quarter subject to a total return requirement. Pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement, and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero-coupon securities, accrued income that we have not yet received in cash. MC Advisors is not under any obligation to reimburse us for any part of the incentive fee it received that was based on accrued interest that we never actually receive.

The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of our preincentive fee net investment income will be payable except to the extent 20.0% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding quarters. In other words, any ordinary income incentive fee that is payable in a calendar quarter will be limited to the lesser of (i) 20% of the amount by which our preincentive fee net investment income for such calendar quarter exceeds the 2.0% hurdle, subject to the “catch-up” provision, and (ii) (x) 20% of the cumulative net increase in net assets resulting from operations for the

then current and 11 preceding calendar quarters minus (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. For the foregoing purpose, the “cumulative net increase in net assets resulting from operations” is the amount, if positive, of the sum of our preincentive fee net investment income, base management fees, realized gains and losses and unrealized appreciation and depreciation for the then current and 11 preceding calendar quarters.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation and MC Advisors will not be paid an income incentive fee on any distribution that is characterized as a return of an investor’s capital. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate (as defined below) for a quarter, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses.

Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed “hurdle rate” of 2% per quarter (8% annually). If market interest rates rise, we may be able to invest our funds in debt instruments that provide for a higher return, which would increase our pre-incentive fee net investment income and make it easier for MC Advisors to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income. Our pre-incentive fee net investment income used to calculate this part of the incentive fee is also included in the amount of our total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts) used to calculate the 1.75% base management fee.

We pay MC Advisors an incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee in any calendar quarter in which the pre-incentive fee net investment income does not exceed the hurdle rate of 2% (8% annually);
- 100% of our 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 2.5% in any calendar quarter. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 2.5%) as the “catch-up” provision. The catch-up is meant to provide MC Advisors with 20% of the pre-incentive fee net investment income as if a hurdle rate did not apply if this net investment income exceeds 2.5% in any calendar quarter; and
- 20% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.5% in any calendar quarter.

These calculations are adjusted for any share issuances or repurchases during the quarter.

The second part of the incentive fee is a capital gains incentive fee that is determined and payable in arrears as of the end of each fiscal year (or upon termination of the investment advisory and management agreement, as of the termination date), and equals 20% of our realized capital gains as of the end of the fiscal year. In determining the capital gains incentive fee payable to MC Advisors, we calculate the cumulative aggregate realized capital gains and cumulative aggregate realized capital losses since our inception, and the aggregate unrealized capital depreciation as of the date of the calculation, as applicable, with respect to each of the investments in our portfolio. For this purpose, cumulative aggregate realized capital gains, if any, equals the sum of the differences between the net sales price of each investment, when sold, and the original cost of such investment since our inception. Cumulative aggregate realized capital losses equals the sum of the amounts by which the net sales price of each investment, when sold, is less than the original cost of such investment since our inception. Aggregate unrealized capital depreciation equals the sum of the difference, if negative, between the valuation of each investment as of the applicable calculation date and the original cost of such investment. At the end of the applicable year, the amount of capital gains that serves as the basis for our calculation of the capital gains incentive fee equals the cumulative aggregate realized capital gains less cumulative aggregate realized capital losses, less aggregate unrealized capital depreciation, with respect to our portfolio of investments. If this number is positive at the end of such year, then the capital gains incentive fee for such year equals 20% of such amount, less the aggregate amount of any capital gains incentive fees paid in respect of our portfolio in all prior years.

Sierra Income Corporation (April 30, 2013)

We will pay SIC Advisors a fee for its services under the Investment Advisory Agreement. The fee will consist of two components: a management fee and an incentive fee.

The management fee will be calculated at an annual rate of 1.75% of our gross assets and will be payable quarterly in arrears. The incentive fee will comprise the following two parts:

- An incentive fee on net investment income, which we refer to as the subordinated incentive fee on income, will be calculated and payable quarterly in arrears and will be based upon our pre-incentive fee net investment income for the immediately preceding quarter. No subordinated incentive fee on income is payable in any calendar quarter in which pre-incentive fee net investment income does not exceed a quarterly return to investors of 1.75% per quarter on our net assets at the end of the immediately preceding fiscal quarter, or the preferred quarterly return. All of our pre-incentive fee net investment income, if any, that exceeds the quarterly preferred return, but is less than or equal to 2.1875% on our net assets at the end of the immediately preceding fiscal quarter in any quarter, will be payable to the Advisor. We refer to this portion of our subordinated incentive fee on income as the catch up. It is intended to provide an incentive fee of 20% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income exceeds 2.1875% on our net assets at the end of the immediately preceding quarter in any quarter. For any quarter in which

our pre-incentive fee net investment income exceeds 2.1875% on our net assets at the end of the immediately preceding quarter, the subordinated incentive fee on income shall equal 20% of the amount of our pre-incentive fee net investment income, because the preferred return and catch up will have been achieved.

- An incentive fee on capital gains will be earned on investments sold and shall be determined and payable in arrears as of the end of each calendar year during which the Investment Advisory Agreement is in effect. In the case the Investment Advisory Agreement is terminated, the fee will also become payable as of the effective date of such termination. The fee will equal 20% of our realized capital gains, less the aggregate amount of any previously paid incentive fee on capital gains. Incentive fee on capital gains is equal to our realized capital gains on a cumulative basis from inception, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis.

TCP Capital Corp. (April 3, 2012)

Management Fee

The base management fee will be calculated at an annual rate of 1.5% of the Holding Company's total assets (excluding cash and cash equivalents) payable quarterly in arrears. For purposes of calculating the base management fee, "total assets" is determined without deduction for any borrowings or other liabilities. For the first calendar quarter (or portion thereof) of our operations as a BDC, the base management fee will be calculated based on the initial value of our total assets (excluding cash and cash equivalents) as of a date as close as practicable to the Conversion. Beginning with our second calendar quarter of operations as a BDC, the base management fee will be calculated based on the value of our total assets (excluding cash and cash equivalents) at the end of the most recently completed calendar quarter. The base management fee for any partial quarter will be appropriately pro rated.

Incentive Compensation

We will also pay incentive compensation to TCP or the General Partner. Under the investment management agreements and the Amended and Restated Limited Partnership Agreement, no incentive compensation will be incurred until after January 1, 2013.

Beginning January 1, 2013, the incentive compensation will equal the sum of (1) 20% of all ordinary income since that date and (2) 20% of all net realized capital gains (net of any net unrealized capital depreciation) since that date, with each component being subject to a total return requirement of 8% of contributed common equity. The incentive compensation initially will be an equity allocation to the General Partner under the Amended and Restated Limited Partnership Agreement. If the Operating Company is terminated or for any other reasons incentive compensation is not distributed by the Operating Company, it would be paid pursuant to the investment management agreement between the Holding Company and TCP. Also upon election of BDC status, the Holding Company will terminate the Co-Management Agreement among the Holding Company, TCP and Babson, or the Co-Management Agreement, and, as a

consequence, Babson will no longer be a co-advisor of the Funds. Babson's fees are paid by TCP and the General Partner and not by the Company. As a consequence, Babson's termination as co-advisor will not affect the amount of compensation borne by the Company.

The incentive compensation will have two components, ordinary income and capital gains. Each component will be payable or distributable quarterly in arrears (or upon termination of TCP as the investment manager or the General Partner as the general partner of the Operating Company, as of the termination date) beginning January 1, 2013 and calculated as follows:

Each of the two components of incentive compensation is separately subject to a total return limitation. Thus, notwithstanding the following provisions, we will not be obligated to pay or distribute any ordinary income incentive compensation or any capital gains incentive compensation if our cumulative total return does not exceed an 8% annual return on daily weighted average contributed common equity. The incentive compensation we would pay under the new arrangements will be subject to a total return limitation. That is, no incentive compensation will be paid if our cumulative annual total return is less than 8% of our average contributed common equity. If our cumulative annual total return is above 8%, the total cumulative incentive compensation we pay will not be more than 20% of our cumulative total return, or, if lower, the amount of our cumulative total return that exceeds the 8% annual rate.

Subject to the above limitation, the ordinary income component will be the amount, if positive, equal to 20% of the cumulative ordinary income before incentive compensation, less cumulative ordinary income incentive compensation previously paid or distributed.

Subject to the above limitation, the capital gains component will be the amount, if positive, equal to 20% of the cumulative realized capital gains (computed net of cumulative realized losses and cumulative net unrealized capital depreciation), less cumulative capital gains incentive compensation previously paid or distributed. For assets held on January 1, 2013, capital gain, loss and depreciation will be measured on an asset by asset basis against the value thereof as of December 31, 2012. The capital gains component will be paid or distributed in full prior to payment or distribution of the ordinary income component.

For purposes of the foregoing computations and the total return limitation, the following definitions apply:

- "cumulative" means amounts for the period commencing January 1, 2013 and ending as of the applicable calculation date.
- "contributed common equity" means the value of net assets attributable to our common stock as of December 31, 2012 plus the proceeds to us of all issuances of common stock less (A) offering costs of any of our securities or leverage facilities, (B) all distributions by us representing a return of capital and (C) the total cost of all repurchases of our common stock by us, in each case after December 31, 2012 and through the end of the preceding calendar quarter in question, in each case as determined on an accrual and consolidated basis.

- "ordinary income before incentive compensation" means our interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) during the period, (i) minus our operating expenses during the period (including the base management fee, expenses payable under the administration agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock), (ii) plus increases and minus decreases in net assets not treated as components of income, operating expense, gain, loss, appreciation or depreciation and not treated as contributions or distributions in respect of common equity, and (iii) without reduction for any incentive compensation and any organization or offering costs, in each case determined on an accrual and consolidated basis.
- "total return" means the amount equal to the combination of ordinary income before incentive compensation, realized capital gains and losses and unrealized capital appreciation and depreciation of the Company for the period, in each case determined on an accrual and consolidated basis.

If our total return does not exceed the total return limitation, the limitation will not have the effect of eliminating the possibility of paying such incentive compensation, but rather will postpone any incentive compensation until our cumulative annual total return exceeds the 8% threshold. The nature of the total return limitation may also make it easier for TCP to earn incentive compensation in higher interest rate environments or if the Funds' net asset value has increased..

FS Investment Corporation II (February 16, 2012)

We will pay FSIC II Advisor a fee for its services under the investment advisory and administrative services agreement consisting of two components—a base management fee and an incentive fee. The cost of both the base management fee payable to FSIC II Advisor and any incentive fees it earns will ultimately be borne by our stockholders.

Base Management Fee

The base management fee is calculated at an annual rate of 2.0% of our average gross assets. The base management fee is payable quarterly in arrears and is calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters. The base management fee may or may not be taken in whole or in part at the discretion of FSIC II Advisor. All or any part of the base management fee not taken as to any quarter will be deferred without interest and may be taken in such other quarter as FSIC II Advisor shall determine. The base management fee for any partial month or quarter will be appropriately pro rated.

Incentive Fee

The incentive fee has two parts. The first part, which we refer to as the subordinated incentive fee on income, will be calculated and payable quarterly in arrears based upon our "pre-incentive fee net investment income" for the immediately preceding quarter. The subordinated incentive fee on income will be subject to a quarterly hurdle rate,

expressed as a rate of return on adjusted capital at the beginning of the most recently completed calendar quarter, of 1.875% (7.5% annualized), subject to a “catch up” feature. For this purpose, “pre-incentive fee net investment income” means interest income, dividend income and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses reimbursed to FSIC II Advisor under the investment advisory and administrative services agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, 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 payment-in-kind interest and zero coupon securities), accrued income that we have 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. The calculation of the subordinated incentive fee on income for each quarter is as follows:

- No incentive fee is payable to FSIC II Advisor in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate of 1.875%;
- 100% of our pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 2.34375% in any calendar quarter (9.375% annualized) is payable to FSIC II Advisor. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than or equal to 2.34375%) as the “catch-up.” The “catch-up” provision is intended to provide FSIC II Advisor with an incentive fee of 20.0% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income reaches 2.34375% in any calendar quarter; and
- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.34375% in any calendar quarter (9.375% annualized) is payable to FSIC II Advisor once the hurdle rate is reached and the catch-up is achieved (20.0% of all pre-incentive fee net investment income thereafter is allocated to FSIC II Advisor).

