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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 25, 2022

Barings BDC, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**814-00733**	**06-1798488**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

300 South Tryon Street, Suite 2500 **Charlotte, North Carolina** **(Address of principal executive offices)**	**28202** **(Zip Code)**

Registrant's telephone number, including area code: (704) 805-7200

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	**BBDC**	**The New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

Introductory Note

As previously disclosed, on September 21, 2021, Barings BDC, Inc., a Maryland corporation (the "Company"), entered into the Agreement and Plan of Merger (the "Merger Agreement") with Mercury Acquisition Sub, Inc., a Maryland corporation and a direct wholly owned subsidiary of the Company ("Acquisition Sub"), Sierra Income Corporation, a Maryland corporation ("Sierra"), and Barings LLC, a Delaware limited liability company and the investment adviser of the Company (the "Adviser"). The Merger Agreement provides, among other things, that, upon the terms and subject to the conditions set forth in the Merger Agreement, (i) Acquisition Sub will merge with and into Sierra (the "First Merger"), with Sierra as the surviving corporation (the "Surviving Corporation"), and (ii) following the completion of the First Merger, the Surviving Corporation will merge with and into the Company (the "Second Merger" and, together with the First Merger, the "Merger"), with the Company surviving the Merger.

On February 25, 2022, upon the terms and subject to the conditions set forth in the Merger Agreement, the Merger was completed. At the effective time of the First Merger (the "Effective Time"), the separate corporate existence of Acquisition Sub ceased, and Sierra survived the First Merger as a wholly owned subsidiary of the Company. Following the completion of the First Merger, Sierra merged with and into the Company, with the Company surviving the Second Merger.

The foregoing description of the Merger Agreement is a summary only and is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which is incorporated by reference as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 1.01. Entry into a Material Definitive Agreement.

Amended and Restated Investment Advisory Agreement

On February 25, 2022, following the closing of the Merger, the Company entered into a second amended and restated investment advisory agreement (the "New Barings BDC Advisory Agreement") with the Adviser. A description of the New Barings BDC Advisory Agreement is set forth in "The Merger—Terms of Second Amended and Restated Investment Advisory Agreement" in the Company's joint proxy statement/prospectus filed with the Securities and Exchange Commission (the "SEC") on December 28, 2021. The New Barings BDC Advisory Agreement will increase the current hurdle rate from 2.0% to 2.0625% per quarter (or from 8.0% to 8.25% annualized) (the "Hurdle Rate Increase") and therefore will increase the catch-up amount that is used in calculating the income incentive fee to correspond to the Hurdle Rate Increase. All other terms and provisions of the existing amended and restated investment advisory agreement between the Company and the Adviser, including with respect to the calculation of the other fees payable to the Adviser, remain unchanged under the New Barings BDC Advisory Agreement.

The foregoing description of the New Barings BDC Advisory Agreement, as set forth in this Item 1.01, is a summary only and is qualified in its entirety by reference to the text of the New Barings BDC Advisory Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Credit Support Agreement

On February 25, 2022, promptly following the closing of the Merger, the Company and Adviser entered into a Credit Support Agreement (the "Credit Support Agreement") pursuant to which the Adviser agreed to provide credit support to the Company in the amount of up to $100.0 million relating to the net cumulative realized and unrealized losses on the acquired Sierra investment portfolio over the next 10 years. A summary of the material terms of the Credit Support Agreement are as follows:

- The Credit Support Agreement covers all of the investments acquired by the Company from Sierra in the Merger and any investments received by the Company in connection with the restructuring, amendment, extension or other modification (including the issuance of new investments) of any of the investments acquired by the Company from Sierra in the Merger (collectively, the "Reference Portfolio").

- The Adviser has an obligation to provide credit support to the Company in an amount equal to the excess of (1) the aggregate realized and unrealized losses on the Reference Portfolio less (2) the aggregate realized and unrealized gains on the Reference Portfolio, in each case from the date of the closing of the Merger through the Designated Settlement Date (up to a $100.0 million cap) (such amount, the "Covered Losses"). For purposes of the Credit Support Agreement, "Designated Settlement Date" means the earlier of (1) April 1, 2032 and (2) the date on which the entire Reference Portfolio has been realized or written off. No credit support is required to be made by the Adviser to the Company under the Credit Support Agreement if the aggregate realized and unrealized gains on the Reference Portfolio exceed realized and unrealized losses of the Reference Portfolio on the Designated Settlement Date.

- The Adviser will settle any credit support obligation under the Credit Support Agreement as follows. If the Covered Losses are greater than $0.00, then, in satisfaction of the Adviser's obligation set forth in the Credit Support Agreement, the Adviser will irrevocably waive during the Waiver Period (as defined below) (1) the incentive fees payable under the New Barings BDC Advisory Agreement (including any incentive fee calculated on an annual basis during the Waiver Period), and (2) in the event that Covered Losses exceed such incentive fee, the base management fees payable under the New Barings BDC Advisory Agreement. The "Waiver Period" means the four quarterly measurement periods immediately following the quarter in which the Designated Settlement Date occurs. If the Covered Losses exceed the aggregate amount of incentive fees and base management fees waived by the Adviser during the Waiver Period, then, on the date on which the last incentive fee or base management fee payment would otherwise be due during the Waiver Period, the Adviser shall make a cash payment to the Company equal to the positive difference between the Covered Losses and the aggregate amount of incentive fees and base management fees previously waived by the Adviser during the Waiver Period.

- The Credit Support Agreement and the rights of the Company thereunder shall automatically terminate if the Adviser (or an affiliate of the Adviser) ceases to serve as the investment adviser to the Company or any successor thereto, other than as a result of the voluntary termination by the Adviser of its investment advisory agreement with the Company. In the event of such a voluntary termination by the Adviser of the then-current investment advisory agreement with the Company, the Adviser will remain obligated to provide the credit support contemplated by the Credit Support Agreement. In the event of a non-voluntary termination of the advisory agreement or its expiration (due to non-renewal by the Board of Directors of the Company (the "Board")), the Adviser will have no obligations under the Credit Support Agreement.

