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

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission file number 814-00733

Barings BDC, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**06-1798488**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
300 South Tryon Street, Suite 2500 Charlotte, North Carolina	**28202**
(Address of principal executive offices)	**(Zip Code)**

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

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report: N/A
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	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: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

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

The number of shares outstanding of the registrant's Common Stock on July 30, 2019 was 50,314,275.

BARINGS BDC, INC.
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QUARTERLY REPORT ON FORM 10-Q

PART I – FINANCIAL INFORMATION

Item 1. ***Financial Statements.***

Barings BDC, Inc.
Consolidated Balance Sheets

	June 30, 2019	December 31, 2018
	(Unaudited)	
Assets:		
Investments at fair value:		
Non-Control / Non-Affiliate investments (cost of $1,185,840,891 and $1,128,694,715 as of June 30, 2019 and December 31, 2018, respectively)	$ 1,161,189,262	$ 1,076,631,804
Affiliate investments (cost of $5,162,299 as of June 30, 2019)	5,000,210	—
Short-term investments (cost of $34,423,491 and $45,223,941 as of June 30, 2019 and December 31, 2018, respectively)	34,423,491	45,223,941
Total investments at fair value	1,200,612,963	1,121,855,745
Cash	12,926,602	12,426,982
Interest and fees receivable	5,208,059	6,008,700
Prepaid expenses and other assets	1,318,240	4,123,742
Deferred financing fees	6,001,589	251,908
Receivable from unsettled transactions	115,302	22,909,998
Total assets	**$ 1,226,182,755**	**$ 1,167,577,075**
Liabilities:		
Accounts payable and accrued liabilities	$ 5,852,451	$ 5,327,249
Interest payable	2,339,146	749,525
Payable from unsettled transactions	2,970,000	28,533,014
Borrowings under credit facilities	285,500,000	570,000,000
Debt securitization	346,441,453	—
Total liabilities	**643,103,050**	**604,609,788**
Commitments and contingencies (Note 9)		
Net Assets:		
Common stock, $0.001 par value per share (150,000,000 shares authorized, 50,314,275 and 51,284,064 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively)	50,314	51,284
Additional paid-in capital	875,245,919	884,894,249
Total distributable earnings (loss)	(292,216,528)	(321,978,246)
Total net assets	**583,079,705**	**562,967,287**
Total liabilities and net assets	**$ 1,226,182,755**	**$ 1,167,577,075**
Net asset value per share	$ 11.59	$ 10.98

See accompanying notes.

Barings BDC, Inc.
Unaudited Consolidated Statements of Operations

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Investment income:				
Interest income:				
Non-Control / Non-Affiliate investments	$ 18,823,480	$ 17,507,637	$ 36,684,799	$ 36,513,687
Affiliate investments	—	2,250,311	—	4,910,498
Control investments	—	278,091	—	553,127
Short-term investments	251,344	—	424,039	—
Total interest income	19,074,824	20,036,039	37,108,838	41,977,312
Dividend income:				
Non-Control / Non-Affiliate investments	4,711	66,657	4,711	252,369
Affiliate investments	—	334,575	—	339,125
Total dividend income	4,711	401,232	4,711	591,494
Fee and other income:				
Non-Control / Non-Affiliate investments	519,970	2,627,353	821,027	3,921,070
Affiliate investments	—	134,407	—	528,680
Control investments	—	7,819	—	107,819
Total fee and other income	519,970	2,769,579	821,027	4,557,569
Payment-in-kind interest income:				
Non-Control / Non-Affiliate investments	—	1,141,549	—	2,448,130
Affiliate investments	—	403,337	—	825,477
Total payment-in-kind interest income	—	1,544,886	—	3,273,607
Interest income from cash	2,183	721,755	6,870	1,149,596
Total investment income	19,601,688	25,473,491	37,941,446	51,549,578
Operating expenses:				
Interest and other financing fees	7,027,040	7,344,335	12,871,212	14,934,883
Base management fee (Note 2)	3,130,955	—	5,581,950	—
Compensation expenses	108,646	3,842,656	227,090	7,935,508
General and administrative expenses (Note 2)	1,922,165	4,224,631	3,891,025	5,893,140
Total operating expenses	12,188,806	15,411,622	22,571,277	28,763,531
Net investment income	**7,412,882**	**10,061,869**	**15,370,169**	**22,786,047**
Realized and unrealized gains (losses) on investments and foreign currency borrowings:				
Net realized gains (losses):				
Non-Control / Non-Affiliate investments	50,024	(29,369,826)	(79,751)	(41,309,310)
Affiliate investments	—	(904,686)	—	2,352,512
Control investments	—	(6,630,547)	—	(6,626,547)
Net realized gains (losses) on investments	50,024	(36,905,059)	(79,751)	(45,583,345)
Foreign currency borrowings	—	(341,915)		1,081,211
Net realized gains (losses)	50,024	(37,246,974)	(79,751)	(44,502,134)
Net unrealized appreciation (depreciation):				
Non-Control / Non-Affiliate investments	2,014,096	22,220,521	27,411,284	32,152,905
Affiliate investments	(162,089)	17,629,966	(162,089)	19,085,297
Control investments	—	3,040,908	—	1,670,033
Net unrealized appreciation on investments	1,852,007	42,891,395	27,249,195	52,908,235
Foreign currency borrowings	—	99,435	—	(863,980)
Net unrealized appreciation	1,852,007	42,990,830	27,249,195	52,044,255
Net realized and unrealized appreciation on investments and foreign currency borrowings	1,902,031	5,743,856	27,169,444	7,542,121
Loss on extinguishment of debt	(85,356)	—	(129,751)	—
Benefit from (provision for) taxes	17,493	(488,845)	(499)	(539,635)
Net increase in net assets resulting from operations	**$ 9,247,050**	**$ 15,316,880**	**$ 42,409,363**	**$ 29,788,533**
Net investment income per share—basic and diluted	$ 0.15	$ 0.21	$ 0.30	$ 0.48
Net increase in net assets resulting from operations per share—basic and diluted	$ 0.18	$ 0.32	$ 0.83	$ 0.62
Dividends/distributions per share:				
Total dividends/distributions per share	$ 0.13	$ —	$ 0.25	$ 0.30
Weighted average shares outstanding—basic and diluted	50,473,640	48,041,540	50,813,753	47,970,594

See accompanying notes.

Barings BDC, Inc.
Unaudited Consolidated Statements of Changes in Net Assets

Three Months Ended June 30, 2018:	Common Stock Number of Shares	Common Stock Par Value	Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
Balance, March 31, 2018	48,024,614	$ 48,025	$ 823,786,656	$ (182,322,979)	$ 641,511,702
Net investment income	—	—	—	10,061,869	10,061,869
Stock-based compensation	—	—	1,477,911	—	1,477,911
Net realized loss on investments / foreign currency borrowings	—	—	—	(37,246,974)	(37,246,974)
Net unrealized appreciation of investments / foreign currency borrowings	—	—	—	42,990,830	42,990,830
Provision for taxes	—	—	—	(488,845)	(488,845)
Issuance of restricted stock	26,106	26	(26)	—	—
Balance, June 30, 2018	**48,050,720**	**$ 48,051**	**$ 825,264,541**	**$ (167,006,099)**	**$ 658,306,493**

Three Months Ended June 30, 2019:	Common Stock Number of Shares	Common Stock Par Value	Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
Balance, March 31, 2019	50,690,659	$ 50,691	$ 879,033,345	$ (294,922,722)	$ 584,161,314
Net investment income	—	—	—	7,412,882	7,412,882
Net realized gain on investments / foreign currency borrowings	—	—	—	50,024	50,024
Net unrealized appreciation of investments / foreign currency borrowings	—	—	—	1,852,007	1,852,007
Loss on extinguishment of debt	—	—	—	(85,356)	(85,356)
Income tax benefit	—	—	—	17,493	17,493
Dividends / distributions	—	—	—	(6,540,856)	(6,540,856)
Purchases of shares in repurchase plan	(376,384)	(377)	(3,787,426)	—	(3,787,803)
Balance, June 30, 2019	**50,314,275**	**$ 50,314**	**$ 875,245,919**	**$ (292,216,528)**	**$ 583,079,705**

Barings BDC, Inc.
Unaudited Consolidated Statements of Changes in Net Assets — (Continued)

Six Months Ended June 30, 2018:	Common Stock Number of Shares	Common Stock Par Value	Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
Balance, December 31, 2017	47,740,832	$ 47,741	$ 823,614,881	$ (182,387,248)	$ 641,275,374
Net investment income	—	—	—	22,786,047	22,786,047
Stock-based compensation	—	—	2,933,454	—	2,933,454
Net realized loss on investments / foreign currency borrowings	—	—	—	(44,502,134)	(44,502,134)
Net unrealized appreciation of investments / foreign currency borrowings	—	—	—	52,044,255	52,044,255
Provision for taxes	—	—	—	(539,635)	(539,635)
Dividends / distributions	—	—	—	(14,407,384)	(14,407,384)
Issuance of restricted stock	435,106	435	(435)	—	—
Common stock withheld for payroll taxes upon vesting of restricted stock	(125,218)	(125)	(1,283,359)	—	(1,283,484)
Balance, June 30, 2018	**48,050,720**	**$ 48,051**	**$ 825,264,541**	**$ (167,006,099)**	**$ 658,306,493**

Six Months Ended June 30, 2019:	Common Stock Number of Shares	Common Stock Par Value	Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
Balance, December 31, 2018	51,284,064	$ 51,284	$ 884,894,249	$ (321,978,246)	$ 562,967,287
Net investment income	—	—	—	15,370,169	15,370,169
Net realized loss on investments / foreign currency borrowings	—	—	—	(79,751)	(79,751)
Net unrealized appreciation of investments / foreign currency borrowings	—	—	—	27,249,195	27,249,195
Loss on extinguishment of debt	—	—	—	(129,751)	(129,751)
Provision for taxes	—	—	—	(499)	(499)
Dividends / distributions	—	—	—	(12,647,645)	(12,647,645)
Purchases of shares in repurchase plan	(969,789)	(970)	(9,648,330)	—	(9,649,300)
Balance, June 30, 2019	**50,314,275**	**$ 50,314**	**$ 875,245,919**	**$ (292,216,528)**	**$ 583,079,705**

See accompanying notes.

Barings BDC, Inc.
Unaudited Consolidated Statements of Cash Flows

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from operating activities:		
Net increase in net assets resulting from operations	$ 42,409,363	$ 29,788,533
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchases of portfolio investments	(171,350,190)	(29,087,262)
Repayments received/sales of portfolio investments	104,431,586	196,625,451
Purchases of short-term investments	(317,480,389)	—
Sales of short-term investments	328,280,839	—
Loan origination and other fees received	2,420,157	292,999
Net realized loss on investments	79,751	45,583,345
Net realized gain on foreign currency borrowings	—	(1,081,211)
Net unrealized appreciation of investments	(27,249,195)	(53,257,297)
Net unrealized depreciation of foreign currency borrowings	—	863,980
Payment-in-kind interest accrued, net of payments received	—	623,880
Amortization of deferred financing fees	558,712	1,333,044
Loss on extinguishment of debt	129,751	—
Accretion of loan origination and other fees	(543,501)	(2,890,048)
Amortization/accretion of purchased loan premium/discount	(114,594)	(12,131)
Depreciation expense	—	27,414
Stock-based compensation	—	2,933,454
Changes in operating assets and liabilities:		
Interest and fees receivables	800,641	(3,588,400)
Prepaid expenses and other assets	2,805,502	(75,446)
Accounts payable and accrued liabilities	525,202	(1,628,061)
Interest payable	1,589,621	(270,034)
Net cash provided by (used in) operating activities	(32,706,744)	186,182,210
Cash flows from financing activities:		
Borrowings under credit facilities	120,000,000	4,100,000
Repayments of credit facilities	(404,500,000)	(149,953,253)
Proceeds from debt securitization	348,250,000	—
Financing fees paid	(8,246,691)	—
Purchases of shares in repurchase plan	(9,649,300)	—
Common stock withheld for payroll taxes upon vesting of restricted stock	—	(1,283,484)
Cash dividends/distributions paid	(12,647,645)	(14,407,384)
Net cash provided by (used in) financing activities	33,206,364	(161,544,121)
Net increase in cash	499,620	24,638,089
Cash, beginning of period	12,426,982	191,849,697
Cash, end of period	**$ 12,926,602**	**$ 216,487,786**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 9,451,297	$ 12,690,524

See accompanying notes.

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments
June 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Non–Control / Non–Affiliate Investments:					
24 Hour Fitness Worldwide, Inc. (1.6%)*[4] [6]	Leisure Facilities	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 05/25)	$ 9,405,000	$ 9,489,952	$ 9,359,668
			9,405,000	9,489,952	9,359,668
Accelerate Learning, Inc. (1.4%)*[5] [7]	Education Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.8% Cash, Due 12/24)	8,413,548	8,257,588	8,223,410
			8,413,548	8,257,588	8,223,410
Accurus Aerospace Corporation (4.2%)*[5] [7]	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.7% Cash, Due 10/24)	24,875,000	24,538,750	24,367,058
			24,875,000	24,538,750	24,367,058
Acrisure, LLC (1.7%)*[4] [5] [6]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 11/23)	9,924,433	9,980,744	9,866,574
			9,924,433	9,980,744	9,866,574
ADMI Corp. (0.6%)*[6]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 04/25)	3,465,000	3,476,717	3,406,095
			3,465,000	3,476,717	3,406,095
Aftermath Bidco Corporation (2.1%)*[5] [7]	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 8.3% Cash, Due 04/25)	12,320,633	12,051,492	12,073,903
			12,320,633	12,051,492	12,073,903
AlixPartners LLP (1.4%)*[4] [6]	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 04/24)	8,017,975	8,058,811	7,990,152
			8,017,975	8,058,811	7,990,152
Alliant Holdings LP (0.8%)*[6]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.4% Cash, Due 05/25)	4,947,519	4,954,908	4,799,637
			4,947,519	4,954,908	4,799,637
American Airlines Group Inc. (1.3%)*[3] [6]	Airport Services	First Lien Senior Secured Term Loan (LIBOR + 1.75%, 4.1% Cash, Due 06/25)	7,903,825	7,781,720	7,682,202
			7,903,825	7,781,720	7,682,202
American Dental Partners, Inc. (1.7%)*[5]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.6% Cash, Due 03/23)	9,950,000	9,928,197	9,825,625
			9,950,000	9,928,197	9,825,625
Amscan Holdings Inc. (0.4%)*[3] [6]	Specialty Stores	First Lien Senior Secured Term Loan (LIBOR + 2.50%, 4.9% Cash, Due 08/22)	2,392,591	2,407,508	2,374,216
			2,392,591	2,407,508	2,374,216
Anju Software, Inc. (1.0%)*[5] [7]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.1% Cash, Due 02/25)	5,929,254	5,633,650	5,734,336
			5,929,254	5,633,650	5,734,336
Apex Tool Group, LLC (1.2%)*[4]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.2% Cash, Due 02/22)	7,235,884	7,260,843	6,940,443
			7,235,884	7,260,843	6,940,443
Applied Systems Inc. (1.6%)*[4] [6]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.3% Cash, Due 09/24)	9,265,913	9,327,985	9,177,146
			9,265,913	9,327,985	9,177,146
AQA Acquisition Holding, Inc. (f/k/a SmartBear) (0.8%)*[5] [7]	High Tech Industries	Second Lien Senior Secured Term Loan (LIBOR + 8.0%, 10.6% Cash, Due 05/24)	4,959,088	4,849,016	4,809,674
			4,959,088	4,849,016	4,809,674
Arch Global Precision LLC (0.9%)*[5] [7]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.2% Cash, Due 04/26)	5,122,874	5,009,508	5,013,723
			5,122,874	5,009,508	5,013,723
Armstrong Transport Group (Pele Buyer, LLC) (0.9%)*[5] [7]	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.2% Cash, Due 06/24)	5,571,363	5,443,844	5,446,103
			5,571,363	5,443,844	5,446,103
Ascend Learning, LLC (1.3%)*[4] [6]	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 07/24)	7,919,395	7,939,429	7,793,160
			7,919,395	7,939,429	7,793,160

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
June 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
AssuredPartners Capital, Inc. (2.0%)*[4] [6]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.50%, 5.9% Cash, Due 10/24)	$ 11,883,139	$ 11,904,879	$ 11,749,453
			11,883,139	11,904,879	11,749,453
Aveanna Healthcare Holdings, Inc. (0.8%)*[6]	Health Care Facilities	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.7% Cash, Due 03/24)	1,481,136	1,463,506	1,431,147
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 7.9% Cash, Due 03/24)	3,547,530	3,548,438	3,417,442
			5,028,666	5,011,944	4,848,589
AVSC Holding Corp. (1.3%)*[4] [5] [6]	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 03/25)	7,919,799	7,880,321	7,684,661
			7,919,799	7,880,321	7,684,661
Bausch Health Companies Inc. (1.4%)*[3] [4] [5] [6]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 05/25)	8,314,123	8,354,237	8,308,968
			8,314,123	8,354,237	8,308,968
BDP Buyer, LLC (4.2%)*[5] [7]	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.9% Cash, Due 12/24)	24,937,500	24,474,847	24,373,790
			24,937,500	24,474,847	24,373,790
Berlin Packaging LLC (1.4%)*[4] [5] [6]	Forest Products /Containers	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 11/25)	8,415,000	8,433,455	8,157,838
			8,415,000	8,433,455	8,157,838
Blackhawk Network Holdings Inc (1.7%)*[4] [6]	Data Processing & Outsourced Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 06/25)	9,924,812	9,924,812	9,840,054
			9,924,812	9,924,812	9,840,054
Brown Machine Group Holdings, LLC (0.9%)*[5] [7]	Industrial Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.8% Cash, Due 10/24)	5,554,988	5,493,064	5,454,872
			5,554,988	5,493,064	5,454,872
Cadent, LLC (f/k/a Cross MediaWorks) (1.4%)*[5] [7]	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.6% Cash, Due 09/23)	7,926,302	7,858,431	7,886,671
			7,926,302	7,858,431	7,886,671
Caesars Entertainment Corp. (0.5%)*[3] [6]	Casinos & Gaming	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 12/24)	3,118,342	3,135,745	3,063,116
			3,118,342	3,135,745	3,063,116
Calpine Corp. (0.8%)*[4] [6]	Independent Power Producers & Energy Traders	First Lien Senior Secured Term Loan7 (LIBOR + 2.5%, 4.8% Cash, Due 05/23)	128,456	128,871	127,886
		First Lien Senior Secured Term Loan5 (LIBOR + 2.5%, 4.8% Cash, Due 01/24)	4,474,207	4,488,987	4,447,451
			4,602,663	4,617,858	4,575,337
Campaign Monitor (UK) Limited (3.8%)*[5] [7]	Internet & Direct Marketing	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.3% Cash, Due 05/25)	22,457,627	22,037,215	22,030,785
			22,457,627	22,037,215	22,030,785
Capital Automotive LLC (2.0%)*[4] [6]	Automotive Retail	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.9% Cash, Due 03/24)	11,878,788	11,903,472	11,713,316
			11,878,788	11,903,472	11,713,316
Concentra Inc. (0.5%)*[6]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 06/22)	2,912,371	2,936,346	2,908,731
			2,912,371	2,936,346	2,908,731
Consolidated Container Co. LLC (1.3%)*[4] [6]	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 05/24)	7,424,623	7,445,819	7,292,836
			7,424,623	7,445,819	7,292,836
Container Store Group, Inc., (The) (0.5%)*[3] [6] [7]	Retail	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.4% Cash, Due 09/23)	2,968,747	2,970,879	2,961,325
			2,968,747	2,970,879	2,961,325
Core & Main LP (1.7%)*[4] [6]	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 08/24)	9,924,433	9,968,225	9,890,293
			9,924,433	9,968,225	9,890,293

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
June 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
CPG Intermediate LLC (0.4%)*[6]	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.6% Cash, Due 11/24)	$ 2,121,536	$ 2,123,850	$ 2,110,037
			2,121,536	2,123,850	2,110,037
CPI International Inc. (0.8%)*[6]	Electronic Components	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 07/24)	4,771,351	4,778,794	4,734,087
			4,771,351	4,778,794	4,734,087
Crosby Group (0.5%)*[5]	Industrial Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.1% Cash, Due 06/26)	3,000,000	2,970,000	2,971,260
			3,000,000	2,970,000	2,971,260
CVS Holdings I, LP (MyEyeDr) (0.3%)*[6]	Health Care Supplies	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 02/25)	1,948,780	1,947,730	1,945,526
			1,948,780	1,947,730	1,945,526
Dart Buyer, Inc. (1.2%)*[3] [5] [7]	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.8% Cash, Due 04/25)	7,455,733	7,168,354	7,195,052
			7,455,733	7,168,354	7,195,052
Dimora Brands, Inc. (0.5%)*[6]	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 08/24)	2,941,442	2,944,651	2,856,875
			2,941,442	2,944,651	2,856,875
Distinct Holdings, Inc. (1.3%)*[5] [7]	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.1% Cash, Due 12/23)	7,630,970	7,538,761	7,555,010
			7,630,970	7,538,761	7,555,010
Dole Food Co. Inc. (2.3%)*[4] [6]	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.1% Cash, Due 04/24)	13,739,017	13,745,745	13,399,801
			13,739,017	13,745,745	13,399,801
Duff & Phelps Corporation (2.2%)*[4] [6]	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 02/25)	13,274,078	13,308,206	12,845,059
			13,274,078	13,308,206	12,845,059
Edelman Financial Center, LLC, The (f/k/a Edelman Financial Group, Inc.) (1.8%)*[4] [6]	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 07/25)	10,433,570	10,510,985	10,390,688
			10,433,570	10,510,985	10,390,688
Endo International PLC (1.3%)*[3] [4] [6]	Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.7% Cash, Due 04/24)	7,919,192	7,986,329	7,417,670
			7,919,192	7,986,329	7,417,670
Equian Buyer Corp. (0.6%)*[6]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 05/24)	3,454,432	3,459,796	3,449,250
			3,454,432	3,459,796	3,449,250
Exeter Property Group, LLC (2.1%)*[5] [7]	Real Estate	First Lien Senior Secured Term Loan (LIBOR + 4.5%,6.9% Cash, Due 08/24)	12,500,000	12,322,598	12,409,641
			12,500,000	12,322,598	12,409,641
ExGen Renewables IV, LLC (f/k/a Exelon Corp.) (0.5%)*[3] [6]	Electric Utilities	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 11/24)	2,865,257	2,890,666	2,739,902
			2,865,257	2,890,666	2,739,902
Eyemart Express (0.6%)*[6]	Retail	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 08/24)	3,469,830	3,480,691	3,433,674
			3,469,830	3,480,691	3,433,674
Fieldwood Energy LLC (1.6%)*[4] [5] [6]	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.7% Cash, Due 04/22)	10,000,000	10,078,440	9,240,600
			10,000,000	10,078,440	9,240,600
Filtration Group Corporation (1.9%)*[4] [6]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 03/25)	10,889,724	10,970,741	10,856,620
			10,889,724	10,970,741	10,856,620
Flex Acquisition Holdings, Inc. (1.6%)*[4] [5] [6]	Paper Packaging	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 06/25)	9,836,288	9,855,204	9,316,342
			9,836,288	9,855,204	9,316,342

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
June 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
GMS Inc. (1.2%)*[3] [5] [6]	Construction & Engineering	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 06/25)	$ 7,443,609	$ 7,405,647	$ 7,240,473
			7,443,609	7,405,647	7,240,473
Graftech International Ltd. (1.7%)*[3] [4] [6]	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 02/25)	10,113,889	10,193,214	9,911,611
			10,113,889	10,193,214	9,911,611
Gulf Finance, LLC (0.1%)*[4]	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.6% Cash, Due 08/23)	1,064,315	910,462	866,970
			1,064,315	910,462	866,970
Harbor Freight Tools USA Inc.(1.0%)*[6]	Specialty Stores	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.9% Cash, Due 08/23)	5,994,942	5,940,116	5,829,122
			5,994,942	5,940,116	5,829,122
Hayward Industries, Inc. (1.4%)*[4] [6]	Leisure Products	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 08/24)	8,414,358	8,443,119	8,227,643
			8,414,358	8,443,119	8,227,643
Healthline Media, Inc (2.2%)*[5] [7]	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.1% Cash, Due 11/24)	12,776,691	12,543,230	12,719,988
			12,776,691	12,543,230	12,719,988
Hertz Corporation (The) (1.0%)*[3] [6]	Rental & Leasing Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 06/23)	5,876,607	5,867,164	5,849,045
			5,876,607	5,867,164	5,849,045
Holley Performance Products (Holley Purchaser, Inc.) (3.7%)*[5] [7]	Packaging	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.6% Cash, Due 10/25)	22,422,325	22,112,028	21,749,655
			22,422,325	22,112,028	21,749,655
Hub International Limited (1.7%)*[4] [5] [6]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.6% Cash, Due 04/25)	10,281,150	10,294,663	10,015,896
			10,281,150	10,294,663	10,015,896
Husky Injection Molding Systems Ltd. (1.3%)*[3] [4] [6]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 03/25)	8,005,107	7,743,253	7,633,750
			8,005,107	7,743,253	7,633,750
HW Holdco, LLC (f/k/a Hanley Wood LLC) (1.3%)*[5] [7]	Advertising	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 8.7% Cash, Due 12/24)	7,642,137	7,465,693	7,629,694
			7,642,137	7,465,693	7,629,694
Hyland Software Inc. (1.5%)*[4] [6]	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 07/24)	8,671,512	8,727,739	8,606,476
			8,671,512	8,727,739	8,606,476
Immucor Inc. (0.4%)*[4]	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.3% Cash, Due 06/21)	2,478,708	2,505,544	2,469,413
			2,478,708	2,505,544	2,469,413
Infor Software Parent, LLC (0.9%)*[6]	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.1% Cash, Due 02/22)	4,995,626	5,003,396	4,979,590
			4,995,626	5,003,396	4,979,590
Institutional Shareholder Services, Inc. (0.8%)*[5] [7]	Diversified Support Services	Second Lien Senior Secured Term Loan (LIBOR + 8.5%, 10.8% Cash, Due 03/27)	4,951,685	4,806,970	4,838,884
			4,951,685	4,806,970	4,838,884
Intelsat S.A. (2.2%)*[3] [4]	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.2% Cash, Due 11/23)	13,000,000	13,072,679	12,853,750
			13,000,000	13,072,679	12,853,750
ION Trading Technologies Ltd. (2.5%)*[3] [4] [6]	Electrical Components & Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.3% Cash, Due 11/24)	14,819,339	14,788,663	14,335,043
			14,819,339	14,788,663	14,335,043
IRB Holding Corporation (1.3%)*[4] [5] [6]	Food Retail	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 02/25)	7,929,703	7,947,854	7,821,939
			7,929,703	7,947,854	7,821,939

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
June 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Jaguar Holding Company I (0.8%)*¶[6]	Life Sciences Tools & Services	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.9% Cash, Due 08/22)	$ 4,948,454	$ 4,949,498	$ 4,916,981
			4,948,454	4,949,498	4,916,981
JS Held, LLC (3.6%)*[5] [7]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.9% Cash, Due 09/24)	21,276,464	21,086,317	21,276,464
			21,276,464	21,086,317	21,276,464
Kenan Advantage Group Inc. (1.4%)*[4] [5] [6]	Trucking	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 07/22)	8,406,296	8,400,308	8,101,568
			8,406,296	8,400,308	8,101,568
K-Mac Holdings Corp (0.6%)*[6]	Restaurants	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 03/25)	3,308,967	3,317,820	3,266,777
			3,308,967	3,317,820	3,266,777
Kronos Inc. (1.9%)*[4] [6]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.6% Cash, Due 11/23)	11,393,155	11,434,684	11,363,305
			11,393,155	11,434,684	11,363,305
LAC Intermediate, LLC (f/k/a Lighthouse Autism Center) (1.3%)*[5] [7]	Healthcare and Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 8.1% Cash, Due 10/24)	7,947,531	7,702,065	7,605,812
		Class A LLC Units (154,320 units)		154,320	129,635
			7,947,531	7,856,385	7,735,447
LTI Holdings, Inc. (1.9%)*[4] [6]	Industrial Conglomerates	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 09/25)	11,910,000	11,970,740	11,247,566
			11,910,000	11,970,740	11,247,566
Mallinckrodt Plc (1.7%)*[3] [4] [5] [6]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.1% Cash, Due 09/24)	11,309,087	11,243,668	10,145,156
			11,309,087	11,243,668	10,145,156
Men's Wearhouse, Inc. (The) (1.5%)*[3] [4] [6]	Apparel Retail	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 04/25)	9,895,366	9,986,045	8,732,660
			9,895,366	9,986,045	8,732,660
Micro Holding Corp. (1.3%)*[4] [6]	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.2% Cash, Due 09/24)	7,919,395	7,972,621	7,770,907
			7,919,395	7,972,621	7,770,907
Nautilus Power, LLC (0.6%)*[6]	Independent Power Producers & Energy Traders	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.7% Cash, Due 05/24)	3,363,889	3,379,248	3,353,663
			3,363,889	3,379,248	3,353,663
NFP Corp. (1.4%)*[4] [6]	Specialized Finance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 01/24)	8,586,097	8,584,432	8,337,873
			8,586,097	8,584,432	8,337,873
NGS US Finco, LLC (f/k/a Dresser Natural Gas Solutions) (2.0%)*[5] [7]	Natural Gas	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.7% Cash, Due 10/25)	12,054,808	12,000,094	11,927,188
			12,054,808	12,000,094	11,927,188
NVA Holdings, Inc. (1.3%)*[4] [6]	Health Care Facilities	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 02/25)	7,876,490	7,861,741	7,863,336
			7,876,490	7,861,741	7,863,336
Omaha Holdings LLC (1.7%)*[4] [6]	Auto Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 03/24)	9,899,244	9,965,062	9,829,455
			9,899,244	9,965,062	9,829,455
Omnitracs, LLC (1.4%)*[5] [6]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.1% Cash, Due 03/25)	8,392,923	8,367,011	8,256,538
			8,392,923	8,367,011	8,256,538
Ortho-Clinical Diagnostics Bermuda Co. Ltd. (1.9%)*[4] [6]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 06/25)	11,403,125	11,407,146	10,951,789
			11,403,125	11,407,146	10,951,789
PAREXEL International Corp. (1.2%)*[4] [6]	Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 09/24)	7,066,089	7,036,307	6,759,491
			7,066,089	7,036,307	6,759,491

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
June 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Penn Engineering & Manufacturing Corp. (0.3%)*[6]	Industrial Conglomerates	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 06/24)	$ 1,925,060	$ 1,939,919	$ 1,919,053
			1,925,060	1,939,919	1,919,053
Phoenix Services International LLC (0.5%)*[6] [7]	Steel	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.2% Cash, Due 03/25)	2,966,933	2,977,928	2,929,847
			2,966,933	2,977,928	2,929,847
PMHC II, Inc. (0.1%)*[6]	Diversified Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.1% Cash, Due 03/25)	618,734	622,145	560,988
			618,734	622,145	560,988
PODS Enterprises, Inc. (1.3%)*[4] [6]	Packaging	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 12/24)	7,919,424	7,942,849	7,794,060
			7,919,424	7,942,849	7,794,060
Prime Security Services Borrower, LLC (2.1%)*[3] [4] [6]	Security & Alarm Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 05/22)	10,957,028	10,983,039	10,875,837
			10,957,028	10,983,039	10,875,837
Pro Mach Inc. (1.0%)*[5] [6]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.1% Cash, Due 03/25)	5,939,850	5,922,196	5,712,175
			5,939,850	5,922,196	5,712,175
ProAmpac Intermediate Inc. (1.6%)*[4] [6]	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 11/23)	9,897,237	9,910,185	9,482,840
			9,897,237	9,910,185	9,482,840
Process Equipment, Inc. (1.1%)*[5] [7]	Industrial Air & Material Handling Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.3% Cash, Due 03/25)	6,442,667	6,301,633	6,350,271
			6,442,667	6,301,633	6,350,271
Professional Datasolutions, Inc. (PDI) (4.0%)*[5] [7]	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.9% Cash, Due 10/24)	23,333,006	23,292,100	23,484,433
			23,333,006	23,292,100	23,484,433
Qlik Technologies Inc. (Alpha Intermediate Holding, Inc.) (1.2%)*[4] [6]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.4% Cash, Due 04/24)	7,399,044	7,405,098	7,158,575
			7,399,044	7,405,098	7,158,575
Red Ventures, LLC (1.7%)*[4] [5] [6]	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 11/24)	10,911,584	10,978,993	10,872,193
			10,911,584	10,978,993	10,872,193
RedPrairie Holding, Inc (1.7%)*[4] [6]	Computer Storage & Peripherals	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 10/23)	9,898,477	9,964,066	9,839,680
			9,898,477	9,964,066	9,839,680
Renaissance Learning, Inc. (0.9%)*[6]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 05/25)	5,418,685	5,414,811	5,247,075
			5,418,685	5,414,811	5,247,075
Reynolds Group Holdings Ltd (2.6%)*[4] [6]	Packaging	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 02/23)	15,342,640	15,411,260	15,215,296
			15,342,640	15,411,260	15,215,296
Ruffalo Noel Levitz, LLC (1.7%)*[5] [7]	Media Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 8.7% Cash, Due 05/22)	9,788,027	9,660,263	9,697,656
			9,788,027	9,660,263	9,697,656
Scaled Agile, Inc (1.1%)*[5] [7]	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.7% Cash, Due 06/25)	6,556,524	6,491,045	6,490,959
			6,556,524	6,491,045	6,490,959
SCI Packaging Inc. (2.3%)*[4] [6]	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 04/24)	13,858,586	13,838,015	13,367,715
			13,858,586	13,838,015	13,367,715

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
June 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Seadrill Ltd. (1.2%)*[3] [4]	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 8.3% Cash, Due 02/21)	$ 9,863,690	$ 9,437,544	$ 7,027,879
			9,863,690	9,437,544	7,027,879
Seaworld Entertainment, Inc. (1.4%)*[3] [4]	Leisure Facilities	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 03/24)	8,413,923	8,404,081	8,377,828
			8,413,923	8,404,081	8,377,828
Serta Simmons Bedding LLC (0.3%)*[4]	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 11/23)	2,977,157	2,715,545	1,916,545
			2,977,157	2,715,545	1,916,545
SIWF Holdings, Inc. (1.6%)*[4] [6]	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.7% Cash, Due 06/25)	9,397,966	9,455,693	9,303,986
			9,397,966	9,455,693	9,303,986
SK Blue Holdings, LP (0.7%)¶[6]	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.3% Cash, Due 10/25)	4,181,628	4,179,338	4,124,131
			4,181,628	4,179,338	4,124,131
Smile Brands Group Inc. (0.9%)*[5] [7]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.2% Cash, Due 10/24)	5,178,506	5,121,918	5,080,199
			5,178,506	5,121,918	5,080,199
Solenis Holdings, L.P. (1.3%)*[5] [6]	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.5% Cash, Due 06/25)	7,940,000	7,986,130	7,830,825
			7,940,000	7,986,130	7,830,825
SonicWALL, Inc. (0.7%)*[6]	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 05/25)	4,477,500	4,479,692	4,164,075
			4,477,500	4,479,692	4,164,075
Sophia Holding Finance, L.P (2.6%)*[4]	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 09/22)	15,412,934	15,455,479	15,362,842
			15,412,934	15,455,479	15,362,842
SRS Distribution, Inc. (1.6%)*[4] [6]	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 05/25)	9,925,000	9,750,930	9,505,272
			9,925,000	9,750,930	9,505,272
SS&C Technologies, Inc. (0.3%)*[3] [6]	Computer & Electronics Retail	First Lien Senior Secured Term Loan (LIBOR + 2.25%, 4.7% Cash, Due 04/25)	1,751,221	1,747,206	1,744,164
			1,751,221	1,747,206	1,744,164
Syniverse Holdings, Inc. (1.6%)*[4] [6]	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.4% Cash, Due 03/23)	10,394,737	10,353,590	9,537,171
			10,394,737	10,353,590	9,537,171
Tahoe Subco 1 Ltd (2.5%)¶[3] [4] [6]	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.1% Cash, Due 06/24)	14,880,452	14,886,995	14,479,573
			14,880,452	14,886,995	14,479,573
Team Health Holdings, Inc. (1.1%)*[4] [6]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 02/24)	6,929,114	6,690,393	6,123,604
			6,929,114	6,690,393	6,123,604
Tempo Acquisition LLC (2.0%)*[4] [5] [6]	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 05/24)	11,557,071	11,600,043	11,501,712
			11,557,071	11,600,043	11,501,712
Transportation Insight, LLC (3.3%)*[5] [7]	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.8% Cash, Due 12/24)	19,385,653	19,166,650	19,337,042
			19,385,653	19,166,650	19,337,042
Tronox Ltd. (1.1%)*[3] [6]	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 09/24)	6,291,574	6,316,064	6,223,059
			6,291,574	6,316,064	6,223,059
Trystar, LLC (2.9%)*[5] [7]	Power Distribution Solutions	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 6.9% Cash, Due 09/23)	16,722,328	16,469,581	16,680,701
		LLC Units (361.5 units)		361,505	454,023
			16,722,328	16,831,086	17,134,724

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
June 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
U.S. Anesthesia Partners, Inc. (2.3%)*[4] [6]	Managed Health Care	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 06/24)	$ 13,655,204	$ 13,712,976	$ 13,347,961
			13,655,204	13,712,976	13,347,961
U.S. Silica Company (0.2%)*[3] [4] [5]	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.4% Cash, Due 05/25)	1,510,655	1,514,357	1,416,239
			1,510,655	1,514,357	1,416,239
Univision Communications Inc. (0.9%)*[6]	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 03/24)	5,320,109	5,149,970	5,059,104
			5,320,109	5,149,970	5,059,104
USF Holdings LLC (0.5%)*[6] [7]	Auto Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 12/21)	3,315,681	3,326,113	3,183,054
			3,315,681	3,326,113	3,183,054
USIC Holdings, Inc. (1.2%)*[5] [6]	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 12/23)	6,931,257	6,963,569	6,873,520
			6,931,257	6,963,569	6,873,520
USI, Inc. (1.4%)*[4] [5] [6]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.3% Cash, Due 05/24)	8,414,358	8,407,511	8,193,481
			8,414,358	8,407,511	8,193,481
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.) (2.4%)*[5] [7]	Legal Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 8.1% Cash, Due 11/24)	14,651,422	14,375,191	14,238,455
			14,651,422	14,375,191	14,238,455
Vail Holdco Corp (f/k/a Avantor, Inc.) (1.0%)*[4] [6]	Health Care Equipment	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 11/24)	5,759,281	5,833,099	5,780,878
			5,759,281	5,833,099	5,780,878
Venator Materials LLC (0.5%)*[3] [6]	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 08/24)	2,969,773	2,979,725	2,930,186
			2,969,773	2,979,725	2,930,186
Veritas Bermuda Intermediate Holdings Ltd. (1.5%)*[4] [6]	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.9% Cash, Due 01/23)	9,403,797	9,031,786	8,539,871
			9,403,797	9,031,786	8,539,871
Verscend Holding Corp. (0.4%)*[4]	Health Care Technology	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.9% Cash, Due 08/25)	2,481,250	2,508,757	2,479,712
			2,481,250	2,508,757	2,479,712
VF Holding Corp. (2.0%)*[4] [5] [6]	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 07/25)	11,940,000	11,945,659	11,457,385
			11,940,000	11,945,659	11,457,385
Wilsonart, LLC (1.7%)*[4] [6]	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 12/23)	9,924,051	9,924,051	9,678,430
			9,924,051	9,924,051	9,678,430
Winebow Group, LLC, (The) (0.2%)*[4]	Consumer Goods	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.2% Cash, Due 07/21)	1,563,898	1,491,997	1,399,688
			1,563,898	1,491,997	1,399,688
Wink Holdco, Inc (1.3%)*[4] [6]	Managed Health Care	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 12/24)	7,533,374	7,531,918	7,352,573
			7,533,374	7,531,918	7,352,573
WME Entertainment Parent, LLC (2.3%)*[4]	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 05/25)	13,769,444	13,758,217	13,264,519
			13,769,444	13,758,217	13,264,519
Xperi Corp (0.4%)*[3] [6] [7]	Semiconductor Equipment	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.9% Cash, Due 12/23)	2,347,237	2,337,760	2,314,962
			2,347,237	2,337,760	2,314,962
Subtotal Non–Control / Non–Affiliate Investments			1,191,246,252	1,185,840,891	1,161,189,262

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
June 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Affiliate Investment:					
Jocassee Partners LLC (0.9%)*[3] [5]	Investment Funds & Vehicles	9.1% Member Interest		$ 5,162,299	$ 5,000,210
				5,162,299	5,000,210
Subtotal Affiliate Investment				5,162,299	5,000,210
Short-Term Investments:					
The Dreyfus Corporation (4.5%)*[4] [5]	Money Market Fund	Dreyfus Government Cash Management Fund (2.3% yield)	$ 26,068,450	26,068,450	26,068,450
			26,068,450	26,068,450	26,068,450
State Street Global Advisors (1.4%)*[3] [6]	Money Market Fund	State Street USD Liquidity LVNAV Fund (2.4% yield)	8,355,041	8,355,041	8,355,041
			8,355,041	8,355,041	8,355,041
Subtotal Short-Term Investments			34,423,491	34,423,491	34,423,491
Total Investments, June 30, 2019 (206.0%)*			$ 1,225,669,743	$ 1,225,426,681	$ 1,200,612,963

* Fair value as a percentage of net assets.