The second part of the incentive fee, which we refer to as the incentive fee on capital gains, will be an incentive fee on capital gains earned on liquidated investments from the portfolio and will be determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory and administrative services agreement). This fee will equal 20.0% of our incentive fee capital gains, which will equal our realized capital gains on a cumulative basis from inception, calculated as of the end of the applicable period, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gains incentive fees.

Fidus Investment Corporation (June 20, 2011)

Pursuant to the Investment Advisory Agreement with our investment advisor and subject to the overall supervision of our board of directors, our investment advisor provides investment advisory services to us. For providing these services, our investment advisor receives a fee from us, consisting of two components — a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 1.75% based on the average value of our total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts) at the end of the two most recently completed calendar quarters. The base management fee is payable quarterly in arrears.

Incentive Fee

The incentive fee has two parts. One part is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the quarter. Pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee and any organizing and offering costs). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as market discount, debt instruments with payment-in-kind interest, preferred stock with payment-in-kind dividends and zero-coupon securities), accrued income that we have not yet received in cash. Our investment advisor is not under any obligation to reimburse us for any part of the incentive fee it receives that was based on accrued interest that we never actually receive.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate (as defined below) for a quarter, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses.

Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed “hurdle rate” of 2.0% per quarter. If market interest rates rise, we may be able to invest our funds in debt instruments that provide for a higher return, which would increase our pre-incentive fee net investment income and make it easier for our investment advisor to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income. Our pre-incentive fee net investment income used to calculate this part of the incentive fee is also included in the

amount of our total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts) used to calculate the 1.75% base management fee.

We pay our investment advisor an incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee in any calendar quarter in which the pre-incentive fee net investment income does not exceed the hurdle rate of 2.0%;
- 100.0% of our 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 2.5% in any calendar quarter. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 2.5%) as the “catch-up” provision. The catch-up is meant to provide our investment advisor with 20.0% of the pre-incentive fee net investment income as if a hurdle rate did not apply if this net investment income exceeds 2.5% in any calendar quarter; and
- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.5% in any calendar quarter.

The second part of the incentive fee is a capital gains incentive fee that is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equals 20.0% of our net realized capital gains as of the end of the fiscal year. In determining the capital gains incentive fee payable to our investment advisor, we calculate the cumulative aggregate realized capital gains and cumulative aggregate realized capital losses since our inception, and the aggregate unrealized capital depreciation as of the date of the calculation, as applicable, with respect to each of the investments in our portfolio. For this purpose, cumulative aggregate realized capital gains, if any, equal the sum of the differences between the net sales price of each investment, when sold, and the original cost of such investment. Cumulative aggregate realized capital losses equals the sum of the amounts by which the net sales price of each investment, when sold, is less than the original cost of such investment. Aggregate unrealized capital depreciation equals the sum of the difference, if negative, between the valuation of each investment as of the applicable calculation date and the original cost of such investment. At the end of the applicable year, the amount of capital gains that serves as the basis for our calculation of the capital gains incentive fee equals the cumulative aggregate realized capital gains less cumulative aggregate realized capital losses, less aggregate unrealized capital depreciation, with respect to our portfolio of investments. If this number is positive at the end of such year, then the capital gains incentive fee for such year equals 20.0% of such amount, less the aggregate amount of any capital gains incentive fees paid in respect of our portfolio in all prior years.

New Mountain Finance Corporation (May 19, 2011)

New Mountain Finance will not have an investment adviser. The Operating Company will pay the Investment Adviser a fee for its services under the Investment Management Agreement consisting of two components — a base management fee and an incentive

fee. The cost of both the base management fee payable to the Investment Adviser and any incentive fees paid in cash to the Investment Adviser will be borne by the Operating Company's members, including New Mountain Finance and, as a result, will also indirectly be borne by New Mountain Finance's common stockholders.

Base Management Fee

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

Incentive Fee

The incentive fee has two parts. The first part is calculated and payable quarterly in arrears based on the Operating Company's "Pre-Incentive Fee Adjusted Net Investment Income" for the immediately preceding calendar quarter. As of March 31, 2011 the total fair market value of the Operating Company's existing assets was estimated to exceed their total cost basis for GAAP purposes by approximately \$27.8 million (such excess is referred to herein as the "GAAP built-in gain"). The formation transactions that will take place in connection with this offering will not cause a step-up in the cost basis of the Operating Company's existing assets to fair market value under GAAP. Therefore, because the total value at the time of the offering of the Operating Company's assets is greater than its original purchase price, a greater amount of amortization of purchase discount or original issue discount will be recognized under GAAP in each period until such assets are sold or mature in the future. The Operating Company intends to keep track of the transferred value of each of its assets and for purposes of the incentive fee calculation, adjust "Pre-Incentive Fee Net Investment Income" to eliminate the effect of additional amortization of purchase discount or original issue discount taken into account in each period as a result of the lower original purchase price as compared to the transferred value. Including this adjustment, "Pre-Incentive Fee Net Investment Income" will be known as "Pre-Incentive Fee Adjusted Net Investment Income" for the sole purpose of calculating incentive fees. "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Operating Company receives from portfolio companies) accrued during the calendar quarter, minus the Operating Company's operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement with the Administrator, and any interest expense and distributions paid on any issued and outstanding preferred membership units, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities), accrued income that the Operating Company has not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital

gains, realized capital losses or unrealized capital appreciation or depreciation. Pre-Incentive Fee Adjusted Net Investment Income, expressed as a rate of return on the value of the Operating Company's net assets at the end of the immediately preceding calendar quarter, will be compared to a "hurdle rate" of 2% per quarter (8% annualized), subject to a "catch-up" provision measured as of the end of each calendar quarter. The Operating Company's net investment income used to calculate this part of the incentive fee is also included in the amount of the Operating Company's gross assets used to calculate the 1.75% base management fee. The operation of the incentive fee with respect to the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income for each quarter is as follows:

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

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

The second part of the incentive fee will be determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date), commencing on December 31, 2011, and will equal 20% of the Operating Company's "adjusted realized capital gains", if any, on a cumulative basis from inception through the end of each calendar year, computed net of all "adjusted realized capital losses" and "adjusted unrealized capital depreciation" on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees, provided that, the incentive fee determined as of December 31, 2011 will be calculated for a period of shorter than twelve calendar months to take into account any "adjusted realized capital gains" computed net of all "adjusted realized capital losses" and "adjusted unrealized capital depreciation" from inception. As of March 31, 2011, the total fair market value of the Operating Company's existing assets was estimated to

exceed their total cost basis for GAAP purposes by approximately \$27.8 million (such excess is referred to herein as the "GAAP built-in gain"). The formation transactions that will take place in connection with this offering will not cause a step-up in the cost basis of the underlying assets to fair market value under GAAP.

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

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

GSV Capital Corp. (formerly NeXt Innovation Corp.) (April 28, 2011)

We will pay NeXt Asset Management a fee for its services under the Investment Advisory Agreement consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee payable to NeXt Asset Management, and any incentive fees earned by NeXt Asset Management, will ultimately be borne by our common stockholders.

Base Fee

The base management fee (the “Base Fee”) will be calculated at an annual rate of 2.00% of our gross assets. For the period from the close of this offering through and including December 31, 2011, the Base Fee will be payable monthly in arrears, and will be calculated based on the initial value of our assets upon the closing of this offering. For services rendered after December 31, 2011, the Base Fee will be payable monthly in arrears, and will be calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any equity or debt capital raises, repurchases or redemptions during the current calendar quarter. The Base Fee for any partial month or quarter will be appropriately pro rated.

Incentive Fee

The incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), commencing on December 31, 2011, and will equal the lesser of:

- 20% of our realized capital gains during such calendar year, if any, calculated on an investment-by-investment basis, subject to a non-compounded preferred return, or “hurdle,” and a “catch-up” feature, and
- 20% of our 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 incentive fees.

Our realized capital gains from each investment, expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, will be compared to a hurdle rate of 8.00% per year. We will only pay an incentive fee on any realized capital gains from an investment that exceeds the hurdle rate. We will pay NeXt Asset Management an incentive fee with respect to our realized capital gains from each investment as follows:

- No incentive fee will be payable on the amount of any realized capital gains from an investment that, when expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, does not exceed the hurdle rate of 8.00% per year.

- We will pay as an incentive fee 100% of the amount of any realized capital gains from an investment that, when expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, exceeds the hurdle rate of 8.00% per year but is less than a rate of 10.00% per year. We refer to this portion of our realized capital gains from each investment (which exceeds the hurdle rate but is less than 10.00%) as the “catch-up.” The “catch-up” is meant to provide our investment adviser with 20% of the amount of our realized capital gains from an investment that, when expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, exceeds a rate of 10.00% per year.
- We will pay as an incentive fee 20% of the amount of any realized capital gains from an investment that, when expressed as a non-compounded annual rate of return on the cost of such investment since we initially acquired it, exceeds a rate of 10.00% per year.

In no event, however, will we pay an incentive fee for any calendar year that exceeds 20% of our realized capital gains, if any, on a cumulative basis from inception through the end of such 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 incentive fees.

We intend to seek primarily minority equity positions in our portfolio companies. Although we expect to primarily invest through private secondary markets, to the extent we make a direct minority investment in a portfolio company, neither we, nor our investment adviser, NeXt Asset Management, may have the ability to control the timing of when we realize capital gains or losses with respect to such investment. We expect the timing of such realization events to be determined by our portfolio companies in such cases. To the extent we have non-minority investments, or the securities we hold are traded on a private secondary market or public securities exchange, NeXt Asset Management will have greater control over the timing of a realization event. In such cases, our board of directors will monitor such investments in connection with their general oversight of the investment management services provided by NeXt Asset Management. In addition, as of the end of each fiscal quarter, we will evaluate whether the cumulative aggregate unrealized appreciation on our portfolio would be sufficient to require us to pay an incentive fee to our investment adviser if such unrealized appreciation were actually realized as of the end of such quarter, and if so, we will accrue an expense equal to the amount of such incentive fee. Any such accrual of incentive fees will be reflected in the calculation of our net asset value.

Corporate Capital Trust, Inc. (April 4, 2011)

We will pay CNL Fund Advisors Company (“CNL”) a fee for its services under the Investment Advisory Agreement consisting of two components: a management fee and an incentive fee. CNL will compensate KKR Asset Management LLC (“KKR”) for advisory services that it provides to us with 50% of the fees that CNL receives from us under the Investment Advisory Agreement. We believe that this fee structure benefits shareholders by aligning the compensation of both of our Advisors with our overall

investment performance. The cost of both the management fee and the incentive fee will ultimately be borne by our shareholders.

Management Fee

The management fee will be calculated at an annual rate of 2% of our average gross assets and will be payable monthly in arrears. The determination of gross assets will reflect changes in the fair market value of portfolio investments.

Incentive Fee

The incentive fee will be divided into three parts: (i) a subordinated incentive fee on income, (ii) an incentive fee on capital gains and (iii) a subordinated listing incentive fee. Each part of the incentive fee is outlined below.

The subordinated incentive fee on income will be earned on pre-incentive fee net investment income and shall be determined and payable in arrears as of the end of each calendar quarter during which the Investment Advisory Agreement and the Sub-Advisory Agreement are in effect. In the case of a liquidation or if the Investment Advisory Agreement or Sub-Advisory Agreement is terminated, the fee will also become payable as of the effective date of the event.

The subordinated incentive fee on income for each quarter will be calculated as follows:

- No subordinated incentive fee on income will be payable in any calendar quarter in which the pre-incentive fee net investment income does not exceed a quarterly return to investors of 1.75% per quarter on our average adjusted capital. We refer to this as the quarterly preferred return.
- All of our pre-incentive fee net investment income, if any, that exceeds the quarterly preferred return, but is less than or equal to 2.1875% on our average adjusted capital in any quarter, will be payable to the Advisors. We refer to this portion of our subordinated incentive fee on income as the catch up. It is intended to provide an incentive fee of 20% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income reaches 2.1875% on our average adjusted capital in any quarter.
- For any quarter in which our pre-incentive fee net investment income exceeds 2.1875% on our average adjusted capital, the subordinated incentive fee on income shall equal 20% of the amount of our pre-incentive fee net investment income, because the preferred return and catch up will have been achieved.
- Pre-incentive fee net investment income is defined as interest income, dividend income and any other income accrued during the calendar quarter, minus our operating expenses for the quarter, including the management fee, expenses payable under the Administrative Services Agreement, any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.
- Adjusted capital is defined as (a) cumulative proceeds generated from sales of our common stock, including proceeds from our distribution reinvestment plan, net

of sales loads (sales commissions and marketing support fees) and (b) reduced for (i) distributions paid to our shareholders that represent return of capital and (ii) amounts paid for share repurchases pursuant to our tender offer program.