The Credit Support Agreement is intended to give stockholders of the combined company downside protection from net cumulative realized and unrealized losses on the acquired Sierra portfolio and insulate the combined company's stockholders from potential value volatility and losses in Sierra's portfolio following the closing of the Merger. There is no fee or other payment by the Company to the Adviser or any of its affiliates in connection with the Credit Support Agreement. Any cash payment from the Adviser to the Company under the Credit Support Agreement will be excluded from the combined company's incentive fee calculations under the New Barings BDC Advisory Agreement.

The foregoing description of the Credit Support Agreement, as set forth in this Item 1.01, is a summary only and is qualified in its entirety by reference to the text of the Credit Support Agreement, which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information in this Current Report on Form 8-K set forth under the Introductory Note and under Item 1.01 is incorporated by reference into this Item 2.01.

As described above, the Merger closed on February 25, 2022. In accordance with the terms of the Merger Agreement, at the Effective Time, each share of Sierra common stock, par value $0.001 per share (the "Sierra Common Stock"), issued and outstanding immediately prior to the Effective Time (other than shares of Sierra Common Stock issued and outstanding immediately prior to the Effective Time that were held by a subsidiary of Sierra or held, directly or indirectly, by the Company or Acquisition Sub) was converted into the right to receive (i) an amount in cash from the Adviser, without interest, equal to $0.9783641, and (ii) 0.44973 shares of the Company common stock, par value $0.001 per share (the "Company Common Stock"), plus any cash in lieu of fractional shares. As a result of the Merger, former Sierra stockholders will receive approximately 46.0 million shares of Company Common Stock for their shares of Sierra Common Stock.

The Board affirms its commitment to purchase in open-market transactions, pursuant to Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and subject to the Company's compliance with its covenant and regulatory requirements, shares of Company Common Stock in an aggregate amount of up to $30,000,000 at then-current market prices at any time the shares of Company Common Stock trade below 90% of the Company's then most recently disclosed net asset value per share during the 12-month period commencing on April 1, 2022.

The foregoing description of the Merger Agreement is a summary only and is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which is incorporated by reference as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective immediately after the closing of the Merger, the Board increased the size of the Board from eight directors to 10 directors and appointed Steve Byers and Valerie Lancaster-Beal, both former directors of Sierra who were selected by the Company, to fill the vacancies created by the expansion of the Board. Mr. Byers and Ms. Lancaster-Beal have been appointed as Class II directors of the Company to serve the remainder of the full term of such Class II directorships. The Board also appointed Mr. Byers and Ms. Lancaster-Beal to the Nominating and Corporate Governance Committee, the Audit Committee and the Compensation Committee of the Board.

The appointment of Mr. Byers and Ms. Lancaster-Beal was made pursuant to the requirements of the Merger Agreement but was not otherwise made pursuant to any arrangement or understanding between Mr. Byers or Ms. Lancaster-Beal and any other person. Further, with regard to Mr. Byers and Ms. Lancaster-Beal, there are no transactions since the beginning of the Company's last fiscal year, or any currently proposed transaction, in which the Company is a participant that would require disclosure under Item 404(a) of Regulation S-K promulgated by the SEC.

Item 7.01. Regulation FD Disclosure.

On February 25, 2022, the Company issued a press release announcing the completion of the transactions contemplated by the Merger Agreement. A copy of the press release is attached as Exhibit 99.1 hereto.

The information furnished pursuant to this Item 7.01, including the related exhibit, shall not be deemed "filed" for purposes of the Exchange Act or otherwise subject to the liabilities of such section, nor shall such information or exhibits be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing by the Company with the SEC.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses or funds acquired

The information required by Item 9.01(a) of Form 8-K, including the financial statements required pursuant to Rule 6-11 of Regulation S-X, was previously included or incorporated by reference in the Company's prospectus dated December 28, 2021 (the "Prospectus"), as filed under the Securities Act with the SEC on December 28, 2021 and, pursuant to General Instruction B.3 of Form 8-K, is not included herein.

(d) Exhibits

Exhibit No.	Description
2.1*	Agreement and Plan of Merger, dated as of September 21, 2021, by and among Barings BDC, Inc., Mercury Acquisition Sub, Inc., Sierra Income Corporation and Barings LLC (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on September 22, 2021).
10.1	Second Amended and Restated Investment Advisory Agreement, dated February 25, 2022, by and between Barings BDC, Inc. and Barings LLC.
10.2*	Credit Support Agreement, dated February 25, 2022, by and between Barings BDC, Inc. and Barings LLC.
99.1	Press Release, dated February 25, 2022.

* Exhibits and/or schedules to this Exhibit have been omitted in accordance with Item 601(b)(2) of Regulation S-K or Item 601(b)(10) of Regulation S-K, as applicable. The registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BARINGS BDC, INC.

By: /s/ Jonathan Bock
Jonathan Bock
Chief Financial Officer

Date: March 3, 2022

Exhibit 10.1

SECOND AMENDED AND RESTATED INVESTMENT ADVISORY AGREEMENT
BETWEEN BARINGS BDC, INC.
AND
BARINGS LLC

THIS SECOND AMENDED AND RESTATED INVESTMENT ADVISORY AGREEMENT, dated as of February 25, 2022 (this "Agreement"), between Barings BDC, Inc., a Maryland corporation (the "Company"), and Barings LLC, a Delaware limited liability company (the "Adviser").

WHEREAS, the Adviser and the Company are party to that certain amended and restated investment advisory agreement dated as of December 23, 2020, pursuant to which the Adviser agreed to furnish investment advisory services to the Company (the "Prior Agreement"); and

WHEREAS, the Company and the Adviser desire to amend and restate the Prior Agreement in its entirety as set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties hereby agree that, effective as of February 25, 2022 (the "Effective Date"), this Agreement shall supersede the Prior Agreement (and the Prior Agreement shall be deemed of no further force and effect whatsoever):

1. In General. The Adviser agrees, all as more fully set forth herein, to act as investment adviser to the Company with respect to the investment of the Company's assets and to supervise and arrange for the day-to-day operations of the Company and the purchase of assets for and the sale of assets held in the investment portfolio of the Company.