(1) All debt investments are income producing, unless otherwise noted. Equity and any equity-linked investments are non-income producing, unless otherwise noted. The Board of Directors determined in good faith that all investments were valued at fair value in accordance with the Company's valuation policies and procedures and the Investment Company Act of 1940, as amended, based on, among other things, the input of Barings, the Company's Audit Committee and an independent valuation firm that has been engaged to assist in the valuation of the Company's senior secured, middle-market investments.

(2) All debt investments are variable rate investments unless otherwise noted. Index-based floating interest rates are generally subject to a contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either LIBOR or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically reset semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan.

(3) Investment is not a qualifying investment as defined under Section 55(a) of the Investment Company Act of 1940, as amended. Non-qualifying assets represent 15.6% of total investments at fair value as of June 30, 2019. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying asset until such time as it complies with the requirements of Section 55(a).

(4) Some or all of the investment is or will be encumbered as security for Barings BDC Senior Funding I, LLC's credit facility entered into in August 2018 with Bank of America, N.A., as amended and restated in December 2018 (the "August 2018 Credit Facility").

(5) Some or all of the investment is or will be encumbered as security for the Company's credit facility entered into in February 2019 with ING Capital LLC (the "February 2019 Credit Facility").

(6) Some or all of the investment is encumbered as security for the Company's $449.3 million term debt securitization entered into in May 2019 (the "Debt Securitization")

(7) The fair value of the investment was determined using significant unobservable inputs.

See accompanying notes.

Barings BDC, Inc.
Consolidated Schedule of Investments
December 31, 2018

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Non–Control / Non–Affiliate Investments:					
24 Hour Fitness Worldwide, Inc. (1.6%)*[4]	Leisure Facilities	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 05/25)	$ 9,452,500	$ 9,543,878	$ 9,224,033
			9,452,500	9,543,878	9,224,033
Accelerate Learning (1.5%)*[5]	Education Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 12/24)	8,455,827	8,287,632	8,234,888
			8,455,827	8,287,632	8,234,888
Accurus Aerospace (4.3%)*[5]	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 10/24)	25,000,000	24,636,436	24,312,943
			25,000,000	24,636,436	24,312,943
Acrisure, LLC (1.7%)*[4]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 11/23)	9,949,622	10,011,600	9,620,091
			9,949,622	10,011,600	9,620,091
ADMI Corp. (0.6%)*[4]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 04/25)	3,482,500	3,495,133	3,302,559
			3,482,500	3,495,133	3,302,559
AlixPartners LLP (1.4%)*[4]	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 04/24)	8,058,987	8,103,759	7,725,104
			8,058,987	8,103,759	7,725,104
Alliant Holdings LP (0.8%)*[4]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 05/25)	4,972,506	4,980,447	4,689,372
			4,972,506	4,980,447	4,689,372
American Airlines Group Inc. (2.3%)*[3] [4]	Airport Services	First Lien Senior Secured Term Loan (LIBOR + 1.75%, 4.3% Cash, Due 06/25)	13,985,519	13,734,123	13,058,978
			13,985,519	13,734,123	13,058,978
American Dental Partners, Inc. (1.7%)*	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 7.1% Cash, Due 03/23)	10,000,000	9,975,555	9,850,000
			10,000,000	9,975,555	9,850,000
Amscan Holdings Inc. (0.4%)*[3] [4]	Specialty Stores	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.0% Cash, Due 08/22)	2,411,098	2,428,340	2,321,694
			2,411,098	2,428,340	2,321,694
Apex Tool Group, LLC (1.3%)*[4]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 02/22)	7,335,300	7,364,994	7,056,558
			7,335,300	7,364,994	7,056,558
Applied Systems Inc. (1.6%)*[4]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 09/24)	9,313,068	9,380,593	8,855,144
			9,313,068	9,380,593	8,855,144
Ascend Learning, LLC (1.3%)*[4]	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 07/24)	7,959,698	7,981,529	7,502,015
			7,959,698	7,981,529	7,502,015
AssuredPartners Capital, Inc. (2.0%)*[4]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 10/24)	11,951,703	11,975,322	11,257,070
			11,951,703	11,975,322	11,257,070
Aveanna Healthcare Holdings, Inc. (f/k/a BCPE Eagle Buyer LLC) (0.7%)*[4] [5]	Health Care Facilities	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 03/24)	1,488,712	1,469,694	1,384,502
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 8.0% Cash, Due 03/24)	2,751,801	2,752,766	2,641,729
			4,240,513	4,222,460	4,026,231
AVSC Holding Corp. (1.3%)*[4]	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.9% Cash, Due 03/25)	7,959,900	7,917,296	7,522,105
			7,959,900	7,917,296	7,522,105

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Bausch Health Companies Inc. (1.5%)*[3] [4]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 05/25)	$ 8,820,910	$ 8,866,316	$ 8,406,856
			8,820,910	8,866,316	8,406,856
BDP International, Inc. (4.3%)*[5]	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 8.1% Cash, Due 12/24)	25,000,000	24,502,972	24,347,685
			25,000,000	24,502,972	24,347,685
Berlin Packaging LLC (1.4%)*[4]	Forest Products /Containers	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 11/25)	8,457,500	8,477,268	7,944,045
			8,457,500	8,477,268	7,944,045
Blackhawk Network Holdings Inc (1.7%)*[4]	Data Processing & Outsourced Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 06/25)	9,974,937	9,974,937	9,470,006
			9,974,937	9,974,937	9,470,006
Brookfield WEC Holdings Inc. (0.1%)*[4]	Construction & Engineering	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 08/25)	500,000	504,904	483,305
			500,000	504,904	483,305
Brown Machine LLC (1.0%)*[5]	Industrial Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.8% Cash, Due 10/24)	5,568,910	5,502,125	5,431,063
			5,568,910	5,502,125	5,431,063
Cadent (f/k/a Cross MediaWorks) (1.4%)*[5]	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 7.7% Cash, Due 09/23)	7,966,133	7,891,122	7,793,161
			7,966,133	7,891,122	7,793,161
Caesars Entertainment Corp. (0.5%)*[3] [4]	Casinos & Gaming	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 12/24)	3,134,171	3,153,038	3,004,322
			3,134,171	3,153,038	3,004,322
Callaway Golf Co. (0.6%)*[3] [4]	Leisure Products	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.3% Cash, Due 12/25)	3,266,060	3,200,739	3,225,234
			3,266,060	3,200,739	3,225,234
Calpine Corp. (0.8%)*[4]	Independent Power Producers & Energy Traders	First Lien Senior Secured Term Loan7 (LIBOR + 2.5%, 5.3% Cash, Due 05/23)	129,118	129,583	122,379
		First Lien Senior Secured Term Loan5 (LIBOR + 2.5%, 5.3% Cash, Due 01/24)	4,497,510	4,513,817	4,264,899
			4,626,628	4,643,400	4,387,278
Capital Automotive LLC (2.0%)*[4]	Automotive Retail	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.0% Cash, Due 03/24)	11,939,394	11,966,567	11,443,909
			11,939,394	11,966,567	11,443,909
Carlyle Group L.P., (The) (f/k/a Nautilus Power, LLC) (0.6%)*[4]	Independent Power Producers & Energy Traders	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 05/24)	3,487,410	3,504,691	3,434,227
			3,487,410	3,504,691	3,434,227
Charter Communications Inc. (0.8%)*[3] [4]	Cable & Satellite	First Lien Senior Secured Term Loan (LIBOR + 2.0%, 4.5% Cash, Due 04/25)	4,585,127	4,493,899	4,385,124
			4,585,127	4,493,899	4,385,124
Concentra Inc. (0.5%)*[4]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.1% Cash, Due 06/22)	3,000,000	3,028,601	2,865,000
			3,000,000	3,028,601	2,865,000
Consolidated Container Co. LLC (1.3%)*[4]	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 05/24)	7,462,312	7,485,496	7,114,045
			7,462,312	7,485,496	7,114,045
Container Store Group, Inc., (The) (0.5%)*[3] [4] [5]	Retail	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.5% Cash, Due 09/23)	3,124,404	3,126,010	2,858,830
			3,124,404	3,126,010	2,858,830
Core & Main LP (1.7%)*[4]	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.7% Cash, Due 08/24)	9,974,811	10,022,554	9,617,414
			9,974,811	10,022,554	9,617,414

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Covia Holdings Corporation (Unimin Corporation) (0.3%)*[3] [4]	Diversified Metals & Mining	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.6% Cash, Due 06/25)	$ 2,435,500	$ 2,444,146	$ 1,753,560
			2,435,500	2,444,146	1,753,560
CPG Intermediate LLC (f/k/a Encapsys, LLC) (0.4%)*	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 6.0% Cash, Due 11/24)	2,172,331	2,174,889	2,108,964
			2,172,331	2,174,889	2,108,964
CPI International Inc. (0.8%)*[4]	Electronic Components	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 07/24)	4,795,633	4,803,762	4,631,766
			4,795,633	4,803,762	4,631,766
CVS Holdings I, LP (MyEyeDr) (0.3%)*[4]	Health Care Supplies	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.3% Cash, Due 02/25)	1,953,701	1,952,568	1,846,248
			1,953,701	1,952,568	1,846,248
Dimora Brands, Inc. (0.5%)*	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 08/24)	2,984,887	2,988,439	2,839,373
			2,984,887	2,988,439	2,839,373
Dole Food Co. Inc. (2.4%)*[4]	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 04/24)	13,919,794	13,927,211	13,484,800
			13,919,794	13,927,211	13,484,800
Dresser Natural Gas Solutions (2.1%)*[5]	Natural Gas	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 10/25)	12,115,385	12,056,896	11,903,574
			12,115,385	12,056,896	11,903,574
Duff & Phelps Corporation (2.2%)*[4]	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 02/25)	13,341,288	13,378,119	12,593,642
			13,341,288	13,378,119	12,593,642
Edelman Financial Group, Inc. (1.8%)*[4]	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 07/25)	10,486,000	10,569,223	10,074,005
			10,486,000	10,569,223	10,074,005
Endo International PLC (1.3%)*[3] [4]	Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 04/24)	7,959,596	8,032,969	7,521,818
			7,959,596	8,032,969	7,521,818
Equian Buyer Corp. (0.6%)*[4]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 05/24)	3,482,323	3,488,194	3,358,701
			3,482,323	3,488,194	3,358,701
Exelon Corp. (0.5%)*[3] [4]	Electric Utilities	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.7% Cash, Due 11/24)	3,000,000	3,028,710	2,835,000
			3,000,000	3,028,710	2,835,000
Eyemart Express (0.6%)*[4]	Retail	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 08/24)	3,478,637	3,490,449	3,365,581
			3,478,637	3,490,449	3,365,581
Fieldwood Energy LLC (1.7%)*[4]	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.8% Cash, Due 04/22)	10,000,000	10,091,054	9,318,800
			10,000,000	10,091,054	9,318,800
Filtration Group Corporation (1.9%)*[4]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 03/25)	10,944,862	11,032,278	10,525,346
			10,944,862	11,032,278	10,525,346
Flex Acquisition Holdings, Inc. (1.7%)*[4]	Paper Packaging	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 06/25)	9,972,500	9,993,054	9,419,026
			9,972,500	9,993,054	9,419,026
Gardner Denver Inc. (0.3%)*[3] [4]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 07/24)	1,682,557	1,694,790	1,621,043
			1,682,557	1,694,790	1,621,043

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
GlobalTranz (0.5%)*[5]	Transportation Services	Second Lien Senior Secured Term Loan (LIBOR + 8.0%, 10.5% Cash, Due 10/26)	$ 2,980,874	$ 2,937,205	$ 2,900,969
			2,980,874	2,937,205	2,900,969
GMS Inc. (1.2%)*[3] [4]	Construction & Engineering	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 06/25)	7,481,203	7,440,285	7,032,331
			7,481,203	7,440,285	7,032,331
Graftech International Ltd. (1.8%)*[3] [4] [5]	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 02/25)	10,725,000	10,812,431	10,135,125
			10,725,000	10,812,431	10,135,125
Gray Television Inc. (0.1)*[3] [4]	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 2.25%, 4.6% Cash, Due 02/24)	655,812	641,096	627,940
			655,812	641,096	627,940
Gulf Finance, LLC (0.1)*[4]	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.9% Cash, Due 08/23)	1,069,652	900,943	811,598
			1,069,652	900,943	811,598
Hanley Wood LLC (2.2%)*[5]	Advertising	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 9.0% Cash, Due 12/24)	12,500,000	12,190,695	12,375,000
			12,500,000	12,190,695	12,375,000
Harbor Freight Tools USA Inc.(1.0%)*[4]	Specialty Stores	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.0% Cash, Due 08/23)	5,994,942	5,934,386	5,640,880
			5,994,942	5,934,386	5,640,880
Hayward Industries, Inc. (1.4%)*[4]	Leisure Products	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 08/24)	8,457,179	8,488,506	8,115,340
			8,457,179	8,488,506	8,115,340
Healthline Media, Inc (2.2%)*[5]	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.6% Cash, Due 11/24)	12,840,895	12,588,998	12,434,145
			12,840,895	12,588,998	12,434,145
Hertz Corporation (The) (1.0%)*[3] [4]	Rental & Leasing Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 06/23)	5,938,303	5,927,654	5,696,555
			5,938,303	5,927,654	5,696,555
Holley Performance Products (Holley Purchaser, Inc.) (3.9%)*[5]	Packaging	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.5% Cash, Due 10/25)	22,535,000	22,204,286	21,971,625
			22,535,000	22,204,286	21,971,625
Hub International Limited (1.7%)*[4]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 04/25)	10,333,075	10,347,614	9,735,720
			10,333,075	10,347,614	9,735,720
Husky Injection Molding Systems Ltd. (1.7%)*[3] [4]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 03/25)	10,790,581	10,369,552	9,841,873
			10,790,581	10,369,552	9,841,873
Hyland Software Inc. (1.5%)*[4]	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 07/24)	8,715,134	8,776,016	8,427,535
			8,715,134	8,776,016	8,427,535
Immucor Inc. (0.4%)*[4]	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.8% Cash, Due 06/21)	2,491,354	2,524,676	2,444,641
			2,491,354	2,524,676	2,444,641
Infor Software Parent, LLC (1.4%)*[4]	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 02/22)	8,000,000	8,012,613	7,653,760
			8,000,000	8,012,613	7,653,760
Intelsat S.A. (2.2%)*[3] [4]	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 11/23)	13,000,000	13,079,847	12,558,910
			13,000,000	13,079,847	12,558,910
ION Trading Technologies Ltd. (2.5%)*[4] [5]	Electrical Components & Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.5% Cash, Due 11/24)	14,819,339	14,786,308	13,967,227
			14,819,339	14,786,308	13,967,227

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
IRB Holding Corporation (1.3%)*[4]	Food Retail	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 02/25)	$ 7,969,854	$ 7,989,532	$ 7,583,316
			7,969,854	7,989,532	7,583,316
Jaguar Holding Company I (0.8%)*[4]	Life Sciences Tools & Services	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.0% Cash, Due 08/22)	4,974,227	4,975,425	4,713,080
			4,974,227	4,975,425	4,713,080
JS Held, LLC (3.1%)*[5]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.3% Cash, Due 09/24)	17,593,912	17,403,946	17,179,827
			17,593,912	17,403,946	17,179,827
Kenan Advantage Group Inc. (1.4%)*[4]	Trucking	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 07/22)	8,449,929	8,442,949	8,138,380
			8,449,929	8,442,949	8,138,380
K-Mac Holdings Corp (0.6%)*[4]	Restaurants	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 03/25)	3,482,456	3,492,379	3,310,527
			3,482,456	3,492,379	3,310,527
Kronos Inc. (1.9%)*[4]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 11/23)	11,505,463	11,551,608	10,910,976
			11,505,463	11,551,608	10,910,976
Lighthouse Autism Center (1.1%)*[5]	Healthcare and Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 8.1% Cash, Due 09/24)	6,157,408	5,891,621	5,817,408
		Class A LLC Units (154,320 units)		154,320	154,320
			6,157,408	6,045,941	5,971,728
Lindstrom (Metric Enterprises, Inc.) (1.2%)*[5]	Capital Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 09/24)	7,023,012	6,972,814	6,885,353
			7,023,012	6,972,814	6,885,353
LTI Holdings, Inc. (2.0%)*[4]	Industrial Conglomerates	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 09/25)	11,970,000	12,035,076	11,241,865
			11,970,000	12,035,076	11,241,865
Mallinckrodt Plc (1.9%)*[3] [4]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.6% Cash, Due 09/24)	11,753,810	11,679,642	10,754,736
			11,753,810	11,679,642	10,754,736
Men's Wearhouse, Inc. (The) (1.7%)*[3] [4]	Apparel Retail	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 04/25)	9,974,874	10,073,027	9,588,348
			9,974,874	10,073,027	9,588,348
Micro Holding Corp. (1.8%)*	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 12/24)[5]	2,712,876	2,725,787	2,590,796
		First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 09/24)[4]	7,959,698	8,017,449	7,531,864
			10,672,574	10,743,236	10,122,660
NFP Corp. (1.4%)*[4]	Specialized Finance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 01/24)	8,630,128	8,628,301	8,144,684
			8,630,128	8,628,301	8,144,684
NVA Holdings, Inc. (1.3%)*[4]	Health Care Facilities	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 02/25)	7,916,170	7,900,214	7,441,200
			7,916,170	7,900,214	7,441,200
Omaha Holdings LLC (1.7%)*[4]	Auto Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 03/24)	9,949,622	10,021,886	9,430,351
			9,949,622	10,021,886	9,430,351
Omnitracs, LLC (1.4%)*[4]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.6% Cash, Due 03/25)	8,435,312	8,407,343	7,933,411
			8,435,312	8,407,343	7,933,411
Ortho-Clinical Diagnostics Bermuda Co. Ltd. (1.9%)*[4]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 06/25)	11,520,080	11,524,382	10,659,645
			11,520,080	11,524,382	10,659,645

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
PAREXEL International Corp. (1.2%)*[4]	Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 09/24)	$ 7,470,248	$ 7,436,079	$ 6,732,561
			7,470,248	7,436,079	6,732,561
Penn Engineering & Manufacturing Corp. (0.3%)*[4]	Industrial Conglomerates	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 06/24)	1,989,899	2,006,604	1,916,929
			1,989,899	2,006,604	1,916,929
Phoenix Services International LLC (0.5%)*[4]	Steel	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.1% Cash, Due 03/25)	2,984,962	2,996,845	2,868,042
			2,984,962	2,996,845	2,868,042
PMHC II, Inc. (0.1%)*	Diversified Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.2% Cash, Due 03/25)	621,867	625,543	565,899
			621,867	625,543	565,899
PODS Enterprises, Inc. (1.4%)*[4]	Packaging	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 12/24)	7,959,712	7,985,095	7,608,132
			7,959,712	7,985,095	7,608,132
Prime Security Services Borrower, LLC (2.1%)*[3] [4]	Security & Alarm Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 05/22)	12,593,945	12,633,406	11,976,842
			12,593,945	12,633,406	11,976,842
Pro Mach Inc. (1.0%)*[4]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 03/25)	5,969,925	5,950,852	5,659,011
			5,969,925	5,950,852	5,659,011
ProAmpac Intermediate Inc. (1.7%)*[4]	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 11/23)	9,947,995	9,962,292	9,475,466
			9,947,995	9,962,292	9,475,466
Qlik Technologies Inc. (Alpha Intermediate Holding, Inc.) (1.3%)*[4]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 04/24)	7,436,794	7,443,394	7,139,322
			7,436,794	7,443,394	7,139,322
Red Ventures, LLC (1.9%)*[4]	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 11/24)	10,966,554	11,103,689	10,418,227
			10,966,554	11,103,689	10,418,227
RedPrairie Holding, Inc (1.7%)*[4]	Computer Storage & Peripherals	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 10/23)	9,949,239	10,022,004	9,564,203
			9,949,239	10,022,004	9,564,203
Renaissance Learning, Inc. (0.9%)*[4]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 05/25)	5,446,052	5,441,904	5,041,029
			5,446,052	5,441,904	5,041,029
Reynolds Group Holdings Ltd. (2.6%)*[4]	Packaging	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 02/23)	15,421,320	15,498,970	14,650,254
			15,421,320	15,498,970	14,650,254
Sabre Holdings Corp (0.2%)*[4]	Data Processing & Outsourced Services	First Lien Senior Secured Term Loan (LIBOR + 2.0%, 4.5% Cash, Due 02/24)	914,018	895,738	882,786
			914,018	895,738	882,786
SCI Packaging Inc. (f/k/a BWAY Holding Company) (2.3%)*[4]	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 04/24)	13,929,293	13,906,708	13,070,274
			13,929,293	13,906,708	13,070,274
Seadrill Ltd. (1.4%)*[4]	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 8.8% Cash, Due 02/21)	9,918,283	9,372,499	7,742,509
			9,918,283	9,372,499	7,742,509
Seaworld Entertainment, Inc. (1.4%)*[3] [4]	Leisure Facilities	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 03/24)	8,456,962	8,446,134	8,055,256
			8,456,962	8,446,134	8,055,256
Serta Simmons Bedding LLC (0.4%)*[4]	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 11/23)	2,992,386	2,704,234	2,493,645
			2,992,386	2,704,234	2,493,645

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
SIWF Holdings, Inc. (f/k/a Springs Industries Inc.) (1.6%)*[4]	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.7% Cash, Due 06/25)	$ 9,445,430	$ 9,507,419	$ 9,156,211
			9,445,430	9,507,419	9,156,211
SK Blue Holdings, LP (0.7%)*[4] [5]	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.2% Cash, Due 10/25)	4,202,638	4,200,204	4,034,533
			4,202,638	4,200,204	4,034,533
SmartBear (0.8%)*[5]	High Tech Industries	Second Lien Senior Secured Term Loan (LIBOR + 8.0%, 10.4% Cash, Due 05/24)	4,959,088	4,840,642	4,778,162
			4,959,088	4,840,642	4,778,162
Smile Brands Group Inc. (0.9%)*[5]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.1% Cash, Due 10/24)	5,043,318	4,981,982	4,912,691
			5,043,318	4,981,982	4,912,691
Solenis Holdings, L.P. (1.4%)*[4]	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.7% Cash, Due 12/23)	7,960,000	8,010,373	7,681,400
			7,960,000	8,010,373	7,681,400
SonicWALL, Inc. (0.8%)*[4]	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.1% Cash, Due 05/25)	4,500,000	4,502,358	4,289,985
			4,500,000	4,502,358	4,289,985
Sophia Holding Finance, L.P . (2.7%)*[4]	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 6.1% Cash, Due 09/22)	15,925,386	15,975,609	15,305,411
			15,925,386	15,975,609	15,305,411
SRS Distribution, Inc. (1.6%)*[4]	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 05/25)	9,975,000	9,787,668	9,283,034
			9,975,000	9,787,668	9,283,034
SS&C Technologies, Inc. (0.3%)*[3] [4]	Computer & Electronics Retail	First Lien Senior Secured Term Loan (LIBOR + 2.25%, 4.8% Cash, Due 04/25)	1,760,188	1,755,852	1,657,886
			1,760,188	1,755,852	1,657,886
Staples Inc. (2.4%)*[4]	Retail	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.5% Cash, Due 09/24)	13,964,736	13,944,087	13,359,644
			13,964,736	13,944,087	13,359,644
Syniverse Holdings, Inc. (1.7%)*[4]	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.5% Cash, Due 03/23)	10,447,368	10,401,186	9,315,605
			10,447,368	10,401,186	9,315,605
Tahoe Subco 1 Ltd (2.5%)*[3] [4]	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.3% Cash, Due 06/24)	14,960,151	14,967,158	13,902,319
			14,960,151	14,967,158	13,902,319
Team Health Holdings, Inc. (1.1%)*[4]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 02/24)	6,964,557	6,701,992	6,207,162
			6,964,557	6,701,992	6,207,162
Tempo Acquisition LLC (2.0%)*[4]	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 05/24)	11,616,035	11,663,099	11,093,314
			11,616,035	11,663,099	11,093,314
Transportation Insight, LLC (3.4%)*[5]	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 12/24)	19,483,068	19,245,141	19,007,740
			19,483,068	19,245,141	19,007,740
TransUnion (0.1%)*[3] [4]	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 2.0%, 4.5% Cash, Due 04/23)	634,147	619,996	608,781
			634,147	619,996	608,781
Travelport Ltd. (0.3%)*[3] [4]	Data Processing & Outsourced Services	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.1% Cash, Due 03/25)	1,989,228	1,987,991	1,951,691
			1,989,228	1,987,991	1,951,691
Tronox Ltd. (1.2%)*[3] [4]	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 09/24)	6,964,824	7,001,035	6,745,920
			6,964,824	7,001,035	6,745,920

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Trystar, Inc. (3.1%)*[5]	Power Distribution Solutions	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.4% Cash, Due 09/23)	$ 17,850,676	$ 17,554,515	$ 17,320,845
		LLC Units (361.5 units)		361,505	361,505
			17,850,676	17,916,020	17,682,350
U.S. Anesthesia Partners, Inc. (2.3%)*[4]	Managed Health Care	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 06/24)	13,724,874	13,787,932	13,086,668
			13,724,874	13,787,932	13,086,668
U.S. Silica Company (0.2%)*[3] [4]	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.6% Cash, Due 05/25)	1,518,304	1,522,294	1,322,822
			1,518,304	1,522,294	1,322,822
Univision Communications Inc. (0.9%)*[4]	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 03/24)	5,470,018	5,279,013	4,938,989
			5,470,018	5,279,013	4,938,989
US Legal Support, Inc. (2.3%)*[5]	Legal Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 8.5% Cash, Due 11/24)	13,513,994	13,216,624	13,065,980
			13,513,994	13,216,624	13,065,980
USF Holdings LLC (0.8%)*[4] [5]	Auto Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.3% Cash, Due 12/21)	4,870,130	4,887,672	4,650,974
			4,870,130	4,887,672	4,650,974
USI, Inc. (1.4%)*[4]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.8% Cash, Due 05/24)	8,457,179	8,449,689	7,960,320
			8,457,179	8,449,689	7,960,320
USIC Holdings, Inc. (1.2%)*[4]	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 12/23)	6,965,629	7,001,297	6,599,933
			6,965,629	7,001,297	6,599,933
Vail Holdco Corp (f/k/a Avantor, Inc.) (2.4%)*[4]	Health Care Equipment	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.6% Cash, Due 11/24)	14,193,506	14,381,790	13,720,436
			14,193,506	14,381,790	13,720,436
Venator Materials LLC (0.5%)*[3] [4]	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 08/24)	2,984,887	2,995,737	2,846,836
			2,984,887	2,995,737	2,846,836
Veritas Bermuda Intermediate Holdings Ltd. (1.4%)*[4]	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.1% Cash, Due 01/23)	9,451,899	9,033,056	8,027,403
			9,451,899	9,033,056	8,027,403
Verscend Holding Corp. (0.4%)*[4]	Health Care Technology	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 08/25)	2,493,750	2,523,202	2,406,469
			2,493,750	2,523,202	2,406,469
VF Holding Corp. (2.0%)*[4]	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 6.1% Cash, Due 07/25)	12,000,000	12,006,052	11,373,720
			12,000,000	12,006,052	11,373,720
Wilsonart, LLC (1.7%)*[4]	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 6.1% Cash, Due 12/23)	9,974,683	9,974,683	9,519,638
			9,974,683	9,974,683	9,519,638
Winebow Group, LLC, (The) (0.2%)*[4]	Consumer Goods	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 07/21)	1,572,129	1,483,331	1,353,335
			1,572,129	1,483,331	1,353,335
Wink Holdco, Inc (1.3%)*[4]	Managed Health Care	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 12/24)	7,571,614	7,570,011	7,158,961
			7,571,614	7,570,011	7,158,961
WME Entertainment Parent, LLC (f/k/a IMG Worldwide, Inc.) (2.3%)*[4]	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 05/25)	13,841,944	13,829,823	12,682,681
			13,841,944	13,829,823	12,682,681

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Xperi Corp (0.5%)*[3] [4] [5]	Semiconductor Equipment	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.0% Cash, Due 12/23)	$ 2,942,982	$ 2,929,408	$ 2,729,616
			2,942,982	2,929,408	2,729,616
Subtotal Non–Control / Non–Affiliate Investments			1,132,612,430	1,128,694,715	1,076,631,804
Short-Term Investments					
The Dreyfus Corporation (8.0%)*[4]	Money Market Fund	Dreyfus Government Cash Management Fund (2.5% yield)	45,223,941	45,223,941	45,223,941
			45,223,941	45,223,941	45,223,941
Subtotal Short-Term Investments			45,223,941	45,223,941	45,223,941
Total Investments, December 31, 2018 (199.3%)*			$ 1,177,836,371	$ 1,173,918,656	$ 1,121,855,745

* Fair value as a percentage of net assets.

(1) All debt investments are income producing, unless otherwise noted. Equity and any equity-linked investments are non-income producing, unless otherwise noted. The Board of Directors determined in good faith that all investments were valued at fair value in accordance with the Company's valuation policies and procedures and the Investment Company Act of 1940, as amended, based on, among other things, the input of Barings, the Company's Audit Committee and an independent valuation firm that has been engaged to assist in the valuation of the Company's senior secured, middle-market investments.

(2) All debt investments are variable rate investments unless otherwise noted. Index-based floating interest rates are generally subject to a contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either LIBOR or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically reset semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan.

(3) Investment is not a qualifying investment as defined under Section 55(a) of the Investment Company Act of 1940, as amended. Non-qualifying assets represent 15.1% of total investments at fair value as of December 31, 2018. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying asset until such time as it complies with the requirements of Section 55(a).

(4) Some or all of the investment is or will be encumbered as security for the August 2018 Credit Facility.

(5) The fair value of the investment was determined using significant unobservable inputs.

See accompanying notes.

1. ORGANIZATION, BUSINESS AND BASIS OF PRESENTATION

Barings BDC, Inc. and its wholly-owned subsidiaries (collectively, the "Company") are specialty finance companies. The Company currently operates as a closed-end, non-diversified investment company and has elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). The Company has elected for federal income tax purposes to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code").

The Asset Sale and Externalization Transactions

On April 3, 2018, the Company entered into an asset purchase agreement with BSP Asset Acquisition I, LLC (the "Asset Buyer"), an affiliate of Benefit Street Partners L.L.C., pursuant to which the Company agreed to sell its December 31, 2017 investment portfolio to the Asset Buyer for gross proceeds of $981.2 million in cash, subject to certain adjustments to take into account portfolio activity and other matters occurring since December 31, 2017 (such transaction referred to herein as the "Asset Sale Transaction").

Also on April 3, 2018, the Company entered into a stock purchase and transaction agreement with Barings LLC ("Barings" or the "Adviser"), through which Barings agreed to become the investment adviser to the Company in exchange for (1) a payment by Barings of $85.0 million directly to the Company's stockholders, (2) an investment by Barings of $100.0 million in newly issued shares of the Company's common stock at net asset value ("NAV") and (3) a commitment from Barings to purchase up to $50.0 million of shares of the Company's common stock in the open market at prices up to and including the Company's then-current NAV per share for a two-year period, after which Barings agreed to use any remaining funds from the $50.0 million to purchase additional newly issued shares of the Company's common stock at the greater of the Company's then-current NAV per share and market price (collectively, the "Externalization Transaction"). The Asset Sale Transaction and the Externalization Transaction are collectively referred to herein as the "Transactions." The Transactions were approved by the Company's stockholders at the Company's July 24, 2018 special meeting of stockholders (the "Special Meeting"). The Asset Sale Transaction closed on July 31, 2018.

In connection with the closing of the Asset Sale Transaction, the Company caused notices to be issued to the holders of its unsecured notes due 2022 issued in 2012 (the "December 2022 Notes") and unsecured notes due 2022 issued in 2015 (the "March 2022 Notes") regarding the redemption of all $80.5 million in aggregate principal amount of the December 2022 Notes and all $86.3 million in aggregate principal amount of the March 2022 Notes, in each case, on August 30, 2018. The December 2022 Notes and the March 2022 Notes were redeemed at 100% of their principal amount ($25.00 per Note), plus the accrued and unpaid interest thereon from June 15, 2018 to, but excluding, August 30, 2018. In furtherance of the redemption, on July 31, 2018, the Company irrevocably deposited with The Bank of New York Mellon Trust Company, N.A., as trustee under the indenture and supplements thereto relating to the December 2022 Notes and the March 2022 Notes, funds in trust for the purposes of redeeming all of the issued and outstanding December 2022 Notes and March 2022 Notes and paying all sums due and payable under the indenture and supplements thereto. As a result, the Company's obligations under the indenture and supplements thereto relating to the December 2022 Notes and the March 2022 Notes were satisfied and discharged as of July 31, 2018, except with respect to those obligations that the indenture expressly provides shall survive the satisfaction and discharge of the indenture. In addition, in connection with the closing of the Asset Sale Transaction, the Company terminated its senior secured credit facility entered into in May 2015 and subsequently amended in May 2017.

The Company's wholly-owned subsidiaries, Triangle Mezzanine Fund LLLP ("Triangle SBIC"), Triangle Mezzanine Fund II LP ("Triangle SBIC II") and Triangle Mezzanine Fund III LP ("Triangle SBIC III"), are specialty finance limited partnerships that were formed to make investments primarily in lower middle-market companies located throughout the United States. Each of Triangle SBIC, Triangle SBIC II and Triangle SBIC III held licenses to operate as Small Business Investment Companies ("SBICs") under the authority of the United States Small Business Administration ("SBA"). In connection with the closing of the Asset Sale Transaction, the Company repaid all of its outstanding SBA-guaranteed debentures and surrendered the SBIC licenses held by Triangle SBIC, Triangle SBIC II, and Triangle SBIC III.

The Externalization Transaction closed on August 2, 2018 (the "Externalization Closing"). Effective as of the Externalization Closing, the Company changed its name from Triangle Capital Corporation to Barings BDC, Inc. and on August 3, 2018 began trading on the New York Stock Exchange ("NYSE") under the symbol "BBDC."

Organization

The Company is a Maryland corporation incorporated on October 10, 2006. Prior to the Externalization Transaction, the Company was internally managed by its executive officers under the supervision of its Board of Directors (the "Board"). During this period, the Company did not pay management or advisory fees, but instead incurred the operating costs associated with employing executive management and investment and portfolio management professionals. On August 2, 2018, the Company entered into an investment advisory agreement (the "Advisory Agreement") and became an externally-managed BDC managed by the Adviser. An externally-managed BDC generally does not have any employees, and its investment and management functions are provided by an outside investment adviser and administrator under an advisory agreement and administration agreement. Instead of the Company directly compensating employees, the Company pays the Adviser for investment and management services pursuant to the terms of the Advisory Agreement and the Administration Agreement. See Note 2 - Agreements and Related Party Transactions for additional information regarding the Advisory Agreement and the Administration Agreement.

Basis of Presentation

The financial statements of the Company include the accounts of Barings BDC, Inc. and its wholly-owned subsidiaries. The effects of all intercompany transactions between Barings BDC, Inc. and its wholly-owned subsidiaries have been eliminated in consolidation. Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, *Financial Services - Investment Companies*, the Company is precluded from consolidating portfolio company investments, including those in which it has a controlling interest, unless the portfolio company is another investment company. An exception to this general principle occurs if the Company holds a controlling interest in an operating company that provides all or substantially all of its services directly to the Company or to its portfolio companies. None of the portfolio investments made by the Company qualify for this exception. Therefore, the Company's investment portfolio is carried on the Consolidated Balance Sheets at fair value, as discussed further in Note 3, with any adjustments to fair value recognized as "Net unrealized appreciation (depreciation)" on the Unaudited Consolidated Statements of Operations.

The accompanying unaudited consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments, consisting solely of normal recurring adjustments necessary for the fair presentation of financial statements for the interim period, have been reflected in the unaudited consolidated financial statements. The current period’s results of operations are not necessarily indicative of results that ultimately may be achieved for the year. Additionally, the unaudited consolidated financial statements and accompanying notes should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2018. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the unaudited consolidated financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Recently Issued Accounting Standards

In August 2018, the FASB issued Accounting Standards Update, 2018-13,*Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"),* which includes new, eliminated and modified fair value disclosure requirements. The new guidance requires disclosure of the range and weighted average of the significant unobservable inputs for Level 3 fair value measurements and the way it is calculated. The guidance also eliminates the following disclosures: (i) amount and reason for transfers between Level 1 and Level 2, (ii) policy for timing of transfers between levels of the fair value hierarchy and (iii) valuation processes for Level 3 fair value measurement. In addition, the disclosure is modified such that the narrative description for the recurring Level 3 fair value measures should communicate information about the measurement uncertainty in fair value measurements as of the reporting date rather than a point in the future. The guidance is effective for all entities for interim and annual periods beginning after December 15, 2019. An entity is permitted to early adopt the entire standard or only the provisions that eliminate or modify disclosures. The Company’s management does not expect the adoption of ASU 2018-13 to have a significant impact on its consolidated financial statements.

Share Repurchase Plan

On February 25, 2019, the Company adopted a share repurchase plan, pursuant to Board approval, for the purpose of repurchasing shares of the Company's common stock in the open market (the "Share Repurchase Plan"). The Board authorized the Company to repurchase in 2019 up to a maximum of 5.0% of the amount of shares outstanding under the following targets:

- a maximum of 2.5% of the amount of shares of the Company's common stock outstanding if shares trade below NAV per share but in excess of 90% of NAV per share; and
- a maximum of 5.0% of the amount of shares of the Company's common stock outstanding if shares trade below 90% of NAV per share.

The Share Repurchase Plan will be executed in accordance with applicable rules under the Securities Exchange Act of 1934, as amended, including Rules 10b5-1 and 10b-18 thereunder, as well as certain price, market volume and timing constraints specified in the Share Repurchase Plan. The Share Repurchase Plan is designed to allow the Company to repurchase its shares both during its open window periods and at times when it otherwise might be prevented from doing so under applicable insider trading laws or because of self-imposed trading blackout periods. A broker selected by the Company has been delegated the authority to repurchase shares on the Company's behalf in the open market, pursuant to, and under the terms and limitations of, the Share Repurchase Plan. There is no assurance that the Company will purchase shares at any specific discount levels or in any specific amounts. The Company's repurchase activity will be disclosed in its periodic reports for the relevant fiscal periods. There is no assurance that the market price of the Company's shares, either absolutely or relative to NAV, will increase as a result of any share repurchases, or that the Share Repurchase Plan will enhance stockholder value over the long term.