The incentive fee on capital gains will be earned on liquidated investments and shall be determined and payable in arrears as of the end of each calendar year during which the Investment Advisory Agreement and the Sub-Advisory Agreement are in effect. In the case of a liquidation, or if the Investment Advisory Agreement or Sub-Advisory Agreement is terminated, the fee will also become payable as of the effective date of such event. The fee will equal 20% of our realized capital gains, less the aggregate amount of any previously paid incentive fee on capital gains. Incentive fee on capital gains is equal to our realized capital gains on a cumulative basis from inception, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis.

The subordinated listing incentive fee will be earned in respect of any liquidity event that involves a listing of our shares, or a transaction in which our shareholders receive shares of a company that is listed, on a national securities exchange, if that liquidity event produces a listing premium (which we define as the amount, if any, by which our listing value following such liquidity event exceeds our net asset value of the shares listed immediately prior to such liquidity event). The subordinated listing incentive fee, which will equal 20% of any listing premium, will be determined and payable in arrears 30 days after the commencement of trading following such liquidity event. For the purpose of calculating this fee, our “listing value” will be the product of: (i) the number of listed shares and (ii) average closing price per share over the 30 trading-day period following such liquidity event. For the purpose of calculating the listing premium, any cash consideration received by shareholders in connection with any such liquidity event will be included in (as an addition to) our listing value. In the event that the shareholders receive non-listed securities as full or partial consideration with respect to any listing, no value will be attributed to such non-listed securities. For a description of our potential liquidity events, see “Company Profile—Shareholder Liquidity Strategy” on page 34.

Because of the structure of the subordinated incentive fee on income and the incentive fee on capital gains, it is possible that we may pay such fees in a quarter where we incur a net loss. For example, if we receive pre-incentive fee net investment income in excess of the 1.75% on average adjusted capital for a quarter, we will pay the applicable incentive fee even if we have incurred a net loss in the quarter due to a realized or unrealized capital loss. Our Advisors will not be under any obligation to reimburse us for any part of the incentive fee they receive that is based on prior period accrued income that we never receive as a result of a subsequent decline in the value of our portfolio.

The fees that are payable under the Investment Advisory Agreement for any partial period will be appropriately prorated. The fees will also be calculated using a detailed policy and procedure approved by our Advisors and our board of directors, including a majority of the independent directors, and such policy and procedure will be consistent with the description of the calculation of the fees set forth above.

Our Advisors may elect to defer or waive all or a portion of the fees that would otherwise be paid to them in their sole discretion. Any portion of a fee not taken as to any month,

quarter or year will be deferred without interest and may be taken in any such other month prior to the occurrence of a liquidity event as our Advisors may determine in their sole discretion. To the extent that KKR elects to receive its allocable share of the fees in a particular form or waive or defer all or any portion of its allocable share of the fees, CNL will make the election on its behalf and any amounts due to KKR under the Sub-Advisory Agreement will be adjusted accordingly.

Business Development Corporation of America (January 25, 2011)

Pursuant to the Investment Advisory Agreement, we will pay BDCA Adviser, LLC, our Adviser, a fee for investment advisory and management services consisting of two components — a management fee and an incentive fee. Pursuant to the Sub-Advisory Agreement, Main Street will receive 50% of all fees payable to BDCA Adviser under the Investment Advisory Agreement.

Management Fees

The management fee will be calculated at an annual rate of 2.0% of our average gross assets. The management fee will be payable quarterly in arrears, and shall be calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters. All or any part of the management fee not taken as to any quarter shall be deferred without interest and may be taken in such other quarter as the Adviser will determine. The management fee for any partial month or quarter will be appropriately pro rated.

Incentive Fees

The incentive fee shall consist of three parts. The first part, referred to as the subordinated incentive fee on income, will be calculated and payable quarterly in arrears based on our pre-incentive fee net investment income” for the immediately preceding quarter. The payment of the subordinated incentive fee on income will be subject to payment of a preferred return to investors each quarter, expressed as a quarterly rate of return on adjusted capital at the beginning of the most recently completed calendar quarter, of 1.75% (7.00% annualized), subject to a “catch up” feature (as described below).

For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the management fee, expenses payable under the administration agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, 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 payment-in-kind interest and zero coupon securities), accrued income that we have 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. For purposes of this fee, adjusted capital means cumulative gross proceeds generated from sales of our common stock (including proceeds from our distribution reinvestment plan) reduced for distributions from non-liquidating dispositions of our investments paid to stockholders and amounts paid for share repurchases pursuant to our share repurchase program.

The calculation of the subordinated incentive fee on income for each quarter is as follows:

- No subordinated incentive fee on income shall be payable to the Adviser in any calendar quarter in which our pre-incentive fee net investment income does not exceed the preferred return rate of 1.75% or 7.00% annualized, the “preferred return” on adjusted capital;
- 100% of our pre-incentive fee net investment income, if any, that exceeds the preferred return but is less than or equal to 2.1875% in any calendar quarter (8.75% annualized) shall be payable to the Adviser. This portion of the subordinated incentive fee on income is referred to as the “catch up” and is intended to provide the Adviser with an incentive fee of 20% on all of our pre-incentive fee net investment income when the pre-incentive fee net investment income reaches 2.1875% (8.75% annualized) in any calendar quarter; and
- For any quarter in which our pre-incentive fee net investment income exceeds 2.1875% (8.75% annualized), the subordinated incentive fee on income shall equal 20% of the amount of our pre-incentive fee net investment income, as the preferred return and catch-up will have been achieved.

The second part of the incentive fee, referred to as the incentive fee on capital gains during operations, shall be an incentive fee on capital gains earned on liquidated investments from the portfolio during operations prior to the liquidation of the Company and shall be determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement). This fee shall equal 20.0% of our incentive fee capital gains, which shall equal our realized capital gains on a cumulative basis from inception, calculated as of the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees.

The third part of the incentive fee, referred to as the subordinated liquidation incentive fee, shall equal 20.0% of the net proceeds from the liquidation of the Company remaining after investors have received distributions of net proceeds from liquidation of the Company equal to adjusted capital as calculated immediately prior to liquidation. For purposes of this computation, a liquidation will include any merger of the Company with another entity or the acquisition of substantially all of our stock or assets in a single or series of related transactions. Notwithstanding the foregoing, in accordance with the 1940 Act, in no event will the subordinated liquidation incentive fees plus the cumulative incentive fees on capital gains during operations paid by us exceed 20% of the cumulative realized capital gains upon the funds of the Company (including capital gains realized upon any liquidation, including a merger or sale of substantially all of our

stock or assets) over the life of the Company, computed net of all realized capital losses and unrealized capital depreciation.

Medley Capital Corporation (January 20, 2011)

Management Fee

The base management fee will be calculated at an annual rate of 1.75% of our gross assets payable quarterly in arrears. For purposes of calculating the base management fee, the term “gross assets” includes any assets acquired with the proceeds of leverage. The Adviser will benefit when we incur debt or use leverage. For services rendered under the investment management agreement, the base management fee will be payable quarterly in arrears. For the first quarter of our operations, the base management fee will be calculated based on the initial value of our gross assets. Subsequently, the base management fee will be calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters. Base management fees for any partial quarter will be appropriately prorated. MCC Advisors agreed to waive the base management fee payable to MCC Advisors with respect to cash and cash equivalents held by us through June 30, 2011.

Incentive Fee

The incentive fee will have two components, as follows:

One component will be calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter and will be 20.0% of the amount, if any, by which our pre-incentive fee net investment income for the immediately preceding calendar quarter exceeds 2.0% (which is 8.0% annualized) hurdle rate and a “catch-up” provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, our investment adviser receives no incentive fee until our net investment income equals the hurdle rate of 2.0%, but then receives, as a “catch-up”, 100% of our 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 2.5%. The effect of this provision is that, if pre-incentive fee net investment income exceeds 2.5% in any calendar quarter, our investment adviser will receive 20% of our pre-incentive fee net investment income as if a hurdle rate did not apply. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement (as defined below), and any interest expense and any dividends paid on any issued and outstanding preferred stock, 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 payment-in-kind interest and zero coupon securities), accrued income that we have not yet received in cash. Since the hurdle rate is fixed, as interest rates rise, it will be easier for the Adviser to surpass the hurdle rate and receive an incentive fee based on net investment income.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the quarterly minimum hurdle rate, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses. Our net investment income used to calculate this component of the incentive fee is also included in the amount of our gross assets used to calculate the 1.75% base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The second component of the incentive fee will be determined and payable in arrears as of the end of each calendar year (or upon termination of the investment management agreement, as of the termination date), commencing on December 31, 2011, and will equal 20.0% of our cumulative aggregate realized capital gains less cumulative realized capital losses, unrealized capital depreciation (unrealized depreciation on a gross investment-by-investment basis at the end of each calendar year) and all capital gains upon which prior performance-based capital gains incentive fee payments were previously made to the Investment Adviser.

Pursuant to the investment management agreement, and subject to receipt of exemptive relief, as to which there can be no assurance, we have agreed to pay 50% of the net after-tax incentive fee (calculated as described above) to our Adviser in the form of shares of our common stock at the market price at the time of issuance. This may result in the issuance of shares to our Adviser at a price that is below our then NAV (if the market price of our shares of common stock is below our NAV on the issuance date of the shares). The 1940 Act prohibits us from selling shares of our common stock at a price below the current NAV of such stock, with certain exceptions. One such exception would permit us to sell or otherwise issue shares of our common stock during the next year at a price below our then current NAV if our stockholders were to approve such a sale and our directors were to make certain determinations. Annually, at our shareholders' meeting, we will seek approval to continue this arrangement. To the extent that we are not granted the exemptive relief described above and our shareholders do not approve payment of the incentive fee to our Adviser in stock (which may include stock issued at an issuance price that is below our NAV), we will pay the incentive fee in cash.

Payment of Incentive Fee in Stock

The shares of stock issued to our Adviser as part of its incentive fee (referred to as the "Incentive Shares") will be subject to securities law and contractual restrictions on transfer. The Incentive Shares will be issued in a private placement, and, as a result, will not be freely transferable under the Securities Act. For the benefit of the Adviser, we have agreed to register the resale of the Incentive Shares for sale by the Adviser and its affiliates. We have granted the Adviser a demand right, as well as piggyback registration rights. In addition to these securities law restrictions, the Incentive Shares also will be subject to contractual restrictions on transfer and disposition. Each of the Adviser and its affiliates has agreed that one-third of the Incentive Shares received by it or them each year will become freely saleable that year. To the extent that the investment

management agreement is terminated by us at any time, all of the Incentive Shares will become freely saleable immediately.

Horizon Technology Finance Corporation (October 28, 2010)

Pursuant to our investment management agreement, we will pay our Advisor a fee for investment advisory and management services consisting of a base management fee and an incentive fee.

Base Management Fee

The base management fee will be calculated at an annual rate of 2.00% of our gross assets, payable monthly in arrears. For purposes of calculating the base management fee, the term “gross assets” includes any assets acquired with the proceeds of leverage.

Incentive Fee

The incentive fee will have two parts, as follows:

The first part will be calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees and fees for providing significant managerial assistance or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement (as defined below), and any interest expense and any dividends paid on any issued and outstanding preferred stock, 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 payment-in-kind interest and zero coupon securities), accrued income that we have not yet received in cash. The incentive fee with respect to our pre-incentive fee net income will be 20.00% of the amount, if any, by which our pre-incentive fee net investment income for the immediately preceding calendar quarter exceeds a 1.75% (which is 7.00% annualized) hurdle rate and a “catch-up” provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, our Advisor receives no incentive fee until our net investment income equals the hurdle rate of 1.75%, but then receives, as a “catch-up,” 100.00% of our 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 2.1875%. The effect of this provision is that, if pre-incentive fee net investment income exceeds 2.1875% in any calendar quarter, our Advisor will receive 20.00% of our pre-incentive fee net investment income as if a hurdle rate did not apply.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter

where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the quarterly minimum hurdle rate, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses. Our net investment income used to calculate this part of the incentive fee is also included in the amount of our gross assets used to calculate the 2.00% base management fee. These calculations will be appropriately pro rated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

Percentage of pre-incentive fee net investment income allocated to first part of incentive fee

The second part of the incentive fee will be determined and payable in arrears as of the end of each calendar year (or upon termination of the investment management agreement, as of the terminate date), commencing on December 31, 2010, and will equal 20% of our realized capital gains, if any, on a cumulative basis from the date of our election to be a business development company through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less all previous amounts paid in respect of the capital gain incentive fee provided that the incentive fee determined as of December 31, 2010 will be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation for the period beginning on the date of our election to be a business development company and ending December 31, 2010.