2. Duties and Obligations of the Adviser with Respect to Investment of Assets of the Company.

(a) Subject to the succeeding provisions of this paragraph and subject to the direction and control of the Company's board of directors (the "Board of Directors"), the Adviser shall act as the investment adviser to the Company and shall manage the investment and reinvestment of the assets of the Company. Without limiting the generality of the foregoing, the Adviser shall, during the term and subject to the provisions of this Agreement, (i) determine the composition of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and negotiate the structure of the investments made by the Company; (iii) execute, close, service and monitor the investments that the Company makes; (iv) determine the securities and other assets that the Company will purchase, retain or sell; (v) perform due diligence on prospective portfolio companies; and (vi) provide the Company with such other investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds. Nothing contained herein shall be construed to restrict the Company's right to hire its own employees or to contract for administrative services to be performed by third parties, including but not limited to, the calculation of the net asset value of the Company's shares.

(b) In the performance of its duties under this Agreement, the Adviser shall at all times use all reasonable efforts to conform to, and act in accordance with, any requirements imposed by (i) the provisions of the Investment Company Act of 1940 (the "1940 Act"), and of any rules or regulations in force thereunder, subject to the terms of any exemptive order applicable to the Company; (ii) any other applicable provision of law; (iii) the provisions of the Articles of Incorporation and the Bylaws of the Company, as such documents may be amended from time to time; (iv) the investment objectives, policies and restrictions applicable to the Company as set forth in the reports and/or registration statements that the Company files with the Securities and Exchange Commission (the "SEC"), as they may be amended from time to time by the Board of Directors of the Company; and (v) any policies and determinations of the Board of Directors of the Company and provided in writing to the Adviser.

(c) The Adviser will provide significant managerial assistance to those portfolio companies of the Company that the Company agrees to provide such services to as required by the 1940 Act.

(d) The Adviser may engage one or more investment advisers (each, a "Sub-Adviser") which are registered under the Investment Advisers Act of 1940 (the "Advisers Act") to act as sub-advisers to provide the Company certain services set forth in Section 2(a) of this Agreement, all as shall be set forth in a written contract (each, a "Sub-Advisory Agreement") to which the Company and the Adviser shall be parties, which Sub-Advisory Agreement shall be subject to approval by the vote of a majority of the members of the Board of Directors who are not "interested persons" (as such term is defined in Section 2(a)(19) of the 1940 Act) of the Adviser, any sub-adviser, or of the Company (each, a "Non-Interested Director"), cast in person at a meeting called for the purpose of voting on such approval and, to the extent required by the 1940 Act, by the vote of a majority of the outstanding voting securities of the Company and otherwise consistent with the terms of the 1940 Act. The Adviser and not the Company shall be responsible for any compensation payable to any Sub-Adviser; provided, however, that the Adviser shall have the right to direct the Company to pay directly to any Sub-Adviser the amounts due and payable to such Sub-Adviser from the fees and expenses payable to the Adviser under this Agreement.

(e) The Adviser will maintain all books and records with respect to the Company's securities transactions required by sub-paragraphs (b)(5), (6), (9) and (10) and paragraph (f) of Rule 31a-1 under the 1940 Act (other than those records being maintained by the administrator to the Company (the "Administrator") under the administration agreement entered into by and between the Company and the Administrator (the "Administration Agreement"), or by the Company's custodian or transfer agent) and preserve such records for the periods prescribed therefor by Rule 31a-2 of the 1940 Act. The Adviser shall have the right to retain copies, or originals where required by Rule 204-2 promulgated under the Advisers Act, of such records to the extent required by applicable law, subject to observance of its confidentiality obligations under this Agreement.

(f) All investment professionals of the Adviser and its staff, when and to the extent engaged in providing investment advisory and management services hereunder, and the compensation and routine overhead expenses of such personnel allocable to such services, shall be provided and paid for by the Adviser and not by the Company. The Company shall bear all other costs and expenses of its operations and transactions, including, without limitation, those relating to:

(i) organizational and offering expenses;

(ii) fees and expenses incurred in valuing the Company's assets and computing its net asset value (including the cost and expenses of any independent valuation firm);

(iii) the fees and expenses incurred by the Company or payable to third parties, including lawyers, accountants, auditors, agents, consultants or other advisors, in connection with the Company's financial, accounting and legal affairs and in monitoring the Company's investments and performing due diligence on the Company's prospective portfolio companies or otherwise related to, or associated with, evaluating and making investments, including expenses related to unsuccessful portfolio acquisition efforts;

(iv) all fees, costs and expenses of money borrowed by the Company, including principal, interest and the costs associated with the establishment and maintenance of any credit facilities, other financing arrangements, or other indebtedness of the Company, if any (including commitment fees, accounting and legal fees, closing and other costs);

(v) offerings of the Company's common stock and other securities;

(vi) investment advisory and management fees payable under Section 6 of this Agreement;

(vii) administration fees;

(viii) transfer agent and custody fees and expenses;

(ix) federal and state registration fees;

(x) all costs of registration and listing the Company's securities on any securities exchange;

(xi) federal, state and local taxes;

(xii) Non-Interested Directors' compensation, fees and expenses;

(xiii) costs of preparing and filing reports or other documents required by the SEC or other regulators;

(xiv) costs of any reports, proxy statements or other notices to stockholders, including printing costs;

(xv) costs of holding stockholder meetings;

(xvi) the Company's allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums, including independent director liability policies;

(xvii) direct costs and expenses of administration and operation, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs;