During the three and six months ended June 30, 2019, the Company repurchased a total of 376,384 shares and 969,789 shares, respectively, of its common stock in the open market under the Share Repurchase Plan at an average price of $10.06 per share and $9.95 per share, respectively, including broker commissions.

2. AGREEMENTS AND RELATED PARTY TRANSACTIONS

On August 2, 2018, the Company entered into the Advisory Agreement and an administration agreement (the "Administration Agreement") with the Adviser, an investment adviser registered under the Investment Advisers Act of 1940, as amended. Pursuant to the Advisory Agreement and the Administration Agreement, the Adviser serves as the Company’s investment adviser and administrator and manages its investment portfolio. The Company’s then-current board of directors unanimously approved the Advisory Agreement at an in-person meeting on March 22, 2018. The Company’s stockholders approved the Advisory Agreement at the Special Meeting.

Advisory Agreement

Pursuant to the Advisory Agreement, the Adviser manages the Company's day-to-day operations and provides the Company with investment advisory services. Among other things, the Adviser (i) determines the composition of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identifies, evaluates and negotiates the structure of the investments made by the Company; (iii) executes, closes, services and monitors the investments that the Company makes; (iv) determines the securities and other assets that the Company will purchase, retain or sell; (v) performs due diligence on prospective portfolio companies and (vi) provides 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.

The Advisory Agreement provides that, absent fraud, 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, members and any other person or entity affiliated with the Adviser (collectively, the "IA Indemnified Parties"), are entitled to indemnification from the Company for any damages, liabilities, costs, demands, charges, claims and expenses (including reasonable attorneys’ fees and amounts reasonably paid in settlement) incurred by the IA 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 the Advisory Agreement or otherwise as an investment adviser of the Company. The Adviser’s services under the Advisory Agreement are not exclusive, and the Adviser is generally free to furnish similar services to other entities so long as its performance under the Advisory Agreement is not adversely affected.

Under the Advisory Agreement, the Company pays the Adviser (i) a base management fee (the "Base Management Fee") and (ii) an incentive fee (the "Incentive Fee") as compensation for the investment advisory and management services it provides the Company thereunder.

Base Management Fee

The Base Management Fee is 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:

- 1.0% for the period from August 2, 2018 through December 31, 2018;
- 1.125% for the period commencing on January 1, 2019 through December 31, 2019; and
- 1.375% for all periods thereafter.

The Base Management Fee is payable quarterly in arrears on a calendar quarter basis. The Base Management Fee is 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 are appropriately pro-rated. For the three and six months ended June 30, 2019, the Base Management Fee was approximately $3.1 million and $5.6 million, respectively. As of June 30, 2019, the base management fee for the three months endedJune 30, 2019 was unpaid and included in "Accounts payable and accrued liabilities" in the accompanying Unaudited Consolidated Balance Sheet.

Incentive Fee

The Incentive Fee is comprised of two parts: (1) a portion based on the Company's pre-incentive fee net investment income (the "Income-Based Fee") and (2) a portion based on the net capital gains received on the Company's portfolio of securities on a cumulative basis for each calendar year, net of all realized capital losses and all unrealized capital depreciation for that same calendar year (the "Capital Gains Fee"). The Company did not pay any Incentive Fee for the three and six months ended June 30, 2019.

The Income-Based Fee is calculated as follows:

(i) For each quarter from and after August 2, 2018 through December 31, 2019 (the "Pre-2020 Period"), the Income-Based Fee is calculated and payable quarterly in arrears based on the Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter for which such fees are being calculated. In respect of the Pre-2020 Period, "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 the Company receives from portfolio companies) accrued during the relevant calendar quarter, minus the Company's operating expenses for such 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 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 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.

(ii) For each quarter beginning on and after January 1, 2020 (the "Post-2019 Period"), the Income-Based Fee will be calculated and payable quarterly in arrears based on the Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter and the eleven preceding calendar quarters (or such fewer number of preceding calendar quarters counting each calendar quarter beginning on or after January 1, 2020) (each such period will be referred to as the "Trailing Twelve Quarters") for which such fees are being calculated and will be payable promptly following the filing of the Company's financial statements for such quarter. In respect of the Post-2019 Period, "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 the Company receives from portfolio companies) accrued during the relevant Trailing Twelve Quarters, minus the Company's operating expenses for such Trailing Twelve Quarters (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) divided by the number

of quarters that comprise the relevant Trailing Twelve Quarters. 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 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.

(iii) Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of the Company's net assets (defined as total assets less senior securities constituting indebtedness and preferred stock) at the end of the calendar quarter for which such fees are being calculated, is compared to a "hurdle rate", expressed as a rate of return on the value of the Company's net assets at the end of the most recently completed calendar quarter, of 2% per quarter (8% annualized). The Company pays the Adviser the Income-Based Fee with respect to the Company's Pre-Incentive Fee Net Investment Income in each calendar quarter as follows:

(1) (a) With respect to the Pre-2020 Period, no Income-Based Fee for any calendar quarter in which the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) does not exceed the hurdle rate;

(b) With respect to the Post-2019 Period, no Income-Based Fee for any calendar quarter in which the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) does not exceed the hurdle rate;

(2) (a) With respect to the Pre-2020 Period, 100% of the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income for such quarter, if any, that exceeds the hurdle rate but is less than 2.5% (10% annualized) (the "Pre-2020 Catch-Up Amount"). The Pre-2020 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 (as defined in paragraph (i) above) when the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) reaches 2% per quarter (8% annualized);

(b) With respect to the Post-2019 Period, 100% of the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) with respect to that portion of the Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above), if any, that exceeds the hurdle rate but is less than 2.5% (10% annualized) (the "Post-2019 Catch-Up Amount"). The Post-2019 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 (as defined in paragraph (ii) above) when the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) reaches 2% per quarter (8% annualized);

(3) (a) With respect to the Pre-2020 Period, 20% of the amount of the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) for such quarter, if any, that exceeds the Pre-2020 Catch-Up Amount; and

(b) With respect to the Post-2019 Period, 20% of the amount of the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above), if any, that exceeds the Post-2019 Catch-Up Amount.

However, with respect to the Post-2019 Period, the Income-Based Fee paid to the Adviser will not be in excess of the Incentive Fee Cap. With respect to the Post-2019 Period, 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 Income-Based Fee that was 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 aggregate net investment income in respect of the relevant Trailing Twelve Quarters minus (y) any Net Capital Loss (as defined below), 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 pays no Income-Based Fee to the Adviser for such quarter. If, in any quarter, the Incentive Fee Cap for such quarter is a positive value but is less than the Income-Based Fee that is payable to the Adviser for such quarter (before giving effect to the Incentive Fee Cap) calculated as described above, the Company pays an Income-Based Fee to the 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 Income-Based Fee that is payable to the Adviser for such quarter (before giving effect to the Incentive Fee Cap) calculated as described above, the Company pays an Income-Based Fee to the Adviser equal to the Income-Based 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.

The Capital Gains Fee will be determined and payable in arrears as of the end of each calendar year (or upon termination of the Advisory Agreement), commencing with the calendar year ending 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. If such amount is negative, then there is no Capital Gains Fee payable for such year. If the 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 a Capital Gains Fee.

Payment of Company Expenses

Under the Advisory Agreement, all investment professionals of the Adviser and its staff, when and to the extent engaged in providing services required to be provided by the Adviser under the Advisory Agreement, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by the Adviser and not by the Company, except that all costs and expenses of its operations and transactions, including, without limitation, those items listed in the Advisory Agreement, will be borne by the Company.

Duration and Termination of Advisory Agreement

The Advisory Agreement has an initial term of two years. Thereafter, it will continue to renew automatically for successive annual periods so long as such continuance is specifically approved at least annually by: (i) the vote of the Board, or by the vote of stockholders holding a majority of the outstanding voting securities of the Company; and (ii) the vote of a majority of the Company's independent directors, in either case, in accordance with the requirements of the 1940 Act. The Advisory Agreement may be terminated at any time, without the payment of any penalty, upon 60 days' written notice, by: (a) by vote of a majority of the Board or by vote of a majority of the outstanding voting securities of the Company (as defined in the 1940 Act); or (b) the Adviser. Furthermore, the Advisory 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).

Administration Agreement

Under the terms of the Administration Agreement, the Adviser performs (or oversees, or arranges for, the performance of) the administrative services necessary for the operation of the Company, including, but not limited to, office facilities, equipment, clerical, bookkeeping and record-keeping services at such office facilities and such other services as the Adviser, subject to review by the Board, from time to time, determines to be necessary or useful to perform its obligations under the Administration Agreement. The Adviser also, on behalf of the Company and subject to the Board's approval, arranges for the services of, and oversees, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable.

The Company is required to reimburse the Adviser for the costs and expenses incurred by the Adviser in performing its obligations and providing personnel and facilities under the Administration Agreement, or such lesser amount as may be agreed to in writing by the Company and the Adviser from time to time. If the Company and the Adviser agree to a reimbursement amount for any period which is less than the full amount otherwise permitted under the Administration Agreement, then the Adviser will not be entitled to recoup any difference thereof in any subsequent period or otherwise. The costs and expenses incurred by the Adviser on behalf of the Company under the Administration Agreement include, but are not limited to:

- the allocable portion of the Adviser's rent for the Company's Chief Financial Officer and the Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the usage thereof by such personnel in connection with their performance of administrative services under the Administration Agreement;

- the allocable portion of the salaries, bonuses, benefits and expenses of the Company's Chief Financial Officer and Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the time spent by such personnel in connection with performing administrative services for the Company under the Administration Agreement;
- the actual cost of goods and services used for the Company and obtained by the Adviser from entities not affiliated with the Company, which is reasonably allocated to the Company on the basis of assets, revenues, time records or other method conforming with generally accepted accounting principles;
- all fees, costs and expenses associated with the engagement of a sub-administrator, if any; and
- costs associated with (a) the monitoring and preparation of regulatory reporting, including registration statements and amendments thereto, prospectus supplements, and tax reporting, (b) the coordination and oversight of service provider activities and the direct cost of such contractual matters related thereto and (c) the preparation of all financial statements and the coordination and oversight of audits, regulatory inquiries, certifications and sub-certifications.

For the three and six months ended June 30, 2019, the Company incurred and was invoiced by the Adviser for expenses of approximately $0.9 million and $1.4 million, respectively, under the terms of the Administration Agreement, which amount is included in "General and administrative expenses" in the accompanying Unaudited Consolidated Statements of Operations. As of June 30, 2019, the administrative expenses for the three months endedJune 30, 2019 were unpaid and included in "Accounts payable and accrued liabilities" in the accompanying Unaudited Consolidated Balance Sheet.

The Administration Agreement has an initial term of two years, and thereafter will continue automatically for successive annual periods so long as such continuance is specifically approved at least annually by the Board, including a majority of the independent directors. The Administration Agreement may be terminated at any time, without the payment of any penalty, by vote of the directors of the Company, or by the Adviser, upon 60 days' written notice to the other party. The Administration Agreement may not be assigned by a party without the consent of the other party.

3. INVESTMENTS

Portfolio Composition

As of June 30, 2019 and December 31, 2018, approximately $809.1 million and $845.6 million, respectively, or 69.4% and 78.5%, respectively, of the Company's investment portfolio (excluding the Company's investment in short-term money market funds) was invested in syndicated senior secured loans, and approximately $357.1 million and $231.0 million, respectively, or 30.6% and 21.5%, respectively, of the Company's investment portfolio (excluding the Company's investment in short-term money market funds) was invested in senior secured, middle-market, private debt and equity investments.

Currently, the Company is primarily invested in syndicated senior secured loans, bonds and other fixed income securities. Over time, the Adviser expects to continue to transition the Company's portfolio to senior secured private debt investments in performing, well-established middle-market businesses that operate across a wide range of industries. The Adviser's existing SEC exemptive relief under Sections 17(d) and 57(i) of the 1940 Act and Rule 17d-1 thereunder, granted on October 19, 2017, permits the Company and the Adviser's affiliated private funds and SEC-registered funds to co-invest in loans originated by the Adviser, which allows the Adviser to efficiently implement its senior secured private debt investment strategy for the Company.

The cost basis of the Company's debt investments includes any unamortized purchased premium or discount and unamortized loan origination fees. Summaries of the composition of the Company's investment portfolio at cost and fair value, and as a percentage of total investments, are shown in the following tables:

	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio	Percentage of Total Net Assets
June 30, 2019:					
Senior debt and 1st lien notes	$ 1,175,669,080	96%	$ 1,150,957,046	96%	197%
Subordinated debt and 2nd lien notes	9,655,986	1	9,648,558	1	2
Equity shares	515,825	—	583,658	—	—
Investment in joint venture	5,162,299	—	5,000,210	—	1
Short-term investments	34,423,491	3	34,423,491	3	6
	$ 1,225,426,681	100%	$ 1,200,612,963	100%	206%
December 31, 2018:					
Senior debt and 1st lien notes	$ 1,120,401,043	95%	$ 1,068,436,847	95%	190%
Subordinated debt and 2nd lien notes	7,777,847	1	7,679,132	1	1
Equity shares	515,825	—	515,825	—	—
Short-term investments	45,223,941	4	45,223,941	4	8
	$ 1,173,918,656	100%	$ 1,121,855,745	100%	199%

During the three months ended June 30, 2019, the Company purchased $2.9 million in syndicated senior secured loans, made seven new senior secured private middle-market debt investments totaling $67.1 million, made one joint venture equity investment totaling $5.2 million and made additional debt investments in four existing portfolio companies totaling $5.2 million. During the six months ended June 30, 2019, the Company purchased $3.6 million in syndicated senior secured loans, made thirteen new middle-market debt investments totaling $130.1 million, consisting of twelve senior secured private debt investments and one second lien private debt investment, made one joint venture equity investment totaling $5.2 million and made additional debt investments in four existing portfolio companies totaling $6.9 million.

During the three months ended June 30, 2018, the Company made investments in four existing portfolio companies totaling $0.8 million. During the six months ended June 30, 2018, the Company made investments in ten existing portfolio companies totaling $29.1 million.

The industry composition of investments at fair value atJune 30, 2019 and December 31, 2018, excluding short-term investments, was as follows:

	June 30, 2019		December 31, 2018	
Aerospace and Defense	$ 36,296,197	3.1%	$ 28,944,709	2.7%
Automotive	34,762,164	3.0%	36,052,950	3.3%
Banking, Finance, Insurance and Real Estate	111,823,332	9.6%	97,220,907	9.0%
Beverage, Food and Tobacco	31,362,037	2.7%	30,978,576	2.9%
Capital Equipment	67,078,568	5.8%	46,630,026	4.3%
Chemicals, Plastics, and Rubber	23,779,226	2.0%	23,983,552	2.2%
Construction and Building	29,281,050	2.5%	29,157,682	2.7%
Consumer goods: Durable	20,847,863	1.8%	21,118,531	2.0%
Consumer goods: Non-durable	22,341,400	1.9%	25,025,317	2.3%
Containers, Packaging and Glass	54,675,029	4.7%	53,729,065	5.0%
Energy: Electricity	17,134,723	1.5%	17,682,349	1.6%
Energy: Oil and Gas	17,135,449	1.5%	17,872,908	1.7%
Healthcare and Pharmaceuticals	106,620,505	9.1%	143,160,276	13.3%
High Tech Industries	118,242,167	10.1%	93,740,806	8.7%
Hotel, Gaming and Leisure	24,705,462	2.1%	23,742,260	2.2%
Investment Funds and Vehicles(1)	5,000,210	0.4%	—	—%
Media: Advertising, Printing and Publishing	35,884,203	3.1%	30,315,332	2.8%
Media: Broadcasting and Subscription	17,912,854	1.5%	22,510,963	2.1%
Media: Diversified and Production	37,688,362	3.2%	15,325,025	1.4%
Metals and Mining	9,359,809	0.8%	5,944,424	0.6%
Retail	40,156,503	3.5%	53,507,322	5.0%
Services: Business	113,910,103	9.8%	107,136,887	10.0%
Services: Consumer	62,014,451	5.3%	31,122,421	2.9%
Telecommunications	26,535,426	2.3%	26,019,130	2.4%
Transportation: Cargo	65,515,041	5.6%	54,394,774	5.1%
Transportation: Consumer	13,531,248	1.2%	18,755,533	1.7%
Utilities: Electric	10,668,902	0.9%	10,656,505	1.0%
Utilities: Oil and Gas	11,927,188	1.0%	11,903,574	1.1%
Total	$ 1,166,189,472	100.0%	$ 1,076,631,804	100.0%

(1) Includes the Company's investment in Jocassee Partners LLC.

Jocassee Partners LLC

On May 8, 2019, the Company entered into an agreement with South Carolina Retirement Systems Group Trust ("SCRS") to create and co-manage Jocassee Partners LLC ("Jocassee"), a joint venture, which will invest in a highly diversified asset mix including senior secured, middle-market, private debt investments, syndicated senior secured loans, structured products and real estate debt. The Company and SCRS committed to initially provide $50.0 million and $500.0 million, respectively, of equity capital to Jocassee. Equity contributions will be called from each member on a pro-rata basis, based on their equity commitments.

The Company has determined that Jocassee is an investment company under ASC, Topic 946,*Financial Services - Investment Companies*, however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a wholly owned investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Jocassee because the Company does not control Jocassee due to allocation of the voting rights among Jocassee members.

As of June 30, 2019, Jocassee had the following commitments, contributions and unfunded commitments from its members:

	As of June 30, 2019			
Member	**Total Commitments**	**Contributed Capital**	**Return of Capital (not recallable)**	**Unfunded Commitments**
Barings BDC, Inc.	$ 50,000,000	$ 5,000,000	$ —	$ 45,000,000
South Carolina Retirement Systems Group Trust	500,000,000	50,000,000	—	450,000,000
Total	$ 550,000,000	$ 55,000,000	$ —	$ 495,000,000

Investment Valuation

The Company has a valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC Topic 820"). The Company's current valuation policy and processes were established by the Adviser and were approved by the Board.

Under ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a willing buyer and a willing seller at the measurement date. For the Company's portfolio securities, fair value is generally the amount that the Company might reasonably expect to receive upon the current sale of the security. Under ASC Topic 820, the fair value measurement assumes that the sale occurs in the principal market for the security, or in the absence of a principal market, in the most advantageous market for the security. Under ASC Topic 820, if no market for the security exists or if the Company does not have access to the principal market, the security should be valued based on the sale occurring in a hypothetical market.

Under ASC Topic 820, there are three levels of valuation inputs, as follows:

Level 1 Inputs – include quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs – include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs – include inputs that are unobservable and significant to the fair value measurement.

A financial instrument is categorized within the ASC Topic 820 valuation hierarchy based upon the lowest level of input to the valuation process that is significant to the fair value measurement. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized as Level 3 investments within the tables below may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

The Company's investment portfolio includes certain debt and equity instruments of privately held companies for which quoted prices or other inputs falling within the categories of Level 1 and Level 2 are generally not available. In such cases, the Company determines the fair value of its investments in good faith primarily using Level 3 inputs. In certain cases, quoted prices or other observable inputs exist, and the Company assesses the appropriateness of the use of these third-party quotes in determining fair value based on (i) its understanding of the level of actual transactions used by the broker to develop the quote and whether the quote was an indicative price or binding offer and (ii) the depth and consistency of broker quotes and the correlation of changes in broker quotes with the underlying performance of the portfolio company.

There is no single standard for determining fair value in good faith, as fair value depends upon the specific circumstances of each individual investment. The recorded fair values of the Company's Level 3 investments may differ significantly from fair values that would have been used had an active market for the securities existed. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned.

Investment Valuation Process

The Adviser has established a Pricing Committee that is, subject to the oversight of the Board, responsible for the approval, implementation and oversight of the processes and methodologies that relate to the pricing and valuation of assets held by the Company. The Adviser uses internal pricing models, in accordance with internal pricing procedures established by the Adviser's Pricing Committee, to price an asset in the event an acceptable price cannot be obtained from an approved external source.

The Adviser reviews its valuation methodologies on an ongoing basis and updates are made accordingly to meet changes in the marketplace. The Adviser has established internal controls to ensure its validation process is operating in an effective manner. The Adviser (1) maintains valuation and pricing procedures that describe the specific methodology used for valuation and (2) approves and documents exceptions and overrides of valuations. In addition, the Pricing Committee performs an annual review of valuation methodologies.

The Company's money market fund investments are generally valued using Level 1 inputs and its syndicated senior secured loans are generally valued using Level 2 inputs. The Company's senior secured, middle-market, private debt investments are generally valued using Level 3 inputs.

Independent Valuation Review

The Company has engaged an independent valuation firm to provide third-party valuation consulting services which consist of certain limited procedures that the Company identified and requested the valuation firm to perform (hereinafter referred to as the "Procedures"). The Procedures are generally performed with respect to the Company's senior secured, middle-market investments, and are generally performed with respect to each investment every quarter beginning in the quarter after the investment is made. In certain instances, the Company may determine that it is not cost-effective, and as a result is not in the stockholders' best interest, to request the independent valuation firm to perform the Procedures on certain investments. Such instances include, but are not limited to, situations where the fair value of the investment in the portfolio company is determined to be insignificant relative to the total investment portfolio.

The total number of senior secured, middle-market investments and the percentage of the Company's total senior secured, middle-market investment portfolio on which the Procedures were performed are summarized below by period:

For the quarter ended:	Total companies	Percent of total investments at fair value(1)
September 30, 2018(2)	—	—%
December 31, 2018	5	100%
March 31, 2019	18	100%
June 30, 2019	22	100%

(1) Exclusive of the fair value of new middle-market investments made during the quarter and certain middle-market investments repaid subsequent to the end of the reporting period.

(2) The Company did not engage any independent valuation firms to perform the Procedures for the third quarter of 2018 as the Company's investment portfolio consisted primarily of newly-originated investments.

Upon completion of the Procedures, the valuation firm concluded that, with respect to each investment reviewed by the valuation firm, the fair value of those investments subjected to the Procedures appeared reasonable. Finally, the Board determined in good faith that the Company's investments were valued at fair value in accordance with the Company's valuation policies and procedures and the 1940 Act based on, among other things, the input of Barings, the Company’s Audit Committee and the independent valuation firm.

Investment Valuation Inputs and Techniques

The Company's valuation techniques are based upon both observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. The Company determines the estimated fair value of its loans and investments using primarily an income approach. Generally, a vendor is the preferred source of pricing a loan, however, to the extent the vendor price is unavailable or not relevant and reliable, the Company may use broker quotes. The Company attempts to maximize the use of observable inputs and minimize the use of unobservable inputs. The availability of observable inputs can vary from investment to investment and is affected by a wide variety of factors, including, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the security.

Market Approach

The Company values its syndicated senior secured loans using values provided by independent pricing services that have been approved by the Adviser's Pricing Committee. The prices received from these pricing service providers are based on yields or prices of securities of comparable quality, type, coupon and maturity and/or indications as to value from dealers and exchanges. The Company will seek to obtain two prices from the pricing services with one price representing the primary source and the other representing an independent control valuation. The Company evaluates the prices obtained from brokers or pricing vendors based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. The Company also performs back-testing of valuation information obtained from pricing vendors and brokers against actual prices received in transactions. In addition to ongoing monitoring and back-testing, the Company performs due diligence procedures surrounding pricing vendors to understand their methodology and controls to support their use in the valuation process.

Income Approach

The Company utilizes an Income Approach model in valuing its private debt investment portfolio, which consists of middle-market senior secured loans with floating reference rates. As vendor and broker quotes have not historically been consistently relevant and reliable, the fair value is determined using an internal index-based pricing model that takes into account both the movement in the spread of one or more performing credit indices as well as changes in the credit profile of the borrower. The implicit yield for each debt investment is calculated at the date the investment is made. This calculation takes into account the acquisition price (par less any upfront fee) and the relative maturity assumptions of the underlying asset. As of each balance sheet date, the implied yield for each investment is reassessed, taking into account changes in the discount margin of the baseline index, probabilities of default and any changes in the credit profile of the issuer of the security, such as fluctuations in operating levels and leverage. If there is an observable price available on a comparable security/issuer, it is used to calibrate the internal model. The implied yield used within the model is considered a significant unobservable input. As such, these assets are generally classified within Level 3. If the valuation process for a particular debt investment results in a value above par, the value is typically capped at the greater of the principal amount plus any prepayment penalty in effect or 100% of par on the basis that a market participant is likely unwilling to pay a greater amount than that at which the borrower could refinance.

Fair value measurements using the Income Approach model can be sensitive to changes in one or more of the inputs. Assuming all other inputs to the Income Approach model remain constant, any increase (decrease) in the discount margin of the baseline index for a particular debt security would result in a lower (higher) fair value for that security. Assuming all other inputs to the Income Approach model remain constant, any improvement (decline) in the credit profile of the issuer of a particular debt security would result in a higher (lower) fair value for that security.

Enterprise Value Waterfall Approach

In valuing equity securities, the Company estimates fair value using an "Enterprise Value Waterfall" valuation model. The Company estimates the enterprise value of a portfolio company and then allocates the enterprise value to the portfolio company’s securities in order of their relative liquidation preference. In addition, the model assumes that any outstanding debt or other securities that are senior to the Company’s equity securities are required to be repaid at par. Generally, the waterfall proceeds flow from senior debt tranches of the capital structure to junior and subordinated debt, followed by each class or preferred stock and finally the common stock. Additionally, the Company may estimate the fair value of a debt security using the Enterprise Value Waterfall approach when the Company does not expect to receive full repayment.

To estimate the enterprise value of the portfolio company, the Company primarily uses a valuation model based on a transaction multiple, which generally is the original transaction multiple, and measures of the portfolio company's financial performance. In addition, the Company considers other factors, including but not limited to (i) offers from third parties to purchase the portfolio company, (ii) the implied value of recent investments in the equity securities of the portfolio company, (iii) publicly available information regarding recent sales of private companies in comparable transactions and (iv) when the Company believes there are comparable companies that are publicly traded, the Company performs a review of these publicly traded companies and the market multiple of their equity securities. For certain non-performing assets, the Company may utilize the liquidation or collateral value of the portfolio company's assets in its estimation of enterprise value.

The significant Level 3 inputs to the Enterprise Value Waterfall model are (i) an appropriate transaction multiple and (ii) a measure of the portfolio company's financial performance, which generally is either earnings before interest, taxes, depreciation and amortization, as adjusted ("Adjusted EBITDA") or revenues. Such inputs can be based on historical operating results, projections of future operating results or a combination thereof. The operating results of a portfolio company may be unaudited, projected or pro forma financial information and may require adjustments for certain non-recurring items. In determining the operating results input, the Company utilizes the most recent portfolio company financial statements and forecasts available as of the valuation date. The Company also consults with the portfolio company's senior management to obtain updates on the portfolio company's performance, including information such as industry trends, new product development, loss of customers and other operational issues.

Fair value measurements using the Enterprise Value Waterfall model can be sensitive to changes in one or more of the inputs. Assuming all other inputs to the Enterprise Value Waterfall model remain constant, any increase (decrease) in either the transaction multiple, Adjusted EBITDA or revenues for a particular equity security would result in a higher (lower) fair value for that security.

Valuation of Investment in Jocassee

The Company estimates the fair value of its investment in Jocassee using the net asset value per unit of Jocassee. The net asset value per unit of Jocassee is determined in accordance with the specialized accounting guidance for investment companies.

The ranges and weighted average values of the significant Level 3 inputs used in the valuation of the Company's debt and equity securities at June 30, 2019 and December 31, 2018 are summarized as follows:

June 30, 2019:	**Fair Value[1]**	**Valuation Model**	**Level 3 Input**	**Range of Inputs**	**Weighted Average**
Senior debt and 1st lien notes	$ 281,120,079	Income Approach	Implied Spread	4.3% – 6.8%	5.4%
	54,975,270	Market Approach	Pricing Service Quotes	96.0% – 99.8%	98.0%
Subordinated debt and 2nd lien notes	9,648,558	Income Approach	Implied Spread	9.2% – 9.4%	9.3%
Equity shares	583,658	Enterprise Value Waterfall Approach	Adjusted EBITDA Multiple	9.9x – 12.5x	10.4x

(1) One senior debt investment with a total fair value of $21,276,464 that repaid subsequent to the end of the reporting period was valued at its transaction value.

December 31, 2018:	**Fair Value[1]**	**Valuation Model**	**Level 3 Input**	**Range of Inputs**	**Weighted Average**
Senior debt and 1st lien notes	$ 178,647,302	Income Approach	Implied Spread	4.9% – 7.0%	5.8%
	66,964,957	Market Approach	Pricing Service Quotes	91.5% – 97.5%	95.4%
Subordinated debt and 2nd lien notes	7,679,132	Income Approach	Implied Spread	9.0% – 9.4%	9.3%
Equity shares	515,825	Enterprise Value Waterfall Approach	Adjusted EBITDA Multiple	9.1x – 10.3x	9.5x

(1) One senior debt investment with a total fair value of $12,375,000 was valued using an unobservable market transaction.

The following tables present the Company's investment portfolio at fair value as ofJune 30, 2019 and December 31, 2018, categorized by the ASC Topic 820 valuation hierarchy, as previously described:

	Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Senior debt and 1st lien notes	$ —	$ 793,585,233	$ 357,371,813	$ 1,150,957,046
Subordinated debt and 2nd lien notes	—	—	9,648,558	9,648,558
Equity shares	—	—	583,658	583,658
Short-term investments	34,423,491	—	—	34,423,491
Investments subject to leveling	$ 34,423,491	$ 793,585,233	$ 367,604,029	$ 1,195,612,753
Investment in joint venture (1)				5,000,210
				$ 1,200,612,963

	Fair Value as of December 31, 2018			
	Level 1	Level 2	Level 3	Total
Senior debt and 1st lien notes	$ —	$ 810,449,588	$ 257,987,259	$ 1,068,436,847
Subordinated debt and 2nd lien notes	—	—	7,679,132	7,679,132
Equity shares	—	—	515,825	515,825
Short-term investments	45,223,941	—	—	45,223,941
	$ 45,223,941	$ 810,449,588	$ 266,182,216	$ 1,121,855,745

(1) The Company's investment in Jocassee is measured at fair value using net asset value and has not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Unaudited Consolidated Balance Sheet.

The following tables reconcile the beginning and ending balances of the Company's investment portfolio measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the six months ended June 30, 2019 and 2018:

Six Months Ended June 30, 2019:	Senior Debt and 1st Lien Notes	Subordinated Debt and 2nd Lien Notes	Equity Shares	Total
Fair value, beginning of period	$ 257,987,259	$ 7,679,132	$ 515,825	$ 266,182,216
New investments	132,890,095	4,951,685	—	137,841,780
Transfers out of Level 3	(18,924,383)	—	—	(18,924,383)
Proceeds from sales of investments	(6,540,831)	—	—	(6,540,831)
Loan origination fees received	(2,271,606)	(148,551)	—	(2,420,157)
Principal repayments received	(9,932,420)	(2,980,874)	—	(12,913,294)
Accretion of loan discounts	(5,395)	—	—	(5,395)
Accretion of deferred loan origination revenue	486,312	55,878	—	542,190
Realized loss	(46,575)	—	—	(46,575)
Unrealized appreciation (depreciation)	3,729,357	91,288	67,833	3,888,478
Fair value, end of period	$ 357,371,813	$ 9,648,558	$ 583,658	$ 367,604,029

Six Months Ended June 30, 2018:	Senior Debt and 1st Lien Notes	Subordinated Debt and 2nd Lien Notes	Equity Shares	Equity Warrants	Total
Fair value, beginning of period	$ 262,803,297	$ 589,548,358	$ 162,543,691	$ 1,389,000	$ 1,016,284,346
New investments	19,747,966	7,803,827	1,535,469	—	29,087,262
Reclassifications	8,617,000	(8,617,000)	—	—	—
Proceeds from sales of investments	—	—	(34,558,341)	(708)	(34,559,049)
Loan origination fees received	(292,999)	—	—	—	(292,999)
Principal repayments received	(28,555,564)	(133,510,838)	—	—	(162,066,402)
PIK interest earned(1)	225,340	3,048,266	—	—	3,273,606
PIK interest payments received	(1,403,097)	(2,494,389)	—	—	(3,897,486)
Accretion of loan discounts	—	12,131	—	—	12,131
Accretion of deferred loan origination revenue	442,070	2,447,978	—	—	2,890,048
Realized gain (loss)	—	(65,214,565)	19,630,512	708	(45,583,345)
Unrealized appreciation (depreciation)	(4,846,915)	60,331,768	(2,085,556)	(142,000)	53,257,297
Fair value, end of period	$ 256,737,098	$ 453,355,536	$ 147,065,775	$ 1,247,000	$ 858,405,409

(1) Prior to the Asset Sale Transaction, certain of the Company's investments contained payment-in-kind ("PIK") interest provisions. PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan, rather than being paid to the Company in cash, and is recorded as interest income. Thus, the actual collection of PIK interest may be deferred until the time of debt principal repayment.

All realized gains and losses and unrealized appreciation and depreciation are included in earnings (changes in net assets) and are reported on separate line items within the Company's Unaudited Consolidated Statements of Operations. Pre-tax net unrealized appreciation on investments of $1.7 million and $25.5 million during the three and six months ended June 30, 2019 was related to portfolio company investments that were still held by the Company as of June 30, 2019. Pre-tax net unrealized appreciation (depreciation) on investments of $2.0 million and $(1.7) million during the three and six months ended June 30, 2018 was related to portfolio company investments that were still held by the Company as of June 30, 2018.

Exclusive of short-term investments, during the six months ended June 30, 2019, the Company made investments of approximately $139.9 million in portfolio companies to which it was not previously contractually committed to provide such financing. During the six months ended June 30, 2019, the Company made investments of $6.2 million in portfolio companies to which it was previously committed to provide such financing.

During the six months ended June 30, 2018, the Company made investments of approximately $18.3 million in portfolio companies to which it was not previously contractually committed to provide such financing. During the six months ended June 30, 2018, the Company made investments of $10.8 million in portfolio companies to which it was previously committed to provide such financing.

Unsettled Purchases and Sales of Investments

Investment transactions are recorded based on the trade date of the transaction. As a result, unsettled purchases and sales are recorded as payables and receivables from unsettled transactions, respectively. While purchases and sales of the Company's syndicated senior secured loans generally settle on a T+7 basis, the settlement period will sometimes extend past the scheduled settlement. In such cases, the Company is contractually owed and recognizes interest income equal to the applicable margin ("spread") beginning on the T+7 date. Such income is accrued as interest receivable and is collected upon settlement of the investment transaction.

Realized Gain or Loss and Unrealized Appreciation or Depreciation of Portfolio Investments

Realized gains or losses are recorded upon the sale or liquidation of investments and are calculated as the difference between the net proceeds from the sale or liquidation, if any, and the cost basis of the investment using the specific identification method. Unrealized appreciation or depreciation reflects the difference between the fair value of the investments and the cost basis of the investments.

Investment Classification

In accordance with the provisions of the 1940 Act, the Company classifies investments by level of control. As defined in the 1940 Act, "Control Investments" are investments in those companies that the Company is deemed to "Control." "Affiliate Investments" are investments in those companies that are "Affiliated Persons" of the Company, as defined in the 1940 Act, other than Control Investments. "Non-Control / Non-Affiliate Investments" are those that are neither Control Investments nor Affiliate Investments. Generally, under the 1940 Act, the Company is deemed to control a company in which it has invested if the Company owns more than 25.0% of the voting securities of such company, has greater than 50.0% representation on its board or has the power to exercise control over the management or policies of such portfolio company. The Company is deemed to be an affiliate of a company in which the Company has invested if it owns at least 5.0%, but no more than 25.0%, of the voting securities of such company.

Investment Income

Interest income, including amortization of premium and accretion of discount, is recorded on the accrual basis to the extent that such amounts are expected to be collected. Generally, when interest and/or principal payments on a loan become past due, or if the Company otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. The Company writes off any previously accrued and uncollected interest when it is determined that interest is no longer considered collectible. Dividend income is recorded on the ex-dividend date.

Fee Income

Origination, facility, commitment, consent and other advance fees received in connection with loan agreements ("Loan Origination Fees") are recorded as deferred income and recognized as investment income over the term of the loan. Upon prepayment of a loan, any unamortized Loan Origination Fees are recorded as investment income. In the general course of its business, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and loan waiver and amendment fees, and are recorded as investment income when earned.

Fee income for the three and six months ended June 30, 2019 and 2018 was as follows:

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Recurring Fee Income:				
Amortization of loan origination fees	$ 200,806	$ 521,214	$ 346,124	$ 1,102,139
Management, valuation and other fees	78,573	115,664	130,882	313,425
Total Recurring Fee Income	279,379	636,878	477,006	1,415,564
Non-Recurring Fee Income:				
Prepayment fees	59,617	953,011	59,617	1,191,943
Acceleration of unamortized loan origination fees	118,299	1,144,442	197,378	1,787,909
Advisory, loan amendment and other fees	62,675	35,248	87,026	162,153
Total Non-Recurring Fee Income	240,591	2,132,701	344,021	3,142,005
Total Fee Income	**$ 519,970**	**$ 2,769,579**	**$ 821,027**	**$ 4,557,569**

Concentration of Credit Risk

As of both June 30, 2019 and December 31, 2018, there were no individual investments representing greater than 10% of the fair value of the Company's portfolio. As of June 30, 2019 and December 31, 2018, the Company's largest single portfolio company investment, excluding short-term investments, represented approximately 2.0% and 2.2%, respectively, of the fair value of the Company's portfolio. Income, consisting of interest, dividends, fees, other investment income and realization of gains or losses on equity interests, can fluctuate dramatically upon repayment of an investment or sale of an equity interest and in any given year can be highly concentrated among several portfolio companies.

As of June 30, 2019, $338.1 million of the Company's assets were pledged (or will be pledged when the related investment purchase settles) as collateral for the August 2018 Credit Facility, $444.3 million were pledged (or will be pledged when the related investment purchase settles) as collateral for the February 2019 Credit Facility, and $443.8 million were pledged as collateral for the Debt Securitization.

Investments Denominated in Foreign Currency

As of June 30, 2019 and December 31, 2018, the Company did not hold any investments that were denominated in foreign currencies.

At each balance sheet date, portfolio company investments denominated in foreign currencies are translated into United States dollars using the spot exchange rate on the last business day of the period. Purchases and sales of foreign portfolio company investments, and any income from such investments, are translated into United States dollars using the rates of exchange prevailing on the respective dates of such transactions.

Although the fair values of foreign portfolio company investments and the fluctuation in such fair values are translated into United States dollars using the applicable foreign exchange rates described above, the Company does not isolate that portion of the change in fair values resulting from foreign currency exchange rates fluctuations from the change in fair values of the underlying investment. All fluctuations in fair value are included in net unrealized appreciation (depreciation) of investments in the Company's Unaudited Consolidated Statements of Operations.

Investments denominated in foreign currencies and foreign currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the United States Dollar.

4. SCHEDULE OF INVESTMENTS IN AND ADVANCES TO AFFILIATES

The following schedules present information about investments in and advances to affiliates for the six months ended June 30, 2019 and year ended December 31, 2018:

Six Months Ended June 30, 2019:

Portfolio Company	Type of Investment(1)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2018 Value	Gross Additions (3)	Gross Reductions (4)	June 30, 2019 Value
Affiliate Investments:								
Jocassee Partners LLC	9.1% Member Interest	$ —	$ (162,089)	$ —	$ —	$ 5,162,299	$ 162,089	$ 5,000,210
		—	(162,089)	—	—	5,162,299	162,089	5,000,210
Total Affiliate Investments		**$ —**	**$ (162,089)**	**$ —**	**$ —**	**$ 5,162,299**	**$ 162,089**	**$ 5,000,210**

(1) Equity and equity-linked investments are non-income producing, unless otherwise noted.
(2) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in Control or Affiliate categories, respectively.
(3) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation.
(4) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation.