Full Circle Capital Corporation (August 31, 2010)

Base Management Fee

Our base management fee of 1.75% under the Investment Advisory Agreement, however, is based on our gross assets, which is defined as all the assets of Full Circle Capital, including those acquired using borrowings for investment purposes. As a result, our use of leverage has the effect of increasing our base management fee as a percentage of our net assets. Full Circle Advisors has agreed to waive any portion of the base management fee that exceeds 1.50% of Full Circle Capital's gross assets until the first anniversary of the date of this prospectus. See "Investment Advisory Agreement."

Incentive Fee

The incentive fee consists of two parts:

The first part of the incentive fee, which is payable quarterly in arrears, equals 20.0% of the excess, if any, of our "Pre-Incentive Fee Net Investment Income" that exceeds a 1.75% quarterly (7.0% annualized) hurdle rate, which we refer to as the Hurdle, subject to a "catch-up" provision measured at the end of each calendar quarter. The first part of the incentive fee is computed and paid on income that may include interest that is accrued but not yet received in cash. The operation of the first part of the incentive fee for each quarter is as follows:

- no incentive fee is payable to our investment adviser in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the Hurdle of 1.75%;
- 100% of our 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 but is less than 2.1875% in any calendar quarter (8.75% annualized) is payable to our investment adviser. We refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the Hurdle but is less than 2.1875%) as the “catch-up.” The “catch-up” is meant to provide our investment adviser with 20.0% of our Pre-Incentive Fee Net Investment Income, as if a Hurdle did not apply when our Pre-Incentive Fee Net Investment Income exceeds 2.1875% in any calendar quarter; and
- 20.0% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized) is payable to our investment adviser (once the Hurdle is reached and the catch-up is achieved, 20.0% of all Pre-Incentive Fee Investment Income thereafter is paid to our investment adviser).

The second part of the incentive fee equals 20.0% of our “Incentive Fee Capital Gains,” if any, which equals our realized capital gains on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. The second part of the incentive fee is payable, in arrears, at the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), commencing with the year ending December 31, 2010. For a more detailed discussion of the calculation of this fee, see “Investment Advisory Agreement.”

THL Credit, Inc. (April 21, 2010)

Base Management Fee

Calculated at an annual rate of 1.50% of gross assets.

Incentive Fee

The incentive fee consists of two parts:

- The first component, which is payable quarterly in arrears, will equal 15.0% of the excess, if any, of the “Pre-Incentive Fee Net Investment Income” over a hurdle rate (2.00% quarterly) and a “catch-up” provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, the Investment Adviser receives no incentive fee until the net investment income equals the hurdle rate of 2.00% but then receives, as a “catch-up,” 100% of the 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 2.353%. The effect of this provision is that, if Pre-Incentive Fee Net Investment Income exceeds 2.353% in any calendar quarter, the Investment Adviser will

receive 15% of the Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply.

- The second component of the incentive fee will equal 15.0% of the “Incentive Fee Capital Gains,” if any, which will equal the realized capital gains on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. The second component of the incentive fee will be payable, in arrears, at the end of each calendar year (or upon termination of the investment management agreement, as of the termination date), commencing with the year ending December 31, 2009.

“Pre-Incentive Fee Net Investment Income” means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement, and any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature, accrued income that the Issuer has not yet received in cash.

Golub Capital BDC LLC (April 14, 2010)

Base Management Fee

Calculated at an annual rate of 1.375% of average adjusted gross assets (excluding cash and cash equivalents and including assets purchased with borrowed funds), payable quarterly in arrears.

Incentive Fee

Based upon the “Income and Capital Gains Incentive Fee Calculation,” which consists of two parts:

- The Income component, which is payable quarterly in arrears, will equal 20.0% of the excess, if any, of the “Pre-Incentive Fee Net Investment Income” over a hurdle rate (2.00% quarterly) and a “catch-up” provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, the Investment Adviser receives no incentive fee until the net investment income equals the hurdle rate of 2.00% but then receives, as a “catch-up,” 100% of the 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 2.50%. The effect of this provision is that, if Pre-Incentive Fee Net Investment Income exceeds 2.50% in any calendar quarter, the Investment Adviser will receive 20.0% of the Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply.

- The Capital Gains component, which is calculated in arrears as of the end of each calendar year (or earlier, upon termination of the Investment Advisory Agreement) in an amount equal to 20.0% of the realized capital gains, if any, on a cumulative basis from the date of the election to become a business development company through the end of each calendar year, less the aggregate amount of incentive fees of any kind previously paid that are attributable to the capital gain component computed net of all realized capital losses and unrealized capital depreciation.

Each quarterly incentive fee payable on the “Income and Capital Gains Incentive Fee Calculation” is subject to an “Incentive Fee Cap.” The “Incentive Fee Cap” in any quarter is the difference between (a) 20.0% of “Cumulative Pre-incentive Fee Net Income” and (b) cumulative incentive fees of any kind paid to the Investment Adviser since the effective date of the election to become a business development company. If “Incentive Fee Cap” is zero or a negative value in any quarter, no incentive fee would be payable in that quarter.

“Cumulative Pre-Incentive Fee Net Income” is defined as the sum of (a) “Pre-Incentive Fee Net Investment Income” for each period since the effective date of the election to become a business development company and (b) cumulative aggregate realized capital gains, cumulative aggregate realized capital losses, cumulative aggregate unrealized capital depreciation and cumulative aggregate unrealized capital appreciation since the effective date of the election to become a business development company.

“Pre-Incentive Fee Net Investment Income” is defined as interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees received from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the calendar quarter (including the base management fee, taxes, any expenses payable under the Investment Advisory Agreement and the Administration Agreement, and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature, accrued income that the Issuer has not yet received in cash.

Solar Capital Ltd. (February 9, 2010)

Base Management Fee

Calculated at an annual rate of 2.00% of average gross assets at the end of the two most recently completed calendar quarters (which includes any borrowings for investment purposes), payable quarterly in arrears.

Incentive Fee

The incentive fee consists of two parts:

- The first component, which is payable quarterly in arrears, will equal 20.0% of the excess, if any, of the “Pre-Incentive Fee Net Investment Income” over a hurdle rate (1.75% quarterly) and a “catch-up” provision measured as of the end

of each calendar quarter. Under this provision, in any calendar quarter, the Investment Adviser receives no incentive fee until the net investment income equals the hurdle rate of 1.75% but then receives, as a “catch-up,” 100% of the 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 2.1875%. The effect of this provision is that, if Pre-Incentive Fee Net Investment Income exceeds 2.1875% in any calendar quarter, the Investment Adviser will receive 20% of the Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply.

- The second component of the incentive fee will equal 20.0% of the “Incentive Fee Capital Gains,” if any, which will equal the realized capital gains on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. The second component of the incentive fee will be payable, in arrears, at the end of each calendar year (or upon termination of the investment advisory and management agreement, as of the termination date), commencing with the year ending December 31, 2007.

“Pre-Incentive Fee Net Investment Income” means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement, and any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature, accrued income that the Issuer has not yet received in cashy.

Fifth Street Finance Corp. (June 11, 2008)

Base Management Fee

Calculated at an annual rate of 2.00% of gross assets at the end of each fiscal quarter (which includes any borrowings for investment purposes), payable quarterly in arrears.

Incentive Fee

The incentive fee consists of two parts:

- The first component, which is payable quarterly in arrears, will equal 20.0% of the excess, if any, of the “Pre-Incentive Fee Net Investment Income” over a hurdle rate (2.00% quarterly) and a “catch-up” provision measured as of the end of each fiscal quarter. Under this provision, in any fiscal quarter, the Investment Adviser receives no incentive fee until the net investment income equals the hurdle rate of 2.00% but then receives, as a “catch-up,” 100% of the 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

2.50%. The effect of this provision is that, if Pre-Incentive Fee Net Investment Income exceeds 2.50% in any fiscal quarter, the Investment Adviser will receive 20% of the Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply.

- The second component of the incentive fee will equal 20.0% of the “Incentive Fee Capital Gains,” if any, which will equal the realized capital gains on a cumulative basis from inception through the end of each year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. The second component of the incentive fee will be payable, in arrears, at the end of each fiscal year (or upon termination of the investment advisory agreement, as of the termination date), commencing with the year ending September 30, 2008.

“Pre-Incentive Fee Net Investment Income” means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement, and any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature, accrued income that the Issuer has not yet received in cash.

BlackRock Kelso Capital Corporation (June 26, 2007)

Base Management Fee

2.0% of our total assets, payable quarterly in arrears based on total assets, including any assets acquired with the proceeds of leverage, at the beginning of the quarter.

Incentive Fee

The incentive fee consists of two parts: (i) Income component; and (ii) Capital Gains component. The Advisor will be entitled to receive the Incentive Fee if the Company’s performance exceeds a “hurdle rate” during different measurement periods: (i) the pre-offering period; (ii) the transition period; (iii) trailing four quarters’ periods (which will apply only to the portion of the Incentive Fee based on income); and (iv) annual periods (which will apply only to the portion of the Incentive Fee based on capital gains).

The hurdle rate for each quarterly portion of a measurement period is 2.0% times the net asset value of the common shares at the beginning of the respective measurement period calculated after giving effect to any distributions that occurred during the measurement period times the number of calendar quarters in the measurement period.

The Income component is based on income separately for each of three measurement periods: (i) the pre-offering period; (ii) the transition period; and (iii) each trailing four quarters’ period. For each period, the Advisor will receive the Incentive Fee based on the amount by which (A) aggregate distributions and amounts distributable out of taxable

net income (excluding any capital gain and loss) during the period less the amount, if any, by which net unrealized capital depreciation exceeds net realized capital gains during the period exceeds (B) the hurdle rate for the period. This amount is defined as the “excess income amount.”

The Income component for each period will equal 50% of the period’s excess income amount, until the cumulative Incentive Fee payments for the period equals 20% of the period’s excess income amount distributed or distributable to the stockholders. Thereafter, the Income component for the period will equal an amount such that the cumulative Incentive Fee payments to the Advisor during the period based on income equals 20% of the period’s excess income amount.

The Capital Gain component is calculated separately for each of two periods: (i) the pre-offering period (on a quarterly basis) and (ii) after the pre-offering period (on an annual basis). For each period, the Advisor will receive an Incentive Fee based on the amount by which (A) net realized capital gains, if any, to the extent they exceed unrealized capital depreciation, if any, occurring during the period exceeds (B) the amount, if any, by which the period’s hurdle rate exceeds the amount of income used in the determination of the Income component for the period. This amount is defined as the “excess gain amount.”

The Capital Gain component for each period will equal 50% of the period’s excess gain amount, until such payments equal 20% of the period’s excess gain amount distributed or distributable to the stockholders. Thereafter, the Capital Gain Component for the period will equal an amount such that the Capital Gain component for the period will equal 20% of the period’s excess gain amount. The result of this formula is that, if the Income component for the period exceeds the period’s hurdle rate, then the Capital Gain component will be capped at 20% of the excess gain amount.

In calculating whether the Capital Gain component is payable for any period, the Company will account for the assets on a security-by-security basis. In addition, the Company will use the “period-to-period” method pursuant to which the Capital Gain component for any period will be based on realized capital gains for the period reduced by realized capital losses and unrealized capital depreciation for the period.

PennantPark Investment Corporation (April 19, 2007)

Pursuant to the Investment Management Agreement in effect subsequent to completion of this offering, we will pay PennantPark Investment Advisers a fee for investment management services consisting of two components—a base management fee and an incentive fee.