(xviii) all third-party legal, expert and other fees, costs and expenses relating to any actions, proceedings, lawsuits, demands, causes of action and claims, whether actual or threatened, made by or against the Company, or which the Company is authorized or obligated to pay under applicable law or its governing agreements or by the Board of Directors;

(xix) subject to Section 7 below, any judgment or settlement of pending or threatened proceedings (whether civil, criminal or otherwise) against the Company, or against any trustee, director, partner, member or officer of the Company in his or her capacity as such for which the Company is required to indemnify such trustee, director, partner, member or officer by any court or governmental agency, or settlement of pending or threatened proceedings;

(xx) all travel and related expenses of directors, officers, managers, agents and employees of the Company and the Adviser, incurred in connection with attending meetings of the Board of Directors or holders of securities of the Company or performing other business activities that relate to the Company, including travel and related expenses incurred in connection with the purchase, consideration for purchase, financing, refinancing, sale or other disposition of any investment or potential investment of the Company; provided, however, that the Company shall only be responsible for (A) a proportionate share of such expenses, as determined by the Adviser in good faith, where such expenses were not incurred solely for the benefit of the Company, and (B) expenses incurred in accordance with the Company's travel expense reimbursement policies;

(xxi) all expenses relating to payments of dividends or interest or distributions in cash or any other form made or caused to be made by the Board of Directors to or on account of holders of the securities of the Company, including in connection with any dividend reinvestment plan or direct stock purchase plan;

(xxii) all fees, costs and expenses related to (A) the design and maintenance of the Company's web site or sites and (B) the Company's allocable share of costs associated with technology-related expenses, including any computer software or hardware, electronic equipment or purchased information technology services from third-party vendors or affiliates of the Adviser that is used for the Company, technology service providers and related software/hardware utilized in connection with the Company's investment and operational activities;

(xxiii) all fees, costs and expenses incurred with respect to market information systems and publications, research publications and materials, and settlement, clearing and custodial fees and expenses; provided, however, that the Company shall only be responsible for a proportionate share of such expenses, as determined by the Adviser in good faith, where such expenses were not incurred solely for the benefit of the Company; and

(xxiv) all other non-investment advisory expenses incurred by the Company or the Administrator in connection with administering the Company's business (including payments under the Administration Agreement based upon the Company's allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of the Company's Chief Financial Officer and Chief Compliance Officer and their respective staffs).

(g) The Adviser shall give the Company the benefit of its professional judgment and effort in rendering services hereunder, but neither the Adviser nor any of its officers, directors, employees, agents or controlling persons shall be liable for any act or omission or for any loss sustained by the Company in connection with the matters to which this Agreement relates, provided, that the foregoing exculpation shall not apply to a loss resulting from fraud, willful misfeasance, bad faith or gross negligence in the performance of its duties, or by reason of its reckless disregard of its obligations and duties under this Agreement; provided further, however, that the foregoing shall not constitute a waiver of any rights which the Company may have which may not be waived under applicable law.

(h) The Adviser is hereby authorized, on behalf of the Company and at the direction of the Board of Directors pursuant to delegated authority, to possess, transfer, mortgage, pledge or otherwise deal in, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, the Company's investments and other property and funds held or owned by the Company, including voting and providing consents and waivers with respect to the Company's investments and exercising and enforcing rights with respect to any claims relating to the Company's investments and other property and funds, including with respect to litigation, bankruptcy or other reorganization. In the event that the Company determines to acquire debt or other financing (or to refinance existing debt or other financing), the Adviser shall use commercially reasonable efforts to arrange for such financing on the Company's behalf, subject to the oversight and approval of the Board of Directors. If it is necessary for the Adviser to make investments or obtain financing on behalf of the Company through a special purpose vehicle, the Adviser shall have the authority to create, or arrange for the creation of, such special purpose vehicle and to make investments or obtain financing through such special purpose vehicle in accordance with applicable law. In addition, the Adviser may, directly or through an affiliate, provide, or arrange for a third party to provide, a guarantee, surety or other credit enhancement or credit support arrangement (collectively, a "Credit Support Arrangement") with respect to one or more of the Company's investments, subject to the oversight and approval of the Board of Directors;

(i) The Adviser will place orders either directly with the issuer or with any broker or dealer in connection with making investments on the Company's behalf hereunder. Subject to the other provisions of this paragraph, in placing orders with brokers and dealers, the Adviser will attempt to obtain the best price and the most favorable execution of its orders. In placing orders, the Adviser will consider the experience and skill of the firm's securities traders as well as the firm's financial responsibility and administrative efficiency. Consistent with this obligation, the Adviser may select brokers on the basis of the research, statistical and pricing services they provide to the Company and other clients of the Adviser. Information and research received from such brokers will be in addition to, and not in lieu of, the services required to be performed by the Adviser hereunder. A commission paid to such brokers may be higher than that which another qualified broker would have charged for effecting the same transaction, provided that the Adviser determines in good faith that such commission is reasonable in terms either of the transaction or the overall responsibility of the Adviser to the Company and its other clients and that the total commissions paid by the Company will be reasonable in relation to the benefits to the Company over the long term, subject to review by the Board of Directors of the Company from time to time with respect to the extent and continuation of such practice to determine whether the Company benefits, directly or indirectly, from such practice.

(j) The Company also grants to the Adviser the power and authority to engage in all activities and transactions (and anything incidental thereto) that the Adviser deems, in its sole discretion, appropriate, necessary or advisable to carry out its duties pursuant to this Agreement.

(k) The Adviser will provide to the Board of Directors such periodic and special reports as it may reasonably request.

3 . Services Not Exclusive. Nothing in this Agreement shall prevent the Adviser or any officer, employee or other affiliate thereof from acting as investment adviser for any other person, firm or corporation, whether or not the investment objectives or policies of any such other person, firm, or corporation are similar to those of the Company, or from engaging in any other lawful activity, and shall not in any way limit or restrict the Adviser or any of its officers, employees or agents from buying, selling or trading any securities for its or their own accounts or for the accounts of others for whom it or they may be acting; provided, however, that the Adviser will not undertake, and will cause its employees not to undertake, activities which, in its reasonable judgment, will adversely affect the performance of the Adviser's obligations under this Agreement.