Year Ended December 31, 2018:								
Portfolio Company	**Type of Investment(1)**	**Amount of Realized Gain (Loss)**	**Amount of Unrealized Gain (Loss)**	**Amount of Interest or Dividends Credited to Income(2)**	**December 31, 2017 Value**	**Gross Additions (3)**	**Gross Reductions (4)**	**December 31, 2018 Value**
Control Investments:								
CRS-SPV, Inc.	Common Stock (1,100 shares)	$ (8,775,003)	$ (1,855,000)	$ 100,000	$ 20,283,000	$ —	$ 20,283,000	$ —
		(8,775,003)	(1,855,000)	100,000	20,283,000	—	20,283,000	—
Frank Entertainment Group, LLC	Senior Note (6% Cash)[5]	(4,472,966)	4,205,494	—	6,541,000	5,214,278	11,755,278	—
	Second Lien Term Note (2.5% Cash)[5]	(3,150,520)	2,879,479	—	—	3,183,307	3,183,307	—
	Redeemable Preferred Units (2,800,000 units)	(2,800,000)	2,800,000	—	—	2,800,000	2,800,000	—
	Redeemable Class B Preferred Units (2,800,000 units)	(2,800,000)	2,800,000	—	—	2,800,000	2,800,000	—
	Class A Common Units (606,552 units)	(1,000,000)	1,000,000		—	1,000,000	1,000,000	—
		(14,223,486)	13,684,973	—	6,541,000	14,997,585	21,538,585	—
FrontStream Holdings, LLC	Subordinate Note (LIBOR + 6.0% Cash)[5][6]	(6,650,730)	6,609,389	—	7,414,000	9,709,389	17,123,389	—
	Common Stock (1,000 shares)	(500,000)	500,000	—	—	500,000	500,000	—
		(7,150,730)	7,109,389	—	7,414,000	10,209,389	17,623,389	—
Frontstreet Facility Solutions, Inc.	Subordinated Note (13% Cash)	(7,566,670)	4,697,172	652,624	3,750,000	4,712,628	8,462,628	—
	Series A Convertible Preferred Stock (60,000 shares)	(250,575)	250,575	—	—	250,575	250,575	—
	Series B Convertible Preferred Stock (20,000 shares)	(500,144)	500,144	—	—	500,144	500,144	—
	Common Stock (27,890 shares)	(279)	279	—	—	279	279	—
		(8,317,668)	5,448,170	652,624	3,750,000	5,463,626	9,213,626	—
Investments not held at the end of the period		(75,817)	—	—	—	75,817	75,817	—
Total Control Investments		**(38,542,704)**	**24,387,532**	**752,624**	**37,988,000**	**30,746,417**	**68,734,417**	**—**

Year Ended December 31, 2018:

Portfolio Company	Type of Investment(1)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2017 Value	Gross Additions (3)	Gross Reductions (4)	December 31, 2018 Value
Affiliate Investments:								
All Metals Holding, LLC	Subordinated Note (12% Cash, 1% PIK)	$ 101,129	$ (155,098)	$ 149,598	$ 6,434,000	$ 162,778	$ 6,596,778	$ —
	Units (318,977 units)	(535,011)	527,331	—	266,000	527,331	793,331	—
		(433,882)	372,233	149,598	6,700,000	690,109	7,390,109	—
Consolidated Lumber Holdings, LLC	Class A Units (15,000 units)	1,000,000	(3,000,000)	339,893	4,500,000	1,000,000	5,500,000	—
		1,000,000	(3,000,000)	339,893	4,500,000	1,000,000	5,500,000	—
FCL Holding SPV, LLC	Class A Interest (24,873 units)	413,760	(278,000)	302,294	570,000	413,760	983,760	—
	Class B Interest (48,427 units)	—	—	—	—	—	—	—
	Class B Interest (3,746 units)	—	—	—	—	—	—	—
		413,760	(278,000)	302,294	570,000	413,760	983,760	—
Mac Land Holdings, Inc.	Common Stock (139 shares)	(369,000)	369,000	—	—	369,000	369,000	—
		(369,000)	369,000	—	—	369,000	369,000	—
NB Products, Inc.	Subordinated Note (12% Cash, 2% PIK)	1,040,327	—	2,125,986	23,308,085	1,374,840	24,682,925	—
	Jr. Subordinated Note (10% PIK)	282,473	—	325,662	5,114,592	609,514	5,724,106	—
	Jr. Subordinated Bridge Note (20% PIK)	72,836	—	297,881	2,412,295	371,461	2,783,756	—
	Series A Redeemable Senior Preferred Stock (7,839 shares)	3,478,355	(2,768,352)	—	10,390,000	3,478,355	13,868,355	—
	Common Stock (1,668,691 shares)	34,666,262	(15,710,262)	—	16,044,000	34,666,262	50,710,262	—
		39,540,253	(18,478,614)	2,749,529	57,268,972	40,500,432	97,769,404	—
Passport Food Group, LLC	Senior Notes (LIBOR + 9.0% Cash)(6)	(7,234,021)	2,976,160	1,346,145	16,672,000	3,016,086	19,688,086	—
	Common Stock (20,000 shares)	(2,000,000)	1,643,000	—	357,000	1,643,000	2,000,000	—
		(9,234,021)	4,619,160	1,346,145	17,029,000	4,659,086	21,688,086	—

Year Ended December 31, 2018:

Portfolio Company	Type of Investment(1)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2017 Value	Gross Additions (3)	Gross Reductions (4)	December 31, 2018 Value
PCX Aerostructures, LLC	Subordinated Note (6% Cash)	$ (8,589,777)	$ 8,670,000	$ 1,353,746	$ 22,574,000	$ 9,495,146	$ 32,069,146	$ —
	Subordinated Note (6% PIK)	—	211,286	5,068	548,000	216,354	764,354	—
	Series A Preferred Stock (6,066 shares)	(6,065,621)	6,065,621	—	—	6,065,621	6,065,621	—
	Series B Preferred Stock (1,411 shares)	(1,410,514)	410,514	—	—	1,410,514	1,410,514	—
	Class A Common Stock (121,922 shares)	(30,480)	30,480	—	—	30,480	30,480	—
		(16,096,392)	15,387,901	1,358,814	23,122,000	17,218,115	40,340,115	—
Team Waste, LLC	Subordinated Note (10% Cash, 2% PIK)	—	—	297,923	4,930,962	113,713	5,044,675	—
	Preferred Units (500,000 units)	3,475,467	—	—	10,000,000	3,475,467	13,475,467	—
		3,475,467	—	297,923	14,930,962	3,589,180	18,520,142	—
Technology Crops, LLC	Senior Notes (12% Cash)[5]	(8,493,169)	3,677,102	592,861	8,617,000	3,677,102	12,294,102	—
	Common Units (50 units)	(500,000)	500,000	—	—	500,000	500,000	—
		(8,993,169)	4,177,102	592,861	8,617,000	4,177,102	12,794,102	—
TGaS Advisors, LLC	Senior Note (10% Cash, 1% PIK)	(282,587)	—	648,832	9,431,015	91,895	9,522,910	—
	Preferred Units (1,685,357 units)	206,638	32,069	—	1,524,000	238,707	1,762,707	—
		(75,949)	32,069	648,832	10,955,015	330,602	11,285,617	—
Tulcan Fund IV, L.P.	Common Units (1,000,000 units)	(950,000)	1,000,000	—	—	1,000,000	1,000,000	—
		(950,000)	1,000,000	—	—	1,000,000	1,000,000	—
United Retirement Plan Consultants, Inc.	Series A Preferred Shares (9,400 shares)	169,252	(96,252)	—	302,000	169,252	471,252	—
	Common Shares (100,000 shares)	(175,000)	581,000	—	419,000	581,000	1,000,000	—
		(5,748)	484,748	—	721,000	750,252	1,471,252	—
Wythe Will Tzetzo, LLC	Series A Preferred Units (99,829 units)	1,312,617	(2,688,000)	—	2,688,000	1,312,617	4,000,617	—
		1,312,617	(2,688,000)	—	2,688,000	1,312,617	4,000,617	—

Year Ended December 31, 2018:									
Portfolio Company	**Type of Investment(1)**	**Amount of Realized Gain (Loss)**	**Amount of Unrealized Gain (Loss)**	**Amount of Interest or Dividends Credited to Income(2)**	**December 31, 2017 Value**	**Gross Additions (3)**	**Gross Reductions (4)**	**December 31, 2018 Value**
Investments not held at the end of the period		$ 355,394	$ —	$ —	$ —	$ 473,234	$ 473,234	$ —
Deferred taxes		—	1,199,969	—	—	—	—	—
Total Affiliate Investments		**$ 9,939,330**	**$ 3,197,568**	**$ 7,785,889**	**$ 147,101,949**	**$ 76,483,489**	**$ 223,585,438**	**$ —**

(1) All debt investments are income producing, unless otherwise noted. Equity and equity-linked investments are non-income producing, unless otherwise noted. The fair values of all investments were determined using significant unobservable inputs.

(2) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in Control or Affiliate categories, respectively. Amounts include accrued PIK interest if the description of the security includes disclosure of a PIK interest rate.

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation.

(4) Gross reductions include decreases in the total cost basis of investments resulting from principal or PIK repayments or sales. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation.

(5) Non-accrual investment.

(6) Index-based floating interest rate is subject to contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either LIBOR or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan.

5. INCOME TAXES

The Company has elected for federal income tax purposes to be treated as a RIC under the Code and intends to make the required distributions to its stockholders as specified therein. In order to maintain its tax treatment as a RIC, the Company must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then the Company is generally required to pay taxes only on the portion of its taxable income and gains it does not distribute (actually or constructively) and certain built-in gains. The Company has historically met its minimum distribution requirements and continually monitors its distribution requirements with the goal of ensuring compliance with the Code.

The minimum distribution requirements applicable to RICs require the Company to distribute to its stockholders at least 90% of its investment company taxable income ("ICTI"), as defined by the Code, each year. Depending on the level of ICTI earned in a tax year, the Company may choose to carry forward ICTI in excess of current year distributions into the next tax year and pay a 4% U.S. federal excise tax on such excess. Any such carryover ICTI must be distributed before the end of that next tax year through a dividend declared prior to filing the final tax return related to the year which generated such ICTI.

ICTI generally differs from net investment income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. The Company may be required to recognize ICTI in certain circumstances in which it does not receive cash. For example, if the Company holds debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments issued with warrants), the Company must include in ICTI each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by the Company in the same taxable year. The Company may also have to include in ICTI other amounts that it has not yet received in cash, such as interest income from investments that have been classified as non-accrual for financial reporting purposes. Interest income on non-accrual investments is not recognized for financial reporting purposes, but generally is recognized in ICTI. Because any original issue discount or other amounts accrued will be included in the Company’s ICTI for the year of accrual, the Company may be required to make a distribution to its stockholders in order to satisfy the minimum distribution requirements, even though the Company will not have received and may not ever receive any corresponding cash amount. ICTI also excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized.

In addition, the Company has a wholly-owned taxable subsidiary (the “Taxable Subsidiary”), which holds certain portfolio investments that are listed on the Audited and Unaudited Consolidated Schedules of Investments. The Taxable Subsidiary is consolidated for financial reporting purposes, such that the Company’s consolidated financial statements reflect the Company’s investments in the portfolio companies owned by the Taxable Subsidiary. The purpose of the Taxable Subsidiary is to permit the Company to hold certain portfolio companies that are organized as LLCs (or other forms of pass-through entities) and still satisfy the RIC tax requirement that at least 90% of the RIC’s gross revenue for income tax purposes must consist of qualifying investment income. Absent the Taxable Subsidiary, a proportionate amount of any gross income of an LLC (or other pass-through entity) portfolio investment would flow through directly to the RIC. To the extent that such income did not consist of qualifying investment income, it could jeopardize the Company’s ability to qualify as a RIC and therefore cause the Company to incur significant amounts of federal income taxes. When LLCs (or other pass-through entities) are owned by the Taxable Subsidiary, their income is taxed to the Taxable Subsidiary and does not flow through to the RIC, thereby helping the Company preserve its RIC tax treatment and resultant tax advantages. The Taxable Subsidiary is not consolidated for income tax purposes and may generate income tax expense or benefit as a result of their ownership of the portfolio companies. This income tax expense or benefit is reflected in the Company’s Consolidated Statements of Operations. Additionally, any unrealized appreciation related to portfolio investments held by the Taxable Subsidiary (net of unrealized depreciation related to portfolio investments held by the Taxable Subsidiary) is reflected net of applicable federal and state income taxes in the Company's Consolidated Statements of Operations, with the related deferred tax assets or liabilities included in "Accounts Payable and Accrued Liabilities" in the Company's Consolidated Balance Sheets.

For federal income tax purposes, the cost of investments owned as ofJune 30, 2019 and December 31, 2018 was approximately $1,224.8 million and $1,173.3 million, respectively. As of June 30, 2019, net unrealized depreciation on the Company's investments (tax basis) was approximately$24.2 million, consisting of gross unrealized appreciation, where the fair value of the Company's investments exceeds their tax cost, of approximately $3.0 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately $27.2 million. The cost of investments owned (tax basis) listed above does not include the RIC's basis in the Taxable Subsidiary. As of June 30, 2019 and December 31, 2018, the cost (tax basis) of the RIC's investment in the Taxable Subsidiary was approximately $19.5 million and $20.6 million, respectively. As of December 31, 2018, net unrealized depreciation on the Company's investments (tax basis) was approximately$51.4 million, consisting of gross unrealized appreciation, where the fair value of the Company's

investments exceeds their tax cost, of approximately $1.6 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately $53.0 million.

6. BORROWINGS

The Company had the following borrowings outstanding as of June 30, 2019 and December 31, 2018:

Issuance Date	Maturity Date	Interest Rate as of June 30, 2019	June 30, 2019	December 31, 2018
Credit Facilities:				
February 21, 2019	February 21, 2024	4.963%	$ 75,000,000	$ —
August 3, 2018 - Class A	NA	NA	—	190,000,000
August 3, 2018 - Class A-1	August 3, 2020	3.612%	210,500,000	380,000,000
Total Credit Facilities			$ 285,500,000	$ 570,000,000
Debt Securitization:				
May 9, 2019 - Class A-1 2019 Notes	April 15, 2027	3.544%	$ 296,750,000	$ —
May 9, 2019 - Class A-2 2019 Notes	April 15, 2027	4.174%	51,500,000	—
Less: Deferred financing fees			(1,808,547)	—
Total Debt Securitization			$ 346,441,453	$ —

August 2018 Credit Facility

On July 3, 2018, the Company formed Barings BDC Senior Funding I, LLC, an indirectly wholly-owned Delaware limited liability company (“BSF”), the primary purpose of which is to function as the Company's special purpose, bankruptcy-remote, financing subsidiary. On August 3, 2018, BSF entered into the August 2018 Credit Facility with Bank of America, N.A., as administrative agent (the "Administrative Agent") and Class A-1 Lender, Société Générale, as Class A Lender, and Bank of America Merrill Lynch, as sole lead arranger and sole book manager. BSF and the Administrative Agent also entered into a security agreement dated as of August 3, 2018 (the "Security Agreement") pursuant to which BSF’s obligations under the August 2018 Credit Facility are secured by a first-priority security interest in substantially all of the assets of BSF, including its portfolio of investments (the "Pledged Property"). In connection with the first-priority security interest established under the Security Agreement, all of the Pledged Property will be held in the custody of State Street Bank and Trust Company, as collateral administrator (the "Collateral Administrator"). The Collateral Administrator will maintain and perform certain collateral administration services with respect to the Pledged Property pursuant to a collateral administration agreement among BSF, the Administrative Agent and the Collateral Administrator. Generally, the Collateral Administrator will only be authorized to make distributions and payments from Pledged Property based on the written instructions of the Administrative Agent.

The August 2018 Credit Facility initially provided for borrowings in an aggregate amount up to $750.0 million, including up to $250.0 million borrowed under the Class A Loan Commitments and up to $500.0 million borrowed under the Class A-1 Loan Commitments. Effective February 28, 2019, the Company reduced its Class A Loan Commitments to $100.0 million, which reduced total commitments under the August 2018 Credit Facility to $600.0 million. Effective May 9, 2019, the Company further reduced its Class A Loan Commitments under the August 2018 Credit Facility from $100.0 million to zero and reduced its Class A-1 Loan Commitments under the August 2018 Credit Facility from $500.0 million to $300.0 million, which collectively reduced total commitments under the August 2018 Credit Facility to $300.0 million. Effective June 18, 2019, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from $300.0 million to $250.0 million. In connection with these reductions, the pro rata portion of the unamortized deferred financing costs related to the August 2018 Credit Facility was written off and recognized as a loss on extinguishment of debt in the Unaudited Consolidated Statements of Operations. All borrowings under the August 2018 Credit Facility bear interest, subject to BSF’s election, on a per annum basis equal to (i) the applicable base rate plus the applicable spread or (ii) the applicable LIBOR rate plus the applicable spread. The applicable base rate is equal to the greater of (i) the federal funds rate plus 0.5%, (ii) the prime rate or (iii) one-month LIBOR plus 1.0%. The applicable LIBOR rate depends on the term of the borrowing under the August 2018 Credit Facility, which can be either one month or three months. BSF is required to pay commitment fees on the unused portion of the August 2018 Credit Facility. BSF may prepay any borrowing at any time without premium or penalty, except that BSF may be liable for certain funding breakage fees if prepayments occur prior to expiration of the relevant interest period. BSF may also permanently reduce all or a portion of the commitment amount under the August 2018 Credit Facility without penalty.

Any amounts borrowed under the Class A-1 Loan Commitments will mature, and all accrued and unpaid interest thereunder will be due and payable, on August 3, 2020, or upon earlier termination of the August 2018 Credit Facility.

Borrowings under the August 2018 Credit Facility are subject to compliance with a borrowing base, pursuant to which the amount of funds advanced by the lenders to BSF will vary depending upon the types of assets in BSF's portfolio. Assets must meet certain criteria to be included in the borrowing base, and the borrowing base is subject to certain portfolio restrictions including investment size, sector concentrations, investment type and credit ratings.

Under the August 2018 Credit Facility, BSF has made certain representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for credit facilities of this nature. In addition to other customary events of default included in financing transactions, the August 2018 Credit Facility contains the following events of default: (a) the failure to make principal payments when due or interest payments within two business days of when due; (b) borrowings under the credit facility exceeding the applicable advance rates; (c) the purchase by BSF of certain ineligible assets; (d) the insolvency or bankruptcy of BSF; and (e) the decline of BSF's NAV below a specified threshold. During the continuation of an event of default, BSF must pay interest at a default rate. As of June 30, 2019, BSF was in compliance with all covenants under the August 2018 Credit Facility.

Borrowings of BSF will be considered borrowings by Barings BDC, Inc. for purposes of complying with the asset coverage requirements under the 1940 Act applicable to business development companies. The obligations of BSF under the August 2018 Credit Facility are non-recourse to Barings BDC, Inc.

As of June 30, 2019 and December 31, 2018, BSF had borrowings of $210.5 million and $570.0 million, respectively, outstanding under the August 2018 Credit Facility with a weighted average interest rate of 3.612% and 3.654%, respectively. The fair values of the borrowings outstanding under the August 2018 Credit Facility are based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model. As of June 30, 2019 and December 31, 2018, the total fair value of the borrowings outstanding under the August 2018 Credit Facility was $210.5 million and $570.0 million, respectively.

February 2019 Credit Facility

On February 21, 2019, the Company entered into the February 2019 Credit Facility with ING Capital LLC ("ING"), as administrative agent, and the lenders party thereto. The initial commitments under the February 2019 Credit Facility total $800.0 million. The February 2019 Credit Facility has an accordion feature that allows for an increase in the total commitments of up to $400.0 million, subject to certain conditions and the satisfaction of specified financial covenants. The Company can borrow foreign currencies directly under the February 2019 Credit Facility. The February 2019 Credit Facility, which is structured as a revolving credit facility, is secured primarily by a material portion of the Company's assets and guaranteed by certain subsidiaries of the Company. The revolving period of the February 2019 Credit Facility ends on February 21, 2023, followed by a one-year amortization period with a final maturity date of February 21, 2024.

Borrowings under the February 2019 Credit Facility bear interest, subject to the Company's election, on a per annum basis equal to (i) the applicable base rate plus 1.25% (or, after one year, 1.00% if the Company receives an investment grade credit rating), (ii) the applicable LIBOR rate plus 2.25% (or, after one year, 2.00% if the Company receives an investment grade credit rating), (iii) for borrowings denominated in Canadian dollars, the applicable Canadian dollars Screen Rate plus 2.25% (or, after one year, 2.00% if the Company receives an investment grade credit rating), or (iv) for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.45% (or, after one year, 2.20% if the Company receives an investment grade credit rating). The applicable base rate is equal to the greatest of (i) the prime rate, (ii) the federal funds rate plus 0.5%, (iii) the Overnight Bank Funding Rate plus 0.5%, (iv) the adjusted three-month LIBOR plus 1.0% and (v) 1%. The applicable LIBOR rate depends on the term of the draw under the February 2019 Credit Facility. The Company pays a commitment fee of (i) for the period beginning on the closing date of the February 2019 Credit Facility to and including the date that is six months after the closing date of the February 2019 Credit Facility, 0.375% per annum on undrawn amounts, and (ii) for the period beginning on the date that is six months after the closing date of the February 2019 Credit Facility, (x) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than one third of total commitments or (y) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than one third of total commitments. In connection with entering into the February 2019 Credit Facility, the Company incurred financing fees of approximately $6.4 million, which will be amortized over the remaining life of the February 2019 Credit Facility.

The February 2019 Credit Facility contains certain affirmative and negative covenants, including but not limited to (i) maintaining minimum shareholders' equity, (ii) maintaining minimum obligors' net worth, (iii) maintaining a minimum asset coverage ratio, (iv) meeting a minimum liquidity test and (v) maintaining the Company's status as a regulated investment company and as a business development company. The February 2019 Credit Facility also contains customary events of default with customary cure and notice provisions, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to other indebtedness, bankruptcy, change of control, and material adverse effect. The February 2019 Credit Facility also permits the administrative agent to select an independent third party valuation firm to determine valuations of certain portfolio investments for purposes of borrowing base provisions. In connection with the February 2019 Credit Facility, the Company also entered into new collateral documents. As of June 30, 2019, the Company was in compliance with all covenants under the February 2019 Credit Facility.

As of June 30, 2019, the Company had borrowings of $75.0 million outstanding under the February 2019 Credit Facility with a weighted average interest rate of4.963%. The fair values of the borrowings outstanding under the February 2019 Credit Facility are based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model. As of June 30, 2019, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was$75.0 million.

Debt Securitization

On May 9, 2019, the Company completed a $449.3 million term debt securitization. Term debt securitizations are also known as collateralized loan obligations and are a form of secured financing incurred by the Company, which is consolidated by the Company for financial reporting purposes and subject to its overall asset coverage requirement. The notes offered in the Debt Securitization (collectively, the "2019 Notes") were issued by Barings BDC Static CLO Ltd. 2019-I ("BBDC Static CLO Ltd.") and Barings BDC Static CLO 2019-I, LLC, wholly-owned and consolidated subsidiaries of the Company (collectively, the "Issuers"), and are secured by a diversified portfolio of senior secured loans and participation interests therein. The Debt Securitization was executed through a private placement of approximately $296.8 million of AAA(sf) Class A-1 Senior Secured Floating Rate 2019 Notes ("Class A-1 2019 Notes"), which bear interest at the three-month LIBOR plus 1.02%; $51.5 million of AA(sf) Class A-2 Senior Secured Floating Rate 2019 Notes ("Class A-2 2019 Notes"), which bear interest at the three-month LIBOR plus 1.65%; and $101.0 million of Subordinated 2019 Notes which do not bear interest and are not rated. The Company retained all of the Subordinated 2019 Notes issued in the Debt Securitization in exchange for the Company's sale and contribution to BBDC Static CLO Ltd. of the initial closing date portfolio, which included senior secured loans and participation interests therein distributed to the Company by BSF. The 2019 Notes are scheduled to mature on April 15, 2027; however the 2019 Notes may be redeemed by the Issuers, at the direction of the Company as holder of the Subordinated 2019 Notes, on any business day after May 9, 2020. In connection with the sale and contribution, the Company made customary representations, warranties and covenants to the Issuers.

The Class A-1 2019 Notes and Class A-2 2019 Notes are the secured obligations of the Issuers, the Subordinated 2019 Notes are the unsecured obligations of BBDC Static CLO Ltd., and the indenture governing the 2019 Notes includes customary covenants and events of default. The 2019 Notes have not been, and will not be, registered under the Securities Act of 1933, as amended, or any state securities or "blue sky" laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from registration.

The Company serves as collateral manager to BBDC Static CLO Ltd. under a collateral management agreement and has agreed to irrevocably waive all collateral management fees payable pursuant to the collateral management agreement.

The Class A-1 2019 Notes and the Class A-2 2019 Notes issued in connection with the Debt Securitization have floating rate interest provisions based on the three-month LIBOR that reset quarterly, except that LIBOR for the first Interest Accrual Period was calculated by reference to an interpolation between the rate for deposits with a term equal to the next shorter period of time for which rates were available and the rate appearing for deposits with a term equal to the next longer period of time for which rates were available.

As of June 30, 2019, the Company had borrowings of $296.8 million outstanding under the Class A-1 2019 Notes with an interest rate of3.544% and borrowings of $51.5 million outstanding under the Class A-2 2019 Notes with an interest rate of4.174%. The fair value determinations of the Company's 2019 Notes were based on market yield approach and current interest rates, which are Level 3 inputs to the market yield model. As of June 30, 2019, the total fair value of the Class A-1 2019 Notes and the Class A-2 2019 Notes was $296.9 million and $51.5 million, respectively.

7. EQUITY-BASED COMPENSATION PLANS

Prior to the Externalization Transaction, the Company utilized the Triangle Capital Corporation Omnibus Incentive Plan (the "Omnibus Plan") to compensate its professionals. The Omnibus Plan provided for grants of restricted stock and options to employees, officers and directors. Equity-based awards granted under the Omnibus Plan to independent directors generally vested over a one-year period and equity-based awards granted under the Omnibus Plan to executive officers and employees generally vested ratably over a four-year period. On July 31, 2018, in connection with the closing of the Asset Sale Transaction, all 904,060 outstanding shares of restricted stock outstanding under the Omnibus Plan vested and on August 2, 2018, the Board terminated the Omnibus Plan.

The Company accounted for its equity-based compensation using the fair value method, as prescribed by ASC Topic 718,*Stock Compensation*. Accordingly, for restricted stock awards, the Company measured the grant date fair value based upon the market price of the Company's common stock on the date of the grant and amortized this fair value to compensation expense ratably over the requisite service period or vesting term. In the three months ended June 30, 2018, the Company recognized equity-based compensation expense of approximately $1.5 million, and in the six months ended June 30, 2018, the Company recognized equity based compensation expense of approximately $2.9 million.

The following table presents information with respect to equity-based compensation for thesix months ended June 30, 2018:

	Six Months Ended June 30, 2018	
	Number of Shares	Weighted Average Grant Date Fair Value per Share
Unvested shares, beginning of period	748,674	$19.79
Shares granted during the period	435,106	$10.73
Shares vested during the period	(279,720)	$20.56
Unvested shares, end of period	904,060	$15.19

8. TRANSACTIONS WITH CONTROLLED COMPANIES

During the six months ended June 30, 2018, the Company received management fees from SRC Worldwide, Inc., a wholly-owned subsidiary of CRS-SPV, Inc., of $100,000. These fees were recognized as fee income in the Company's Unaudited Consolidated Statements of Operations. In addition, during the three and six months ended June 30, 2018, the Company recognized dividend and interest income from certain control investments as disclosed in Note 4 - Schedule of Investments in and Advances to Affiliates. During the three and six months ended June 30, 2019, there were no transactions with controlled companies.

9. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company is party to financial instruments with off-balance sheet risk, consisting primarily of unused commitments to extend financing to the Company's portfolio companies. Since commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. The balances of unused commitments to extend financing as of June 30, 2019 and December 31, 2018 were as follows:

Portfolio Company	Investment Type	June 30, 2019	December 31, 2018
Anju Software, Inc.	Delayed Draw Term Loan	$ 7,925,485	$ —
Arch Global Precision, LLC	Delayed Draw Term Loan	1,072,230	—
Armstrong Transport Group (Pele Buyer, LLC)	Delayed Draw Term Loan	844,146	—
Aveanna Healthcare Holdings, Inc.(1)	Delayed Draw Term Loan	—	804,620
Campaign Monitor (UK) Limited(1)	Delayed Draw Term Loan	2,542,373	—
Dart Buyer, Inc.	Delayed Draw Term Loan	7,455,734	—
Jocassee Partners LLC(1)	Joint Venture	45,000,000	—
JS Held, LLC	Delayed Draw Term Loan	—	2,275,039
LAC Intermediate, LLC(1)	Delayed Draw Term Loan	4,367,284	6,172,840
Process Equipment, Inc.	Delayed Draw Term Loan	1,022,646	—
Professional Datasolutions, Inc. (PDI)	Delayed Draw Term Loan	1,666,994	—
Smile Brands Group, Inc.(1)	Delayed Draw Term Loan	1,165,294	1,325,699
Transportation Insight, LLC(1)	Delayed Draw Term Loan	5,516,932	5,516,932
USLS Acquisition, Inc.(1)	Delayed Draw Term Loan	1,982,052	3,153,265
Total unused commitments to extend financing		$ 80,561,170	$ 19,248,395

(1) Represents a commitment to extend financing to a portfolio company where one or more of the Company's current investments in the portfolio company are carried at less than cost. The Company's estimate of the fair value of the current investments in this portfolio company includes an analysis of the fair value of any unfunded commitments.

The Company and certain of its former executive officers have been named as defendants in two putative securities class action lawsuits, each filed in the United States District Court for the Southern District of New York (and then transferred to the United States District Court for the Eastern District of North Carolina) on behalf of all persons who purchased or otherwise acquired our common stock between May 7, 2014 and November 1, 2017. The first lawsuit was filed on November 21, 2017, and was captioned *Elias Dagher, et al., v. Triangle Capital Corporation, et al*, Case No. 5:18-cv-00015-FL (the "*Dagher* Action"). The second lawsuit was filed on November 28, 2017, and was captioned *Gary W. Holden, et al., v. Triangle Capital Corporation, et al*, Case No. 5:18-cv-00010-FL (the "*Holden* Action"). The *Dagher* Action and the *Holden* Action were consolidated and are currently captioned *In re Triangle Capital Corp. Securities Litigation*, Master File No. 5:18-cv-00010-FL.

On April 10, 2018, the plaintiff filed its First Consolidated Amended Complaint. The complaint, as currently amended, alleges certain violations of the securities laws, including, among other things, that the defendants made certain materially false and misleading statements and omissions regarding the Company's business, operations and prospects between May 7, 2014 and November 1, 2017. The plaintiff seeks compensatory damages and attorneys' fees and costs, among other relief, but did not specify the amount of damages being sought. On May 25, 2018, the defendants filed a motion to dismiss the complaint. On March 7, 2019 the court entered an order granting the defendants' motion to dismiss. On March 28, 2019, the plaintiff filed a motion seeking leave to file a Second Consolidated Amended Complaint. On April 18, 2019, the defendants filed a response in opposition to the plaintiff's motion for leave. On May 2, 2019, the plaintiff filed a reply in support of its motion for leave. The motion for leave is currently pending before the court.

In addition, the Company is party to certain lawsuits in the normal course of business. Furthermore, third parties may try to seek to impose liability on the Company in connection with the activities of its portfolio companies.

While the outcome of any open legal proceedings, including those described above, cannot at this time be predicted with certainty, the Company does not expect that any reasonably possible losses arising from these matters will materially affect its financial condition or results of operations. Furthermore, in management's opinion, it is not possible to estimate a range of reasonably possible losses with respect to litigation contingencies.

10. FINANCIAL HIGHLIGHTS

The following is a schedule of financial highlights for the six months ended June 30, 2019 and 2018:

	Six Months Ended June 30,	
	2019	2018
Per share data:		
Net asset value at beginning of period	$ 10.98	$ 13.43
Net investment income(1)	0.30	0.48
Net realized loss on investments / foreign currency borrowings(1)	—	(0.93)
Net unrealized appreciation on investments / foreign currency borrowings(1)	0.54	1.08
Total increase from investment operations(1)	0.84	0.63
Dividends paid to stockholders from net investment income	(0.25)	(0.30)
Purchases of shares in share repurchase plan	0.03	—
Stock-based compensation	—	(0.05)
Tax provision(1)	—	(0.01)
Other(2)	(0.01)	—
Net asset value at end of period	$ 11.59	$ 13.70
Market value at end of period(3)	$ 9.84	$ 11.50
Shares outstanding at end of period	50,314,275	48,050,720
Net assets at end of period	$ 583,079,705	$ 658,306,493
Average net assets	$ 579,833,877	$ 644,713,747
Ratio of total expenses, including loss on extinguishment of debt and provision for taxes, to average net assets (annualized)	7.83%	9.09%
Ratio of net investment income to average net assets (annualized)	5.30%	7.07%
Portfolio turnover ratio	39.48%	2.92%
Total return(4)	11.96%	24.42%

(1) Weighted average per share data—basic and diluted.

(2) Represents the impact of the different share amounts used in calculating per share data as a result of calculating certain per share data based upon the weighted average basic shares outstanding during the period and certain per share data based on the shares outstanding as of a period end or transaction date.

(3) Represents the closing price of the Company’s common stock on the last day of the period.

(4) Total return is based on purchase of stock at the current market price on the first day and a sale at the current market price on the last day of each period reported on the table and assumes reinvestment of dividends at prices obtained by the Company's dividend reinvestment plan during the period. Total return is not annualized.

11. SUBSEQUENT EVENTS

On July 26, 2019, the Board declared a quarterly distribution of $0.14 per share payable on September 18, 2019 to holders of record as of September 11, 2019.

Subsequent to June 30, 2019, the Company made approximately $70.1 million of new middle-market private debt commitments, of which approximately $33.0 million closed. The $33.0 million of middle-market investments consist of all first lien senior secured debt and the weighted average yield of the closed originations was 8.9%.

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

The following discussion is designed to provide a better understanding of our unaudited consolidated financial statements for the three andsix months ended June 30, 2019, including a brief discussion of our business, key factors that impacted our performance and a summary of our operating results. The following discussion should be read in conjunction with the Unaudited Consolidated Financial Statements and the notes thereto included in Item 1 of this Quarterly Report on Form 10-Q, and the Consolidated Financial Statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2018. Historical results and percentage relationships among any amounts in the financial statements are not necessarily indicative of trends in operating results for any future periods.

Forward-Looking Statements

Some of the statements in this Quarterly Report constitute forward-looking statements because they relate to future events or our future performance or financial condition. Forward-looking statements may include, among other things, statements as to our future operating results, our business prospects and the prospects of our portfolio companies, the impact of the investments that we expect to make, the ability of our portfolio companies to achieve their objectives, our expected financings and investments, the adequacy of our cash resources and working capital, and the timing of cash flows, if any, from the operations of our portfolio companies. Words such as "expect," "anticipate," "target," "goals," "project," "intend," "plan," "believe," "seek," "estimate," "continue," "forecast," "may," "should," "potential," variations of such words, and similar expressions indicate a forward-looking statement, although not all forward-looking statements include these words. Readers are cautioned that the forward-looking statements contained in this Quarterly Report are only predictions, are not guarantees of future performance, and are subject to risks, events, uncertainties and assumptions that are difficult to predict. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors discussed herein, in Item 1A entitled "Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2018 and in Item 1A entitled "Risk Factors" in Part II of this Quarterly Report on Form 10-Q. Other factors that could cause actual results to differ materially include, but are not limited to, changes in the economy, risks associated with possible disruption due to terrorism in our operations or the economy generally, and future changes in laws or regulations and conditions in our operating areas. These statements are based on our current expectations, estimates, forecasts, information and projections about the industry in which we operate and the beliefs and assumptions of our management as of the date of this Quarterly Report. We assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless we are required to do so by law. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

The Asset Sale and Externalization Transactions

On April 3, 2018, we entered into an asset purchase agreement with BSP Asset Acquisition I, LLC, or the Asset Buyer (an affiliate of Benefit Street Partners L.L.C.), pursuant to which we agreed to sell our December 31, 2017 investment portfolio to the Asset Buyer for gross proceeds of $981.2 million in cash, subject to certain adjustments to take into account portfolio activity and other matters occurring since December 31, 2017, such transaction referred to herein as the Asset Sale Transaction.

Also on April 3, 2018, we entered into a stock purchase and transaction agreement, or the Externalization Agreement, with Barings LLC, or Barings, through which Barings agreed to become the investment adviser to the Company in exchange for (1) a payment by Barings of $85.0 million, or approximately $1.78 per share, directly to our stockholders, (2) an investment by Barings of $100.0 million in newly issued shares of our common stock at net asset value, or NAV, and (3) a commitment from Barings to purchase up to $50.0 million of shares of our common stock in the open market at prices up to and including our then-current net asset value per share for a two-year period, after which Barings agreed to use any remaining funds from the $50.0 million to purchase additional newly issued shares of our common stock at the greater of our then-current NAV per share and market price (collectively, the Externalization Transaction). The Asset Sale Transaction and the Externalization Transaction are collectively referred to as the Transactions. The Transactions were approved by our stockholders at our July 24, 2018 special meeting of stockholders, or the Special Meeting. The Asset Sale Transaction closed on July 31, 2018.

In connection with the closing of the Asset Sale Transaction, we caused notices to be issued to the holders of our unsecured notes due 2022 issued in 2012, or the December 2022 Notes, and our unsecured notes due 2022 issued in 2015 or the March 2022 Notes, regarding the redemption of all $80.5 million in aggregate principal amount of the December 2022 Notes and all $86.3 million in aggregate principal amount of the March 2022 Notes, in each case, on August 30, 2018. The December 2022 Notes and the March 2022 Notes were redeemed at 100% of their principal amount ($25.00 per Note), plus the accrued and unpaid interest thereon from June 15, 2018 to, but excluding, August 30, 2018. In furtherance of the redemption, on July

31, 2018, we irrevocably deposited with The Bank of New York Mellon Trust Company, N.A., as trustee under the indenture and supplements thereto relating to the December 2022 Notes and the March 2022 Notes, funds in trust for the purposes of redeeming all of the issued and outstanding December 2022 Notes and March 2022 Notes and paying all sums due and payable under the indenture and supplements thereto. As a result, our obligations under the indenture and supplements thereto relating to the December 2022 Notes and the March 2022 Notes were satisfied and discharged as of July 31, 2018, except with respect to those obligations that the indenture expressly provides shall survive the satisfaction and discharge of the indenture. In addition, in connection with the closing of the Asset Sale Transaction, we terminated our senior secured credit facility entered into in May 2015 (and subsequently amended in May 2017), or the May 2017 Credit Facility.

Our wholly-owned subsidiaries, Triangle Mezzanine Fund LLLP, or Triangle SBIC, Triangle Mezzanine Fund II LP, or Triangle SBIC II, and Triangle Mezzanine Fund III LP, or Triangle SBIC III, are specialty finance limited partnerships that were formed to make investments primarily in lower middle-market companies located throughout the United States. Each of Triangle SBIC, Triangle SBIC II and Triangle SBIC III held licenses to operate as Small Business Investment Companies, or SBICs, under the authority of the United States Small Business Administration, or SBA. In connection with the closing of the Asset Sale Transaction, we repaid all of our outstanding SBA-guaranteed debentures and surrendered the SBIC licenses held by Triangle SBIC, Triangle SBIC II, and Triangle SBIC III.

The Externalization Transaction closed on August 2, 2018. Effective as of the Externalization Closing, we changed our name from Triangle Capital Corporation to Barings BDC, Inc. and on August 3, 2018 began trading on the New York Stock Exchange, or NYSE, under the symbol "BBDC."

In connection with the closing of the Externalization Transaction, we entered into an investment advisory agreement, or the Advisory Agreement, and an administration agreement, or the Administration Agreement, with Barings, pursuant to which Barings serves as our investment adviser and administrator and manages our investment portfolio which initially consisted primarily of the cash proceeds received in connection with the Asset Sale Transaction. On August 2, 2018, we issued 8,529,917 shares of our common stock to Barings at a price of $11.723443 per share, or an aggregate of $100.0 million in cash.