Base Management Fee

The base management fee will be calculated at an annual rate of 2.00 percent of our gross assets. Although the base management fee will be 2.00 percent of our gross assets, the investment adviser has agreed to waive a portion of the base management fee such that the base management fee will equal 1.50 percent from the consummation of this offering through September 30, 2007, 1.75 percent from October 1, 2007 through March 31, 2008, and 2.00 percent thereafter. For services rendered under the investment

advisory and management agreement during the period commencing from the closing of this offering through and including the first six months of operations, the base management fee will be payable monthly in arrears. For services rendered under the investment advisory and management agreement after that time, the base management fee will be payable quarterly in arrears. For the first quarter of our operations, the base management fee will be calculated based on the initial value of our gross assets. Subsequently, the base management fee will be calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. Base investment advisory fees for any partial month or quarter will be appropriately pro rated.

Incentive Fee

The incentive fee will have two parts, as follows: One part will be calculated and payable quarterly in arrears based on our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter. For this purpose, Pre-Incentive Fee Net Investment Income means interest income, distribution income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement, and any interest expense and distributions paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with pay in kind interest and zero coupon securities), accrued income that we have 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 our net assets at the end of the immediately preceding calendar quarter, will be compared to a Hurdle of 1.75% per quarter (7.00% annualized). Our net investment income used to calculate this part of the incentive fee is also included in the amount of our gross assets used to calculate the 2.00% base management fee. We will pay PennantPark Investment Advisers an incentive fee with respect to our Pre-Incentive Fee Net Investment Income in each calendar quarter as follows:

- no incentive fee in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the Hurdle of 1.75%;
- 100% of our 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 but is less than 2.1875% in any calendar quarter (8.75% annualized). We refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the Hurdle but is less than 2.1875%) as the “catch-up.” The “catch-up” is meant to provide our investment adviser with 20% of our Pre-Incentive Fee Net Investment Income as if a Hurdle did not apply if this net investment income exceeds 2.1875% in any calendar quarter; and

- 20% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized) is payable to our investment adviser (once the Hurdle is reached and the catch-up is achieved, 20% of all Pre-Incentive Fee Investment Income thereafter is allocated to our investment adviser).

These calculations will be appropriately pro rated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The second part of the incentive fee will be determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory and management agreement, as of the termination date), commencing on December 31, 2007, and will equal 20.0% of our realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees, provided that, the incentive fee determined as of December 31, 2007 will be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation from inception.

Prospect Capital Corporation (July 27, 2004)

Pursuant to the investment advisory agreement, we will pay Prospect Capital Management a fee for investment advisory and management services consisting of a base management fee and an incentive fee.

Base Management Fee

The base management fee will be calculated at an annual rate of 2.00% of our gross assets (including amounts borrowed). For services rendered under the investment advisory agreement during the period commencing from the closing of this offering through and including the first six months of operations, the base management fee will be payable monthly in arrears. For services rendered under the investment advisory agreement after that time, the base management fee will be payable quarterly in arrears. For the first quarter of our operations commencing from the closing of this offering, the base management fee will be calculated based on the initial value of our gross assets. Subsequently, the base management fee will be calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters (the closing date of this offering will be treated as a quarter end for these purposes), and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. Base management fees for any partial month or quarter will be appropriately pro rated. If in the future the average amount of our gross assets for each of the two most recently completed calendar quarters, appropriately adjusted for any share issuances, repurchases or other transactions during such quarters, exceeds \$750,000,000, our investment adviser has voluntarily agreed to waive 0.5% of the base management fee for that portion of the average amount of our gross assets that exceeds \$750,000,000. This waiver may be terminated by our investment adviser at any time upon 90 days' prior notice.

Incentive Fee

The incentive fee will have two parts, as follows: the first part, the income incentive fee, will be calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees and other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement, and any interest expense and dividends paid on any issued and outstanding preferred stock, 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 payment in kind interest and zero coupon securities), accrued income that we have not yet received in cash. Thus, if we do not have sufficient liquid assets to pay this incentive fee or distributions to stockholders on such accrued income, we may be required to liquidate assets in order to do so. 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 our net assets at the end of the immediately preceding calendar quarter, will be compared to a "hurdle rate" of 1.75% per quarter (7% annualized). Our net investment income used to calculate the income incentive fee is also included in the amount of our gross assets used to calculate the 2% base management fee. We will pay Prospect Capital Management an income incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate;
- 100% of our 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 125% of the quarterly hurdle rate in any calendar quarter (8.75% annualized assuming an annualized hurdle rate of 7%); and
- 20% of the amount of our pre-incentive fee net investment income, if any, that exceeds 125% of the quarterly hurdle rate in any calendar quarter (8.75% annualized assuming an annualized hurdle rate of 7%).

We refer to the portion of the incentive fee payable on 100% of our pre-incentive fee net income, if any, that exceeds the hurdle rate but is less than 125% of the quarterly hurdle rate as the "catch up." The "catch up" provision is intended to provide our investment adviser with an incentive fee of 20% on all of our pre-incentive fee investment income that does not exceed 125% of the quarterly hurdle rate once the hurdle rate has been surpassed.

However, our investment adviser has voluntarily agreed that for each fiscal quarter after January 1, 2005, the quarterly hurdle rate will be equal to the greater of (a) 1.75% and (b) a percentage equal to the sum of the daily average of the "quoted treasury rate" for

each month in the immediately preceding two quarters plus 0.50%. "Quoted treasury rate" means the yield to maturity (calculated on a semi-annual bond equivalent basis) at the time of computation for Five Year U.S. Treasury notes with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H). These calculations will be appropriately pro rated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter. The voluntary agreement by the investment adviser that the hurdle rate be fluctuating for each fiscal quarter after January 1, 2005 (as discussed above) may be terminated by the investment adviser at any time upon 90 days' prior notice.

The second part of the incentive fee, the capital gains incentive fee, will be determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory agreement, as of the termination date), commencing on December 31, 2004, and will equal 20.0% of our realized capital gains for the calendar year, if any, computed net of all realized capital losses and unrealized capital depreciation at the end of such year; provided that the capital gains incentive fee determined as of December 31, 2004 will be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation for the period ending December 31, 2004. In determining the capital gains incentive fee payable to our investment adviser, we will calculate the aggregate realized capital gains, aggregate realized capital losses and aggregate unrealized capital depreciation, as applicable, with respect to each of the investments in our portfolio. For this purpose, aggregate realized capital gains, if any, will equal the sum of the differences between the net sales price of each investment, when sold, and the original cost of such investment since inception. Aggregate realized capital losses will equal the sum of the amounts by which the net sales price of each investment, when sold, is less than the original cost of such investment since inception. . Aggregate unrealized capital depreciation will equal the sum of the difference, if negative, between the valuation of each investment as of the applicable date and the original cost of such investment. At the end of the applicable period, the amount of capital gains that will serve as the basis for our calculation of the capital gains incentive fee will equal the aggregate realized capital gains less aggregate realized capital losses and less aggregate unrealized capital depreciation with respect to our portfolio of investments. If this number is positive at the end of such period, then the capital gains incentive fee for such period will be equal to 20% of such amount, less the aggregate amount of any capital gains incentive fees paid in respect of our portfolio in all prior periods.

Because of the structure of the incentive fee, it is possible that we may have to pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate for a quarter, we will pay the applicable income incentive fee even if we have incurred a loss in that quarter due to realized or unrealized losses on our investments. The investment adviser has voluntarily agreed that, in the event it is paid an incentive fee at a time when our common stock is trading at a price below \$15 per share for the immediately preceding 30 days (as adjusted for stock splits, recapitalizations and other transactions), it will cause the amount of such incentive fee payment to be held in an escrow account by an independent third party, subject to applicable regulations. This amount may not be

drawn upon by the investment adviser or any affiliate or any other third party until such time as the price of our common stock achieves an average 30 day closing price of at least \$15 per share. The investment adviser also has voluntarily agreed to cause 30% of any incentive fee that it is paid and that is not otherwise held in escrow to be invested in shares of our common stock through an independent trustee. Any sales of such stock will comply with any applicable six month holding period under Section 16(b) of the Securities Act and all other restrictions contained in any law or regulation, to the fullest extent applicable to any such sale. Any change in these voluntary agreements will not be implemented without at least 90 days' prior notice to stockholders and compliance with all applicable laws and regulations.

Apollo Investment Corporation (April 5, 2004)

Base Management Fee

Calculated at an annual rate of 2.00% of average gross total assets at the end of the two most recently completed calendar quarters.

Incentive Fee

The incentive fee consists of two parts:

- The first component, which is payable quarterly in arrears, will equal 20.0% of the excess, if any, of the "Pre-Incentive Fee Net Investment Income" over a hurdle rate (1.75% quarterly) and a "catch-up" provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, the Investment Adviser receives no incentive fee until the net investment income equals the hurdle rate of 1.75% but then receives, as a "catch-up," 100% of the 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 2.1875%. The effect of this provision is that, if Pre-Incentive Fee Net Investment Income exceeds 2.1875% in any calendar quarter, the Investment Adviser will receive 20% of the Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply.
- The second component of the incentive fee will equal 20.0% of the "Incentive Fee Capital Gains," if any, which will equal the realized capital gains on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. The second component of the incentive fee will be payable, in arrears, at the end of each calendar year (or upon termination of the investment management agreement, as of the termination date).

"Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees received from portfolio companies but excluding fees for providing managerial assistance) accrued during the

calendar quarter, minus operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee).

SURVEY OF BDC UNDERWRITING DISCOUNTS (AS OF NOVEMBER 30, 2015)

Issuer	Date	Public offering price (\$ per share)	Public offering price (\$ total)	Underwriting discounts (\$ per share)	Underwriting discounts (\$ total)	Underwriting discounts (% of public offering price per share)
FS Investment Corporation IV	10/28/15	\$10.60	\$2,650,000,000 (max) \$1,000,000 (min)	\$0.22	\$58,300,000 (max) \$22,000 (min)	2.20% ¹
Corporate Capital Trust	10/21/15	\$9.45	\$2,598,750,000 (max)	\$0.45	\$123,750,000 (max)	4.7619% ²
Freedom Capital Corporation	9/14/15	\$10.00	\$500,000,000 (max) \$2,500,000 (min)	\$1.00	\$50,000,000 (max) \$250,000 (min)	10.00% ³
Carey Credit Income Fund - I	7/31/15	\$9.28	\$1,000,000,000 (max)	\$0.28	\$30,000,000 (max)	3.00% ⁴
Carey Credit Income Fund 2016 T	7/24/15	\$9.55	\$1,000,000,000 (max)	\$0.55	\$57,500,000 (max)	5.75% ⁵
Terra Income Fund 6, Inc.	4/20/15	\$12.50	\$1,000,000,000 (max) \$2,000,000 (min)	\$1.25	\$100,000,000 (max) \$200,000 (min)	Up to 10.00% ⁶

¹ Sales load includes upfront selling commissions of up to 2.20%.

² Sales load includes 2% of the price per share for up-front sales commissions and 2.75% of the price per share for dealer manager fees, neither of which will be paid by the public for shares issued pursuant to the issuer's distribution reinvestment plan.

³ Sales load includes selling commissions of 7.0% and dealer manager fees of 3.0%.

⁴ The sales load on all initial and follow-on purchases of shares includes up to 3% of the price per share for dealer manager fees, which will not be paid by the public for shares issued pursuant to the issuer's Distribution Reinvestment Plan.

⁵ The sales load on all initial and follow-on purchases of shares includes up to 3% of the price per share for sales commissions and up to 2.75% of the price per share for dealer and manager fees, neither of which will be paid by the public for shares issued pursuant to the issuer's Distribution Reinvestment Plan.

⁶ Provides for up to a total of 10% in commissions and fees. Includes selling commissions of 6.0% and dealer manager fees of 3.0%, as well as a broker-dealer fee equal to up to 1.0% of the gross offering proceeds for marketing and expenses.