4 . Confidentiality. The parties hereto agree that each shall treat confidentially all information provided by each party to the other regarding its business and operations. All confidential information provided by a party hereto, including all "nonpublic personal information," as defined under the Gramm-Leach-Bliley Act of 1999 (Public law 106-102, 113 Stat. 1138), shall be used by the other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to any third party, without the prior consent of such providing party, except that such confidential information may be disclosed to an affiliate or agent of the disclosing party to be used for the sole purpose of providing the services set forth herein. The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement, or that is requested by or required to be disclosed to any governmental or regulatory authority, including in connection with any required regulatory filings or examinations, by judicial or administrative process or otherwise by applicable law or regulation. Notwithstanding the foregoing, the Company hereby consents and authorizes the Adviser and its affiliates to use and disclose confidential information relating to the Company in connection with (a) the preparation of performance information relating to the Company and (b) in connection with any contemplated sale of the outstanding equity or assets of the Adviser, Administrator, or any person who may be deemed to "control" either of the Adviser or the Administrator, in each case within the meaning of the 1940 Act.

5 . Expenses. During the term of this Agreement, the Adviser will bear all compensation expense (including health insurance, pension benefits, payroll taxes and other compensation related matters) of its employees and shall bear the costs of any salaries of any officers or directors of the Company who are affiliated persons (as defined in the 1940 Act) of the Adviser.

6 . Compensation of the Adviser. The Adviser, for its services to the Company, will be entitled to receive a management fee (the "Base Management Fee") and an incentive fee ("Incentive Fee") from the Company.

(a) The Base Management Fee will be calculated based on the Company's gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of 1.25%. The Base Management Fee is payable quarterly in arrears on a calendar quarter basis. The Base Management Fee will be calculated based on the average value of the Company's gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. Base Management Fees for any partial month or quarter will be appropriately pro-rated.

(b) 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 the Company's income (such fee referred to herein as the "Income-Based Fee") and a portion is based on the Company's capital gains (such fee referred to herein as the "Capital Gains Fee"), each as described below:

(i) The Income-Based Fee will be determined and paid quarterly in arrears based on the amount by which (x) the aggregate "Pre-Incentive Fee Net Investment Income" (as defined below) in respect of the current calendar quarter and the eleven preceding calendar quarters beginning with the calendar quarter that commences on or after January 1, 2021, as the case may be (or the appropriate portion thereof in the case of any of the Company's first eleven calendar quarters that commences on or after January 1, 2021) (in either case, the "Trailing Twelve Quarters") exceeds (y) the Hurdle Amount (as defined below) in respect of the Trailing Twelve Quarters. The Hurdle Amount will be determined on a quarterly basis, and will be calculated by multiplying 2.0625% (8.25% annualized) by the aggregate of the Company's net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. For this purpose, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including, without limitation, any accrued income that the Company has not yet received in cash and any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses accrued during the calendar quarter (including, without limitation, the Base Management Fee, administration expenses and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Income-Based Fee and the Capital Gains Fee). For the avoidance of doubt, 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 Income-Based Fee for each calendar quarter is as follows:

(A) No Income-Based Fee shall be payable to the Adviser in any calendar quarter in which the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters does not exceed the Hurdle Amount;

(B) 100% of the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters, if any, that exceeds the Hurdle Amount but is less than or equal to an amount (the "Catch-Up Amount") determined on a quarterly basis by multiplying 2.578125% (10.3125% annualized) by the aggregate of the Company's net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. The Catch-Up Amount is intended to provide the Adviser with an incentive fee of 20% on all of the Company's Pre-Incentive Fee Net Investment Income when the Company's Pre-Incentive Fee Net Investment Income reaches the Catch-Up Amount for the Trailing Twelve Quarters; and

(C) For any quarter in which the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters exceeds the Catch-Up Amount, the Income-Based Fee shall equal 20% of the amount of the Company's aggregate Pre-Incentive Fee Net Investment Income for such Trailing Twelve Quarters, as the Hurdle Amount and Catch-Up Amount will have been achieved.

Subject to Section 6(b)(ii) below, the amount of the Income-Based Fee that will be paid to the Adviser for a particular quarter will equal the excess of the aggregate Income-Based Fee so calculated less the aggregate Income-Based Fees that were paid to the Adviser in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters.

(ii) The Income-Based Fee is subject to a cap (the "Incentive Fee Cap"). The Incentive Fee Cap in any quarter is an amount equal to (a) 20% of the Cumulative Pre-Incentive Fee Net Return (as defined below) during the relevant Trailing Twelve Quarters less (b) the aggregate Income-Based Fees that were paid to the Adviser in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters. For this purpose, "Cumulative Pre-Incentive Fee Net Return" during the relevant Trailing Twelve Quarters means (x) Pre-Incentive Fee Net Investment Income in respect of the Trailing Twelve Quarters less (y) any Net Capital Loss, if any, in respect of the Trailing Twelve Quarters. If, in any quarter, the Incentive Fee Cap is zero or a negative value, the Company shall pay no Income-Based Fee to the Adviser in that quarter. If, in any quarter, the Incentive Fee Cap is a positive value but is less than the Income-Based Fee calculated in accordance with Section 6(b)(i) above, the Company shall pay the Adviser the Incentive Fee Cap for such quarter. If, in any quarter, the Incentive Fee Cap is equal to or greater than the Income-Based Fee calculated in accordance with Section 6(b)(i) above, the Company shall pay the Adviser the Income-Based Fee for such quarter.

"Net Capital Loss" in respect of a particular period means the difference, if positive, between (i) aggregate capital losses on the Company's assets, whether realized or unrealized, in such period and (ii) aggregate capital gains or other gains on the Company's assets (including, for the avoidance of doubt, the value ascribed to any Credit Support Arrangement in the Company's financial statements even if such value is not categorized as a gain therein), whether realized or unrealized, in such period.