On September 24, 2018, or the Effective Date, Barings entered into a Rule 10b5-1 Purchase Plan, or the 10b5-1 Plan, that qualifies for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Pursuant to the 10b5-1 Plan, an independent broker made purchases of shares of our common stock on the open market on behalf of Barings in accordance with purchase guidelines specified in the 10b5-1 Plan. The 10b5-1 Plan was established in accordance with Barings obligation under the Externalization Agreement to enter into a trading plan pursuant to which Barings committed to purchase $50.0 million in value of shares in open market transactions through an independent broker. The maximum aggregate purchase price of all shares purchased under the 10b5-1 Plan was $50.0 million. On February 11, 2019, Barings fulfilled its obligations under the 10b5-1 Plan to purchase an aggregate amount of $50.0 million in shares of our common stock and the 10b5-1 Plan terminated in accordance with its terms. Upon completion of the 10b5-1 Plan, Barings had purchased 5,084,302 shares of our common stock pursuant to the 10b5-1 Plan and as of June 30, 2019, owned a total of 13,639,681 shares of our common stock, or 27.1% of the total shares outstanding.

Overview of Our Business

We are a Maryland corporation incorporated on October 10, 2006. Prior to the Externalization Transaction, we were internally managed by our executive officers under the supervision of our Board of Directors, or the Board. During this period, we did not pay management or advisory fees, but instead incurred the operating costs associated with employing executive management and investment and portfolio management professionals. On August 2, 2018, we entered into the Advisory Agreement and became an externally-managed BDC managed by Barings. An externally-managed BDC generally does not have any employees, and its investment and management functions are provided by an outside investment adviser and administrator under an advisory agreement and administration agreement. Instead of directly compensating employees, we pay Barings for investment and management services pursuant to the terms of the Advisory Agreement and the Administration Agreement. Under the terms of the Advisory Agreement, the fees paid to Barings for managing our affairs will be determined based upon an objective and fixed formula, as compared with the subjective and variable nature of the costs associated with employing management and employees in an internally-managed BDC structure, which include bonuses that cannot be directly tied to Company performance because of restrictions on incentive compensation under the 1940 Act.

Prior to the Transactions, our business was to provide capital to lower middle-market companies located primarily in the United States. We focused on investments in companies with a history of generating revenues and positive cash flows, an established market position and a proven management team with a strong operating discipline. Our target portfolio company had annual revenues between $20.0 million and $300.0 million and annual earnings before interest, taxes, depreciation and amortization between $5.0 million and $75.0 million. We invested primarily in senior and subordinated debt securities of privately held companies, generally secured by security interests in portfolio company assets. In addition, we generally invested

in one or more equity instruments of the borrower, such as direct preferred or common equity interests. Our investments generally ranged from $5.0 million to $50.0 million per portfolio company.

Beginning August 2, 2018, Barings shifted our investment focus to invest in syndicated senior secured loans, bonds and other fixed income securities. Since that time, Barings has been transitioning our portfolio to senior secured private debt investments in performing, well-established middle-market businesses that operate across a wide range of industries. Barings' existing SEC exemptive relief under Sections 17(d) and 57(i) of the 1940 Act and Rule 17d-1 thereunder, granted on October 19, 2017, permits us and Barings' affiliated private and SEC-registered funds to co-invest in Barings-originated loans, which allows Barings to efficiently implement its senior secured private debt investment strategy for us.

Barings employs fundamental credit analysis, and targets investments in businesses with relatively low levels of cyclicality and operating risk. The holding size of each position will generally be dependent upon a number of factors including total facility size, pricing and structure, and the number of other lenders in the facility. Barings has experience managing levered vehicles, both public and private, and seeks to enhance our returns through the use of leverage with a prudent approach that prioritizes capital preservation. Barings believes this strategy and approach offers attractive risk/return with lower volatility given the potential for fewer defaults and greater resilience through market cycles.

We generate revenues in the form of interest income, primarily from our investments in debt securities, loan origination and other fees and dividend income. Fees generated in connection with our debt investments are recognized over the life of the loan using the effective interest method or, in some cases, recognized as earned. Our syndicated senior secured loans generally bear interest between LIBOR plus 300 basis points and LIBOR plus 400 points. Our senior secured private debt investments generally have terms of between five and seven years. Our senior secured private debt investments generally bear interest between LIBOR plus 450 basis points and LIBOR plus 650 basis points per annum. From time to time, certain of our investments may have a form of interest, referred to as payment-in-kind, or PIK, interest, that is not paid currently but is instead accrued and added to the loan balance and paid at the end of the term.

As of June 30, 2019, the weighted average yield on our syndicated senior secured loan portfolio and our middle-market senior secured private debt portfolio was approximately 5.6% and 7.4%, respectively. As of June 30, 2019, the weighted average yield on these two portfolios on a combined basis was approximately 6.2%. The weighted-average yield on all of our outstanding investments (including equity and equity-linked investments and short-term investments) was approximately 6.0% as of June 30, 2019.

As of December 31, 2018, the weighted average yield on our syndicated senior secured loan portfolio and our middle-market senior secured private debt portfolio was approximately 5.8% and 7.6%, respectively. As of December 31, 2018, the weighted average yield on these two portfolios on a combined basis was approximately 6.2%. The weighted-average yield on all of our outstanding investments (including equity and equity-linked investments and short-term investments) was approximately 6.0% as of December 31, 2018.

As of June 30, 2018, the weighted average yield on our outstanding debt investments other than non-accrual debt investments was approximately 11.0%, the weighted average yield on all of our outstanding investments (including equity and equity-linked investments but excluding non-accrual debt investments) was approximately 9.4%, and weighted average yield on all of our outstanding investments (including equity and equity-linked investments and non-accrual debt investments) was approximately 8.7%.

Relationship with Our Adviser, Barings

Our investment adviser, Barings, a wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company, is a leading global asset management firm and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940. Barings' primary investment capabilities include fixed income, private credit, real estate, equity, and alternative investments. Subject to the overall supervision of our board of directors, or the Board, Barings' Global Private Finance Group, or BGPF, manages our day-to-day operations, and provides investment advisory and management services to us. BGPF is part of Barings' $220 billion Global Fixed Income Platform that invests in liquid, private and structured credit. BGPF manages private funds and separately managed accounts, along with multiple public vehicles.

Among other things, Barings (i) determines the composition of our portfolio, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identifies, evaluates and negotiates the structure of the investments made by us; (iii) executes, closes, services and monitors the investments that we make; (iv) determines the securities and other assets that we will purchase, retain or sell; (v) performs due diligence on prospective portfolio companies and (vi) provides us with such other investment advisory, research and related services as we may, from time to time, reasonably require for the investment of our funds.

Under the terms of the Administration Agreement, Barings has agreed to perform (or oversee, or arrange for, the performance of) the administrative services necessary for our operation, including, but not limited to, office facilities, equipment, clerical, bookkeeping and record keeping services at such office facilities and such other services as Barings, subject to review by the Board, will from time to time determine to be necessary or useful to perform its obligations under the Administration Agreement. Barings will also, on our behalf and subject to the Board's approval, arrange for the services of, and oversee, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. Barings is responsible for the financial and other records that we are required to maintain and will prepare all reports and other materials required to be filed with the SEC or any other regulatory authority.

Stockholder Approval of Reduced Asset Coverage Ratio

On July 24, 2018, our stockholders voted at the Special Meeting to approve a proposal to authorize us to be subject to a reduced asset coverage ratio of at least 150% under the 1940 Act. As a result of the stockholder approval at the Special Meeting, effective July 25, 2018, our applicable asset coverage ratio under the 1940 Act has been decreased to 150% from 200%. As a result, we are now permitted under the 1940 Act to incur indebtedness at a level which is more consistent with a portfolio of senior secured debt. As of June 30, 2019, our asset coverage ratio was 191.6%.

Portfolio Investment Composition

The total value of our investment portfolio was$1,200.6 million as of June 30, 2019, as compared to $1,121.9 million as of December 31, 2018. As of June 30, 2019, we had investments in 142 portfolio companies and two money market funds with an aggregate cost of $1,225.4 million. As of December 31, 2018, we had investments in 139 portfolio companies and one money market fund with an aggregate cost of $1,173.9 million. As of both June 30, 2019 and December 31, 2018, none of our portfolio investments represented greater than 10% of the total fair value of our investment portfolio.

As of June 30, 2019 and December 31, 2018, our investment portfolio consisted of the following investments:

	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
June 30, 2019:				
Senior debt and 1st lien notes	$ 1,175,669,080	96%	$ 1,150,957,046	96%
Subordinated debt and 2nd lien notes	9,655,986	1	9,648,558	1
Equity shares	515,825	—	583,658	—
Investment in joint venture	5,162,299	—	5,000,210	—
Short-term investments	34,423,491	3	34,423,491	3
	$ 1,225,426,681	100%	$ 1,200,612,963	100%
December 31, 2018:				
Senior debt and 1st lien notes	$ 1,120,401,043	95%	$ 1,068,436,847	95%
Subordinated debt and 2nd lien notes	7,777,847	1	7,679,132	1
Equity shares	515,825	—	515,825	—
Short-term investments	45,223,941	4	45,223,941	4
	$ 1,173,918,656	100%	$ 1,121,855,745	100%

Investment Activity

During the six months ended June 30, 2019, we purchased $3.6 million in syndicated senior secured loans, made thirteen new middle-market debt investments totaling $130.1 million, consisting of twelve senior secured private debt investments and one second lien private debt investment, made one joint venture equity investment totaling $5.2 million and made additional debt investments in four existing portfolio companies totaling $6.9 million. In addition, we sold $10.8 million, net, in money market fund investments during the six months ended June 30, 2019. We had four portfolio company loans repaid at par totaling $26.6 million, received $20.8million of principal payments and sold $33.7 million of syndicated secured loans and senior secured private debt investments, recognizing a net realized loss on these transactions of $0.5 million. In addition, we received $0.5 million in escrow distributions from three portfolio companies, which were recognized as realized gains.

During the six months ended June 30, 2018, we made debt investments in five existing portfolio companies totaling $27.6 million and equity investments in five existing portfolio companies totaling $1.5 million. We had twelve portfolio company loans repaid at par totaling $141.2 million and received normal principal repayments and partial loan prepayments totaling $9.5

million in the six months ended June 30, 2018. We received $11.4 million related to the exits of underperforming portfolio companies and recognized net realized losses on these exits of $50.7 million. We recognized a $16.1 million realized loss related to the exchange of one portfolio company debt investment for equity in that portfolio company. We received a $3.8 million distribution from one portfolio company and recognized the distribution as a long-term capital gain. In addition, we received proceeds related to the sales of certain equity securities totaling $30.8 million and recognized net realized gains on such sales totaling $19.0 million in the six months ended June 30, 2018.

Total portfolio investment activity for thesix months ended June 30, 2019 and 2018 was as follows:

Six Months Ended June 30, 2019:	Senior Debt and 1st Lien Notes	Subordinated debt and 2nd Lien Notes	Equity Shares	Investment in Joint Venture	Short-term Investments	Total
Fair value, beginning of period	$ 1,068,436,847	$ 7,679,132	$ 515,825	$ —	$ 45,223,941	$ 1,121,855,745
New investments	135,673,192	4,951,685		5,162,299	317,480,389	463,267,565
Proceeds from sales of investments	(33,739,874)	—	(468,819)	—	(328,280,839)	(362,489,532)
Loan origination fees received	(2,271,606)	(148,551)	—	—	—	(2,420,157)
Principal repayments received	(44,447,323)	(2,980,874)	—	—	—	(47,428,197)
Accretion of loan discounts	114,594	—	—	—	—	114,594
Accretion of deferred loan origination revenue	487,623	55,878	—	—	—	543,501
Realized gain (loss)	(548,570)	—	468,819	—	—	(79,751)
Unrealized appreciation (depreciation)	27,252,163	91,288	67,833	(162,089)	—	27,249,195
Fair value, end of period	$ 1,150,957,046	$ 9,648,558	$ 583,658	$ 5,000,210	$ 34,423,491	$ 1,200,612,963

Six Months Ended June 30, 2018:	Senior Debt and 1st Lien Notes	Subordinated debt and 2nd Lien Notes	Equity Shares	Equity Warrants	Total
Fair value, beginning of period	$ 262,803,297	$ 589,548,358	$ 162,543,691	$ 1,389,000	$ 1,016,284,346
New investments	19,747,966	7,803,827	1,535,469	—	29,087,262
Reclassifications	8,617,000	(8,617,000)	—	—	—
Proceeds from sales of investments	—	—	(34,558,341)	(708)	(34,559,049)
Loan origination fees received	(292,999)	—	—	—	(292,999)
Principal repayments received	(28,555,564)	(133,510,838)	—	—	(162,066,402)
PIK interest earned	225,340	3,048,266	—	—	3,273,606
PIK interest payments received	(1,403,097)	(2,494,389)	—	—	(3,897,486)
Accretion of loan discounts	—	12,131	—	—	12,131
Accretion of deferred loan origination revenue	442,070	2,447,978	—	—	2,890,048
Realized gain (loss)	—	(65,214,565)	19,630,512	708	(45,583,345)
Unrealized appreciation (depreciation)	(4,846,915)	60,331,768	(2,085,556)	(142,000)	53,257,297
Fair value, end of period	$ 256,737,098	$ 453,355,536	$ 147,065,775	$ 1,247,000	$ 858,405,409

Non-Accrual Assets

Generally, when interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. As of both June 30, 2019, and December 31, 2018 we had no non-accrual assets.

Results of Operations

Three and Six months ended June 30, 2019 and June 30, 2018

Operating results for the three and six months ended June 30, 2019 and 2018 were as follows:

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Total investment income	$ 19,601,688	$ 25,473,491	$ 37,941,446	$ 51,549,578
Total operating expenses	12,188,806	15,411,622	22,571,277	28,763,531
Net investment income	**7,412,882**	**10,061,869**	**15,370,169**	**22,786,047**
Net realized gains (losses)	50,024	(37,246,974)	(79,751)	(44,502,134)
Net unrealized appreciation	1,852,007	42,990,830	27,249,195	52,044,255
Loss on extinguishment of debt	(85,356)	—	(129,751)	—
Benefit from (provision for) taxes	17,493	(488,845)	(499)	(539,635)
Net increase in net assets resulting from operations	**$ 9,247,050**	**$ 15,316,880**	**$ 42,409,363**	**$ 29,788,533**

Net increases in net assets resulting from operations can vary substantially from period to period due to various factors, including recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, quarterly comparisons of net increases in net assets resulting from operations may not be meaningful.

Investment Income

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Investment income:				
Interest income	$ 19,074,824	$ 20,036,039	$ 37,108,838	$ 41,977,312
Dividend income	4,711	401,232	4,711	591,494
Fee and other income	519,970	2,769,579	821,027	4,557,569
Payment-in-kind interest income	—	1,544,886	—	3,273,607
Interest income from cash	2,183	721,755	6,870	1,149,596
Total investment income	$ 19,601,688	$ 25,473,491	$ 37,941,446	$ 51,549,578

The decrease in total investment income for the three and six months ended June 30, 2019, as compared to the three and six months ended June 30, 2018, was related to the shift in our investment focus subsequent to the Transactions. During the quarter ended June 30, 2019, our investment portfolio was primarily comprised of syndicated senior secured loans and senior secured private debt investments, which are lower yielding debt investments as compared to our investment portfolio during the quarter ended June 30, 2018, which was comprised primarily of senior and subordinated debt securities of privately-held, lower middle-market companies. The weighted average yield on our investments was 6.0% as of June 30, 2019, as compared to 8.7% as of June 30, 2018.

Operating Expenses

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Operating expenses:				
Interest and other financing fees	$ 7,027,040	$ 7,344,335	$ 12,871,212	$ 14,934,883
Base management fees	3,130,955	—	5,581,950	—
Compensation expenses	108,646	3,842,656	227,090	7,935,508
General and administrative expenses	1,922,165	4,224,631	3,891,025	5,893,140
Total operating expenses	$ 12,188,806	$ 15,411,622	$ 22,571,277	$ 28,763,531

Interest and Other Financing Fees

Interest and other financing fees for the three and six months ended June 30, 2019 were attributable to borrowings under the August 2018 Credit Facility, the February 2019 Credit Facility and the Debt Securitization (each as defined below under "Liquidity and Capital Resources"). Interest and other financing fees for the three and six months ended June 30, 2018 were attributed to borrowings under our SBA-guaranteed debentures, the May 2017 Credit Facility and both the March 2022 Notes and the December 2022 Notes. The decrease in interest and other financing fees was primarily related to lower weighted average interest rates on outstanding borrowings during the the three and six months ended June 30, 2019 as compared to the three and six months ended June 30, 2018.

Base Management Fees

Under the Advisory Agreement, we pay Barings a base management fee quarterly in arrears on a calendar quarter basis. 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 prior to the quarter for which such fees are being calculated. Base management fees for any partial month or quarter are appropriately pro-rated. Prior to the Externalization Transaction, we were an internally-managed BDC and did not pay any base management fees. See Note 2 to our unaudited consolidated financial statements for additional information regarding the Advisory Agreement and the fee arrangement thereunder. For the three and six months ended June 30, 2019, the amount of Base Management Fee incurred was approximately $3.1 million and $5.6 million, respectively.

Compensation Expenses

Prior to the Transactions, compensation expenses were primarily influenced by headcount and levels of business activity. Our compensation expenses included salaries, discretionary compensation, equity-based compensation and benefits. Discretionary compensation was significantly impacted by our level of total investment income, our investment results, including investment realizations, prevailing labor markets and the external environment. In connection with the Transactions, all but two employees were terminated. The compensation expenses for the three and six months ended June 30, 2019 related to salaries, benefits and discretionary compensation of these remaining employees.

General and Administrative Expenses

On August 2, 2018, we entered into the Administration Agreement with Barings. Under the terms of the Administration Agreement, Barings performs (or oversees, or arranges for, the performance of) the administrative services necessary for our operations. We are required to reimburse Barings for the costs and expenses incurred by Barings in performing its obligations and providing personnel and facilities under the Administration Agreement. Prior to the Externalization Transaction, we operated as an internally-managed BDC and incurred these expenses directly. See Note 2 to our unaudited consolidated financial statements for additional information regarding the Administration Agreement.

Net Realized Gains (Losses)

Net realized gains (losses) during the three and six months ended June 30, 2019 and 2018 were as follows:

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Net realized gains (losses):				
Non-Control / Non-Affiliate investments	$ 50,024	$ (29,369,826)	$ (79,751)	$ (41,309,310)
Affiliate investments	—	(904,686)	—	2,352,512
Control investments	—	(6,630,547)	—	(6,626,547)
Net realized gains (losses) on investments	50,024	(36,905,059)	(79,751)	(45,583,345)
Foreign currency borrowings	—	(341,915)		1,081,211
Net realized gains (losses)	$ 50,024	$ (37,246,974)	$ (79,751)	$ (44,502,134)

In the three months ended June 30, 2019, we recognized net realized gains totaling $0.1 million, which consisted primarily of a net gain on escrow payments received of $0.2 million, partially offset by a net loss on our syndicated senior secured loan portfolio of $0.1 million. In the six months ended June 30, 2019, we recognized a net realized loss totaling $0.1 million, which consisted primarily of a net loss on our syndicated senior secured loan portfolio of $0.5 million, partially offset by a net gain on escrow payments received of $0.5 million.

In the three months ended June 30, 2018, we recognized net realized losses totaling $37.2 million, which consisted primarily of a net loss on the repayments/write-offs of four non-control/non-affiliate investments totaling $43.8 million, a net loss on the repayments/write-off of two control investments totaling $6.6 million, a net loss on the sales/write-offs of two affiliate investments totaling $1.3 million and a net foreign currency realized loss of $0.3 million, partially offset by a net gain from the sales of ten non-control/non-affiliate investments totaling $14.4 million and a net gain from the sale of one affiliate investment totaling $0.4 million.

In the six months ended June 30, 2018, we recognized net realized losses totaling $44.5 million, which consisted primarily of a net loss on the repayments/write-offs of four non-control/non-affiliate investments totaling $43.8 million, a loss on the restructuring of one non-control/non-affiliate investment totaling $16.1 million, a loss on the repayments/write-off of two control investments totaling $6.6 million and a net loss on the sales/write-offs of three affiliate investments totaling $1.8 million, partially offset by a gain from a tax distribution from an affiliate investment totaling $3.8 million, a net gain from the

sales of seventeen non-control/non-affiliate investments totaling $18.6 million, a gain from the sale of one affiliate investment totaling $0.4 million and a net foreign currency realized gain of $1.1 million.

Net Unrealized Appreciation (Depreciation)

Net unrealized appreciation (depreciation) during the three and six months ended June 30, 2019 and 2018 was as follows:

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Net unrealized appreciation (depreciation):				
Non-Control / Non-Affiliate investments	$ 2,014,096	$ 22,220,521	$ 27,411,284	$ 32,152,905
Affiliate investments	(162,089)	17,629,966	(162,089)	19,085,297
Control investments	—	3,040,908	—	1,670,033
Net unrealized appreciation on investments	1,852,007	42,891,395	27,249,195	52,908,235
Foreign currency borrowings	—	99,435	—	(863,980)
Net unrealized appreciation	$ 1,852,007	$ 42,990,830	$ 27,249,195	$ 52,044,255

During the three months ended June 30, 2019, we recorded net unrealized appreciation totaling $1.9 million, consisting of net unrealized appreciation on our current portfolio of $1.7 million and net unrealized appreciation reclassification adjustments of $0.2 million related predominately to the net realized losses on the sales / repayments of certain syndicated secured loans. During the six months ended June 30, 2019, we recorded net unrealized appreciation totaling $27.2 million, consisting of net unrealized appreciation on our current portfolio of $25.5 million and net unrealized appreciation reclassification adjustments of $1.8 million related predominately to the net realized losses on the sales / repayments of certain syndicated secured loans.

During the three months ended June 30, 2018, we recorded net unrealized appreciation totaling $43.0 million, consisting of net unrealized appreciation on our current portfolio of $1.3 million and net unrealized appreciation reclassification adjustments of $41.7 million related to the realized gains and losses during the period. During the six months ended June 30, 2018, we recorded net unrealized appreciation totaling $52.0 million, consisting of net unrealized depreciation on our current portfolio of $1.2 million and net unrealized appreciation reclassification adjustments of $53.3 million related to the realized gains and losses during the period.

Liquidity and Capital Resources

We believe that our current cash and cash equivalents on hand, our short-term investments, sales of our syndicated senior secured loans, our available borrowing capacity under the August 2018 Credit Facility and the February 2019 Credit Facility and our anticipated cash flows from operations will be adequate to meet our cash needs for our daily operations for at least the next twelve months.

Cash Flows

For the six months ended June 30, 2019, we experienced a net increase in cash in the amount of $0.5 million. During that period, our operating activities used $32.7 million in cash, consisting primarily of purchases of portfolio investments of $171.4 million and purchases of short-term investments of $317.5 million, partially offset by proceeds from sales of investments totaling $104.4 million and sales of short-term investments of $328.3 million. In addition, our financing activities provided $33.2 million of cash, consisting primarily of net proceeds from our $449.3 million term debt securitization, or the Debt Securitization, of $348.3 million, partially offset by net repayments under the August 2018 Credit Facility and the February 2019 Credit Facility of $284.5 million, purchases of shares in the share repurchase plan of $9.6 million, financing fees of $8.2 million and dividends paid in the amount of $12.6 million. As of June 30, 2019, we had $12.9 million of cash on hand.

For the six months ended June 30, 2018, we experienced a net increase in cash and cash equivalents in the amount of $24.6 million. During that period, our operating activities provided $186.2 million in cash, consisting primarily of repayments received from portfolio companies and proceeds from sales of investments totaling $196.6 million, which in addition to the cash provided by other operating activities, was partially offset by portfolio investments of $29.1 million. In addition, financing activities decreased cash by $161.5 million, consisting primarily of repayments under the May 2017 Credit Facility of $150.0 million and cash dividends paid in the amount of $14.4 million. As of June 30, 2018, we had $216.5 million of cash and cash equivalents on hand.

Financing Transactions

On July 3, 2018, we formed Barings BDC Senior Funding I, LLC, an indirectly wholly-owned Delaware limited liability company, or BSF, the primary purpose of which is to function as our special purpose, bankruptcy-remote, financing subsidiary. On August 3, 2018, BSF entered into a credit facility, or the August 2018 Credit Facility, with Bank of America, N.A., as administrative agent, or the Administrative Agent and Class A-1 Lender, Société Générale, as Class A Lender, and Bank of America Merrill Lynch, as sole lead arranger and sole book manager. BSF and the Administrative Agent also entered into a security agreement dated as of August 3, 2018, or the Security Agreement pursuant to which BSF's obligations under the August 2018 Credit Facility are secured by a first-priority security interest in substantially all of the assets of BSF, including its portfolio of investments, or the Pledged Property. In connection with the first-priority security interest established under the Security Agreement, all of the Pledged Property will be held in the custody of State Street Bank and Trust Company, as collateral administrator, or the Collateral Administrator. The Collateral Administrator will maintain and perform certain collateral administration services with respect to the Pledged Property pursuant to a collateral administration agreement among BSF, the Administrative Agent and the Collateral Administrator. Generally, the Collateral Administrator will only be authorized to make distributions and payments from Pledged Property based on the written instructions of the Administrative Agent.

The August 2018 Credit Facility initially provided for borrowings in an aggregate amount up to $750.0 million, including up to $250.0 million borrowed under the Class A Loan Commitments and up to $500.0 million borrowed under the Class A-1 Loan Commitments. Effective February 28, 2019, we reduced our Class A Loan Commitments to $100.0 million, which reduced total commitments under the August 2018 Credit Facility to $600.0 million. Effective May 9, 2019, we further reduced our Class A Loan Commitments under the August 2018 Credit Facility from $100.0 million to zero and reduced our Class A-1 Loan Commitments under the August 2018 Credit Facility from $500.0 million to $300.0 million, which collectively reduced total commitments under the August 2018 Credit Facility to $300.0 million. Effective June 18, 2019, we further reduced our Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from $300.0 million to $250.0 million. In connection with these reductions, the pro rata portion of the unamortized deferred financing costs related to the August 2018 Credit Facility were written off and recognized as a loss on extinguishment of debt in the Unaudited Consolidated Statements of Operations. All borrowings under the August 2018 Credit Facility bear interest, subject to BSF's election, on a per annum basis equal to (i) the applicable base rate plus the applicable spread or (ii) the applicable LIBOR rate plus the applicable spread. The applicable base rate is equal to the greater of (i) the federal funds rate plus 0.5%, (ii) the prime rate or (iii) one-month LIBOR plus 1.0%. The applicable LIBOR rate depends on the term of the borrowing under the August 2018 Credit Facility, which can be either one month or three months. BSF is required to pay commitment fees on the unused portion of the August 2018 Credit Facility. BSF may prepay any borrowing at any time without premium or penalty, except that BSF may be liable for certain funding breakage fees if prepayments occur prior to expiration of the relevant interest period. BSF may also permanently reduce all or a portion of the commitment amount under the August 2018 Credit Facility without penalty.

Any amounts borrowed under the Class A-1 Loan Commitments will mature, and all accrued and unpaid interest thereunder will be due and payable, on August 3, 2020, or upon earlier termination of the August 2018 Credit Facility.

As of June 30, 2019, BSF was in compliance with all covenants of the August 2018 Credit Facility and had borrowings of $210.5 million outstanding under the August 2018 Credit Facility with an interest rate of 3.612%. The fair values of the borrowings outstanding under the August 2018 Credit Facility are based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model. As of June 30, 2019, the total fair value of the borrowings outstanding under the August 2018 Credit Facility was $210.5 million.

On February 21, 2019, we entered into a credit facility, the February 2019 Credit Facility, with ING Capital LLC, or ING, as administrative agent, and the lenders party thereto. The initial commitments under the February 2019 Credit Facility total $800.0 million. The February 2019 Credit Facility has an accordion feature that allows for an increase in the total commitments of up to $400.0 million, subject to certain conditions and the satisfaction of specified financial covenants. We can borrow foreign currencies directly under the February 2019 Credit Facility. The February 2019 Credit Facility, which is structured as a revolving credit facility, is secured primarily by a material portion of our assets and guaranteed by certain of our subsidiaries. The revolving period of the February 2019 Credit Facility ends on February 21, 2023, followed by a one-year amortization period with a final maturity date of February 21, 2024.

Borrowings under the February 2019 Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the applicable base rate plus 1.25% (or, after one year, 1.00% if we receive an investment grade credit rating), (ii) the applicable LIBOR rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), (iii) for borrowings denominated in Canadian dollars, the applicable Canadian dollars Screen Rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), or (iv) for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.45% (or, after one year, 2.20% if the we receive an investment grade credit rating). The

applicable base rate is equal to the greatest of (i) the prime rate, (ii) the federal funds rate plus 0.5%, (iii) the Overnight Bank Funding Rate plus 0.5%, (iv) the adjusted three-month LIBOR plus 1.0% and (v) 1%. The applicable LIBOR rate depends on the term of the draw under the February 2019 Credit Facility. We pay a commitment fee of (i) for the period beginning on the closing date of the February 2019 Credit Facility to and including the date that is six months after the closing date of the February 2019 Credit Facility, 0.375% per annum on undrawn amounts, and (ii) for the period beginning on the date that is six months after the closing date of the February 2019 Credit Facility, (x) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than one-third of total commitments or (y) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than one-third of total commitments.

As of June 30, 2019, we were in compliance with all covenants under the February 2019 Credit Facility and had borrowings of$75.0 million outstanding under the February 2019 Credit Facility with a weighted average interest rate of 4.963%. The fair values of the borrowings outstanding under the February 2019 Credit Facility are based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model. As of June 30, 2019, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was $75.0 million.

On May 9, 2019, we completed the Debt Securitization. Term debt securitizations are also known as collateralized loan obligations and are a form of secured financing, which is consolidated for financial reporting purposes and subject to our overall asset coverage requirement. The notes offered in the Debt Securitization, collectively, the 2019 Notes, were issued by Barings BDC Static CLO Ltd. 2019-I, or BBDC Static CLO Ltd., and Barings BDC Static CLO 2019-I, LLC, wholly-owned and consolidated subsidiaries. BBDC Static CLO Ltd. and Barings BDC Static CLO 2019-I, LLC are collectively referred to herein as the Issuers, and are secured by a diversified portfolio of senior secured loans and participation interests therein. The Debt Securitization was executed through a private placement of approximately $296.8 million of AAA(sf) Class A-1 Senior Secured Floating Rate 2019 Notes, or the Class A-1 2019 Notes, which bear interest at the three-month LIBOR plus 1.02%; $51.5 million of AA(sf) Class A-2 Senior Secured Floating Rate 2019 Notes, or the Class A-2 2019 Notes, which bear interest at the three-month LIBOR plus 1.65%; and $101.0 million of Subordinated 2019 Notes which do not bear interest and are not rated. We retained all of the Subordinated 2019 Notes issued in the Debt Securitization in exchange for our sale and contribution to BBDC Static CLO Ltd. of the initial closing date portfolio, which included senior secured loans and participation interests. The 2019 Notes are scheduled to mature on April 15, 2027; however the 2019 Notes may be redeemed by the Issuers, at our direction as holder of the Subordinated 2019 Notes, on any business day after May 9, 2020. In connection with the sale and contribution, we made customary representations, warranties and covenants to the Issuers.

The Class A-1 2019 Notes and Class A-2 2019 Notes are the secured obligations of the Issuers, the Subordinated 2019 Notes are the unsecured obligations of BBDC Static CLO Ltd., and the indenture governing the 2019 Notes includes customary covenants and events of default. The 2019 Notes have not been, and will not be, registered under the Securities Act of 1933, as amended, or the Securities Act, or any state securities or “blue sky” laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from registration.

We serve as collateral manager to BBDC Static CLO Ltd. under a collateral management agreement and we have agreed to irrevocably waive all collateral management fees payable pursuant to the collateral management agreement.

As of June 30, 2019, we had borrowings of$296.8 million outstanding under the Class A-1 2019 Notes with an interest rate of3.544% and borrowings of $51.5 million outstanding under the Class A-2 2019 Notes with an interest rate of 4.174%. The fair value determination of the 2019 Notes were based on market yield approach and current interest rates, which are Level 3 inputs to the market yield model. As of June 30, 2019, the total fair value of the Class A-1 2019 Notes and the Class A-2 2019 Notes was$296.8 million and $51.5 million, respectively.

Share Repurchase Plan

On February 25, 2019, we adopted a share repurchase plan, pursuant to Board approval, for the purpose of repurchasing shares of our common stock in the open market, or the Share Repurchase Plan. The Board authorized us to repurchase in 2019 up to a maximum of 5.0% of the amount of shares outstanding under the following targets:

- a maximum of 2.5% of the amount of shares of our common stock outstanding if shares trade below NAV per share but in excess of 90% of NAV per share; and
- a maximum of 5.0% of the amount of shares of our common stock outstanding if shares trade below 90% of NAV per share.

The Share Repurchase Plan will be executed in accordance with applicable rules under the Exchange Act, including Rules 10b5-1 and 10b-18 thereunder, as well as certain price, market volume and timing constraints specified in the Share Repurchase Plan. The Share Repurchase Plan is designed to allow us to repurchase our shares both during our open window periods and at times when we otherwise might be prevented from doing so under applicable insider trading laws or because of self-imposed trading blackout periods. A broker selected by us has been delegated the authority to repurchase shares on our behalf in the open market, pursuant to, and under the terms and limitations of, the Share Repurchase Plan. There is no assurance that we will purchase shares at any specific discount levels or in any specific amounts. Our repurchase activity will be disclosed in our periodic reports for the relevant fiscal periods. There is no assurance that the market price of our shares, either absolutely or relative to NAV, will increase as a result of any share repurchases, or that the Share Repurchase Plan will enhance stockholder value over the long term.

During the six months ended June 30, 2019, we repurchased a total of 969,789 shares of our common stock in the open market under the Share Repurchase Plan at an average price of $9.95 per share, including broker commissions.

Distributions to Stockholders

We have elected to be treated as a RIC under the Internal Revenue Code of 1986, as amended, or the Code, and intend to make the required distributions to our stockholders as specified therein. In order to maintain our tax treatment as a RIC and to obtain RIC tax benefits, we must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then we are generally required to pay income taxes only on the portion of our taxable income and gains we do not distribute (actually or constructively) and certain built-in gains. We have historically met our minimum distribution requirements and continually monitor our distribution requirements with the goal of ensuring compliance with the Code. We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and our ability to make distributions will be limited by the asset coverage requirement and related provisions under the 1940 Act and contained in any applicable indenture and related supplements.

The minimum distribution requirements applicable to RICs require us to distribute to our stockholders each year at least 90% of our investment company taxable income, or ICTI, as defined by the Code. Depending on the level of ICTI earned in a tax year, we may choose to carry forward ICTI in excess of current year distributions into the next tax year and pay a 4% U.S. federal excise tax on such excess. Any such carryover ICTI must be distributed before the end of the next tax year through a dividend declared prior to filing the final tax return related to the year which generated such ICTI.

ICTI generally differs from net investment income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. We may be required to recognize ICTI in certain circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments issued with warrants), we must include in ICTI each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in ICTI other amounts that we have not yet received in cash, such as interest income from investments that have been classified as non-accrual for financial reporting purposes. Interest income on non-accrual investments is not recognized for financial reporting purposes, but generally is recognized in ICTI. Because any original issue discount or other amounts accrued will be included in our ICTI for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements, even though we will not have received and may not ever receive any corresponding cash amount. ICTI also excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized.

Recent Developments

On July 26, 2019, the Board declared a quarterly distribution of $0.14 per share payable on September 18, 2019 to holders of record as of September 11, 2019.

Subsequent to June 30, 2019, we made approximately $70.1 million of new middle-market private debt commitments, of which approximately $33.0 million closed. The $33.0 million of middle-market investments consist of all first lien senior secured debt and the weighted average yield of the closed originations was 8.9%.

Critical Accounting Policies and Use of Estimates

The preparation of our unaudited financial statements in accordance with U.S. GAAP requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods covered by such financial statements. We have identified investment valuation and revenue recognition as our most critical accounting estimates. On an ongoing basis, we evaluate our estimates, including those related to the matters described below. These estimates are based on the information that is currently available to us and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ

materially from those estimates under different assumptions or conditions. A discussion of our critical accounting policies follows.

Investment Valuation

The most significant estimate inherent in the preparation of our financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded. We have a valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (quarterly) basis in accordance with the 1940 Act and FASB ASC Topic 820, *Fair Value Measurements and Disclosures,* or ASC Topic 820. Our current valuation policy and processes were established by Barings and were approved by the Board.

Under ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a willing buyer and a willing seller at the measurement date. For our portfolio securities, fair value is generally the amount that we might reasonably expect to receive upon the current sale of the security. The fair value measurement assumes that the sale occurs in the principal market for the security, or in the absence of a principal market, in the most advantageous market for the security. If no market for the security exists or if we do not have access to the principal market, the security should be valued based on the sale occurring in a hypothetical market.

Under ASC Topic 820, there are three levels of valuation inputs, as follows:

Level 1 Inputs – include quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs – include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs – include inputs that are unobservable and significant to the fair value measurement.

A financial instrument is categorized within the ASC Topic 820 valuation hierarchy based upon the lowest level of input to the valuation process that is significant to the fair value measurement. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized as Level 3 investments within the tables below may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

Our investment portfolio includes certain debt and equity instruments of privately held companies for which quoted prices or other inputs falling within the categories of Level 1 and Level 2 are generally not available. In such cases, we determine the fair value of our investments in good faith primarily using Level 3 inputs. In certain cases, quoted prices or other observable inputs exist, and if so, we assess the appropriateness of the use of these third-party quotes in determining fair value based on (i) our understanding of the level of actual transactions used by the broker to develop the quote and whether the quote was an indicative price or binding offer and (ii) the depth and consistency of broker quotes and the correlation of changes in broker quotes with underlying performance of the portfolio company.

There is no single standard for determining fair value in good faith, as fair value depends upon the specific circumstances of each individual investment. The recorded fair values of our Level 3 investments may differ significantly from fair values that would have been used had an active market for the securities existed. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned.

Investment Valuation Process

Barings has established a Pricing Committee that is, subject to the oversight of the Board, responsible for the approval, implementation and oversight of the processes and methodologies that relate to the pricing and valuation of assets we hold. Barings uses internal pricing models, in accordance with internal pricing procedures established by the Pricing Committee, to price an asset in the event an acceptable price cannot be obtained from an approved external source.

Barings reviews its valuation methodologies on an ongoing basis and updates are made accordingly to meet changes in the marketplace. Barings has established internal controls to ensure our validation process is operating in an effective manner. Barings (1) maintains valuation and pricing procedures that describe the specific methodology used for valuation and (2) approves and documents exceptions and overrides of valuations. In addition, the Pricing Committee performs an annual review of valuation methodologies.

Our money market fund investments are generally valued using Level 1 inputs and our syndicated senior secured loans are generally valued using Level 2 inputs. Our senior secured, middle-market, private debt investments are generally valued using Level 3 inputs.

Independent Valuation Review

We have engaged an independent valuation firm to provide third-party valuation consulting services which consist of certain limited procedures that we identified and requested the valuation firm to perform (hereinafter referred to as the "Procedures"). The Procedures are performed with respect to our senior secured, middle-market investments, and are generally performed with respect to each investment every quarter beginning in the quarter after the investment is made. In certain instances, we may determine that it is not cost-effective, and as a result is not in the stockholders' best interest, to request the independent valuation firm to perform the Procedures on certain investments. Such instances include, but are not limited to, situations where the fair value of the investment in the portfolio company is determined to be insignificant relative to the total investment portfolio.