BDC Surveys and Related Resources

Issuer	Date	Public offering price (\$ per share)	Public offering price (\$ total)	Underwriting discounts (\$ per share)	Underwriting discounts (\$ total)	Underwriting discounts (% of public offering price per share)
Sierra Income Corporation	4/14/15	\$10.00	\$1,500,000,000 (max)	\$0.975	\$146,250,000 (max)	10.00% ⁷
Credit Suisse Park View BDC, Inc.	3/19/15	\$10.18	\$500,000,000 (max)	N/A ⁸	\$7,500,000 (max)	Up to 1.5%
Goldman Sachs BDC, Inc.	3/17/15	\$20.00	\$120,000,000	\$1.20 ⁹	\$7,200,000	6.00%
Business Development Corp of America II	9/18/14	\$10.00	\$3,000,000,000 (max) \$2,000,000 (min)	\$1.00	\$300,000,000 (max) \$200,000 (min)	10.00% ¹⁰
FS Energy & Power Fund II	8/29/14	\$10.00	\$3,000,000,000 (max) \$2,500,000 (min)	\$1.00	300,000,000 (max) \$250,000 (min)	10.00% ¹¹
NexPoint Capital, Inc.	8/20/14	\$10.00	\$1,500,000,000 (max) \$10,000,000 (min)	\$0.80	120,000,000 (max) \$800,000 (min)	8.00% ¹²
Alcentra Capital Corp.	5/9/14	\$15.00	\$100,000,000	\$0.90	\$6,000,000	6.00%
TPG Specialty Lending, Inc.	3/20/14	\$16.00	\$112,000,000	\$0.96	\$6,720,000	6.00%

⁷ Includes up to 7.0% of selling commissions, and up to 2.75% for dealer manager fees.

⁸ Neither the issuer nor the investors, directly, or indirectly, will pay the dealer manager a sales load in connection with the offering. The adviser will pay the dealer manager a fee of up to 1.5% of the gross proceeds from the sale of shares in the offering. The adviser will also pay the dealer manager an annual fee of up to 0.50% of the issuer's gross assets. The fees paid by the adviser to the dealer manager are not subject to reimbursement by the issuer.

⁹ The issuer's investment adviser will pay 70% of the underwriting discount (\$0.84 per share) and the issuer will pay 30% of the underwriting discount (\$0.36 per share).

¹⁰ Includes selling commissions of 7.0% and dealer manager fee of 3.0%.

¹¹ Includes selling commissions of 7.0% and dealer manager fees of 3.0%.

¹² Entities affiliated with NexPoint Advisors will provide reimbursements to the dealer manager and participating broker-dealers for certain expenses that constitute underwriting compensation in such amounts that, together with the sales load and reimbursements by the issuer, do not exceed 10% of the gross proceeds from this offering. Therefore, in the event that an investor pays an aggregate of 8.0% sales load, entities affiliated with NexPoint Advisors would pay an additional amount equal to up to 2.0% of the gross proceeds from this offering.

BDC Surveys and Related Resources

Issuer	Date	Public offering price (\$ per share)	Public offering price (\$ total)	Underwriting discounts (\$ per share)	Underwriting discounts (\$ total)	Underwriting discounts (% of public offering price per share)
TriplePoint Venture Growth BDC Corp.	3/5/14	\$15.00	\$124,999,995	\$0.90	\$7,500,000 ¹³	6.00%
CM Finance Inc.	2/5/14	\$15.00	\$100,000,000	\$0.90	\$6,000,000	6.00%
Pennantpark Investment Corp.	1/30/14	\$15.00	\$300,000,000	\$0.975	\$19,500,000	6.50%
American Capital Senior Floating, Ltd.	1/15/14	\$15.00	\$150,000,000	\$0.825	\$7,837,500	5.50%
Capitala Finance Corp.	9/24/13	\$20.00	\$80,000,000	\$1.00	\$4,000,000	5.00%
Fifth Street Senior Floating Rate Corp.	7/11/13	\$15.00	\$100,000,020	\$0.7875	\$5,250,001	5.27%
Harvest Capital Credit Corp.	5/2/13	\$15.00	\$51,000,000	\$0.90	\$3,060,000	6.00%
Garrison Capital Inc.	3/26/13	\$15.00	\$80,000,010	\$1.05	\$5,600,000.70	7.00%
WhiteHorse Finance, Inc.	12/10/12	\$15.00	\$100,000,005	\$0.90	\$6,000,000.30	6.00%
Stellus Capital Investment Corp.	11/13/12	\$15.00	\$120,000,000	\$0.90	\$7,200,000	6.00%

¹³ The total sales load for the offering was approximately \$7.5 million. The adviser has agreed to pay the underwriters 50% of the total sales load in an amount equal to approximately \$3.75 million.

BDC Surveys and Related Resources

Issuer	Date	Public offering price (\$ per share)	Public offering price (\$ total)	Underwriting discounts (\$ per share)	Underwriting discounts (\$ total)	Underwriting discounts (% of public offering price per share)
OFS Capital Corp.	11/8/12	\$15.00	\$100,000,005	\$1.05	\$6,230,350 ¹⁴	7.00%
Monroe Capital Corp.	10/24/12	\$15.00	\$75,000,000	\$0.90	\$4,077,000 ¹⁵	6.00%
TCP Capital Corp.	4/3/12	\$14.75	\$84,812,500	\$0.74	\$4,240,625	5.02%
Fidus Investment Corp.	6/20/11	\$15.00	\$70,050,000	\$1.05	\$4,533,010 ¹⁶	7.00%
New Mountain Finance Corporation	5/19/11	\$13.75	\$99,999,996	\$0.9625	\$7,000,000	7.00%
GSV Capital Corp. (formerly NeXt Innovation Corp.)	4/28/11	\$15.00	\$50,025,000	\$1.05	\$3,501,750	7.00%
Corporate Capital Trust	4/11/11	\$10.00	\$1,500,000,000 (max) \$2,000,000 (min)	\$1.00	\$150,000,000 (max) \$200,000 (min)	10.00%
Solar Senior Capital Ltd.	2/25/11	\$20.00	\$160,000,000	\$1.40	\$11,200,000	7.00%

¹⁴ There were no underwriting discounts for 733,000 shares sold to certain investors.

¹⁵ There were no underwriting discounts for 470,000 shares sold to certain friends and family.

¹⁶ For the 4,262,236 shares sold directly to the public the underwriting discounts were \$4,475,348, for 256,666 shares sold to certain friends and family there were no underwriting discounts and for 51,098 shares sold to certain friends and family there were underwriting discounts of \$56,662.

BDC Surveys and Related Resources

Issuer	Date	Public offering price (\$ per share)	Public offering price (\$ total)	Underwriting discounts (\$ per share)	Underwriting discounts (\$ total)	Underwriting discounts (% of public offering price per share)
Business Development Corporation of America	1/25/11	\$10.00	\$1,500,000,000 (max) \$2,500,000 (min)	\$1.00 ¹⁷	\$150,000,000 (max) \$250,000 (min)	10.00%
Medley Capital Corp.	1/20/11	\$12.00	\$133,333,344	\$0.72	\$7,400,001	6.00%
Horizon Technology Finance Corporation	10/28/10	\$16.00	\$100,000,000	\$1.12	\$7,000,000	2.33%
PennantPark Investment Corporation	4/19/07	\$15.00	\$300,000,000	\$0.975	\$19,500,000	6.50%

¹⁷ Includes selling commissions of \$0.70 per share and dealer manager fees of \$0.30 per share.

RECENT BDC IPOs (MARCH 20, 2015 TO NOVEMBER 30, 2015)¹

	Sierra Income Corporation	Terra Income Fund 6, Inc.	Carey Credit Income Fund 2016 T	Carey Credit Income Fund - I	Freedom Capital Corporation	Corporate Capital Trust II	FS Investment Corporation IV
LLC/ Corporation	Corporation	Corporation	Delaware Statutory Trust	Delaware Statutory Trust	Corporation	Delaware Statutory Trust	Corporation
"Conversions"	No	No	No	No	No	No	No
Exchange	Not listed	Not listed	Not listed	Not listed	Not listed	Not listed	Not listed
Small Business Investment Companies ("SBIC")	No	No	No	No	No	No	No
Blind Pools vs. Identified Assets	Identified assets	Blind pool	Blind pool	Blind pool	Blind pool	Blind pool	Blind pool
If Identified Assets, Assets Acquired from Affiliate	Certain negotiated co-investments with affiliates	N/A	N/A	N/A	N/A	N/A	N/A
Track Record of Investment Advisor	General bios. SIC Advisors is an affiliate of Medley and has offices in New York and San Francisco. Medley is an asset management firm with approximately \$3.7 billion of assets under management as of December 31, 2014.	General bios only	General bios only	General bios only	General bios only	General bios only	General bios. The managers, officers and other personnel of the issuer's Advisor also currently manage the following entities through affiliated investment advisers: (i) FS Investment Corporation (gross assets of \$4,358,345,000); (ii) FS Investment Corporation II (gross assets of \$5,122,417,000); (iii) FS Investment Corporation III (gross assets of \$1,934,483,000); (iv) FS Energy and Power Fund (gross assets of \$3,973,223,000); and (v) FS Global Credit Opportunities Fund (gross assets of \$1,374,753,000).
Exemption in N-6F	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)
Date N-6F Filed	July 18, 2011	March 2, 2015	September 22, 2014	September 9, 2014	March 3, 2015	September 30, 2015	May 15, 2015
Date N-54 Filed	April 13, 2012	April 20, 2015	July 17, 2015	July 29, 2015	September 2, 2015	October 9, 2015	October 9, 2015
Pricing Date	April 14, 2015	April 20, 2015	July 24, 2015 (continuous)	July 31, 2015 (continuous)	September 14, 2015	October 21, 2015	October 28, 2015

¹ Includes unlisted BDCs due to the fewer number of offerings for listed BDCs in the relevant period.

	Sierra Income Corporation	Terra Income Fund 6, Inc.	Carey Credit Income Fund 2016 T	Carey Credit Income Fund — I	Freedom Capital Corporation	Corporate Capital Trust II	FS Investment Corporation IV
Exemptive Relief from Investment Company Act of 1940	The issuer expects to originate the majority of its investments through its adviser's direct origination platform, and in particular through negotiated co-investment transactions with certain of its adviser's affiliates pursuant to an exemptive order received by certain of its affiliated entities from the SEC on November 25, 2013.	The issuer intends to seek exemptive relief from the SEC to engage in co-investment transactions with its advisor and its affiliates, including the Terra Income Funds; however, there can be no assurance that it will obtain such exemptive relief. Even if the issuer does obtain such exemptive relief, the conditions imposed by the SEC in granting such an order may preclude the issuer from transactions in which it would otherwise be entitled to engage.	The issuer has applied for exemptive relief with the SEC to engage in co-investment transactions.	The issuer has applied for exemptive relief with the SEC to engage in co-investment transactions.	None	On May 21, 2013, the SEC issued an order granting Corporate Capital Trust, Inc., ("CCT") an affiliate of one of the Advisors, exemptive relief that expanded CCT's ability to co-invest with certain of the affiliates of CCT's advisors in privately negotiated transactions. Subject to the conditions specified in the exemptive order, CCT is permitted to co-invest with those affiliates in certain additional investment opportunities, including investments originated and directly negotiated by the Advisor. On December 24, 2014, CCT and the issuer filed an amendment with the SEC to request expansion of the exemptive relief granted to CCT to include the issuer so that the issuer will also have the ability to co-invest with certain of the affiliates of the Advisors, including CCT, in privately negotiated transactions, including certain investments originated and directly negotiated by the Advisors.	The prospectus relates to the issuer's shares of Class A, Class D, Class T and Class I common stock. The issuer is currently only offering Class T shares for sale. The issuer has submitted to the SEC an application for an exemptive order to permit it to offer additional classes of common stock. If an exemptive order satisfactory to it is granted prior to the Trigger Date, the issuer intends to offer Class A, Class D and Class I shares and may offer other classes of common stock. If an exemptive order satisfactory to it is not granted prior to the Trigger Date, the issuer will close the offering of Class T shares (other than shares issued under our distribution reinvestment plan) and will not issue Class A, Class D or Class I shares. The exemptive order may require the issuer to supplement or amend the terms set forth in the prospectus, including the terms of the Class T shares offered thereby, and the issuer will file a prospectus supplement or an amendment to the registration statement to the extent required by the SEC.