(iii) The second part of the Incentive Fee (the "Capital Gains Fee") will be determined and payable in arrears as of the end of each calendar year (or upon termination of this Agreement as set forth below), commencing with the calendar year ended on December 31, 2018, and is calculated at the end of each applicable year by subtracting (1) the sum of the Company's cumulative aggregate realized capital losses and aggregate unrealized capital depreciation from (2) the Company's cumulative aggregate realized capital gains, in each case calculated from August 2, 2018. If such amount is positive at the end of such year, then the Capital Gains Fee payable for such year is equal to 20% of such amount, less the cumulative aggregate amount of Capital Gains Fees paid in all prior years commencing with the calendar year ended on December 31, 2018. If such amount is negative, then there is no Capital Gains Fee payable for such year. If this Agreement is terminated as of a date that is not a calendar year end, the termination date shall be treated as though it were a calendar year end for purposes of calculating and paying a Capital Gains Fee.

For purposes of this Section 6(b)(iii):

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 the Company's portfolio when sold and (b) the accreted or amortized cost basis of such investment.

The *cumulative aggregate realized capital losses* are calculated as the sum of the differences, if negative, between (a) the net sales price of each investment in the Company's portfolio when sold and (b) the accreted or amortized cost basis of such investment.

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

The *accreted or amortized cost basis of an investment* shall mean the accreted or amortized cost basis of such investment as reflected in the Company's financial statements.

7 . Indemnification. The Adviser assumes no responsibility under this Agreement other than to render the services called for hereunder in good faith and shall not be responsible for any action of the Board of Directors in following or declining to follow any advice or recommendations of the Adviser. The Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser) shall not be liable to the Company for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of the Company (except to the extent specified in Section 36(b) of the 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), and the Company shall indemnify, defend and protect the Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser) (collectively, the "Indemnified Parties") and hold them harmless from and against all damages, liabilities, costs, demands, charges, claims and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of any actions or omissions or otherwise based upon the performance of any of the Adviser's duties or obligations under this Agreement or otherwise as an investment adviser of the Company. Notwithstanding the preceding sentence of this Section 7 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Company or its security holders to which the Indemnified Parties would otherwise be subject by reason of fraud, willful misfeasance, bad faith or gross negligence in the performance of the Adviser's duties or by reason of the reckless disregard of the Adviser's duties and obligations under this Agreement (as the same shall be determined in accordance with the 1940 Act and any interpretations or guidance by the SEC or its staff thereunder).

8. Duration and Termination.

(a) This Agreement shall become effective as of the Effective Date. This Agreement may be terminated at any time, without the payment of any penalty, upon 60 days' written notice, (i) by the vote of a majority of the outstanding voting securities of the Company, (ii) by the vote of the Board of Directors, or (iii) by the Adviser. The provisions of Section 7 of this Agreement shall remain in full force and effect, and the Adviser shall remain entitled to the benefits thereof, notwithstanding any termination of this Agreement. Further, notwithstanding the termination or expiration of this Agreement as aforesaid, the Adviser shall be entitled to any amounts owed under Section 6 through the date of termination or expiration.

(b) This Agreement shall continue in effect for two years from the date of the Prior Agreement and thereafter shall continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (A) the vote of the Board of Directors, or by the vote of a majority of the outstanding voting securities of the Company and (B) the vote of a majority of the Non-Interested Directors in accordance with the requirements of the 1940 Act.

(c) This Agreement will automatically terminate in the event of its "assignment" (as such term is defined for purposes of Section 15(a)(4) of the 1940 Act).

9. Notices. Any notice under this Agreement shall be in writing to the other party at such address as the other party may designate from time to time for the receipt of such notice and shall be deemed to be received on the earlier of the date actually received or on the fourth day after the postmark if such notice is mailed first class postage prepaid.

10. Amendment of this Agreement. This Agreement may be amended by mutual consent, but the consent of the Company must be obtained in conformity with the requirements of the 1940 Act.

11. Entire Agreement; Governing Law. This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof. This Agreement shall be construed in accordance with the laws of the State of New York and in accordance with the applicable provisions of the 1940 Act. In such case, to the extent the applicable laws of the State of New York, or any of the provisions herein, conflict with the provisions of the 1940 Act, the latter shall control.

12. Miscellaneous. The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding on, and shall inure to the benefit of the parties hereto and their respective successors.

13. Counterparts. This Agreement may be executed in counterparts by the parties hereto, each of which shall constitute an original counterpart, and all of which, together, shall constitute one Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, all as of the day and the year first above written.

BARINGS BDC, INC.,
a Maryland corporation

By: /s/ Jonathan Bock
Name: Jonathan Bock
Title: Chief Financial Officer

BARINGS LLC,
a Delaware limited liability company

By: /s/ Eric Lloyd
Name: Eric Lloyd
Title: Managing Director

[Signature Page to Second Amended and Restated Investment Advisory Agreement]

Exhibit 10.2

CREDIT SUPPORT AGREEMENT

THIS CREDIT SUPPORT AGREEMENT (this "Agreement") is dated as of February 25, 2022 and made by Barings LLC ("Barings") in favor of Barings BDC, Inc. ("BBDC").

WITNESSTH:

WHEREAS, Barings and BBDC are party to that certain second amended and restated investment advisory agreement, dated as February 25, 2022, pursuant to which Barings agreed to furnish investment advisory services to BBDC (the "Advisory Agreement");

WHEREAS, on September 21, 2021, BBDC, Mercury Acquisition Sub, Inc., Sierra Income Corporation ("Sierra") and Barings entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which, among other things, BBDC agreed to acquire Sierra (the "Transaction");

WHEREAS, pursuant to the Merger Agreement, Barings and BBDC agreed to enter into a credit support agreement providing for the enhancement of shareholder credit in an aggregate amount of up to $100,000,000 (the "Maximum Obligation") on substantially the terms set forth in an exhibit to the Merger Agreement; and

WHEREAS, the Transaction closed on the date hereof (the "Effective Date").