The total number of senior secured, middle-market investments and the percentage of our total senior secured, middle-market investment portfolio on which the Procedures were performed are summarized below by period:

For the quarter ended:	Total companies	Percent of total investments at fair value(1)
September 30, 2018(2)	—	—%
December 31, 2018	5	100%
March 31, 2019	18	100%
June 30, 2019	22	100%

(1) Exclusive of the fair value of new middle-market investments made during the quarter and certain middle-market investments repaid subsequent to the end of the reporting period.

(2) We did not engage any independent valuation firms to perform the Procedures for the third quarter of 2018 as our investment portfolio consisted primarily of newly-originated investments.

Upon completion of the Procedures, the valuation firm concluded that, with respect to each investment reviewed by the valuation firm, the fair value of those investments subjected to the Procedures appeared reasonable. Finally, the Board determined in good faith that our investments were valued at fair value in accordance with our valuation policies and procedures and the 1940 Act based on, among other things, the input of Barings, our Audit Committee and the independent valuation firm.

Investment Valuation Inputs and Techniques

Our valuation techniques are based upon both observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. We determine the estimated fair value of our loans and investments using primarily an income approach. Generally, a vendor is the preferred source of pricing a loan, however, to the extent the vendor price is unavailable or not relevant and reliable, we may use broker quotes. We attempt to maximize the use of observable inputs and minimize the use of unobservable inputs. The availability of observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security.

Market Approach

We value our syndicated senior secured loans using values provided by independent pricing services that have been approved by the Barings' Pricing Committee. The prices received from these pricing service providers are based on yields or prices of securities of comparable quality, type, coupon and maturity and/or indications as to value from dealers and exchanges. We seek to obtain two prices from the pricing services with one price representing the primary source and the other representing an independent control valuation. We evaluate the prices obtained from brokers or pricing vendors based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. We also perform back-testing of valuation information obtained from pricing vendors and brokers against actual prices received in transactions. In addition to ongoing monitoring and back-testing, we perform due diligence procedures surrounding pricing vendors to understand their methodology and controls to support their use in the valuation process.

Income Approach

We utilize an Income Approach model in valuing our private debt investment portfolio, which consists of middle-market senior secured loans with floating reference rates. As vendor and broker quotes have not historically been consistently relevant and reliable, the fair value is determined using an internal index-based pricing model that takes into account both the movement in the spread of one or more performing credit indices as well as changes in the credit profile of the borrower. The implicit yield for each debt investment is calculated at the date the investment is made. This calculation takes into account the acquisition price (par less any upfront fee) and the relative maturity assumptions of the underlying asset. As of each balance sheet date, the implied yield for each investment is reassessed, taking into account changes in the discount margin of the baseline index, probabilities of default and any changes in the credit profile of the issuer of the security, such as fluctuations in operating levels and leverage. If there is an observable price available on a comparable security/issuer, it is used to calibrate the internal model. The implied yield used within the model is considered a significant unobservable input. As such, these assets are generally classified within Level 3. If the valuation process for a particular debt investment results in a value above par, the value is typically capped at the greater of the principal amount plus any prepayment penalty in effect or 100% of par on the basis that a market participant is likely unwilling to pay a greater amount than that at which the borrower could refinance.

Fair value measurements using the Income Approach model can be sensitive to changes in one or more of the inputs. Assuming all other inputs to the Income Approach model remain constant, any increase (decrease) in the discount margin of the baseline index for a particular debt security would result in a lower (higher) fair value for that security. Assuming all other inputs to the Income Approach model remain constant, any improvement (decline) in the credit profile of the issuer of a particular debt security would result in a higher (lower) fair value for that security.

Enterprise Value Waterfall Approach

In valuing equity securities, we estimate fair value using an "Enterprise Value Waterfall" valuation model. We estimate the enterprise value of a portfolio company and then allocate the enterprise value to the portfolio company's securities in order of their relative liquidation preference. In addition, the model assumes that any outstanding debt or other securities that are senior to our equity securities are required to be repaid at par. Generally, the waterfall proceeds flow from senior debt tranches of the capital structure to junior and subordinated debt, followed by each class or preferred stock and finally the common stock. Additionally, we may estimate the fair value of a debt security using the Enterprise Value Waterfall approach when we do not expect to receive full repayment.

To estimate the enterprise value of the portfolio company, we primarily use a valuation model based on a transaction multiple, which generally is the original transaction multiple, and measures of the portfolio company's financial performance. In addition, we consider other factors, including but not limited to (i) offers from third parties to purchase the portfolio company, (ii) the implied value of recent investments in the equity securities of the portfolio company, (iii) publicly available information regarding recent sales of private companies in comparable transactions and (iv) when management believes there are comparable companies that are publicly traded, we perform a review of these publicly traded companies and the market multiple of their equity securities. For certain non-performing assets, we may utilize the liquidation or collateral value of the portfolio company's assets in our estimation of enterprise value.

The significant Level 3 inputs to the Enterprise Value Waterfall model are (i) an appropriate transaction multiple and (ii) a measure of the portfolio company's financial performance, which generally is either earnings before interest, taxes, depreciation and amortization, as adjusted, or Adjusted EBITDA, or revenues. Such inputs can be based on historical operating results, projections of future operating results or a combination thereof. The operating results of a portfolio company may be unaudited, projected or pro forma financial information and may require adjustments for certain non-recurring items. In determining the operating results input, we utilize the most recent portfolio company financial statements and forecasts available as of the valuation date. Management also consults with the portfolio company's senior management to obtain updates on the portfolio company's performance, including information such as industry trends, new product development, loss of customers and other operational issues. Additionally, we consider some or all of the following factors:

- financial standing of the issuer of the security;
- comparison of the business and financial plan of the issuer with actual results;
- the size of the security held;
- pending reorganization activity affecting the issuer, such as merger or debt restructuring;
- ability of the issuer to obtain needed financing;
- changes in the economy affecting the issuer;
- financial statements and reports from portfolio company senior management and ownership;

- the type of security, the security's cost at the date of purchase and any contractual restrictions on the disposition of the security;
- information as to any transactions or offers with respect to the security and/or sales to third parties of similar securities;
- the issuer's ability to make payments and the type of collateral;
- the current and forecasted earnings of the issuer;
- statistical ratios compared to lending standards and to other similar securities;
- pending public offering of common stock by the issuer of the security;
- special reports prepared by analysts; and
- any other factors we deem pertinent with respect to a particular investment.

Fair value measurements using the Enterprise Value Waterfall model can be sensitive to changes in one or more of the inputs. Assuming all other inputs to the Enterprise Value Waterfall model remain constant, any increase (decrease) in either the transaction multiple, Adjusted EBITDA or revenues for a particular equity security would result in a higher (lower) fair value for that security.

Valuation of Investment in Jocassee

We estimate the fair value of our investment in Jocassee using the net asset value per unit of Jocassee. The net asset value per unit of Jocassee is determined in accordance with the specialized accounting guidance for investment companies.

Off-Balance Sheet Arrangements

In the normal course of business, we are party to financial instruments with off-balance sheet risk, consisting primarily of unused commitments to extend financing to our portfolio companies. Since commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. The balances of unused commitments to extend financing as of June 30, 2019 and December 31, 2018 were as follows:

Portfolio Company	Investment Type	June 30, 2019	December 31, 2018
Anju Software, Inc.	Delayed Draw Term Loan	$ 7,925,485	$ —
Arch Global Precision, LLC	Delayed Draw Term Loan	1,072,230	—
Armstrong Transport Group (Pele Buyer, LLC)	Delayed Draw Term Loan	844,146	—
Aveanna Healthcare Holdings, Inc.(1)	Delayed Draw Term Loan	—	804,620
Campaign Monitor (UK) Limited(1)	Delayed Draw Term Loan	2,542,373	—
Dart Buyer, Inc.	Delayed Draw Term Loan	7,455,734	—
Jocassee Partners LLC(1)	Joint Venture	45,000,000	—
JS Held, LLC	Delayed Draw Term Loan	—	2,275,039
LAC Intermediate, LLC(1)	Delayed Draw Term Loan	4,367,284	6,172,840
Process Equipment, Inc.	Delayed Draw Term Loan	1,022,646	—
Professional Datasolutions, Inc. (PDI)	Delayed Draw Term Loan	1,666,994	—
Smile Brands Group, Inc.(1)	Delayed Draw Term Loan	1,165,294	1,325,699
Transportation Insight, LLC(1)	Delayed Draw Term Loan	5,516,932	5,516,932
USLS Acquisition, Inc.(1)	Delayed Draw Term Loan	1,982,052	3,153,265
Total unused commitments to extend financing		$ 80,561,170	$ 19,248,395

(1) Represents a commitment to extend financing to a portfolio company where one or more of the our current investments in the portfolio company are carried at less than cost. Our estimate of the fair value of the current investments in this portfolio company includes an analysis of the fair value of any unfunded commitments.

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

We are subject to market risk. Market risk includes risks that arise from changes in interest rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. The prices of any securities that may be held by us may decline in response to certain events, including those directly involving the companies we invest in; conditions affecting the general economy; overall market changes; legislative reform; local, regional, national or global political, social or economic instability; and interest rate fluctuations.

In addition, we are subject to interest rate risk. Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes in the general level of interest rates can affect our net interest income, which is the difference between the interest income earned on interest earning assets and our interest expense incurred in connection with our interest bearing debt and liabilities. Changes in interest rates can also affect, among other things, our ability to acquire and originate loans and securities and the value of our investment portfolio. Our net investment income is also affected by fluctuations in various interest rates. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to continually monitor these risks. We regularly measure exposure to interest rate risk and determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates. As of June 30, 2019, we were not a party to any hedging arrangements.

As of June 30, 2019, all of our debt portfolio investments (principal amount of approximately$1,191.2 million) bore interest at variable rates, which generally are LIBOR-based, and many of which are subject to certain floors. A hypothetical 200 basis point increase or decrease in the interest rates on our variable-rate debt investments could increase or decrease, as applicable, our investment income by a maximum of $23.8 million on an annual basis.

Borrowings under the August 2018 Credit Facility bear interest, subject to BSF's election, on a per annum basis equal to (i) the applicable base rate plus the applicable spread or (ii) the applicable LIBOR rate plus the applicable spread. The applicable base rate is equal to the greater of (i) the federal funds rate plus 0.5%, (ii) the prime rate or (iii) one-month LIBOR plus 1.0%. The applicable LIBOR rate depends on the term of the borrowing under the August 2018 Credit Facility, which can be either one month or three months. A hypothetical 200 basis point increase or decrease in the interest rates on the August 2018 Credit Facility could increase or decrease, as applicable, our interest expense by a maximum of $4.2 million on an annual basis (based on the amount of outstanding borrowings under the August 2018 Credit Facility as of June 30, 2019). BSF is required to pay commitment fees on the unused portion of the August 2018 Credit Facility. BSF may prepay any borrowing at any time without premium or penalty, except that BSF may be liable for certain funding breakage fees if prepayments occur prior to expiration of the relevant interest period. BSF may also permanently reduce all or a portion of the commitment amount under the August 2018 Credit Facility without penalty.

Borrowings under the February 2019 Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the applicable base rate plus 1.25% (or, after one year, 1.00% if we receive an investment grade credit rating), (ii) the applicable LIBOR rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), (iii) for borrowings denominated in Canadian dollars, the applicable Canadian dollars Screen Rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), or (iv) for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.45% (or, after one year, 2.20% if the we receive an investment grade credit rating). The applicable base rate is equal to the greatest of (i) the prime rate, (ii) the federal funds rate plus 0.5%, (iii) the Overnight Bank Funding Rate plus 0.5%, (iv) the adjusted three-month LIBOR plus 1.0% and (v) 1%. The applicable LIBOR rate depends on the term of the draw under the February 2019 Credit Facility. A hypothetical 200 basis point increase or decrease in the interest rates on the February 2019 Credit Facility could increase or decrease, as applicable, our interest expense by a maximum of $1.5 million on an annual basis (based on the amount of outstanding borrowings under the February 2019 Credit Facility as of June 30, 2019). We pay a commitment fee of (i) for the period beginning on the closing date of the February 2019 Credit Facility to and including the date that is six months after the closing date of the February 2019 Credit Facility, 0.375% per annum on undrawn amounts, and (ii) for the period beginning on the date that is six months after the closing date of the February 2019 Credit Facility, (x) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than one-third of total commitments or (y) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than one-third of total commitments.

The Class A-1 2019 Notes and the Class A-2 2019 Notes issued in connection with the Debt Securitization have floating rate interest provisions based on the three-month LIBOR that reset quarterly, except that LIBOR for the first Interest Accrual Period was calculated by reference to an interpolation between the rate for deposits with a term equal to the next shorter period of time for which rates were available and the rate appearing for deposits with a term equal to the next longer period of time for which rates were available. A hypothetical 200 basis point increase or decrease in the interest rates on the 2019 Notes could

increase or decrease, as applicable, our interest expense by a maximum of $7.0 million on an annual basis (based on the amount of outstanding borrowings under the 2019 Notes as of June 30, 2019).

Because we have previously borrowed, and plan to borrow in the future, money to make investments, our net investment income will be dependent upon the difference between the rate at which we borrow funds and the rate at which we invest the funds borrowed. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income if there is not a corresponding increase in interest income generated by our investment portfolio.

We may also have exposure to foreign currencies related to certain investments. Such investments are translated into United States dollars based on the spot rate at each balance sheet date, exposing us to movements in the exchange rate.

Item 4. ***Controls and Procedures.***

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective. It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during thesecond quarter of 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

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

We and certain of our former executive officers have been named as defendants in two putative securities class action lawsuits, each filed in the United States District Court for the Southern District of New York (and then transferred to the United States District Court for the Eastern District of North Carolina) on behalf of all persons who purchased or otherwise acquired our common stock between May 7, 2014 and November 1, 2017. The first lawsuit was filed on November 21, 2017, and was captioned *Elias Dagher, et al., v. Triangle Capital Corporation, et al.*, Case No. 5:18-cv-00015-FL (the "*Dagher* Action"). The second lawsuit was filed on November 28, 2017, and was captioned *Gary W. Holden, et al., v. Triangle Capital Corporation, et al*, Case No. 5:18-cv-00010-FL (the "*Holden* Action"). The *Dagher* Action and the *Holden* Action were consolidated and are currently captioned *In re Triangle Capital Corp. Securities Litigation*, Master File No. 5:18-cv-00010-FL.

On April 10, 2018, the plaintiff filed its First Consolidated Amended Complaint. The complaint, as currently amended, alleges certain violations of the securities laws, including, among other things, that the defendants made certain materially false and misleading statements and omissions regarding the Company's business, operations and prospects between May 7, 2014 and November 1, 2017. The plaintiff seeks compensatory damages and attorneys' fees and costs, among other relief, but did not specify the amount of damages being sought. On May 25, 2018, the defendants filed a motion to dismiss the complaint. On March 7, 2019 the court entered an order granting the defendants' motion to dismiss. On March 28, 2019, the plaintiff filed a motion seeking leave to file a Second Consolidated Amended Complaint. On April 18, 2019, the defendants filed a response in opposition to the plaintiff's motion for leave. On May 2, 2019, the plaintiff filed a reply in support of its motion for leave. The motion for leave is currently pending before the court. We intend to defend ourselves vigorously against the allegations in the aforementioned actions. Neither the outcome of the lawsuits nor an estimate of any reasonably possible losses is determinable at this time. An adverse judgment for monetary damages could have a material adverse effect on our operations and liquidity. Except as discussed above, neither we nor our subsidiaries are currently subject to any material pending legal proceedings, other than ordinary routine litigation incidental to our business.

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

You should carefully consider the risks described below and all other information contained in this Quarterly Report on Form 10-Q, including our interim financial statements and the related notes thereto, before making a decision to purchase our securities. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. If that happens, the market price of our securities could decline, and you may lose all or part of your investment. In addition to the other information set forth in this report, you should carefully consider the factors discussed in "Part I. Item 1A. Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2018, filed with the SEC on February 27, 2019, which could materially affect our business, financial condition or operating results.

There is no assurance that our share repurchase plan will result in repurchases of our common stock or enhance long-term stockholder value, and repurchases, if any, could affect our stock price and increase its volatility and will diminish our cash reserves.

In February 2019, pursuant to authorization from our Board, we adopted the Share Repurchase Plan for the purpose of repurchasing in 2019 up to a maximum of 5.0% of our outstanding shares of our common stock on the open market. Under the Share Repurchase Plan, we may repurchase a maximum of 2.5% of the amount of shares of our common stock outstanding if shares trade below NAV per share but in excess of 90% of NAV per share; and a maximum of 5.0% of the amount of shares of our common stock outstanding if shares trade below 90% of NAV per share. We are not obligated to repurchase any specific number or dollar amount of our common stock under the Share Repurchase Plan, and we may modify, suspend or discontinue the Share Repurchase Plan at any time. There can be no assurance that any share repurchases will, in fact, occur, or, if they occur, that they will enhance stockholder value. In addition, the Share Repurchase Plan could have a material and adverse effect on our business for the following reasons:

- Repurchases may not prove to be the best use of our cash resources.
- Repurchases will diminish our cash reserves, which could impact our ability to finance future growth and to pursue possible future strategic opportunities.
- We may incur debt in connection with our business in the event that we use other cash resources to repurchase shares, which may affect the financial performance of our business during future periods or our liquidity and the availability of capital for other needs of the business.
- Repurchases could affect the trading price of our common stock or increase its volatility and may reduce the market liquidity for our stock.
- Repurchases may not be made at the best possible price and the market price of our common stock may decline below the levels at which we repurchased shares of common stock.
- Any suspension, modification or discontinuance of the Share Repurchase Plan could result in a decrease in the trading price of our common stock.
- Repurchases may make it more difficult for us to meet the diversification requirements necessary to qualify for tax treatment as a RIC for U.S. federal income tax purposes; failure to qualify for tax treatment as a RIC would render our taxable income subject to corporate-level U.S. federal income taxes.
- Repurchases may cause our non-compliance with covenants under the August 2018 Credit Facility or the February 2019 Credit Facility, which could have an adverse effect on our operating results and financial condition.

Our long-term ability to fund new investments and make distributions to our stockholders could be limited if we are unable to renew, extend, replace or expand either the August 2018 Credit Facility or the February 2019 Credit Facility, or if financing becomes more expensive or less available.

On August 3, 2018, our wholly-owned subsidiary, BSF, entered into the August 2018 Credit Facility, which initially provided for borrowings in an aggregate amount up to $750.0 million, consisting of up to $250.0 million borrowed under the Class A Loan Commitments and up to $500.0 million borrowed under the Class A-1 Loan Commitments. Effective February 28, 2019, the Company reduced its Class A Loan Commitments to $100.0 million, which reduced total commitments under the August 2018 Credit Facility to $600.0 million. Effective May 9, 2019, the Company further reduced its Class A Loan

Commitments under the August 2018 Credit Facility from $100.0 million to zero and reduced its Class A-1 Loan Commitments under the August 2018 Credit Facility from $500.0 million to $300.0 million, which collectively reduced total commitments under the August 2018 Credit Facility to $300.0 million. Effective June 18, 2019, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from $300.0 million to $250.0 million. Any amounts borrowed under the Class A-1 Loan Commitments will mature, and all accrued and unpaid interest thereunder will be due and payable, on August 3, 2020, or upon earlier termination of the August 2018 Credit Facility. If the facility is not renewed or extended, all principal and interest will be due and payable.

On February 21, 2019, we entered into the February 2019 Credit Facility, which provides us with a revolving credit line of up to $800.0 million, with an accordion feature that allows for an increase in the total commitments of up to $400.0 million, subject to certain conditions and the satisfaction of specified financial covenants. The revolving period of the February 2019 Credit Facility ends on February 21, 2023, followed by a one-year amortization period with a final maturity date of February 21, 2024.

There can be no guarantee that we or BSF will be able to renew, extend or replace the August 2018 Credit Facility or the February 2019 Credit Facility when principal payments are due and payable on terms that are favorable to us, if at all. Our ability to obtain replacement financing when principal payments are due and payable will be constrained by then-current economic conditions affecting the credit markets. Any inability of us or BSF to renew, extend or replace the August 2018 Credit Facility or the February 2019 Credit Facility when principal payments are due and payable could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders and our ability to qualify for tax treatment as a RIC under the Code.

In addition to regulatory limitations on our ability to raise capital, the August 2018 Credit Facility and the February 2019 Credit Facility contain various covenants, which, if not complied with, could accelerate our repayment obligations under the August 2018 Credit Facility or the February 2019 Credit Facility, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions.

We will have a continuing need for capital to finance our investments. Our wholly-owned subsidiary, BSF, is party to the August 2018 Credit Facility and as of June 30, 2019, BSF had borrowings of $210.5 million outstanding under the August 2018 Credit Facility. Under the August 2018 Credit Facility, BSF is required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. In addition to other customary events of default included in financing transactions, the August 2018 Credit Facility contains the following events of default: (i) the failure to make principal payments when due or interest payments within two business days of when due; (ii) borrowings under the credit facility exceeding the applicable advance rates; (iii) the purchase by BSF of certain ineligible assets; (iv) the insolvency or bankruptcy of BSF and (v) the decline of BSF's net asset value below a specified threshold. During the continuation of an event of default, BSF must pay interest at a default rate.

We are also party to the February 2019 Credit Facility, which provides for a revolving credit line of up to $800.0 million, with an accordion feature that allows for an increase in the total commitments of up to $400.0 million, subject to certain conditions and the satisfaction of specified financial covenants. As of June 30, 2019, we had borrowings of $75.0 million outstanding under the February 2019 Credit Facility. The February 2019 Credit Facility contains customary terms and conditions, including, without limitation, affirmative and negative covenants such as information reporting requirements, minimum obligators' net worth, minimum asset coverage, minimum liquidity and maintenance of RIC and BDC status. The February 2019 Credit Facility also contains customary events of default with customary cure and notice provisions, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to other indebtedness, bankruptcy, change of control, and material adverse effect.

BSF's continued compliance with the covenants under the August 2018 Credit Facility, and our continued compliance with the covenants under the February 2019 Credit Facility, depend on many factors, some of which are beyond our control, and there can be no assurance that BSF or we will continue to comply with such covenants. BSF's or our failure to satisfy the respective covenants could result in foreclosure by the lenders under the applicable credit facility, which would accelerate BSF's and our repayment obligations under the facilities and thereby have a material adverse effect on our business, liquidity, financial condition, results of operations and ability to pay distributions to our stockholders.

We are subject to certain risks as a result of our interests in the Subordinated 2019 Notes.

On May 9, 2019, in connection with the Debt Securitization, the Issuers, our wholly-owned, consolidated subsidiaries, issued the 2019 Notes. Under the terms of the Debt Securitization, we sold and/or contributed to the Issuers all of our ownership interest in certain of our portfolio investments and participation interests therein. Following these sales/transfers, the Issuers held all of the ownership interests in such portfolio investments, and we held the Subordinated 2019 Notes. As a result, we consolidate the Issuers for financial reporting purposes. As the Issuers are disregarded as entities separate from their owner

for U.S. federal income tax purposes, the sale or contribution by us to the Issuers did not constitute a taxable event for U.S. federal income tax purposes. If the U.S. Internal Revenue Service were to take a contrary position, there could be a material adverse effect on our business, financial condition, results of operations or cash flows.

The Subordinated 2019 Notes are subordinated obligations of Barings BDC Static CLO Ltd. 2019-I and we may not receive cash from Barings BDC Static CLO Ltd. 2019-I.

The Subordinated 2019 Notes are unsecured and rank behind all of the secured creditors, known or unknown, of BBDC Static CLO Ltd., including the holders of the Class A-1 2019 Notes and the Class A-2 2019 Notes the Issuers have issued and are subject to certain payment restrictions set forth in the indenture governing the 2019 Notes. Consequently, to the extent that the value of BBDC Static CLO Ltd.'s portfolio of investments declines as a result of conditions in the credit markets, or as a result of defaulted loans or individual fund assets, the value of the Subordinated 2019 Notes at their redemption could be reduced. In addition, if BBDC Static CLO Ltd. does not meet the asset coverage or interest coverage tests set forth in the documents governing the Debt Securitization, cash would be diverted from the Subordinated 2019 Notes to first pay the Class A-1 2019 Notes and the Class A-2 2019 Notes in amounts sufficient to cause such tests to be satisfied.

The interests of holders of senior classes of securities issued by the Issuers may not be aligned with our interests.

The Class A-1 2019 Notes rank senior in right of payment to other securities issued by the Issuers in the Debt Securitization. As such, there are circumstances in which the interests of holders of the Class A-1 2019 Notes may not be aligned with the interests of holders of the other classes of notes issued by the Issuers. For example, under the terms of the Class A-1 2019 Notes, holders of the Class A-1 2019 Notes have the right to receive payments of principal and interest prior to holders of the Class A-2 2019 Notes and the Subordinated 2019 Notes.

As long as the Class A-1 2019 Notes remain outstanding, holders of the Class A-1 2019 Notes comprise the "Controlling Class" under the Debt Securitization. If the Class A-1 2019 Notes are paid in full, the Class A-2 2019 Notes would comprise the Controlling Class under the Debt Securitization. Holders of the Controlling Class under the Debt Securitization have the right to act in certain circumstances with respect to the portfolio loans in ways that may benefit their interests but may not benefit holders of more junior classes of the 2019 Notes, including by exercising remedies under the indenture in the Debt Securitization.

If an event of default has occurred and acceleration occurs in accordance with the terms of the indenture for the Debt Securitization, the Controlling Class, as the most senior class of the 2019 Notes then outstanding, will be paid in full before any further payment or distribution to holders of the more junior classes of the 2019 Notes. In addition, if an event of default under the Debt Securitization occurs, holders of a majority of the Controlling Class may be entitled to determine the remedies to be exercised under the indenture, subject to the terms of such indenture. For example, upon the occurrence of an event of default with respect to the 2019 Notes issued by the Issuers, the trustee or holders of a majority of the Controlling Class may declare the principal, together with any accrued interest, of all the 2019 Notes of such class and any junior classes to be immediately due and payable. This would have the effect of accelerating the principal on such 2019 Notes, triggering a repayment obligation on the part of the Issuers. If at such time the portfolio loans were not performing well, the Issuers may not have sufficient proceeds available to enable the trustee under the indenture to repay the obligations to holders of the Subordinated 2019 Notes.

Remedies pursued by the Controlling Class could be adverse to the interests of the holders of the notes that are subordinated to the Controlling Class (which would include the Subordinated 2019 Notes to the extent the Class A-1 2019 Notes or the Class A-2 2019 Notes constitute the Controlling Class), and the Controlling Class will have no obligation to consider any possible adverse effect on such other interests. In a liquidation under the Debt Securitization, the Subordinated 2019 Notes will be subordinated to payment of the Class A-1 2019 Notes and the Class A-2 2019 Notes and may not be paid in full to the extent funds remaining after payment of the Class A-1 2019 Notes and the Class A-2 2019 Notes are insufficient. Any failure of the Issuers to make distributions on the 2019 Notes we indirectly or directly hold, whether as a result of an event of default, liquidation or otherwise, could have a material adverse effect on our business, financial condition, results of operations and cash flows and may prevent us from making distributions sufficient to maintain our ability to be subject to tax as a RIC, or at all.

The Issuers may fail to meet certain asset coverage tests.

Under the documents governing the Debt Securitization, there are two asset coverage tests applicable to the Class A-1 2019 Notes and the Class A-2 2019 Notes. The first such test compares the amount of interest received on the portfolio loans held by BBDC Static CLO Ltd. to the amount of interest payable in respect of the Class A-1 2019 Notes and the Class A-2 2019 Notes. To meet this first test interest received on the portfolio loans must equal at least 120% of the interest payable in respect of the Class A-1 2019 Notes and the Class A-2 2019 Notes.

The second such test compares the principal amount of the portfolio loans of the Debt Securitization to the aggregate outstanding principal amount of the Class A-1 2019 Notes and the Class A-2 2019 Notes. To meet this second test at any time, the aggregate principal amount of the portfolio loans must equal at least 121.72% of the Class A-1 2019 Notes and the Class A-2 2019 Notes.

If any asset coverage test with respect to the Class A-1 2019 Notes or the Class A-2 2019 Notes is not met, proceeds from the portfolio of loan investments that otherwise would have been distributed to the holders of the Subordinated 2019 Notes and the Issuers will instead be used to redeem first the Class A-1 2019 Notes and then the Class A-2 2019 Notes, to the extent necessary to satisfy the applicable asset coverage tests on a pro forma basis after giving effect to all payments made in respect of the 2019 Notes, which we refer to as a mandatory redemption, or to obtain the necessary ratings confirmation.

We may be required to assume liabilities of the Issuers and are indirectly liable for certain representations and warranties in connection with the Debt Securitization.

The structure of the Debt Securitization is intended to prevent, in the event of our bankruptcy, the consolidation of the Issuers with our operations. If the true sale of the assets in the Debt Securitization was not respected in the event of our insolvency, a trustee or debtor-in-possession might reclaim the assets of the Issuers for our estate. However, in doing so, we would become directly liable for all of the indebtedness then outstanding under the Debt Securitization, which would equal the full amount of debt of the Issuers reflected on our consolidated balance sheet. In addition, we cannot assure you that the recovery in the event we were consolidated with the Issuers for purposes of any bankruptcy proceeding would exceed the amount to which we would otherwise be entitled as the holder of the Subordinated 2019 Notes had we not been consolidated with the Issuers.

We are subject to risks associated with investing alongside other third parties, including our joint venture.

We have invested in a joint venture, and may invest in additional or different joint ventures alongside third parties through partnerships, joint ventures or other entities in the future. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that such third party may at any time have economic or business interests or goals which are inconsistent with ours, or may be in a position to take action contrary to our investment objectives. In addition, we may in certain circumstances be liable for actions of such third party.

More specifically, joint ventures involve a third party that has approval rights over activity of the joint venture. The third party may take actions that are inconsistent with our interests. For example, the third party may decline to approve an investment for the joint venture that we otherwise want the joint venture to make. A joint venture may also use investment leverage which magnifies the potential for gain or loss on amounts invested. Generally, the amount of borrowing by the joint venture is not included when calculating our total borrowing and related leverage ratios and is not subject to asset coverage requirements imposed by the 1940 Act. If the activities of the joint venture were required to be consolidated with our activities because of a change in GAAP rules or SEC staff interpretations, it is likely that we would have to reorganize any such joint venture.

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

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

During the three months ended June 30, 2019, in connection with our Dividend Reinvestment Plan for our common stockholders, we directed the plan administrator to purchase 8,370 shares of our common stock for $83,117 in the open market in order to satisfy our obligations to deliver shares of common stock to our stockholders with respect to our dividend declared on May 9, 2019.

On February 25, 2019, our Board approved the Share Repurchase Plan for the purposes of repurchasing shares of our common stock in the open market. During the three months ended June 30, 2019, we repurchased a total of 376,384 shares of our common stock in the open market under the Share Repurchase Plan for an aggregate of $3.8 million, including broker commissions.

The following chart summarizes repurchases of our common stock for the three months ended June 30, 2019:

Period	Total number of shares purchased[1]	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs[2]	Approximate dollar value of shares that may yet be purchased under the plans or programs
April 1 through April 30, 2019	129,051	$ 9.93	129,051	$ 18,306,965 [3]
May 1 through May 31, 2019	220,733	$ 10.15	220,733	$ 16,048,039 [4]
June 1 through June 30, 2019	34,970 [2]	$ 9.99	26,600	$ 15,689,063 [5]

(1) Includes purchases of our common stock made on the open market by or on behalf of any "affiliated purchaser," as defined in Exchange Act Rule 10b-18(a)(3), of the Company.
(2) Includes 8,370 shares purchased in the open market pursuant to the terms of our dividend reinvestment plan.
(3) Based on the total maximum remaining number of shares that could be repurchased under the Share Repurchase Plan as of April 30, 2019 of 1,841,747 and assuming a purchase price of $9.94, which was the closing price of our common stock on the NYSE on April 30, 2019.
(4) Based on the total maximum remaining number of shares that could be repurchased under the Share Repurchase Plan as of May 31, 2019 of 1,621,014 and assuming a purchase price of $9.90, which was the closing price of our common stock on the NYSE on May 31, 2019.
(5) Based on the total maximum remaining number of shares that could be repurchased under the Share Repurchase Plan as of June 30, 2019 of 1,594,417 and assuming a purchase price of $9.84, which was the closing price of our common stock on the NYSE on June 28, 2019.

Item 3. ***Defaults Upon Senior Securities.***

None.

Item 4. ***Mine Safety Disclosures.***

Not applicable.

Item 5. ***Other Information.***

Not applicable.

Item 6. ***Exhibits.***

Number	Exhibit
3.1	Articles of Amendment and Restatement of the Registrant (Filed as Exhibit 3.1to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 2, 2018 and incorporated herein by reference).
3.2	Seventh Amended and Restated Bylaws of the Registrant (Filed as Exhibit 3.3 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 2, 2018 and incorporated herein by reference).
3.3	Articles Supplementary (Filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 2, 2018 and incorporated herein by reference).
3.4	Amended and Restated Limited Liability Company Agreement of Barings BDC Senior Funding I, LLC (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 6, 2018 and incorporated herein by reference).
10.1	CLO Indenture, dated as of May 9, 2019, by and among Barings BDC Static CLO LTD. 2019-1, as the issuer, Barings BDC Static CLO 2019-I, LLC as the Co-Issuer and State Street Bank and Trust Company as the Trustee.*
10.2	Master Loan Sale Agreement, dated as of May 9, 2019, by and among the Company, as the seller, and Barings BDC Static CLO LTD. 2019-I, as the buyer.*
10.3	Master Participation Agreement, dated as of May 9, 2019, between Barings BDC Senior Funding I, LLC, as the financing subsidiary, and Barings BDC Static CLO Ltd. 2019-I, the issuer.*
10.4	Collateral Management Agreement, dated as of May 9, 2019, by and between Barings BDC Static CLO LTD. 2019-I, as the issuer and the Company as the collateral manager.*
10.5	Collateral Administration Agreement, dated as of May 9, 2019, by and among Barings BDC Static CLO LTD. 2019-1 as the Issuer, the Company as the Collateral Manager, and State Street Bank and Trust Company as collateral administrator.*
31.1	Chief Executive Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Chief Financial Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Chief Executive Officer Certification pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.2	Chief Financial Officer Certification pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

* Filed Herewith.

** Furnished Herewith.

SIGNATURES

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

BARINGS BDC, INC.

Date: July 30, 2019

/s/ Eric Lloyd

Eric Lloyd
Chief Executive Officer
(Principal Executive Officer)

Date: July 30, 2019

/s/ Jonathan Bock

Jonathan Bock
Chief Financial Officer
(Principal Financial Officer)

Date: July 30, 2019

/s/ C. Robert Knox, Jr.

C. Robert Knox, Jr.
Principal Accounting Officer

EXECUTION COPY
Exhibit 10.1

INDENTURE

by and among

BARINGS BDC STATIC CLO LTD. 2019-I
Issuer

BARINGS BDC STATIC CLO 2019-I, LLC
Co-Issuer

and

STATE STREET BANK AND TRUST COMPANY
Trustee

Dated as of May 9, 2019

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Schedules and Exhibits

INDENTURE, dated as of May 9, 2019, among Barings BDC Static CLO Ltd. 2019-I, an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "**Issuer**"), Barings BDC Static CLO 2019-I, LLC, a limited liability company organized under the laws of the State of Delaware (the "**Co-Issuer**," and together with the Issuer, the "**Co-Issuers**") and State Street Bank and Trust Company, as trustee (herein, together with its permitted successors and assigns in the trusts hereunder, the "**Trustee**").

PRELIMINARY STATEMENT

The Co-Issuers are duly authorized to execute and deliver this Indenture to provide for the Notes issuable as provided in this Indenture. Except as otherwise provided herein, all covenants and agreements made by the Co-Issuers herein are for the benefit and security of the Secured Parties. The Co-Issuers are entering into this Indenture, and the Trustee is accepting the trusts created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

All things necessary to make this Indenture a valid agreement of the Co-Issuers and the Trustee in accordance with the agreement's terms have been done.

This instrument, comprised of the term sheet (the "**Term Sheet**") and the base indenture (the "**Base Indenture**"), each as originally executed and, if from time to time supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, as so supplemented or amended constitutes the "**Indenture**."

IN WITNESS WHEREOF, we have set our hands as of the day and year first written above.

Executed as a Deed by:

BARINGS BDC STATIC CLO LTD. 2019-I,
as Issuer

By /s/Yun Zheng_____
Name: Yun Zheng
Title: Director

In the presence of:

Witness: /s/_Joy Boucher_____
Name: Joy Boucher
Occupation:
Title: Corporate Assistant

BARINGS BDC STATIC CLO 2019-I, LLC,
as Co-Issuer

By /s/ Donal J. Puglisi
Name: Donald J. Puglisi
Title: Independent Manager

STATE STREET BANK AND TRUST COMPANY,
as Trustee

By /s/ Brian Peterson
Name: Brian Peterson
Title: Vice President

TERM SHEET

This Term Sheet sets forth specific details about the Co-Issuers and other participants in the transaction, the Notes offered and the Assets. The information in this Term Sheet is supplemental to, and in some cases, modifies related information in the Base Indenture and, together with the Base Indenture, constitute this Indenture. If there is any inconsistency between the Base Indenture and this Term Sheet, this Term Sheet will control.

Transaction Parties

The following are the "**Transaction Parties**."

Co-Issuers	The Class A-1 Notes and the Class A-2 Notes (the "**Secured Notes**") will be co-issued by Barings BDC Static CLO Ltd. 2019-I (the "**Issuer**") and Barings BDC Static CLO 2019-I, LLC (the "**Co-Issuer**" and, together with the Issuer, the "**Co-Issuers**"). The Subordinated Notes will be issued solely by the Issuer.
Collateral Manager	Barings BDC, Inc. (the "**Collateral Manager**"), a Maryland corporation, operating as a closed-end, non-diversified investment company. The Collateral Manager is a business development company under the Investment Company Act of 1940, as amended, and is not registered as an investment adviser under the Investment Advisers Act.
Retention Holder	Barings BDC, Inc. (the "**Retention Holder**"), in its capacity as a Sponsor or a "majority-owned affiliate" (as such term is defined in the U.S. Risk Retention Rules) of a Sponsor.
Trustee	State Street Bank and Trust Company (the "**Bank**") (in such capacity, the "**Trustee**").
Registrar, Paying Agent, Transfer Agent and Calculation Agent	The Trustee will serve as "**Registrar**," "**Paying Agent**," "**Transfer Agent**" and "**Calculation Agent**."
Collateral Administrator	State Street Bank and Trust Company (the "**Collateral Administrator**").
Initial Purchaser	Merrill Lynch, Pierce, Fenner & Smith Incorporated, in its capacity as initial purchaser of the Notes (in such capacity, the "**Initial Purchaser**").
Cayman Islands Service Providers	MaplesFS Limited (the "**Administrator**" and "**Share Trustee**").
Process Agent	Corporation Service Company (the "**Process Agent**").
AML Services Provider	Maples Compliance Services (Cayman) Limited (the "**AML Services Provider**").

Notes

The following notes (each, a "**Note**" and collectively, the "**Notes**") will be issued pursuant to this Indenture:

Class	Designations	Priority Level	Principal Balance (U.S.$)	Interest Rate[1]	Expected Ratings (Fitch)	ERISA Restricted Status
"**Class A-1 Notes**"	Secured Notes; Floating Rate Notes	First	$296,750,000	LIBOR plus 1.02%	AAAsf	Not ERISA Restricted
"**Class A-2 Notes**" (together with the Class A-1 Notes, the "**Class A Notes**")	Secured Notes; Floating Rate Notes	Second	$51,500,000	LIBOR plus 1.65%	AAsf	Not ERISA Restricted
"**Subordinated Notes**"	Unsecured Obligations of Issuer	Third	$101,000,000	Residual[2]	NR/NR	ERISA Restricted

1 The index maturity for LIBOR will be three months, except that LIBOR for the first Interest Accrual Period shall be calculated by reference to an interpolation between the rate for deposits with a term equal to the next shorter period of time for which rates are available and the rate appearing for deposits with a term equal to the next longer period of time for which rates are available, in accordance with the definition of LIBOR set forth in Schedule 7 hereto. LIBOR shall otherwise be calculated in accordance with the definition of LIBOR set forth in Schedule 7 hereto**.**

2 No stated rate of interest. On each Payment Date, the Holders of the Subordinated Notes will receive excess distributions, if any, in the manner specified in the Priority of Payments.