HISTORICAL BDC IPOs (MAY 3, 2013 TO MARCH 19, 2015)¹

	Fifth Street Senior Floating Rate Corp.	MacKenzie Realty Capital, Inc.	Capitala Finance Corp.	FS Investment Corporation III	American Capital Senior Floating, Ltd.	CM Finance Inc.	TriplePoint Venture Growth BDC Corp.	TPG Specialty Lending, Inc.	NexPoint Capital, Inc.	FS Energy & Power Fund II	Business Development Corporation of America II	Goldman Sachs BDC, Inc.	Credit Suisse Park View BDC, Inc.
LLC/ Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Delaware statutory trust	Corporation	Corporation	Corporation
"Conversions"	No	No	No	No	No	No	No	No	Yes	No	No	Yes	Yes
Exchange	NASDAQ Global Select Market	Not listed	NASDAQ Global Select Market	Not listed	NASDAQ Global Market	NASDAQ Global Select Market	New York Stock Exchange	New York Stock Exchange	Not listed	Not listed	Not listed	New York Stock Exchange	Not listed
Small Business Investment Companies ("SBIC")	No	No	Owns two SBIC-licensed subsidiaries	No	No	Intends to apply for a license to form an SBIC subsidiary	An affiliate may apply for a license to form an SBIC	No	An affiliate may apply for a license to form an SBIC	No	No	No	No
Blind Pools vs. Identified Assets	Blind pool	Identified assets	Identified assets	Blind pool	Identified assets	Identified assets	Identified assets	Identified assets	Blind pool	Blind pool	Blind pool	Identified assets	Identified assets
If Identified Assets, assets acquired from affiliate	N/A	Yes	Yes	N/A	No	No	Yes	Certain investments are in affiliated companies	N/A	N/A	N/A	No	Yes

¹ Includes unlisted BDCs due to the fewer number of offerings for listed BDCs in the relevant period.

	Fifth Street Senior Floating Rate Corp.	MacKenzie Realty Capital, Inc.	Capitala Finance Corp.	FS Investment Corporation III	American Capital Senior Floating, Ltd.	CM Finance Inc.	TriplePoint Venture Growth BDC Corp.	TPG Specialty Lending, Inc.	NexPoint Capital, Inc.	FS Energy & Power Fund II	Business Development Corporation of America II	Goldman Sachs BDC, Inc.	Credit Suisse Park View BDC, Inc.
Track Record of Investment Advisor	General bios only	General bios only	General bios only	General bios only	General bios only	General bios only	General bios only	General bios only	General bios. NexPoint Advisors had approximately \$812 million under management as of 3/31/14. Controlled by James Dondero by virtue of his control of its general partner, NexPoint Advisors GP, LLC.	General bios. The managers, officers and other personnel of FSEP II Advisor currently manage the following entities: FS Energy and Power Fund (gross assets of 3,153,307,000); FS Investment Corporation (gross assets of 4,572,364,000); FS Investment Corporation II (gross assets of \$4,205,141,000); FS Investment Corporation III (gross assets of \$251,912,000); and FS Global Credit Opportunities Fund (gross assets of \$63,946,000). All numbers are as of June 30, 2014.	General bios only	General bios. Brandon McGovern, the investment advisor, manages one registered investment company with a total of approximately \$0.2 billion in assets under management, six pooled investment vehicles with a total of approximately \$2.7 billion in assets under management and two other accounts with a total of approximately \$0.5 billion in assets under management.	General bios only
Exemption in N-6F	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	No N-6F filed	3(c)(1)
Date N-6F Filed	May 29, 2013	June 1, 2012	May 30, 2013	October 25, 2013	November 5, 2013	November 15, 2013	October 23, 2013	January 14, 2011	May 19, 2014	April 11, 2014	July 16, 2014	Not filed	September 26, 2014
Date N-54 Filed	July 7, 2013	July 18, 2013	September 24, 2013	December 30, 2013	January 15, 2014	February 5, 2014	March 5, 2014	April 15, 2011	August 18, 2014	August 25, 2014	September 8, 2014	March 29, 2013	February 2, 2015
Pricing Date	July 11, 2013	August 2, 2013	September 24, 2013	January 10, 2014 (continuous offering)	January 15, 2014	February 5, 2014	March 5, 2014	March 20, 2014	August 20, 2014	August 29, 2014	September 18, 2014	March 17, 2015	March 19, 2015

	Fifth Street Senior Floating Rate Corp.	MacKenzie Realty Capital, Inc.	Capitala Finance Corp.	FS Investment Corporation III	American Capital Senior Floating, Ltd.	CM Finance Inc.	TriplePoint Venture Growth BDC Corp.	TPG Specialty Lending, Inc.	NexPoint Capital, Inc.	FS Energy & Power Fund II	Business Development Corporation of America II	Goldman Sachs BDC, Inc.	Credit Suisse Park View BDC, Inc.
Exemptive Relief from Investment Company Act of 1940	Fifth Street Management and certain of its affiliates have submitted an exemptive application to the SEC to permit the issuer to co-invest with other funds managed by Fifth Street Management or its affiliates in a manner consistent with the issuer's investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors.	None	Intends to seek exemptive relief from the SEC to permit the issuer to exclude the debt of its SBIC subsidiaries guaranteed by the SBA from the definition of senior securities in the 200% asset coverage test under the 1940 Act. This would provide the issuer with increased flexibility under the 200% asset coverage test by permitting the issuer to borrow up to \$202.2 million more than it would otherwise be able to absent the receipt of this exemptive relief	Co-investment exemptive order obtained.	None	None	The issuer, its Sponsor and its Adviser intend to file an exemptive application with the SEC to permit greater flexibility to negotiate the terms of co-investments with investment funds, accounts and investment vehicles managed by the Sponsor in a manner consistent with the issuer's investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors.	The issuer, the Adviser and certain other affiliates of TPG filed an application with the SEC for exemptive relief. If granted, the exemptive relief would allow the issuer to co-invest in middle-market loan origination activities for companies domiciled in the United States and certain "follow-on" investments in companies in which the issuer has already invested with affiliates of TSSP and TPG if certain conditions are met.	The issuer, Highland Capital Management and the issuer's investment adviser intend to submit an exemptive application to the SEC to permit greater flexibility to negotiate the terms of co-investments if our board of directors determines that it would be advantageous for the issuer to co-invest with other accounts managed by the issuer's investment adviser or its affiliates in a manner consistent with the issuer's investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors.	In an order dated June 4, 2013, the SEC granted exemptive relief permitting the issuer, subject to the satisfaction of certain conditions, to co-invest in certain privately negotiated investment transactions with certain affiliates of its Adviser ("FSEP II Adviser") and any future BDCs that are advised by issuer's Adviser or its affiliated investment advisers, or, collectively, our co-investment affiliates. Because the issuer does not have exemptive relief to engage in co-investment transactions with its sub-adviser, GSO Capital Partners LP ("GSO"), and its affiliates, issuer will be permitted to co-invest with GSO and its affiliates only in accordance with existing regulatory guidance.	The issuer, its advisor, and certain of its affiliates intend to seek an exemptive order from the SEC. In the event the SEC does not grant the issuer relief, it will only participate in co-investments that are allowed under existing regulatory guidance, which would reduce the amount of transactions in which the issuer can participate and make it more difficult for the issuer to implement its investment objective.	The issuer and its investment adviser have submitted an application seeking exemptive relief from the SEC to permit it to participate in negotiated co-investments with other funds managed by its investment adviser or its affiliates.	The issuer intends to apply for an exemptive order from the SEC that would permit it, among other things, to co-invest with certain other persons, including Credit Suisse Group AG and its affiliated entities (the "Adviser"), and certain funds managed and controlled by the Adviser.

HISTORICAL BDC IPOs (FEBRUARY 16, 2012 TO MAY 2, 2013)¹

	FS Investment Corp. II	TCP Capital Corp.	Sierra Income Corporation	Monroe Capital Corporation	OFS Capital Corporation	Stellus Capital Investment Corporation	WhiteHorse Finance, Inc.	Triton Pacific Investment Corporation, Inc.	Garrison Capital Inc.	Harvest Capital Credit Corporation
LLC/ Corporation	Corporation	Corporation	Corporation	Corporation	LLC to Corporation	Corporation	Corporation	Corporation	Corporation	Corporation
“Conversions”	No	Yes	No	No	Yes	No	No	No	No	No
Exchange	Not listed	NASDAQ Global Select Market	Not listed	NASDAQ Global Market	NASDAQ Global Market	New York Stock Exchange	NASDAQ Global Select Market	Not listed	NASDAQ Global Select Market	NASDAQ Capital Market
Small Business Investment Companies (“SBIC”)	No	No	No	Owens an SBIC subsidiary, and plans on applying for a second license	Partially-owned subsidiary is an SBIC	Intends to apply for a license to form a small business investment company subsidiary	An affiliate may apply for a license to form an SBIC	No	An affiliate may apply for a license to form an SBIC	No
Blind Pools vs. Identified Assets	Blind pool	Identified assets	Blind pool	Identified assets	Identified assets	Identified assets	Identified assets	Blind pool	Identified assets	Identified assets
If Identified Assets, Assets Acquired from Affiliate	N/A	No	N/A	Yes	No	Yes	No	N/A	No	Certain investments are in affiliated companies
Track Record of Investment Advisor	General bios only	General bios only	General bios only	General bios only	General bios only	General bios only	General bios only	General bios only	General bios only	General bios only
Exemption in N-6F	3(c)(1)/(7)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)/(7)	3(c)(1)	3(c)(1)/(7)	3(c)(1)
Date N-6F Filed	July 18, 2011	May 2, 2011	July 18, 2011	March 3, 2011	April 29, 2010	September 28, 2012	September 7, 2012	June 13, 2011	March 23, 2011	December 26, 2012
Date N-54 Filed	February 13, 2012	April 2, 2012	April 13, 2012	October 24, 2012	November 7, 2012	November 7, 2012	December 4, 2012	January 11, 2013	October 9, 2012	May 2, 2013
Pricing Date	February 16, 2012	April 3, 2012	April 16, 2012	October 24, 2012	November 7, 2012	November 13, 2012	December 4, 2012	March 21, 2013	March 26, 2013	May 2, 2013

¹ Includes unlisted BDCs due to the fewer number of offerings for listed BDCs in the relevant period

	FS Investment Corp. II	TCP Capital Corp.	Sierra Income Corporation	Monroe Capital Corporation	OFS Capital Corporation	Stellus Capital Investment Corporation	WhiteHorse Finance, Inc.	Triton Pacific Investment Corporation, Inc.	Garrison Capital Inc.	Harvest Capital Credit Corporation
Exemptive Relief from Investment Company Act of 1940	Currently seeking exemptive relief from the SEC to engage in co-investment transactions with FSIC II Advisor and GDFM and/or their respective affiliates.	Co-investment exemptive order obtained.	Issuer and SIC Advisors may submit an exemptive application to the SEC to permit them to negotiate the terms of co-investments if the issuer's board of directors determines that it would be advantageous for the issuer to co-invest with other affiliated funds managed by SIC Advisors, or an affiliated adviser, in a manner consistent with the issuer's investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors.	Issuer and MC Advisors have submitted an exemptive application to the SEC to permit greater flexibility to negotiate the terms of co-investments if the issuer's board of directors determines that it would be advantageous for the issuer to co-invest with other funds managed by MC Advisors or its affiliates in a manner consistent with the issuer's investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors.	Expects to apply for exemptive relief from the SEC to permit it to exclude the debt of Tamarix LP guaranteed by the SBA from the 200% asset coverage test under the 1940 Act. The issuer and OFS Advisor may submit an exemptive application to the SEC to permit greater flexibility to negotiate the terms of co-investments under the circumstances where the issuer's board of directors determines that it would be advantageous for the issuer to co-invest with other funds managed by OFS Advisor or its affiliates in a manner consistent with the issuer's investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors.	Issuer and Stellus Capital Management have filed an exemptive application with the SEC to permit greater flexibility to negotiate the terms of co-investments with investment funds, accounts and investment vehicles managed by Stellus Capital Management (other than the D. E. Shaw group funds) in a manner consistent with the issuer's investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors.	Intends to seek exemptive relief in relation to certain joint transactions; however, there is no assurance that the issuer will obtain relief that would permit it to negotiate future restructurings or other transactions that may be considered a joint enterprise.	The Adviser may apply to the SEC for exemptive relief to enable the issuer and any other registered companies advised by the Adviser or its affiliates to co-invest in certain privately-placed securities and other situations.	Issuer and its investment adviser have submitted an exemptive relief application to the SEC to permit greater flexibility to negotiate the terms of co-investments if the issuer's board of directors determines that it would be advantageous for the issuer to co-invest with other accounts sponsored or managed by the investment adviser or its affiliates in a manner consistent with the issuer's investment objective, positions, policies, strategies and restrictions, as well as regulatory requirements and other relevant factors.	May apply to the SEC for exemptive relief to enable it to co-invest with other funds accounts and vehicles managed by HCAP Advisors or its affiliates in privately-placed securities and other investments.