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties and covenants and the consideration paid to Barings by BBDC under the Advisory Agreement and subject to the conditions herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

AGREEMENT

Section 1. **Credit Support Obligation**. Pursuant to Section 2 of this Agreement, Barings unconditionally and irrevocably agrees to waive the Incentive Fee (as defined in and calculated pursuant to the Advisory Agreement) and/or the Base Management Fee (as defined in and calculated pursuant to the Advisory Agreement) in an amount equal to, and/or otherwise pay to BBDC an amount of cash equal to, the excess of (a) aggregate realized and unrealized losses on the investments set forth on Exhibit A (and any investments received by BBDC in connection with the restructuring, amendment, extension or other modification of such investments) (the "Reference Portfolio") less (b) the aggregate realized and unrealized gains on the Reference Portfolio, in each case from the Effective Date through the Designated Settlement Date up to, but not in excess of, the Maximum Obligation (such amount, the "Covered Losses"). For purposes of this Agreement, "Designated Settlement Date" means the earlier of (x) April 1, 2032, and (y) the date on which the entire Reference Portfolio has been realized or written off. All realized and unrealized losses and realized and unrealized gains on the Reference Portfolio shall be calculated by BBDC in its sole discretion in accordance with BBDC's accounting and valuation policies then in effect. For the avoidance of doubt, in no event shall Barings be obligated hereunder to provide credit support in excess of the Maximum Obligation.

Section 2. **Settlement of Credit Support Obligation**. If the Covered Losses are greater than $0.00, then, in satisfaction of Barings' obligation set forth in Section 1, Barings hereby agrees to irrevocably waive the Incentive Fee and, in the event that Covered Losses exceed such Incentive Fee, the Base Management Fee during the four quarterly measurement periods immediately following the quarter in which the Designated Settlement Date occurs (such period, the "Waiver Period") until an aggregate amount of the Incentive Fee (including any Incentive Fee calculated on an annual basis during the Waiver Period) and Base Management Fee has been waived equal to the Covered Losses. If the Covered Losses exceed the aggregate amount of Base Management Fee and Incentive Fee waived by Barings during the Waiver Period, then, on the date on which the last Incentive Fee or Base Management Fee payment would otherwise be due during the Waiver Period, Barings shall make a cash payment (the "Cash Reimbursement") to BBDC equal to the positive difference between the Covered Losses and the aggregate amount of Incentive Fee and Base Management Fee previously waived by Barings during the Waiver Period.

Section 3. **Tax Treatment**. Barings and BBDC agree to treat (a) any portion of the Incentive Fee or the Base Management Fee waived by Barings pursuant to Section 2 as a reduction of the Incentive Fee or Base Management Fee, as applicable, for income tax purposes and (b) any Cash Reimbursement as a reimbursement of the Incentive Fee or Base Management Fee previously paid by BBDC to Barings in prior calendar years. For the avoidance of doubt, Barings agrees to claim a tax deduction with respect to credit support provided under this Agreement (if any) no earlier than the taxable year in which the credit support obligation is satisfied pursuant to the provisions of Section 2 above. Each party acknowledges and agrees that the other party makes no warranty as to the tax treatment of the transactions described in this Agreement.

Section 4. **Amendments and Waivers**. Except as specified otherwise herein, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing and signed by both Barings and BBDC, and then the amendment, waiver, or consent will be effective only in the specific instance and for the specific purpose for which it is given. Except as specified otherwise herein, no failure on the part of Barings or BBDC to exercise, and no delay in exercising, any right under this Agreement will operate as a waiver or preclude any other or further exercise thereof or the exercise of any other right.

Section 5. **Binding Effect; Transfer**. This Agreement will be binding on, and will inure to the benefit of, Barings, BBDC and their respective successors and permitted assigns. Neither BBDC nor Barings may assign, sell, transfer or otherwise dispose of its rights, interests, or obligations under this Agreement; provided that, this Agreement, and the rights of BBDC hereunder and the obligations of Barings hereunder, shall terminate automatically if Barings (or an affiliate of Barings) ceases to serve as the investment adviser to BBDC or any successor thereto (other than as a result of a voluntary termination of the Advisory Agreement (or any successor thereto) by Barings).

Section 6. **Captions**. The headings and captions in this Agreement are for convenience only, and will not affect the interpretation or construction of this Agreement.

Section 7. **Governing Law and Jurisdiction**. This Agreement will be governed by, and construed and enforced in accordance with, the law of the State of New York. With respect to any suit, action, or proceeding relating to any dispute arising out of or in connection with this Agreement (" Proceeding"), the parties irrevocably: (a) submits to the exclusive jurisdiction of the courts of the State of New York and the U.S. District Court located in the Borough of Manhattan in New York City; and (b) waives any objection which it may have at any time to the laying of venue of any Proceeding brought in any such court, waives any claim that such Proceeding has been brought in an inconvenient forum, and waives the right to object, with respect to such Proceeding, that such court does not have any jurisdiction over such party. Each of Barings and BBDC waives any right that such party may have to a jury trial in any action related to this Agreement. Each of Barings and BBDC hereto irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (a) suit, (b) jurisdiction of any court, (c) relief by way of injunction or order for specific performance or recovery of property, (d) attachment of its assets (whether before or after judgment), and (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceeding in the courts of any jurisdiction, and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceeding.

Section 8. **Notices**. Any notice under this Agreement shall be in writing to the other party at such address as the other party may designate from time to time for the receipt of such notice and shall be deemed to be received on the earlier of the date actually received or on the fourth day after the postmark if such notice is mailed first class postage prepaid.