Rating Agencies	
Applicable Rating Agencies	Fitch, or, with respect to Assets generally, if at any time an Applicable Rating Agency ceases to provide rating services with respect to debt obligations, any other nationally recognized investment rating agency selected by the Issuer (or the Collateral Manager on behalf of the Issuer). If at any time an initial Applicable Rating Agency or any other nationally recognized investment rating agency referred to herein ceases to provide rating services with respect to debt obligations, references to rating categories of such initial Applicable Rating Agency or such other nationally recognized investment rating agency referred to in this Indenture shall be deemed instead to be references to the equivalent categories (as determined by the Collateral Manager) of such replacement rating agency selected by the Issuer (or the Collateral Manager on its behalf) as of the most recent date on which such replacement rating agency and the replaced rating agency published ratings for the type of obligation in respect of which such replacement rating agency is used.

Rating Agency Condition	With respect to any action taken or to be taken by or on behalf of the Issuer, a condition (the "**Rating Agency Condition**") that is satisfied if written notice to Fitch has been delivered at least five Business Days prior to such action.
Applicable Dates	
Closing Date	On or about May 9, 2019 (the "**Closing Date**").
Payment Dates	Distributions will be made under the Priority of Payments on the 15th day of January, April, July and October of each year (or, if such day is not a Business Day, the next succeeding Business Day), commencing in July 2019 and each Redemption Date with respect to all Classes of Secured Notes (each a "**Payment Date**"), except that (x) "Payment Date" shall include each date fixed by the Trustee on which payments are made in accordance with Section 5.7 of the Base Indenture and (y) the final Payment Date (subject to any earlier redemption or payment of the Notes) shall be the Stated Maturity (or, if such day is not a Business Day, the next succeeding Business Day); provided that, following the redemption or repayment in full of the Secured Notes, Holders of Subordinated Notes may receive payments (including in respect of an Optional Redemption of Subordinated Notes) on any Business Day designated by the Collateral Manager (which Business Days may or may not be the dates stated above) upon five Business Days' prior written notice to the Trustee and the Collateral Administrator (which notice the Trustee will promptly forward to the Holders of the Subordinated Notes) and such Business Days shall constitute Payment Dates.
Determination Dates	Determinations of amounts payable under the Priority of Payments on each Payment Date will be determined on the last day of each Collection Period (each, a "**Determination Date**").
Collection Period	The "**Collection Period**" will be (i) with respect to the first Payment Date, the period commencing on the Closing Date and ending at the close of business on the eighth Business Day prior to the first Payment Date; and (ii) with respect to any other Payment Date, the period commencing on the day immediately following the prior Collection Period and ending (a) in the case of the final Collection Period preceding the latest Stated Maturity of any Class of Notes, on the day of such Stated Maturity, (b) in the case of the final Collection Period preceding an Optional Redemption or Tax Redemption in whole of all Classes of Secured Notes, on the Business Day prior to the Redemption Date; *provided* that all Sale Proceeds and Refinancing Proceeds, as applicable, received on the applicable Redemption Date shall be deemed to be received on the Business Day prior to such Redemption Date and (c) in any other case, at the close of business on the eighth Business Day prior to such Payment Date.

Non-Call Period	The period from the Closing Date to but excluding May 9, 2020 (the "**Non-Call Period**").
Stated Maturity	The Payment Date in April 2027 (the "**Stated Maturity**").
Denominations; Form; Listing; Trading	
Minimum Denominations	The "**Minimum Denominations**" are (x) in the case of the Secured Notes, $250,000 and (y) in the case of the Subordinated Notes, $2,000,000 and, in each case, integral multiples of $1 in excess thereof.
Form	Global Notes or, at the request of the purchaser, a Certificated Note, except that (a) Notes sold to U.S. purchasers who are Institutional Accredited Investors (and not Qualified Institutional Buyers) and (b) Subordinated Notes sold to Benefit Plan Investors or Controlling Persons after the Closing Date will be issued in the form of Certificated Notes.
Listing and Trading	Application has been made to the Cayman Islands Stock Exchange for the Notes to be admitted to listing on the official list of the Cayman Islands Stock Exchange. There can be no assurance that any such application will be granted or, if granted, that such listing will be maintained. There is currently no secondary market for the Notes and there can be no assurance that such a market will develop.
Servicing Fees	On each Payment Date (other than a Payment Date in connection with a Refinancing), the Collateral Manager will be entitled to receive Servicing Fees (the "**Servicing Fees**"), which will be payable in accordance with the Priority of Payments and will consist of the following three components: (i) a "**Senior Servicing Fee**" accruing quarterly in arrears on each Payment Date (prorated for the related Interest Accrual Period), in an amount equal to 0.10% *per annum* (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date; *provided* that the Senior Servicing Fee payable on any Payment Date shall not include any such fee (or any portion thereof) that has been waived or deferred by the Collateral Manager (with notice to the Trustee and the Collateral Administrator) no later than the Determination Date immediately prior to such Payment Date pursuant to the Collateral Management Agreement; and (ii) a "**Subordinated Servicing Fee**" accruing quarterly in arrears on each Payment Date (prorated for the related Interest Accrual Period), in an amount equal to 0.10% *per annum* (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date; *provided* that the Subordinated Servicing Fee payable on any Payment Date shall not include any such fee (or any portion thereof) that has been waived or deferred by the Collateral Manager (with notice to the Trustee and the Collateral Administrator) no later than the Determination Date immediately prior to such Payment Date pursuant to the Collateral Management Agreement.

Voting and Control	
Controlling Class	The "**Controlling Class**" means the Class A-1 Notes so long as any Class A-1 Notes are Outstanding; then the Class A-2 Notes so long as any Class A-2 Notes are Outstanding; and then the Subordinated Notes.
Event of Default Voting Holders	"**Event of Default Voting Holders**" means a Majority of the Controlling Class.
Required Redemption Direction	The written direction (the "**Required Redemption Direction**") or written consent of: (a) a Majority of the Subordinated Notes or a Majority of any Affected Class is required to effect a Tax Redemption; (b) a Majority of the Subordinated Notes or the Collateral Manager (so long as a Majority of the Subordinated Notes has not objected to such direction within 10 Business Days of notice thereof) is required to effect any Optional Redemption in whole of the Secured Notes from Sale Proceeds; (c) a Majority of the Subordinated Notes and the Collateral Manager is required to effect any Optional Redemption in whole of the Secured Notes from Refinancing Proceeds and Sale Proceeds; (d) a Majority of the Subordinated Notes and the Collateral Manager is required to effect any Optional Redemption in part of the Secured Notes from Refinancing Proceeds; and (e) a Majority of the Subordinated Notes or the Collateral Manager is required to effect a redemption in whole or in part of the Subordinated Notes after the redemption or repayment in full of the Secured Notes.

Refinancing	Any Class or Classes of Secured Notes may be redeemed in whole, but not in part, on any Business Day after the end of the Non-Call Period for such Class from Refinancing Proceeds upon receipt by the Issuer of the Required Redemption Direction. The Issuer shall redeem any Class or Classes of the Secured Notes by obtaining a loan or loans in place of such Class or Classes of Secured Notes or by issuing replacement securities, the terms of which loan(s) or issuance will be negotiated by the Collateral Manager on behalf of the Issuer, from one or more financial institutions or purchasers (a refinancing provided pursuant to such loan or issuance, a "**Refinancing**") and to the extent and subject to the restrictions described herein.
Closing Proceeds	On the Closing Date, the Issuer will have purchased, or entered into binding agreements to purchase, the Collateral Obligations identified in Schedule 1 to the Base Indenture and having an Aggregate Principal Balance at least equal to the Closing Date Par Amount. On the Closing Date, the Trustee will deposit any remaining proceeds from the issuance of the Notes in excess of amounts necessary to settle binding commitments to purchase Collateral Obligations with an Aggregate Principal Balance at least equal to the Closing Date Par Amount (or such greater amount as determined by the Collateral Manager), net of amounts applied to pay certain costs and expenses on the Closing Date and an amount of approximately $2,001,275 deposited into the Expense Reserve Account, into the Interest Collection Subaccount. The information provided in Annex C to the Offering Circular is current as of May 6, 2019. It is possible that between such time and the Closing Date, there will be prepayments on one or more Collateral Obligations. In the event of such a prepayment, the Collateral Manager may sell an additional amount of such Collateral Obligation to the Issuer equal to the principal amount that has been prepaid or, in lieu of such option, the Issuer will retain on the Closing Date a cash amount (that otherwise would have been used to acquire the related Collateral Obligation at the principal balance listed in Annex C to the Offering Circular) equivalent to the amount of such prepayment and designate such cash amount as Principal Proceeds that will be payable in accordance with the Priority of Payments on the first Payment Date to occur after the Closing Date.

Contributions	At any time, by notification to the Issuer, the Trustee and the Collateral Manager, (i) any holder of Subordinated Notes may propose to make a cash contribution to the Issuer or (ii) any holder of a Certificated Subordinated Note may propose to designate as a contribution to the Issuer all or a specified portion of Interest Proceeds that would otherwise be distributed to such Holder pursuant to clause (I) of the Priority of Interest Payments (each such proposed contribution described above, a "**Contribution**" and each such holder, a "**Contributor**"). The Collateral Manager (in its sole discretion), will determine (A) whether to accept any Contribution and (B) the Permitted Use to which such Contribution would be applied, and the Collateral Manager will provide written notice of such determinations to the applicable Contributor(s) thereof (with a copy to the Trustee). If a Contribution is accepted by the Collateral Manager, it will be deposited by the Trustee in the Permitted Use Account and applied to any Permitted Use as determined by the Collateral Manager. Amounts deposited pursuant to clause (ii) of the first sentence of this paragraph will be deemed to constitute payment of the amounts designated thereunder for purposes of all distributions from the Payment Account to be made on the applicable Payment Date. Any amount so deposited shall not earn interest and shall not increase the principal balance of the related Subordinated Notes.

THE COLLATERAL OBLIGATIONS

The debt obligations held by the Issuer (the "**Collateral Obligations**") shall be comprised of Senior Secured Loans, Second Lien Loans or Senior Unsecured Loans (including, but not limited to, interests in bank loans acquired by way of a purchase or assignment) or Participation Interest therein, pledged by the Issuer to the Trustee that, as of the Closing Date, satisfy the following criteria (collectively, the "**Eligibility Criteria**"):

Debt obligation	It is a debt obligation (including, but not limited to, interests in bank loans acquired by way of assignment or Participation Interest), that provides for a fixed amount of principal payable in Cash on scheduled payment dates and/or at maturity, has a stated maturity date on or before which final payment of principal shall be payable, pays interest no less frequently than semi-annually, and does not by its terms provide for earlier amortization or prepayment at a price less than par.
Dollar denominated	It is U.S. Dollar denominated and is neither convertible by the issuer thereof into, nor payable in, any other currency.
Defaulted and credit risk obligations	It is not a Defaulted Obligation or a Credit Risk Obligation.
Leases	It is not a lease (including a finance lease).
Deferrable obligations	If it is a Deferrable Obligation, it (a) is a Permitted Deferrable Obligation and (b) is not deferring or capitalizing the payment of interest, paying interest "in kind" or otherwise has an interest "in kind" balance outstanding as of the Closing Date.
Margin Stock	It does not constitute Margin Stock.
Withholding tax	The Issuer will receive payments due under the terms of such asset and proceeds from disposing of such asset free and clear of withholding tax, other than with respect to FATCA or withholding tax as to which the obligor or issuer must make additional payments so that the net amount received by the Issuer after satisfaction of such tax is the amount due to the Issuer before the imposition of any withholding tax; *provided* that this paragraph shall not apply to commitment fees and other similar fees associated with Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations.
Minimum rating	It has (a) an S&P Rating of at least "CCC-," which S&P Rating does not have an "f," "p," "pi," "t" or "sf" subscript assigned by S&P and (b) a Moody's Rating of at least "Caa3."
Non-credit related risk	It is not a debt obligation whose repayment is subject to substantial non-credit related risk as determined by the Collateral Manager.
Future advances	Except for Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations, it is not an obligation pursuant to which any future advances or payments to the borrower or the obligor thereof may be required to be made by the Issuer.

Bonds	It is not a Bond.
Zero Coupon Bonds	It is not a Zero Coupon Bond.
Bridge Loans	It is not a Bridge Loan.
Small Obligor Loans	It is not a Small Obligor Loan.
Step-Up Obligations	It is not a Step-Up Obligation.
Step-Down Obligations	It is not a Step-Down Obligation.
Structured Finance Obligations	It is not a Structured Finance Obligation.
Interest Only Securities	It is not an Interest Only Security.
Repack Obligations	It is not a Repack Obligation.
Real Estate Loans	It is not a Real Estate Loan.
Securities lending	It is not an obligation subject to a Securities Lending Agreement.
Investment Company Act	It will not require the Issuer, the Co-Issuer or the pool of Assets to be registered as an investment company under the Investment Company Act.
Equity Securities	It is not an Equity Security and is not by its terms convertible into or exchangeable for an Equity Security or have a warrant attached to purchase Equity Securities (including, without limitation, any Equity Security acquired as part of a "unit" in connection with the purchase of a Collateral Obligation).
Offers	It is not the subject of an Offer of exchange, or tender by its issuer, for Cash, securities or any other type of consideration other than a Permitted Offer.
Maturity	It does not mature after the Stated Maturity of the Notes.
Floating rate obligations	Other than in the case of a Fixed Rate Obligation, it accrues interest at a floating rate determined by reference to (a) the Dollar prime rate, federal funds rate or LIBOR or (b) a similar interbank offered rate, commercial deposit rate or any other index.
Registered	It is Registered.
Synthetic Securities	It is not a Synthetic Security.
Letter of Credit Facilities	It does not include or support a letter of credit (including, without limitation, a Letter of Credit).

Grantor trusts	It is not an interest in a grantor trust.
Jurisdiction of obligor	It is issued by a Non-Emerging Market Obligor that is (x) Domiciled in the United States, Canada, a Group I Country, a Group II Country, a Group III Country or a Tax Jurisdiction and (y) not Domiciled in Greece, Italy, Portugal or Spain.
Foreign exchange controls	It is not issued by a sovereign, or by a corporate Obligor located in a country, which sovereign or country on the date on which such obligation is acquired by the Issuer imposed foreign exchange controls that effectively limit the availability or use of U.S. Dollars to make when due the scheduled payments of principal thereof and interest thereon.
Purchase price	The purchase price of such obligation shall be at least 60.0% of such obligation's par amount.
Related Obligations	It is not a Related Obligation.
Eligible Assets	It is an Eligible Asset.
Eligibility	It is able to be pledged to the Trustee pursuant to its Underlying Instruments.
Counterparty Criteria	The Counterparty Criteria are satisfied.

Certain Definitions Related to the Eligibility Criteria

"**Counterparty Criteria**": As of any date of determination, the Third Party Credit Exposure Limits.

"**Eligible Assets**": Financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to securityholders.

"**Small Obligor Loan**": Any obligation of an Obligor where the total potential indebtedness of such Obligor and its related Affiliates under all of their loan agreements, indentures and other underlying instruments is less than $150,000,000.

SALES OF COLLATERAL OBLIGATIONS

Sales of Collateral Obligations

Subject to the limitations contained in the following paragraphs, the Collateral Manager on behalf of the Issuer may direct the Trustee to sell, and the Trustee shall sell on behalf of the Issuer in the manner directed by the Collateral Manager, at any time without restriction (*provided* that upon the acceleration of the maturity of the Secured Notes, liquidation will be effected as described in Section 5.5 of the Base Indenture and the Collateral Manager will not have the right to direct the sale of any Assets):

(a) any Credit Risk Obligation;

(b) any Defaulted Obligation; or

(c) any Equity Security; *provided* that the Collateral Manager shall use its commercially reasonable efforts to effect the sale of any Equity Security, regardless of price:

(i) within three years after receipt; and

(ii) within 45 days after receipt if such Equity Security constitutes Margin Stock, unless such sale is prohibited by applicable law, in which case such Equity Security shall be sold as soon as such sale is permitted by applicable law; or

(d) any Collateral Obligation (other than a Credit Risk Obligation or a Defaulted Obligation, which sales will be conducted in accordance with clauses (a) and (b) above) as directed by the Collateral Manager; *provided* that if the commitment to sell or otherwise dispose of such Collateral Obligation occurs during the Non-Call Period, the Aggregate Principal Balance of all Collateral Obligations sold pursuant to this clause (d) during the Non-Call Period is not greater than 5% of the Closing Date Par Amount.

After the Issuer has received the Required Redemption Direction in connection with an Optional Redemption from Sale Proceeds or a Tax Redemption and provided a copy of such Required Redemption Direction to the Trustee, the Collateral Manager shall direct the Trustee to sell (which sale may be through participation or other arrangement) all or a portion of the Collateral Obligations if the requirements of Article IX of the Base Indenture are satisfied. If any such sale is made through participations, the Issuer (or the Collateral Manager on its behalf) shall use reasonable efforts to cause such participations to be converted to assignments within six months after the sale.

The Issuer shall have the right to effect any sale of any Asset (x) that has been consented to in writing by Holders evidencing 100% of the Aggregate Outstanding Amount of the Controlling Class and (y) of which each Applicable Rating Agency (if then rating a Class of Secured Notes), the Collateral Administrator and the Trustee has been notified.

Notwithstanding the other requirements set forth in this Indenture, on any Business Day the Collateral Manager, in its sole discretion, may conduct an auction on behalf of the Issuer of Unsalable Assets in accordance with the procedures described in this paragraph. Promptly after receipt of written notice from the Collateral Manager of such auction, the Trustee will forward a notice in the Issuer's name (in such form as is prepared by the Collateral Manager) to the Holders (and each Applicable Rating Agency) of an auction, setting forth in reasonable detail a description of each Unsalable Asset and the following auction procedures:

(i) any Holder or beneficial owner of Notes may submit a written bid to purchase for Cash one or more Unsalable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice);

(ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice;

(iii) if no Holder or beneficial owner of Notes submits such a bid within the time period specified under clause (i) above, unless the Collateral Manager determines that delivery in-kind is not legally or commercially practicable and provides written notice thereof to the Trustee, the Trustee will provide notice thereof to each Holder and offer to deliver (at such Holder's expense) a pro rata portion (as determined by the Collateral Manager) of each unsold Unsalable Asset to the Holders or beneficial owners of the most senior Class that provide delivery instructions to the Trustee on or before the date specified in such notice, subject to minimum denominations; *provided* that, to the extent that minimum denominations do not permit a pro rata distribution, the Trustee will distribute the Unsalable Assets on a pro rata basis to the extent possible and the Collateral Manager will select by lottery the Holder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Trustee; *provided*, *further*, that the Trustee will use commercially reasonable efforts (but without expense to it) to effect delivery of such interests and, for the avoidance of doubt, any such delivery to the Holders shall not operate to reduce the principal amount of the related Class of Notes held by such Holders;

(iv) if no such Holder or beneficial owner provides delivery instructions to the Trustee, the Trustee will promptly notify the Collateral Manager and offer to deliver (at the cost of the Collateral Manager) the Unsalable Asset to the Collateral Manager; and

(v) if the Collateral Manager declines such offer, the Trustee will take such action as directed by the Collateral Manager (on behalf of the Issuer) in writing to dispose of the Unsalable Asset, which may be by donation to a charity, abandonment or other means. The Trustee shall have no duty, obligation or responsibility with respect to the sale of any Unsalable Asset under this paragraph other than to act upon the written instruction of the Collateral Manager and in accordance with the express provisions of this paragraph.

Investments

After the Closing Date, the Issuer shall not acquire any additional Collateral Obligations.

Cash on deposit in any Account (other than the Payment Account) may be invested at any time in Eligible Investments in accordance with Article X of the Base Indenture.

Maturity Amendments

The Collateral Manager, on behalf of the Issuer, shall be authorized to consent to any amendment of a Collateral Obligation; *provided, however*, that the Issuer will only consent, and will only allow the Collateral Manager to consent, to any amendment, waiver or other modification to any Collateral Obligation that would extend the maturity thereof (a "**Maturity Amendment**") if, after giving effect to such amendment, waiver or other modification, (a) the Issuer is in compliance with the Maturity Amendment Weighted Average Life Test and (b) the maturity of such Collateral Obligation is not extended beyond the Stated Maturity of the Secured Notes, unless it has received the express consent of the Collateral Manager and a Majority of

the Controlling Class; *provided further* that (x) no consent may be provided under clause (b) of the immediately preceding proviso if, after giving effect to any proposed consent, the Aggregate Principal Balance of all Collateral Obligations for which consent has been provided under clause (b) (measured cumulatively since the Closing Date) exceeds 5% of the Closing Date Par Amount and (y) the restrictions contained in clauses (a) and (b) of the preceding proviso shall not apply to any Maturity Amendment made in connection with an insolvency, bankruptcy, reorganization, debt restructuring or workout of the Obligor thereof. It shall not be a violation of the restrictions of this paragraph if any Collateral Obligation is amended in violation of the foregoing so long as the Issuer (or the Collateral Manager on behalf of the Issuer) has not consented to such amendment. A waiver, modification, amendment or variance that would extend the stated maturity date of the credit facility of which any applicable Collateral Obligation is a part, but which would not extend the stated maturity date of such Collateral Obligation held by the Issuer, will not constitute a waiver, modification, amendment or variance of such Collateral Obligation held by the Issuer.

COVERAGE TESTS AND OTHER TESTS

The Coverage Tests

The "**Coverage Tests**" are specified in the table below.

	Tested Classes	First Test Date	Minimum (%)
Overcollateralization Ratio Test	Class A Notes	First Determination Date	121.72
Interest Coverage Test	Class A Notes	Second Determination Date	120.00

Certain Definitions Related to the Coverage Tests

"**Adjusted Collateral Principal Amount**": As of any date of determination:

(a) the Aggregate Principal Balance of the Collateral Obligations (other than Defaulted Obligations, Discount Obligations, Deferring Obligations, Long-Dated Excess Obligations and Closing Date Participation Interests); plus

(b) the amounts on deposit in the Collection Account (including Eligible Investments therein) representing Principal Proceeds; plus

(c) the Defaulted Collateral Value of all Defaulted Obligations and Deferring Obligations; plus

(d) the aggregate, for each Discount Obligation, of the purchase price, excluding accrued interest, expressed as a percentage of par and multiplied by the Principal Balance thereof, for such Discount Obligation; plus

(e) the aggregate of, for each Long-Dated Excess Obligation, the lesser of (x) the Market Value of such obligation and (y) a price equal to 70% of the par amount of such obligation; plus

(f) for each Closing Date Participation Interest that has not been elevated to an assignment as of the date occurring 180 days after the Closing Date, the S&P Recovery Amount; minus

(g) the Excess Triple-C Adjustment Amount;

provided, *further*, that, with respect to any Collateral Obligation that satisfies more than one of the definitions of Defaulted Obligation, Deferring Obligation, Discount Obligation, Long-Dated Excess Obligation, Closing Date Participation Interest or any asset that falls into the Excess Triple-C Adjustment Amount, such Collateral Obligation shall, for the purposes of this definition, be treated as belonging to the category of Collateral Obligations which results in the lowest Adjusted Collateral Principal Amount on any date of determination.

"**Defaulted Collateral Value**": With respect to any Defaulted Obligation or Deferring Obligation, the S&P Collateral Value.

"**Excess Triple-C Adjustment Amount**": As of any date of determination, an amount equal to the excess, if any, of:

(a) the Aggregate Principal Balance of all Collateral Obligations included in the Excess Triple-C Amount; over

(b) the sum of the Market Values of all Collateral Obligations included in the Excess Triple-C Amount.

"**Excess Triple-C Amount**": As of any date of determination, an amount equal to the greater of (a) the excess of the Principal Balance of all CCC Collateral Obligations over an amount equal to 7.5% of the Collateral Principal Amount as of the current Determination Date and (b) the excess of the Principal Balance of all Caa Collateral Obligations over an amount equal to 7.5% of the Collateral Principal Amount as of the current Determination Date; *provided* that, in determining which of the CCC/Caa Collateral Obligations shall be included in the Excess Triple-C Amount, the CCC/Caa Collateral Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Collateral Obligations as of such Determination Date) shall be deemed to constitute such Excess Triple-C Amount.

"**Interest Coverage Ratio**": For any designated Tested Classes, as of any date of determination, the percentage derived from the following equation: (A – B) / C, where:

A = The Collateral Interest Amount as of such date of determination;

B = Amounts payable (or expected as of the date of determination to be payable) on the following Payment Date as set forth in clauses (A), (B) and (C) in the Priority of Interest Payments; and

C = Interest due and payable on the Secured Notes of the applicable Tested Classes on such Payment Date.

"**Interest Coverage Test**": A test that is satisfied with respect to any designated Tested Classes as of any date of determination on, or subsequent to, the Determination Date occurring immediately prior to the second Payment Date, if (i) the Interest Coverage Ratio for such Tested Classes on such date is at least equal to the Required Interest Coverage Ratio for such Tested Classes or (ii) such Tested Classes are no longer outstanding.

"**Market Value**": With respect to any loans or other assets, the amount (determined by the Collateral Manager) equal to the product of the principal amount thereof and the price determined in the following manner:

(i) the bid price determined by the Loan Pricing Corporation, LoanX Inc. or Markit Group Limited or any other nationally recognized loan pricing service selected by the Collateral Manager with notice to the Applicable Rating Agencies; or

(ii) if the price described in clause (i) is not available,

(A) the average of the bid prices determined by three broker-dealers (or other buy-side market participants) active in the trading of such asset that are Independent from each other and the Issuer and the Collateral Manager; or

(B) if only two such bids can be obtained, the lower of the bid prices of such two bids; or

(C) if only one such bid can be obtained, and such bid was obtained from a Qualified Broker/Dealer, such bid; or

(iii) if a price or such bid described in clause (i) or (ii) is not available, then the Market Value of an asset will be the lower of (x) the higher of (A) such asset's S&P Recovery Amount and (B) 70% of the notional amount of such asset and (y) the price at which the Collateral Manager reasonably believes such asset could be sold in the market within 30 days, as certified by the Collateral Manager to the Trustee and determined by the Collateral Manager consistent with the manner in which it would determine the market value of an asset for purposes of other funds or accounts managed by it; or

(iv) if the Market Value of an asset is not determined in accordance with clause (i), (ii) or (iii) above, then such Market Value shall be deemed to be zero until such determination is made in accordance with clause (i) or (ii) above.

"**Overcollateralization Ratio**": With respect to any specified Tested Classes as of any date of determination, the percentage derived from: (i) the Adjusted Collateral Principal Amount on such date divided by (ii) the Aggregate Outstanding Amount on such date of the applicable Tested Classes.

"**Overcollateralization Ratio Test**": A test that is satisfied with respect to any designated Tested Classes as of any date of determination on which such test is applicable if (i) the Overcollateralization Ratio for such Tested Classes on such date is at least equal to the Required Overcollateralization Ratio for such Tested Classes or (ii) such Tested Classes are no longer outstanding.

"**Required Interest Coverage Ratio**": The minimum percentage specified in the table above for the applicable Tested Classes.

"**Required Overcollateralization Ratio**": The minimum percentage specified in the table above for the applicable Tested Classes.

The "**Tested Classes**" with respect to each Coverage Test are the Classes specified in the table above.

Additional Tests and Limits

"**Event of Default Test**": For any Measurement Date, a test that is satisfied if the Event of Default Ratio for the Class A-1 Notes is at least equal to the Event of Default Trigger.

"**Event of Default Ratio**": For any Measurement Date, a percentage equal to "*A divided by B,*" where:

A = the sum of (x) the Collateral Principal Amount as of such date of determination and (y) the aggregate Market Value of all Defaulted Obligations on such date; and

B = the Aggregate Outstanding Amount of the Class A-1 Notes.

"**Event of Default Trigger**": 102.5%.

PRIORITY OF PAYMENTS

On each Payment Date, unless (x) such Payment Date is the Stated Maturity or (y) an Enforcement Event has occurred and is continuing, Interest Proceeds on deposit in the Collection Account, to the extent received on or before the related Determination Date and that are transferred into the Payment Account, shall be applied in the following order of priority (the "**Priority of Interest Payments**"):

(A) to the payment of (1) *first*, taxes, governmental fees and registered office fees owing by the Issuer or the Co-Issuer, if any, and (2) *second*, the accrued and unpaid Administrative Expenses, in the priority stated in the definition thereof, up to the Administrative Expense Cap;

(B) (1) *first*, to the payment of (a) any accrued and unpaid Senior Servicing Fee due and payable to the Collateral Manager on such Payment Date minus (b) the amount of any Current Deferred Senior Servicing Fee, if any, on such Payment Date, (2) *second*, at the election of the Collateral Manager, to the applicable account as Interest Proceeds or Principal Proceeds in an amount not to exceed the Current Deferred Senior Servicing Fee and (3) *third*, to the payment of any Cumulative Deferred Senior Servicing Fee, at the election of the Collateral Manager, but, in the case of this clause (B) (3), only to the extent that such payment does not cause the non-payment or deferral of interest on any Class of Secured Notes;

(C) to the payment of (1) *first*, any amounts due to a Hedge Counterparty under a Hedge Agreement other than amounts due as a result of the termination (or partial early termination) of such Hedge Agreement and (2) *second*, any amounts due to a Hedge Counterparty pursuant to an early termination (or partial early termination) of such Hedge Agreement as a result of a Priority Termination Event;

(D) to the payment of accrued and unpaid interest on the Class A-1 Notes (including, without limitation, past due interest, if any);

(E) to the payment of accrued and unpaid interest on the Class A-2 Notes (including, without limitation, past due interest, if any);

(F) if either of the Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Coverage Tests that are applicable on such Payment Date to be satisfied on a pro forma basis after giving effect to all payments pursuant to this clause (F);

(G) (1) *first*, to the payment of (a) any accrued and unpaid Subordinated Servicing Fee due and payable to the Collateral Manager on such Payment Date (including interest) minus (b) the amount of any Current Deferred Subordinated Servicing Fee, if any, on such Payment Date, (2) *second*, at the election of the Collateral Manager, to the applicable account as Interest Proceeds or Principal Proceeds in an amount not to exceed the Current Deferred Subordinated Servicing Fee and (3) third, to the payment of any Cumulative Deferred Subordinated Servicing Fee, at the election of the Collateral Manager;

(H) to the payment of (1) *first*, (in the same manner and order of priority stated therein) of any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein and (2) *second*, any amounts due to any Hedge Counterparty under any Hedge Agreement not otherwise paid pursuant to clause (C) above;

(I) to the Holders of the Subordinated Notes, the remaining Interest Proceeds.

On each Payment Date, unless (x) such Payment Date is the Stated Maturity or (y) an Enforcement Event has occurred and is continuing, Principal Proceeds on deposit in the Collection Account that are received on or before the related Determination Date and that are transferred to the Payment Account (which will not include amounts required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are deposited in the Revolver Funding Account) shall be applied in the following order of priority (the "**Priority of Principal Payments**" and, together with the Priority of Interest Payments (where applicable), the Priority of Partial Redemption Payments (where applicable) and the Acceleration Waterfall (where applicable), the "**Priority of Payments**").

(A) to pay the amounts referred to in clauses (A) through (E) of the Priority of Interest Payments (and in the same manner and order of priority stated therein), but only to the extent not paid in full thereunder;

(B) to pay the amounts referred to in clause (F) of the Priority of Interest Payments but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests to be met as of the related Determination Date on a pro forma basis after giving effect to any payments made through this clause (B);

(C) to make payments in accordance with the Note Payment Sequence;

(D) to pay the amounts referred to in clause (G) of the Priority of Interest Payments only to the extent not already paid;

(E) to the payment of Administrative Expenses as referred to in clause (H) of the Priority of Interest Payments only to the extent not already paid (in the same manner and order of priority stated therein);

(F) to the payment of any amounts due to any Hedge Counterparty under any Hedge Agreement referred to in clause (H) of the Priority of Interest Payments only to the extent not already paid;

(G) to the Holders of the Subordinated Notes, such remaining amounts.

On each Redemption Date in connection with a Refinancing of less than all Classes of Secured Notes (a "**Partial Redemption Date**"), Partial Redemption Interest Proceeds and Refinancing Proceeds, as applicable, will be distributed in the following order of priority (the "**Priority of Partial Redemption Payments**"):

(A) to pay the Redemption Price, in order of priority, of each Class being redeemed;

(B) to pay Administrative Expenses related to the Refinancing; and

(C) any remaining amounts to the Collection Account as Interest Proceeds or Principal Proceeds, as determined by the Collateral Manager.

Notwithstanding anything herein to the contrary (including, without limitation, the Priority of Interest Payments and the Priority of Principal Payments), (x) if acceleration of the maturity of the Secured Notes has occurred following an Event of Default and such acceleration has not been rescinded or annulled (an "**Enforcement Event**"), on each Payment Date and (y) on the Stated Maturity, all Interest Proceeds and Principal Proceeds will be applied in the following order of priority (the "**Acceleration Waterfall**"):

(A) to the payment of (1) *first*, taxes, governmental fees and registered office fees owing by the Issuer or the Co-Issuer, if any, and (2) *second*, the accrued and unpaid Administrative Expenses, in the priority stated in the definition thereof, up to the Administrative Expense Cap;

(B) to the payment of (1) *first*, any accrued and unpaid Senior Servicing Fee due and payable to the Collateral Manager on such Payment Date and (2) *second*, any Cumulative Deferred Senior Servicing Fee, at the election of the Collateral Manager, but, in the case of this clause (B)(2), only to the extent that such payment does not cause the non-payment or deferral of interest on any Class of Secured Notes;

(C) to the payment of (1) *first*, any amounts due to a Hedge Counterparty under a Hedge Agreement other than amounts due as a result of the termination (or partial early termination) of such Hedge Agreement and (2) *second*, any amounts due to a Hedge Counterparty pursuant to an early termination (or partial early termination) of such Hedge Agreement as a result of a Priority Termination Event;

(D) to the payment of accrued and unpaid interest on the Class A-1 Notes (including any defaulted interest);

(E) to the payment of principal of the Class A-1 Notes until the Class A-1 Notes have been paid in full;

(F) to the payment of accrued and unpaid interest on the Class A-2 Notes (including any defaulted interest);

(G) to the payment of principal of the Class A-2 Notes until the Class A-2 Notes have been paid in full;

(H) to the payment of (1) *first*, any accrued and unpaid Subordinated Servicing Fee due and payable to the Collateral Manager on such Payment Date and (2) *second*, any Cumulative Deferred Subordinated Servicing Fee, at the election of the Collateral Manager;

(I) to the payment of (1) *first*, (in the same manner and order of priority stated therein) any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein and (2) *second*, any amounts due to any Hedge Counterparty under any Hedge Agreement pursuant to an early termination (or partial early termination) of such Hedge Agreement not otherwise paid pursuant to clause (C) above;

(J) to the Holders of the Subordinated Notes, such remaining amounts.

Notwithstanding the foregoing Priority of Payments, the Issuer may make Permitted RIC Distributions to the Holders of Subordinated Notes subject to the conditions for such distributions set forth in the definition of "Permitted RIC Distributions."

"**Note Payment Sequence**" shall mean the application, in accordance with the Priority of Payments, of Interest Proceeds or Principal Proceeds, as applicable, in the following order:

(i) to the payment of principal of the Class A-1 Notes (together with any defaulted interest) until such amount has been paid in full; and

(ii) to the payment of principal of the Class A-2 Notes (together with any defaulted interest) until such amount has been paid in full.

BASE INDENTURE

The provisions of this Base Indenture may be supplemented, and in some cases modified, by related information in the Term Sheet. If there is any inconsistency between this Base Indenture and the Term Sheet, the information set forth in the Term Sheet will control.

GRANTING CLAUSES

The Issuer hereby Grants to the Trustee, for the benefit and security of the Holders of the Secured Notes, the Collateral Manager, each Hedge Counterparty, the Administrator, the Trustee and the Bank, in each of its capacities under the Transaction Documents, including as the Collateral Administrator (collectively, the "**Secured Parties**"), all of its right, title and interest in, to and under, all property of the Issuer, including all accounts, contract rights, chattel paper, commercial tort claims, documents, deposit accounts, equipment, financial assets, general intangibles, goods, instruments, inventory, investment property, payment intangibles, promissory notes, security entitlements, letter-of-credit rights and other supporting obligations relating to the foregoing (in each case as defined in the UCC) and all other property of the Issuer, in each case, whether now owned or existing, or hereafter acquired or arising and wherever located. Such Grants will include, without limitation:

(a) the Collateral Obligations which the Issuer causes to be Delivered to the Trustee (directly or through an intermediary or bailee) herewith and all payments thereon or with respect thereto, and all Collateral Obligations which are Delivered to the Trustee in the future pursuant to the terms hereof and all payments thereon or with respect thereto;

(b) each of the Accounts, and any Eligible Investments purchased with funds on deposit in any of the Accounts, and all income from the investment of funds therein (subject to the rights of the Hedge Counterparty in each Hedge Counterparty Collateral Account);

(c) the Collateral Management Agreement as set forth in Article XV hereof, the Hedge Agreements, the Administration Agreement, the Registered Office Agreement and the Collateral Administration Agreement;

(d) all Cash or Money Delivered to the Trustee (or its bailee) from any source for the benefit of the Secured Parties or the Issuer;

(e) any other property otherwise Delivered to the Trustee by or on behalf of the Issuer (whether or not constituting Collateral Obligations or Eligible Investments);

(f) any Equity Securities received by the Issuer; and

(g) all proceeds with respect to the foregoing;

provided that such Grants shall not include (i) amounts (if any) remaining from the proceeds of the issuance of the paid-up ordinary share capital of the Issuer in an amount equal to U.S.$250, (ii) amounts remaining (if any) from the U.S.$250 transaction fee paid to the Issuer in consideration of the issuance of the Notes and (iii) any account maintained in respect of the funds referred to in items (i) and (ii), together with any interest thereon (collectively, the "**Excepted Property**") (the assets referred to in (a) through (i), excluding the Excepted Property, are collectively referred to as the "**Assets**").

The above Grant is made to secure the Secured Notes and certain other amounts payable by the Issuer as described herein. Except as set forth in the Priority of Payments and Article XIII of this Indenture,

the Secured Notes are secured by the Grant equally and ratably without prejudice, priority or distinction between any Secured Note and any other Secured Note by reason of difference in time of issuance or otherwise. The Grant is made to secure, in accordance with the priorities set forth in the Priority of Payments and Article XIII of this Indenture, (i) the payment of all amounts due on the Secured Notes in accordance with their terms, (ii) the payment of all other sums (other than in respect of the Subordinated Notes) payable under this Indenture, (iii) the payment of amounts owing by the Issuer under the Transaction Documents, including the Collateral Management Agreement, the Account Control Agreement, the Administration Agreement, the Registered Office Agreement and the Collateral Administration Agreement and (iv) compliance with the provisions of this Indenture, all as provided in this Indenture. The foregoing Grant shall, for the purpose of determining the property subject to the lien of this Indenture, be deemed to include any securities and any investments granted to the Trustee by or on behalf of the Issuer, whether or not such securities or investments satisfy the criteria set forth in the definitions of "**Collateral Obligation**" or "**Eligible Investments**," as the case may be.

The Trustee acknowledges such Grant, accepts the trusts hereunder in accordance with the provisions hereof, and agrees to perform the duties herein in accordance with the terms hereof.

ARTICLE I

DEFINITIONS

Section 1.1 **Definitions**. Except as otherwise specified herein or as the context may otherwise require or as otherwise specified in the Term Sheet, the following terms have the respective meanings set forth below for all purposes of this Indenture, and the definitions of such terms are equally applicable both to the singular and plural forms of such terms and to the masculine, feminine and neuter genders of such terms. The word "including" shall mean "including without limitation." All references in this Indenture to designated "Articles," "Sections," "subsections" and other subdivisions are to the designated articles, sections, sub-sections and other subdivisions of this Indenture. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular article, section, subsection or other subdivision.