HISTORICAL BDC IPOs (JANUARY 1, 2011 TO FEBRUARY 15, 2012)¹

	Medley Capital Corporation	Business Development Corporation of America	Corporate Capital Trust, Inc.	GSV Capital Corp. (formerly NeXt Innovation Corp.)	New Mountain Finance Corporation	Fidus Investment Corporation
LLC/ Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Corporation
“Conversions”	Yes	No	No	No	No, but employs holding company structure	No
Exchange	New York Stock Exchange	Not listed	Not listed	NASDAQ Capital Market	New York Stock Exchange	NASDAQ Global Market
Small Business Investment Companies (“SBIC”)	Intends to apply for a license to form a small business investment company subsidiary	No	No	No	No	Yes
Blind Pools vs. Identified Assets	Identified assets	Blind pool	Blind pool	Blind pool	Identified assets	Identified assets
If Identified Assets, Assets Acquired from Affiliate	No	N/A	N/A	N/A	Yes	Yes
Track Record of Investment Advisor	General bios only	General bios. At September 30, 2010, the issuer’s investment sub-adviser, Main Street Capital Corporation, had investments having an aggregate fair value of approximately \$259 million in 41 portfolio companies and investments in over-the-counter debt securities having an aggregate fair value of approximately \$90 million in 24 separate issuers.	General bios only	General bios. The issuer’s investment adviser currently provides management and advisory services to NeXt X Fund (total assets of \$482,000).	General bios only	General bios only
Exemption in N-6F	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)	3(c)(1)
Date N-6F Filed	May 3, 2010	January 4, 2011	June 23, 2010	January 6, 2011	July 22, 2010	March 1, 2011
Date N-54 Filed	January 20, 2011	January 21, 2011	April 4, 2011	April 27, 2011	May 19, 2011	June 20, 2011
Pricing Date	January 20, 2011	January 25, 2011	April 4, 2011	April 28, 2011	May 19, 2011	June 20, 2011

¹ Includes unlisted BDCs due to the fewer number of offerings for listed BDCs in the relevant period.

	Medley Capital Corporation	Business Development Corporation of America	Corporate Capital Trust, Inc.	GSV Capital Corp. (formerly NeXt Innovation Corp.)	New Mountain Finance Corporation	Fidus Investment Corporation
Exemptive Relief from Investment Company Act of 1940	Co-investment exemptive order obtained.	The issuer and its advisers intend to seek an SEC order exempting it from certain provisions of the 1940 Act to allow the issuer to co-invest with its advisers.	The issuer has filed an application with the SEC requesting an SEC order exempting it from certain provisions of the 1940 Act to allow the issuer to co-invest with its advisers.	None	The issuer and New Mountain Finance Holdings, L.L.C, the operating company of the issuer and in which the issuer will acquire common membership units in connection with this offering, expect to file an application with the SEC requesting an SEC order exempting it from certain provisions of the 1940 Act and from certain reporting requirements mandated by the Exchange Act.	The issuer has filed an application with the SEC requesting an SEC order exempting it from certain provisions of the 1940 Act and from certain reporting requirements mandated by the Exchange Act.

HISTORICAL BDC IPOs (2004 TO 2010):

	Apollo Investment Corporation	Prospect Capital Corporation	PennantPark Investment Corporation	BlackRock Kelso Capital Corporation	Fifth Street Finance Corp.	Solar Capital Ltd.	Golub Capital BDC LLC	THL Credit, Inc.	Full Circle Capital Corporation	Horizon Technology Finance Corporation
LLC/ Corporation	Corporation	Corporation	Corporation	Corporation	Prior to the pricing of the IPO, Fifth Street Mezzanine Partners III, L.P. merged with and into Fifth Street Finance Corp.	Immediately prior to the pricing of the IPO, through a series of transactions, Solar Capital LLC will be merged with and into Solar Capital Ltd., a corporation.	Immediately prior to the pricing of the IPO and election to be treated as a business development company, the Issuer will convert from a LLC into a Corporation. The Corporation will succeed to the business of the LLC and its consolidated subsidiaries, and the members of the LLC will become stockholders of the Corporation. The entity issuing and selling shares of common stock to investors in this offering is the Corporation.	Corporation	Corporation	Corporation
“Conversions”	No	No	No	No	Yes	Yes	Yes	No	No	Yes
Exchange	Nasdaq Global Select Market	Nasdaq National Market	NASDAQ Global Market	Nasdaq Global Select Market	New York Stock Exchange	Nasdaq Global Select Market	Nasdaq Global Market	Nasdaq Global Select Market	Nasdaq Global Select Market	NASDAQ Global Market
Small Business Investment Companies (“SBIC”)	No	No	No	No	Announced on January 13, 2010 that its subsidiary, Fifth Street Mezzanine Partners IV, L.P., received approval for a license to operate as a SBIC.	No	Yes, operates two SBIC licensees, prior to BDC creation. Both of these licenses are exempt from registration as investment companies under Section 3(c)(1) or Section 3(c)(7) of the 1940 Act.	No	May establish a SBIC in the future.	To the extent that the issuer’s adviser receives an SBIC license, the issuer expects to form an SBIC subsidiary.
Blind Pools vs. Identified Assets	Blind pool	Identified assets	Identified assets	Identified assets	Identified assets	Identified assets	Identified assets	Identified assets	Identified assets	Identified assets
If Identified Assets, Assets Acquired from Affiliate	N/A	No	No	No	Assets were acquired due to merger.	Assets were acquired due to merger.	Portfolio companies were originated or purchased in the secondary market by affiliate.	Intend to purchase portfolio assets from affiliate fund in exchange for shares of common stock in a private placement.	Immediately prior to the pricing of the offering, the company will acquire a portfolio of investments from two existing private funds.	Yes

	Apollo Investment Corporation	Prospect Capital Corporation	PennantPark Investment Corporation	BlackRock Kelso Capital Corporation	Fifth Street Finance Corp.	Solar Capital Ltd.	Golub Capital BDC LLC	THL Credit, Inc.	Full Circle Capital Corporation	Horizon Technology Finance Corporation
Track Record of Investment Advisor	General bios only	General bios only	General bios only	General bios only	General bios only	General bios and portfolio performance	General bios only	General bios only	General bios and size of prior investments	General bios and performance of prior investments
Exemption in N-6F	No N-6F filed	No N-6F filed	3(c)(1)	No N-6F filed	3(c)(1)	3(c)(1)	3(c)(1)/(7)	3(c)(1)	3(c)(1)	3(c)(1)
Date N-6F Filed	Not filed	Not filed	January 18, 2007	Not filed	October 16, 2007	December 7, 2007	November 20, 2009	June 1, 2009 ²²	April 26, 2010	March 19, 2010
Date N-54 Filed	February 6, 2004	April 16, 2004	April 19, 2007	July 22, 2005	January 2, 2008	February 9, 2010	April 12, 2010	April 21, 2010	August 31, 2010	October 28, 2010
Pricing Date	April 5, 2004	July 27, 2004	April 19, 2007	June 26, 2007	June 11, 2008	February 9, 2010	April 14, 2010	April 21, 2010	August 31, 2010	October 28, 2010
Exemptive Relief from Investment Company Act of 1940	Application filed for co-investment.	None	None	None	Application for exemptive relief from Sections 18(a), 55(a) and 61(a) of the 1940 Act, permitting the issuer to deem assets held by its subsidiaries, to be owned by the issuer for purposes of determining its compliance with Section 55(a) of the 1940 Act. Additionally, applied for order permitting the issuer to adhere to modified asset coverage requirements with respect to its SBIC subsidiary.	None	Application filed for co-investment and SBIC license.	None	None	The issuer intends to apply for exemptive relief from the SEC to permit it to exclude the debt of the SBIC subsidiary guaranteed by the Small Business Administration from the consolidated asset coverage ratio, and, if obtained, will enable the issuer to fund more investments with debt capital.

²² THL filed an amendment to its N-6F form approximately every ninety days since the N-6F filing, for a total of three amendments.

Business Development Companies

Business development companies ("BDCs") are special investment vehicles designed to facilitate capital formation for small and middle-market companies. BDCs elect to be subject to certain provisions of the 1940 Act and benefit from favorable tax treatment. Given the dislocations caused by the financial crisis, BDCs are playing an increasingly significant role as providers of capital to small and emerging companies that may not be able to obtain bank financing or do so at attractive levels. Morrison & Foerster's leading securities practice, combined with our knowledge of the 1940 Act, the Advisers Act and the tax considerations applicable to BDCs, make us a regular choice for private equity and other sponsors of BDCs and for the underwriters and advisers to BDCs.

Morrison & Foerster has for decades been known as a leading firm advising issuers and underwriters on initial public offerings. Given our depth of capital markets experience, and our expertise in some of the most active industries for offerings, we are a key partner for issuers transitioning to public ownership. With our tax and investment management colleagues, we assist sponsors, management and boards of directors in structuring and forming their BDCs. We help our clients to anticipate potential accounting and regulatory issues; plan the company's financing strategy several steps beyond the IPO; structure intercompany relationships; adopt the requisite compliance policies and procedures; obtain requisite exemptive relief; and, of course, draft disclosure. Given our roots in Silicon Valley, we are committed to emerging companies, and have championed many of the reforms that made their way into the JOBS Act. Once the JOBS Act was enacted, we promptly launched various dedicated JOBS Act resources.

We regularly represent issuers, underwriters and placement agents in all aspects of equity capital markets transactions, including advising on public (IPO and follow-on) and private offerings, including confidentially marketed public offerings, at-the-market offerings, shelf offerings, private placements of equity securities and PIPE transactions. We also are one of the preeminent firms advising on debt issuances.

We advise clients on a full range of disclosure, governance and regulatory matters relating to the federal securities laws, including the 1940 Act and the Advisers Act. We prepare registration documents, and help our clients in all phases of their operations, including disclosure, compliance, risk management, record-keeping, and oversight by independent directors. We also advise BDCs on best practices regarding compliance policies and procedures. In addition, we provide practical advice on matters relating to capital structure, including compliance with the asset coverage test, the issuance of securities below net asset value, transactions with affiliates, the valuation of securities, social media and related matters.

With increased interest in consolidations in the BDC sector, we are well equipped to advise boards on matters related to replacing advisers to BDCs, negotiating new advisory agreements, evaluating merger opportunities, and negotiating acquisitions.

Our financial transactions group and our bankruptcy and restructuring group also provide support for our BDC clients. Our financial transactions group works with BDCs to negotiate and establish credit facilities. We also have extensive experience structuring and negotiating investments in BDC portfolio companies. This includes first and second lien loans, unitranche and other first out/last out loans, covenant-lite loans, PIK debt, subordinated loans, debtor-in-possession loans, high-yield debt securities, convertible debt, preferred equity and other mezzanine financings. Our bankruptcy and restructuring group advises BDCs and other lenders in connection with distressed investments, including restructurings, out-of-court workouts, foreclosures and bankruptcy proceedings.

Finally, our tax department is an integral part of the Morrison & Foerster team advising BDCs. As such, the tax team focuses on creating the most tax efficient structure depending on the facts and circumstances of any particular BDC or company looking to become a BDC. Our tax department has significant experience with both private and public BDCs. In addition, members of our tax team have decades worth of experience with the taxation of regulated investment companies that are eligible for favorable tax treatment. This experience is of particular significance to public BDCs since they typically elect to be treated as regulated investment companies.

For more information about our BDC practice, visit our website:

<http://www.mofo.com/practices/services/industries/business-development-companies>

About Morrison & Foerster

With more than 1,000 attorneys across the United States, Asia, and Europe, Morrison & Foerster offers comprehensive, global legal services to our clients. The consistently high quality and efficacy of our work across a wide range of practices has been well recognized. We've been included on The American Lawyer's A-List for 12 straight years, and Fortune named us one of the "100 Best Companies to Work For." *Best Lawyers in America* 2016 names 134 of our attorneys from our domestic offices to their list of leading lawyers, based on peer recommendations. *Chambers USA* 2015 ranks MoFo among the leading practices nationally and regionally in 54 areas and *Legal 500 US* 2015 ranks us in 50 of our practice areas.

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