Section 9. **Integration; Effectiveness; Counterparts**. This Agreement sets forth the entire understanding of the parties relating to the credit support agreement contemplated by the Merger Agreement and constitutes the agreement between the parties relating to the subject matter hereof, and supersedes any and all previous understandings and agreements, oral or written, relating to the subject matter hereof. This Agreement will become effective when it has been fully executed and delivered by BBDC and Barings. Delivery of an executed signature page of this Agreement by facsimile or electronic mail will be effective as delivery of a manually executed signature page of this Agreement. This Agreement may be executed in counterparts, with each counterpart constituting an original instrument and all counterparts constituting one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered by its authorized signatory as of the date first written above.

BARINGS LLC

By: /s/ Eric Lloyd
Name: Eric Lloyd
Title: Managing Director

BARINGS BDC, INC.

By: /s/ Jonathan Bock
Name: Jonathan Bock
Title: Chief Financial Officer

[Signature Page to Credit Support Agreement]

Exhibit A

Reference Portfolio

[Exhibit intentionally omitted]

Exhibit 99.1

BARINGS

BARINGS BDC, INC. COMPLETES MERGER WITH SIERRA INCOME CORPORATION

CHARLOTTE, N.C., February 25, 2022 - Barings BDC, Inc. (NYSE: BBDC) ("Barings BDC") announced today the closing of the previously announced merger with Sierra Income Corporation ("Sierra"). The combined company, which will remain externally managed by Barings LLC, is expected to have more than $2.7 billion of assets under management on a pro forma basis.

As a result of the merger, Sierra shareholders will receive the following in exchange for each share of Sierra common stock held at the effective time of the merger: (i) 0.44973 of a share of Barings BDC common stock, and (ii) approximately $0.9783641 of cash as transaction support provided by Barings LLC. Barings BDC will issue approximately 45,996,985 shares of Barings BDC common stock to Sierra shareholders in connection with the merger, resulting in former Sierra stockholders and current Barings BDC stockholders owning 41.3% and 58.7% of the combined company, respectively, at closing.

Second Amended and Restated Investment Advisory Agreement and Credit Support Agreement

In addition, following the closing of the merger, Barings LLC and Barings BDC entered into a second amended and restated investment advisory agreement that will increase the incentive fee hurdle rate from 8.00% to 8.25% (annualized).

Barings LLC also entered into a credit support agreement with Barings BDC, for the benefit of the combined company, to protect against net cumulative unrealized and realized losses of up to $100.0 million on the acquired Sierra investment portfolio over the next 10 years.

Share Repurchase Program

In connection with the closing of the merger, Barings BDC's board of directors affirmed Barings BDC's commitment to open-market purchases of shares of Barings BDC's common stock in an aggregate amount of up to $30.0 million at then-current market prices at any time shares trade below 90% of Barings BDC's then most recently disclosed net asset value per share. Any repurchases pursuant to the authorized program will occur during the 12-month period commencing on April 1, 2022 and are expected to be made in accordance with a Rule 10b5-1 purchase plan that qualifies for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended, as well as subject to compliance with Barings BDC's covenant and regulatory requirements.

Appointment of New Independent Directors

Effective immediately after the closing of the Merger, Barings BDC increased the size of its board of directors from eight directors to 10 directors and appointed Valerie Lancaster-Beal and Stephen R. Byers, former directors of Sierra, to serve as independent members of the board of directors. Ms. Lancaster-Beal and Mr. Byers have also been appointed to serve on each standing committee of the board of directors.

Forward-Looking Statements

This press release contains "forward-looking statements," which are statements other than statements of historical facts, are not guarantees of future performance or results of Barings BDC, including the combined company following the Barings BDC's acquisition of Sierra (the "Merger"), and involve a number of risks and uncertainties. Such forward-looking statements may include statements preceded by, followed by or that otherwise include the words "may," "might," "will," "intend," "should," "could," "can," "would," "expect," "believe," "estimate," "anticipate," "predict," "potential," "plan" or similar words. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in filings made by Barings BDC with the Securities and Exchange Commission ("SEC"). Certain factors could cause actual results and conditions to differ materially from those projected, including, but not limited to, the uncertainties associated with (i) the expected synergies and savings associated with the Merger, (ii) the expected elimination of certain expenses and costs due to the Merger, (iii) the operating results of Barings BDC or its portfolio companies subsequent to the Merger, (iv) fluctuations in the market price of Barings BDC's common stock, and (v) the Merger's effect on the relationships of Barings BDC with its investors, portfolio companies, lenders and service providers. You should not place undue reliance on such forward-looking statements, which are based upon Barings BDC management's current views and assumptions regarding future events and operating performance, and speak only as of the date any such statement is made.

More information on these risks and other potential factors that could affect Barings BDC's financial results, including important factors that could cause actual results to differ materially from plans, estimates or expectations included herein is included in Barings BDC's filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Barings BDC's most recently filed annual report on Form 10-K, as well as in subsequent filings, including Barings BDC's quarterly reports on Form 10-Q. In addition, there is no assurance that Barings BDC or any of its affiliates will purchase additional shares of Barings BDC at any specific discount levels or in any specific amounts. There is no assurance that the market price of Barings BDC's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that any repurchase plan will enhance shareholder value over the long term. Barings BDC undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this communication.

About Barings BDC

Barings BDC, Inc. (NYSE: BBDC) is a publicly traded, externally managed investment company that has elected to be treated as a business development company under the Investment Company Act of 1940. Barings BDC seeks to invest primarily in senior secured loans to private U.S. middle market companies that operate across a wide range of industries. Barings BDC's investment activities are managed by its investment adviser, Barings LLC, a leading global asset manager based in Charlotte, NC with over $391 billion* of AUM firm-wide. For more information, visit www.baringsbdc.com.

About Barings LLC

Barings is a $391+ billion* global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate, and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm, a subsidiary of MassMutual, aims to serve its clients, communities and employees, and is committed to sustainable practices and responsible investment. Learn more at www.barings.com.

*Assets under management as of December 31, 2021.

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