"**17g-5 Information Agent**": The Trustee.

"**17g-5 Website**": The Issuer's 17g-5 internet website, initially located at www.sf.citidirect.com under the tab "NRSRO," access to which is limited to the Applicable Rating Agencies and NRSROs who have provided an NRSRO Certification. Any change of the 17g-5 Website shall only occur after notice has been delivered by the Issuer to the 17g-5 Information Agent, the Trustee, the Collateral Administrator, the Collateral Manager, the Initial Purchaser and each Applicable Rating Agency then rating a Class of Secured Notes.

"**25% Limitation**": A limitation that is exceeded only if Benefit Plan Investors hold 25% or more of the value of any class of equity interests in the Issuer, as calculated under 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA.

"**Account**": (i) The Payment Account, (ii) the Collection Account, (iii) the Revolver Funding Account, (iv) the Expense Reserve Account, (v) the Custodial Account, (vi) the Permitted Use Account and (vii) each Hedge Counterparty Collateral Account; each of which shall be comprised of a securities account and a related deposit account, and such subaccounts as the trustee may determine.

"**Account Control Agreement**": The Account Control Agreement dated as of the Closing Date among the Issuer, the Trustee and State Street Bank and Trust Company, as intermediary.

"**Accountants' Report**": Any agreed upon procedures report of the firm or firms appointed by the Issuer pursuant to Section 10.8(a).

"**Accredited Investor**": The meaning set forth in Rule 501(a) under the Securities Act.

"**Act**" and "**Act of Holders**": The meanings specified in Section 14.2.

"**Administration Agreement**": An agreement between the Administrator and the Issuer (as amended from time to time) relating to the various corporate management functions that the Administrator will perform on behalf of the Issuer, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services in the Cayman Islands during the term of such agreement.

"**Administrative Expense Cap**": An amount equal on any Payment Date (when taken together with any Administrative Expenses paid during the period since the preceding Payment Date or in the case of the first Payment Date, the period since the Closing Date), to the sum of (a) 0.02% per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount on the related Determination Date and (b) U.S.$200,000 per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year consisting of twelve 30-day months); *provided* that (1) in respect of any Payment Date after the third Payment Date following the Closing Date, if the aggregate amount of Administrative Expenses paid pursuant to clause (A) of each of the Priority of Interest Payments, the Priority of Principal Payments and the Acceleration Waterfall (including any excess applied in accordance with this proviso) on the three immediately preceding Payment Dates and during the related Collection Periods is less than the stated Administrative Expense Cap (without regard to any excess applied in accordance with this proviso) in the aggregate for such three preceding Payment Dates, then the excess may be applied to the Administrative Expense Cap with respect to the then-current Payment Date; and (2) in respect of the third Payment Date following the Closing Date, such excess amount shall be calculated based on the Payment Dates preceding such Payment Date.

"**Administrative Expenses**": The fees, expenses and other amounts due or accrued with respect to any Payment Date (including, with respect to any Payment Date, any such amounts that were due and not paid on any prior Payment Date in accordance with the Priority of Payments) and payable in the following order by the Issuer or the Co-Issuer: *first*, on a *pari passu* basis to the Trustee pursuant to Section 6.7 and the other provisions of this Indenture, to the Bank in all of its capacities and to the Collateral Administrator pursuant to the Collateral Administration Agreement, in each case including without limitation in respect of indemnities under the applicable Transaction Documents, *second*, on a pro rata basis, the following amounts (excluding indemnities) to the following parties:

(i) the Independent accountants, agents (other than the Collateral Manager) and counsel of the Co-Issuers for fees and expenses;

(ii) on a pro rata basis, (x) the Applicable Rating Agencies for fees and expenses (including any annual fee, amendment fees and surveillance fees) in connection with any rating of the Secured Notes or in connection with the rating of (or provision of credit estimates in respect of) any Collateral Obligations and (y) any person in respect of any fees or expenses incurred as a result of compliance with Rule 17g-5 of the Exchange Act;

(iii) the Collateral Manager under this Indenture and the Collateral Management Agreement, including without limitation (w) reasonable expenses of the Collateral Manager (including fees for its accountants, agents, counsel and administration); (x) out-of-pocket travel and other miscellaneous expenses incurred and paid by the Collateral Manager in connection with (1) the Collateral Manager's management of the Collateral Obligations (including without limitation expenses related to the sale of any Collateral Obligations, the workout of Collateral Obligations, research systems and compliance monitoring), which shall be allocated among the Issuer and other clients of the Collateral Manager to the extent such expenses are incurred in connection with the Collateral Manager's activities on behalf of the Issuer and such other clients, and (2) the sale of any Collateral Obligations; (y) any other expenses actually incurred and paid in connection with the Collateral Obligations; and (z) amounts payable pursuant to the Collateral Management Agreement but excluding the Servicing Fee;

(iv) the Administrator pursuant to the Administration Agreement and the Registered Office Agreement and the AML Services Provider pursuant to the AML Services Agreement;

(v) the independent manager of the Co-Issuer for fees and expenses;

(vi) any person in respect of any governmental fee, charge or tax (including any tax or other amount payable pursuant to, or incurred as a result of compliance with, FATCA); and

(vii) any other Person in respect of any other fees or expenses permitted under this Indenture and the documents delivered pursuant to or in connection with this Indenture (including the payment of all legal and other fees and expenses incurred in connection with the sale of any Collateral Obligations and any other expenses incurred in connection with the Collateral Obligations) and the Notes, including but not limited to, amounts owed to the Co-Issuer pursuant to Section 7.1 and any amounts due in respect of the listing of any Notes on any stock exchange or trading system,

and *third*, on a pro rata basis, except as otherwise provided above, indemnities payable to any Person pursuant to any Transaction Document; *provided* that (x) amounts due in respect of actions taken on or before the Closing Date shall not be payable as Administrative Expenses but shall be payable only from the Expense Reserve Account pursuant to Section 10.3(c) and (y) for the avoidance of doubt, amounts that are expressly payable to any Person under the Priority of Payments in respect of an amount that is stated to be payable as an amount other than as Administrative Expenses (including, without limitation, interest and principal in respect of the Notes) shall not constitute Administrative Expenses.

"**Administrator**" : The Person specified in the Term Sheet until a successor Person shall have become the administrator pursuant to the provisions of the Administration Agreement, and thereafter "Administrator" will mean such successor Person.

"**Affected Class**": Any Class of Secured Notes that, as a result of the occurrence of a Tax Event described in the definition of "Tax Redemption," has not received 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such Class on any Payment Date.

"**Affiliate**": With respect to a Person, (i) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person or (ii) any other Person who is a director, Officer, employee or general partner (a) of such Person, (b) of any subsidiary or parent company of such Person or (c) of any Person described in clause (i) above; *provided* that unless expressly provided herein to the contrary, funds or accounts managed by the Collateral Manager or Affiliates of the Collateral Manager shall be excluded from the definition hereof. For the purposes of this definition, "control" of a Person shall mean the power, direct or indirect, (x) to vote more than 50% of the securities having ordinary voting power for the election of directors of such Persons or (y) to direct or cause the direction of the management and

policies of such Person whether by contract or otherwise. For purposes of this definition, no entity shall be deemed an Affiliate of the Issuer or the Co-Issuer solely because the Administrator or any of its Affiliates acts as administrator or share trustee for such entity.

"**Affiliated Transferors**": (i) The Retention Holder and (ii) the Retention Holder Subsidiary.

"**Agent Members**": Members of, or participants in, DTC, Euroclear or Clearstream.

"**Aggregate Outstanding Amount**": With respect to any of the Notes as of any date, the aggregate unpaid principal amount of such Notes Outstanding.

"**Aggregate Principal Balance**": When used with respect to all or a portion of the Collateral Obligations or the Assets, the sum of the Principal Balances of all or of such portion of the Collateral Obligations or Assets, respectively.

"**Alternate Base Rate**": The meaning specified in Section 8.1(xxv).

"**Alternative Method**": The meaning specified in Section 7.17(o).

"**AML Compliance**": Compliance with the Cayman AML Regulations.

"**AML Services Agreement**": The agreement between the Issuer and the AML Services Provider (as amended from time to time) for the provision of services to the Issuer to enable the Issuer to achieve AML Compliance.

"**AML Services Provider**": Maples Compliance Services (Cayman) Limited.

"**Applicable Issuer**" or "**Applicable Issuers**": With respect to the Secured Notes, the Co-Issuers; with respect to the Subordinated Notes, the Issuer only.

"**Approved Index List**": Any of the CSFB Leveraged Loan Index, the S&P/LSTA Leveraged Loan Index and the J.P. Morgan Leveraged Loan Index and such other nationally recognized and comparable index as the Collateral Manager selects with prior notice to the Applicable Rating Agencies and the Collateral Administrator.

"**ARRC Modifier**": The modifier (if any) recognized or acknowledged by ARRC in order to cause such rate to be comparable to three-month Libor, which may consist of an addition to or subtraction from such unadjusted reference rate.

"**Asset-backed Commercial Paper**": Commercial paper or other short-term obligations of a program that primarily issues externally rated commercial paper backed by assets or exposures held in a bankruptcy-remote, special purpose entity.

"**Assets**": The meaning assigned in the Granting Clauses hereof.

"**Assumed Reinvestment Rate**": LIBOR (as determined on the most recent Interest Determination Date relating to an Interest Accrual Period beginning on a Payment Date or the Closing Date); *provided* that the Assumed Reinvestment Rate shall not be less than 0.00%.

"**Authenticating Agent**": With respect to the Notes or a Class of the Notes, the Person designated by the Trustee to authenticate such Notes on behalf of the Trustee pursuant to Section 6.14 hereof.

"**Authorized Officer**": With respect to the Issuer or the Co-Issuer, any Officer or any other Person who is authorized to act for the Issuer or the Co-Issuer, as applicable, in matters relating to, and binding upon, the Issuer or the Co-Issuer, and shall include any duly appointed attorney-in-fact of the Issuer. With respect to the Collateral Manager, any Officer, employee, member or agent of the Collateral Manager who is authorized to act for the Collateral Manager in matters relating to, and binding upon, the Collateral Manager with respect to the subject matter of the request, certificate or order in question. With respect to the Collateral Administrator, any Officer, employee, partner or agent of the Collateral Administrator who is authorized to act for the Collateral Administrator in matters relating to, and binding upon, the Collateral Administrator with respect to the subject matter of the request, certificate or order in question. With respect to the Trustee or any other bank or trust company acting as trustee of an express trust or as custodian, a Trust Officer. With respect to any Authenticating Agent, any Officer of such Authenticating Agent who is authorized to authenticate the Notes. Each party may receive and accept a certification of the authority of any other party as conclusive evidence of the authority of any person to act, and such certification may be considered as in full force and effect until receipt by such other party of written notice to the contrary.

"**Average Life**": On any date of determination with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the product, for each successive Scheduled Distribution of principal, of (a) the number of years (rounded to the nearest one hundredth thereof) from such date of determination to the date of such Scheduled Distribution of such Collateral Obligation and (b) the amount of principal of such Scheduled Distribution by (ii) the sum of all successive Scheduled Distributions of principal on such Collateral Obligation.

"**Balance**": On any date, with respect to Cash or Eligible Investments in any Account, the aggregate of the (i) current balance of any Cash, demand deposits, time deposits, certificates of deposit and federal funds; (ii) principal amount of interest-bearing corporate and government securities, money market accounts and repurchase obligations; and (iii) purchase price (but not greater than the face amount) of non-interest-bearing government and corporate securities and commercial paper.

"**Bankruptcy Law**": The federal Bankruptcy Code, Title 11 of the United States Code, as amended from time to time, and any successor statute or any other applicable federal or state bankruptcy law or similar law, including, without limitation, Part V of the Companies Law (2018 Revision) (as amended) of the Cayman Islands and any bankruptcy, insolvency, winding up, reorganization or similar law enacted under the laws of the Cayman Islands or any other applicable jurisdiction.

"**Bankruptcy Subordination Agreement**": The meaning specified in Section 5.4(d)(ii).

"**Base Rate Amendment**": The meaning specified in Section 8.1(xxv).

"**Benefit Plan Investor**": A benefit plan investor, as defined in Section 3(42) of ERISA, which includes (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the fiduciary responsibility provisions of Title I of ERISA, (b) a plan that is subject to Section 4975 of the Code or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity.

"**Board of Directors**": The directors of the Issuer duly appointed by the shareholders of the Issuer or the board of directors of the Issuer.

"**Board Resolution**": With respect to the Issuer, a resolution of the Board of Directors of the Issuer and, with respect to the Co-Issuer, a resolution of the managers of the Co-Issuer.

"**Bond**": A debt security (other than a loan) issued by a corporation, limited liability company, partnership or trust.

"**Bridge Loan**": Any loan or other obligation that (x) is incurred in connection with a merger, acquisition, consolidation, or sale of all or substantially all of the assets of a Person or similar transaction and (y) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings (it being understood that any such loan or debt security that has a nominal maturity date of one year or less from the incurrence thereof but has a term-out or other provision whereby (automatically or at the sole option of the obligor thereof) the maturity of the indebtedness thereunder may be extended to a later date is not a Bridge Loan).

"**Business Day**": Any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks are authorized or required by applicable law, regulation or executive order to close in New York, New York or in the city in which the Corporate Trust Office of the Trustee is located or, for any final payment of principal, in the relevant place of presentation.

"**Calculation Agent**": The meaning specified in Section 7.16.

"**Cash**": Such funds denominated in currency of the United States of America as at the time shall be legal tender for payment of all public and private debts, including funds standing to the credit of an Account.

"**Cayman AML Regulations**": The Anti-Money Laundering Regulations (2018 Revision) and The Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, each as amended and revised from time to time.

"**Cayman FATCA Legislation**": The Cayman Islands Tax Information Authority Law (2017 Revision) together with any implementing legislation, rules, regulations and guidance notes made pursuant to such laws (including the CRS).

"**CCC/Caa Collateral Obligations**": The CCC Collateral Obligations and/or the Caa Collateral Obligations, as the context requires.

"**Certificate of Authentication**": The meaning specified in Section 2.1.

"**Certificated Notes**": The meaning specified in Section 2.2(b)(iii).

"**Certificated Secured Note**": The meaning specified in Section 2.2(b)(iii).

"**Certificated Security**": The meaning specified in Section 8-102(a)(4) of the UCC.

"**Certificated Subordinated Note**": The meaning specified in Section 2.2(b)(iii).

"**CFTC**": The U.S. Commodity Futures Trading Commission.

"**Class**": In the case of (i) the Secured Notes, all of the Secured Notes having the same Interest Rate, Stated Maturity and designation, it being agreed and understood that the Class A-1 Notes and the Class A-2 Notes shall be treated as separate Classes except as expressly provided herein and (ii) the Subordinated Notes, all of the Subordinated Notes. For purposes of exercising any rights to consent, give direction or otherwise vote, any Pari Passu Classes that are entitled to vote on a matter will vote together as a single

Class, except as expressly provided in this Indenture. For the avoidance of doubt, for purposes of a Refinancing, Pari Passu Classes will be treated as separate Classes.

"**Clearing Agency**": An organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"**Clearing Corporation**": (i) Clearstream, (ii) DTC, (iii) Euroclear and (iv) any entity included within the meaning of "clearing corporation" under Section 8-102(a)(5) of the UCC.

"**Clearing Corporation Security**": Securities which are in the custody of or maintained on the books of a Clearing Corporation or a nominee subject to the control of a Clearing Corporation and, if they are Certificated Securities in registered form, properly endorsed to or registered in the name of the Clearing Corporation or such nominee.

"**Clearstream**": Clearstream Banking, *société anonyme*, a corporation organized under the laws of the Duchy of Luxembourg.

"**Closing Date Par Amount**": U.S.$450,000,000.

"**Closing Date Participation Interests**": Any Participation Interest in an asset conveyed to the Issuer on the Closing Date pursuant to the Loan Sale Agreement until elevated by assignment, (including assets settled via the Master Participation Agreement). For the avoidance of doubt, the failure to elevate any Closing Date Participation Interest shall not result or be deemed to result in a default or Event of Default under this Indenture or any other Transaction Document.

"**Code**": The United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

"**Co-Issuer**": The Person specified in the Term Sheet, until a successor Person shall have become the Co-Issuer pursuant to the applicable provisions of this Indenture, and thereafter "Co-Issuer" shall mean such successor Person.

"**Co-Issuers**": The Issuer and the Co-Issuer.

"**Collateral Administration Agreement**": An agreement dated as of the Closing Date, among the Issuer, the Collateral Manager and the Collateral Administrator, as amended from time to time, in accordance with the terms thereof.

"**Collateral Administrator**": The Person identified in the Term Sheet, until a successor Person shall have become the collateral administrator pursuant to the provisions of the Collateral Administration Agreement, and thereafter "Collateral Administrator" will mean such successor Person.

"**Collateral Interest Amount**": As of any date of determination, without duplication, the aggregate amount of Interest Proceeds that has been received or that is expected to be received (other than Interest Proceeds expected to be received from Defaulted Obligations and Deferring Obligations, but including Interest Proceeds actually received from Defaulted Obligations and Deferring Obligations), in each case during the Collection Period in which such date of determination occurs (or after such Collection Period but on or prior to the related Payment Date if such Interest Proceeds would be treated as Interest Proceeds with respect to such Collection Period).

"**Collateral Management Agreement**": The Collateral Management Agreement, dated as of the Closing Date, between the Issuer and the Collateral Manager, as amended from time to time in accordance with the terms hereof and thereof.

"**Collateral Manager**": The Person specified in the Term Sheet, until a successor Person shall have become the Collateral Manager pursuant to the provisions of the Collateral Management Agreement, and thereafter "Collateral Manager" shall mean such successor Person.

"**Collateral Manager Notes**": Any Notes held by the Collateral Manager, an Affiliate thereof or any funds or accounts managed by the Collateral Manager or one of its Affiliates as to which the Collateral Manager or one of its Affiliates has discretionary voting authority.

"**Collateral Principal Amount**": As of any date of determination, the sum of (a) the Aggregate Principal Balance of the Collateral Obligations (other than Defaulted Obligations) and (b) without duplication, the amounts on deposit in any Account (including Eligible Investments therein but excluding amounts on deposit in the Revolver Funding Account to the extent of the unfunded funding obligations under all Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations included in the Assets on such date) representing Principal Proceeds.

"**Collection Account**": The trust account established pursuant to Section 10.2 which consists of the Principal Collection Subaccount and the Interest Collection Subaccount.

"**Contribution**": The meaning set forth in the Term Sheet.

"**Contributor**": The meaning set forth in the Term Sheet.

"**Controlling Person**": A Person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Issuer or any Person who provides investment advice for a fee (direct or indirect) with respect to such assets or an affiliate of any such Person. For this purpose, an "affiliate" of a person includes any person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the person. "Control," with respect to a person other than an individual, means the power to exercise a controlling influence over the management or policies of such person.

"**Cov-Lite Loan**": A Collateral Obligation that is an interest in a Senior Secured Loan, the Underlying Instruments for which (i) do not contain any financial covenants or (ii) require the underlying obligor to comply with an Incurrence Covenant, but do not require the underlying obligor to comply with any Maintenance Covenant; *provided* that, for all purposes other than the determination of the S&P Recovery Rate for such loan, a loan described in clause (i) or (ii) above which either contains a cross-default or cross-acceleration provision to, or is pari passu with, another loan of the underlying obligor that requires the underlying obligor to comply with a Maintenance Covenant shall be deemed not to be a Cov-Lite Loan. For the avoidance of doubt, a loan that is capable of being described in clause (i) or (ii) above only (x) until the expiration of a certain period of time after the initial issuance thereof or (y) in the case of a Revolving Collateral Obligation, for so long as there is no funded balance in respect thereof, in each case as set forth in the related Underlying Instruments, shall be deemed not to be a Cov-Lite Loan.

"**Coverage Tests**": The Overcollateralization Ratio Test and the Interest Coverage Test, each as applied to each specified Class or Classes of Secured Notes.

"**Covered Audit Adjustment**": The meaning specified in Section 7.17(o).

"**Credit Risk Criteria**": The criteria that will be met with respect to any Collateral Obligation if:

(i) the price of such asset has changed during the period from the date on which it was acquired by the Issuer to the proposed sale date by a percentage either at least 0.25% more negative, or at least 0.25% less positive, as the case may be, than the percentage change in the average price of any index specified on the Approved Index List;

(ii) the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the Underlying Instruments with respect to such Collateral Obligation since the date of acquisition by (a) 0.25% or more (in the case of a loan with a spread (prior to such increase) less than or equal to 2.00%), (b) 0.375% or more (in the case of a loan with a spread (prior to such increase) greater than 2.00% but less than or equal to 4.00%) or (c) 0.50% or more (in the case of a loan with a spread (prior to such increase) greater than 4.00%) due, in each case, to a deterioration in the related borrower's financial ratios or financial results;

(iii) such Collateral Obligation has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Collateral Manager) of the underlying borrower or other obligor of such Collateral Obligation of less than 1.00 or that is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio; or

(iv) with respect to Fixed Rate Obligations, an increase since the date of purchase of more than 7.5% in the difference between the yield on such Collateral Obligation and the yield on the relevant United States Treasury security.

"**Credit Risk Obligation**" : Any Collateral Obligation that in the Collateral Manager's commercially reasonable business judgment has a significant risk of declining in credit quality or market value which judgment may (but need not) be based on one or more of the Credit Risk Criteria.

"**CRS**": The Organisation for Economic Co-operation and Development Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard.

"**Cumulative Deferred Senior Servicing Fee**": The meaning specified in the Collateral Management Agreement.

"**Cumulative Deferred Subordinated Servicing Fee**": The meaning specified in the Collateral Management Agreement.

"**Current Deferred Senior Servicing Fee**": The meaning specified in the Collateral Management Agreement.

"**Current Deferred Servicing Fee**": The Current Deferred Senior Servicing Fee and the Current Deferred Subordinated Servicing Fee.

"**Current Deferred Subordinated Servicing Fee**": The meaning specified in the Collateral Management Agreement.

"**Current Pay Obligation**": Any Collateral Obligation (other than a DIP Collateral Obligation) that is a Defaulted Obligation but as to which no payments are due and payable that are unpaid and with respect

to which the Collateral Manager has certified to the Trustee (with a copy to the Collateral Administrator) in writing that it believes, in its reasonable business judgment, that (a) the issuer or obligor of such Collateral Obligation will continue to make scheduled payments of interest thereon and will pay the principal thereof by maturity or as otherwise contractually due and (b) if the issuer or obligor is subject to a bankruptcy proceeding, it has been the subject of an order of a bankruptcy court that permits it to make the scheduled payments on such Collateral Obligation and all payments due thereunder have been paid in cash when due.

"**Custodial Account**": The custodial account established pursuant to Section 10.3(b).

"**Custodian**": The meaning specified in the first sentence of Section 3.2(a) with respect to items of collateral referred to therein, and each entity with which an Account is maintained, as the context may require, each of which shall be a Securities Intermediary.

"**Default**": Any Event of Default or any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

"**Defaulted Obligation**": Any Collateral Obligation included in the Assets as to which:

(a) a default as to the payment of principal and/or interest has occurred and is continuing with respect to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto);

(b) the Collateral Manager has received written notice or has actual knowledge that a default as to the payment of principal and/or interest has occurred and is continuing on another debt obligation of the same issuer which is senior or *pari passu* in right of payment to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Collateral Manager's judgment, as certified to the Trustee and the Collateral Administrator in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto; *provided* that both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable issuer or secured by the same collateral);

(c) the issuer or others have instituted proceedings to have the issuer adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such issuer has filed for protection under Chapter 11 of the Bankruptcy Law;

(d) such Collateral Obligation has a Specified Rating or had such Specified Rating before such rating was withdrawn;

(e) such Collateral Obligation is *pari passu* or subordinate in right of payment as to the payment of principal and/or interest to another debt obligation of the same issuer which has a Specified Rating or had such Specified Rating before such Specified Rating was withdrawn; *provided* that both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable issuer or secured by the same collateral;

(f) a default with respect to which the Collateral Manager has received notice or an Officer of the Collateral Manager has actual knowledge that a default has occurred under the Underlying Instruments and any applicable grace period has expired and the holders of such Collateral Obligation have accelerated the repayment of the Collateral Obligation (but only until such acceleration has been rescinded) in the manner provided in the Underlying Instrument;

(g) the Collateral Manager has in its reasonable commercial judgment otherwise declared such debt obligation to be a "Defaulted Obligation" so long as the Collateral Manager has not rescinded such declaration;

(h) such Collateral Obligation is a Participation Interest with respect to which the Selling Institution has defaulted in any respect in the performance of any of its payment obligations under the Participation Interest (except to the extent such defaults were cured within the applicable grace period under the Underlying Instruments of the Obligor thereon); or

(i) such Collateral Obligation is a Participation Interest in a loan that would, if such loan were a Collateral Obligation, constitute a "Defaulted Obligation" or with respect to which the Selling Institution has a Specified Rating or had such Specified Rating before such Specified Rating was withdrawn;

provided that (x) a Collateral Obligation shall not constitute a Defaulted Obligation if such Collateral Obligation (or, in the case of a Participation Interest, the underlying Senior Secured Loan, Second Lien Loan or Senior Unsecured Loan) is a Current Pay Obligation (*provided* that the aggregate outstanding principal balance of Current Pay Obligations exceeding 7.5% of the Collateral Principal Amount will be treated as Defaulted Obligations) and (y) a Collateral Obligation shall not constitute a Defaulted Obligation if such Collateral Obligation (or, in the case of a Participation Interest, the underlying Senior Secured Loan) is a DIP Collateral Obligation.

Until notified by the Collateral Manager or until an Authorized Officer of the Trustee or the Collateral Administrator obtains actual knowledge that a Collateral Obligation has become a Defaulted Obligation, neither the Trustee nor the Collateral Administrator shall be deemed to have any notice or knowledge that a Collateral Obligation has become a Defaulted Obligation.

"**Deferrable Obligation**": A Collateral Obligation (including any Permitted Deferrable Obligation) that by its terms permits the deferral or capitalization of payment of accrued, unpaid interest.

"**Deferring Obligation**": A Deferrable Obligation that is deferring the payment of interest due thereon and has been so deferring the payment of interest due thereon, which deferred capitalized interest has not, as of the date of determination, been paid in Cash; *provided* that a Permitted Deferrable Obligation shall not constitute a Deferring Obligation.

"**Delayed Drawdown Collateral Obligation**": A Collateral Obligation that (a) requires the Issuer to make one or more future advances to the borrower under the Underlying Instruments relating thereto, (b) specifies a maximum amount that can be borrowed on one or more fixed borrowing dates, and (c) does not permit the re-borrowing of any amount previously repaid by the borrower thereunder; but any such Collateral Obligation will be a Delayed Drawdown Collateral Obligation only until all commitments by the Issuer to make advances to the borrower expire or are terminated or are reduced to zero.

"**Deliver**" or "**Delivered**" or "**Delivery**": The taking of the following steps:

(i) in the case of each Certificated Security (other than a Clearing Corporation Security), Instrument and Participation Interest in which the underlying loan is represented by an Instrument,

(a) causing the delivery of such Certificated Security or Instrument to the Custodian by registering the same in the name of the Custodian or its affiliated nominee or by endorsing the same to the Custodian or in blank;

(b) causing the Custodian to indicate continuously on its books and records that such Certificated Security or Instrument is credited to the applicable Account; and

(c) causing the Custodian to maintain continuous possession of such Certificated Security or Instrument;

(ii) in the case of each Uncertificated Security (other than a Clearing Corporation Security),

(a) causing such Uncertificated Security to be continuously registered on the books of the issuer thereof to the Custodian; and

(b) causing the Custodian to indicate continuously on its books and records that such Uncertificated Security is credited to the applicable Account;

(iii) in the case of each Clearing Corporation Security,

(a) causing the relevant Clearing Corporation to credit such Clearing Corporation Security to the securities account of the Custodian, and

(b) causing the Custodian to indicate continuously on its books and records that such Clearing Corporation Security is credited to the applicable Account;

(iv) in the case of each security issued or guaranteed by the United States of America or agency or instrumentality thereof and that is maintained in book-entry records of a Federal Reserve Bank ("**FRB**") (each such security, a "**Government Security**"),

(a) causing the creation of a Security Entitlement to such Government Security by the credit of such Government Security to the securities account of the Custodian at such FRB, and

(b) causing the Custodian to indicate continuously on its books and records that such Government Security is credited to the applicable Account;

(v) in the case of each Security Entitlement not governed by clauses (i) through (iv) above,

(a) causing a Securities Intermediary (x) to indicate on its books and records that the underlying Financial Asset has been credited to the Custodian's securities account, (y) to receive a Financial Asset from a Securities Intermediary or acquiring the underlying Financial Asset for a Securities Intermediary, and in either case, accepting it for credit to the Custodian's securities account or (z) to become obligated under other law, regulation or rule to credit the underlying Financial Asset to a Securities Intermediary's securities account,

(b) causing such Securities Intermediary to make entries on its books and records continuously identifying such Security Entitlement as belonging to the Custodian and continuously indicating on its books and records that such Security Entitlement is credited to the Custodian's securities account, and

(c) causing the Custodian to indicate continuously on its books and records that such Security Entitlement (or all rights and property of the Custodian representing such Security Entitlement) is credited to the applicable Account;

(vi) in the case of Cash or Money,

(a) causing the delivery of such Cash or Money to the Trustee for credit to the applicable Account or to the Custodian,

(b) if delivered to the Custodian, causing the Custodian to deposit such Cash or Money to a deposit account over which the Custodian has control (within the meaning of Section 9-104 of the UCC), and

(c) causing the Custodian to indicate continuously on its books and records that such Cash or Money is credited to the applicable Account; and

(vii) in the case of each general intangible (including any Participation Interest in which neither the Participation Interest nor the underlying loan is represented by an Instrument),

(a) causing the filing of a Financing Statement in the office of the Recorder of Deeds of the District of Columbia, Washington, D.C., and

(b) causing the registration of the security granted under this Indenture in the Register of Mortgages of the Issuer at the Issuer's registered office in the Cayman Islands.

In addition, the Collateral Manager on behalf of the Issuer will obtain any and all consents required by the Underlying Instruments relating to any general intangibles for the transfer of ownership and/or pledge hereunder (except to the extent that the requirement for such consent is rendered ineffective under Section 9-406 of the UCC).

"**Designated Reference Rate**": The reference rate (and, if applicable, the methodology for calculating such reference rate) determined by the Collateral Manager (in its commercially reasonable discretion) based on (1) the rate proposed or recommended as a replacement for LIBOR in the leveraged loan market by the Alternative Reference Rates Committee convened by the Federal Reserve ("**ARRC**"), which shall include any ARRC Modifier, (2) the rate acknowledged as a standard replacement in the leveraged loan market for LIBOR by the Loan Syndications and Trading Association® ("**LSTA**"), which shall include any LSTA Modifier or (3) the rate that is consistent with the reference rate being used in at least 50% (by principal amount) of the Collateral Obligations included in the Assets, as determined by the Collateral Manager, which shall include the Replacement Benchmark Spread.

"**DIP Collateral Obligation**": A loan with the applicable Specified Rating paying interest on a current basis made to a debtor-in-possession pursuant to Section 364 of the Bankruptcy Law having the priority allowed by either Section 364(c) or 364(d) of the Bankruptcy Law and fully secured by senior liens.

"**Discount Obligation**": Any Collateral Obligation that the Collateral Manager determines:

(i) in the case of a Collateral Obligation that is an interest (including a Participation Interest) in a Senior Secured Loan, is acquired by the Issuer for a purchase price that is lower than 80% of the Principal Balance of such Collateral Obligation; *provided* that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of par) of such Collateral Obligation, as determined by the Collateral Manager for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 90% of the Principal Balance of such Collateral Obligation; or

(ii) in the case of any Collateral Obligation that is not an interest in a Senior Secured Loan, is acquired by the Issuer for a purchase price of lower than 75% of the Principal Balance of such Collateral Obligation; *provided* that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of par) of such Collateral Obligation, as determined by the Collateral Manager for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85% of the Principal Balance of such Collateral Obligation.

"**Distribution Report**": Each report containing the information set forth in Schedule 9 and delivered pursuant to Section 10.6(b).

"**Diversity Score**": A single number that indicates collateral concentration in terms of both issuer and industry concentration, calculated as set forth in Schedule 4 hereto.

"**Dodd-Frank Act**": The Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended.

"**Dollar**" or "**U.S.$**": A dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal tender for all debts, public and private.

"**Domicile**" or "**Domiciled**": With respect to an issuer of, or obligor with respect to, a Collateral Obligation:

(a) except as provided in clause (b) or (c) below, its country of organization;

(b) if it is organized in a Tax Jurisdiction, each of such jurisdiction and the country in which, in the Collateral Manager's good faith estimate, a substantial portion of its operations are located or from which a substantial portion of its revenue is derived, in each case directly or through subsidiaries (which shall be any jurisdiction and country known at the time of designation by the Collateral Manager to be the source of the majority of revenues, if any, of such issuer or obligor); or

(c) if its payment obligations in respect of such Collateral Obligation are guaranteed by a person or entity that is organized in the United States, then the United States.

"**DTC**": The Depository Trust Company, its nominees and their respective successors.

"**Due Date**": Each date on which any payment is due on an Asset in accordance with its terms.

"**Eligible Investment Required Ratings**": The applicable Specified Ratings.

"**Eligible Investments**": Either Cash or any Dollar investment that, at the time it is Delivered (directly or through an intermediary or bailee), (x) matures not later than the earlier of (A) the date that is 60 days after the date of Delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of Delivery thereof, and (y) is one or more of the following obligations or securities:

(i) direct Registered obligations of, and Registered obligations the timely payment of principal and interest on which is fully and expressly guaranteed by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are expressly backed by the full faith and credit of the United States of America; *provided* that such obligations have the Eligible Investment Required Ratings;

(ii) demand and time deposits in, certificates of deposit of, trust accounts with, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company incorporated under the laws of the United States of America (including the Bank) or any state thereof and subject to supervision and examination by federal and/or state banking authorities, in each case payable within 183 days after issuance, so long as (A) the commercial paper and/or the debt obligations of such depository institution or trust company, at the time of such investment or contractual commitment providing for such investment, have the Eligible Investment Required Ratings or (B) in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company, at the time of such investment or contractual commitment providing for such investment, have the Eligible Investment Required Ratings;

(iii) commercial paper or other short-term obligations (other than Asset-backed Commercial Paper) with the Eligible Investment Required Ratings and that either bear interest or are sold at a discount from the face amount thereof and have a maturity of not more than 183 days from their date of issuance; and

(iv) money market funds domiciled in the United States registered under the Investment Company Act or registered money market funds domiciled outside of the United States that have, at all times, the applicable Specified Ratings;

provided that (1) Eligible Investments purchased with funds in the Collection Account shall be held until maturity except as otherwise specifically provided herein and shall include only such obligations or securities, other than those referred to in clause (iv) above, as mature (or are putable at par to the issuer thereof) no later than the Business Day prior to the next Payment Date unless such Eligible Investments are issued by the Trustee in its capacity as a banking institution, in which event such Eligible Investments may mature on such Payment Date; and (2) none of the foregoing obligations or securities shall constitute Eligible Investments if (a) such obligation or security has an "f," "p," "pi," "t" or "sf" subscript assigned by S&P or an "sf" subscript assigned by Moody's, (b) all, or substantially all, of the remaining amounts payable thereunder consist of interest and not principal payments, (c) payments with respect to such obligations or securities or proceeds of disposition are subject to withholding taxes (other than with respect to FATCA) by any jurisdiction unless the payor is required to make "gross-up" payments that cover the full amount of any such withholding tax on an after-tax basis, (d) such obligation or security is secured by real property, (e) such obligation or security is purchased at a price greater than 100% of the principal or face amount thereof, (f) such obligation or security is subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action, (g) in the Collateral Manager's judgment, such obligation or security is subject to material non-credit related risks, (h) such obligation is a Structured Finance Obligation or (i) such obligation

or security is represented by a certificate of interest in a grantor trust. Eligible Investments may include, without limitation, those investments issued by or made with the Bank or for which the Bank or the Trustee or an Affiliate of the Bank or the Trustee provides services and receives compensation. For the avoidance of doubt, the Issuer shall only acquire Eligible Investments (other than cash) that, in the commercially reasonable belief of the Collateral Manager, are "cash equivalents" as defined in the Volcker Rule. The Trustee shall have no duty or obligation to determine if an investment is an "Eligible Investment."

"**Equity Security**": Any security that by its terms does not provide for periodic payments of interest at a stated coupon rate and repayment of principal at a stated maturity and any other security that is not eligible for purchase by the Issuer as a Collateral Obligation and is not an Eligible Investment; it being understood that Equity Securities may not be purchased by the Issuer but may be received by the Issuer in exchange for a Collateral Obligation or a portion thereof in connection with an insolvency, bankruptcy, reorganization, debt restructuring or workout of the issuer thereof that would be considered "received in lieu of debts previously contracted" with respect to the Collateral Obligation under the Volcker Rule.

"**ERISA**": The United States Employee Retirement Income Security Act of 1974, as amended.

"**Euroclear**": Euroclear Bank S.A./N.V.

"**Event of Default**": The meaning specified in Section 5.1.

"**Excepted Property**": The meaning assigned in the Granting Clauses hereof.

"**Exchange Act**": The United States Securities Exchange Act of 1934, as amended.

"**Expense Reserve Account**": The trust account established pursuant to Section 10.3(c).

"**FATCA**": Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code or analogous provisions of non-U.S. law (including, without limitation, the Cayman FATCA Legislation).

"**Federal Reserve Board**": The Board of Governors of the Federal Reserve System.

"**Fee Basis Amount**": As of any date of determination, the sum of (a) the Collateral Principal Amount, (b) the Aggregate Principal Balance of all Defaulted Obligations and (c) all Principal Financed Accrued Interest.

"**Financial Asset**": The meaning specified in Section 8-102(a)(9) of the UCC.

"**Financing Statements**": The meaning specified in Section 9-102(a)(39) of the UCC.

"**First-Lien Last-Out Loan**": A Loan that, prior to a default with respect such loan, is entitled to receive payments pari passu with Senior Secured Loans of the same obligor, but following a default becomes fully subordinated to Senior Secured Loans of the same obligor and is not entitled to any payments until such Senior Secured Loans are paid in full.

"**Fitch**": Fitch Ratings, Inc. and any successor in interest.

"**Fitch Eligible Counterparty Ratings**": With respect to an institution, investment or counterparty, a short-term credit rating of at least "F1" or a long-term credit rating of at least "A" by Fitch.

"**Fixed Rate Obligation**": Any Collateral Obligation that bears a fixed rate of interest.

"**Floating Rate Notes**": The Secured Notes.

"**Floating Rate Obligation**": Any Collateral Obligation that bears a floating rate of interest.

"**GAAP**": The meaning specified in Section 6.3(j).

"**Global Note**": Any Global Secured Note or Rule 144A Global Subordinated Note.

"**Global Secured Note**": Any Regulation S Global Secured Note or Rule 144A Global Secured Note.

"**Grant**" or "**Granted**": To grant, bargain, sell, convey, assign, transfer, mortgage, pledge, create and grant a security interest in and right of setoff against, deposit, set over and confirm. A Grant of the Assets, or of any other instrument, shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including, the immediate continuing right to claim for, collect, receive and receipt for principal and interest payments in respect of the Assets, and all other Monies payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the granting party or otherwise, and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"**Group I Country**": The Netherlands, Australia, New Zealand and the United Kingdom (or such other countries as may be specified in publicly available published criteria from Moody's).

"**Group II Country**": Germany, Sweden, Ireland and Switzerland (or such other countries as may be specified in publicly available published criteria from Moody's).

"**Group III Country**": Austria, Belgium, Denmark, Finland, France, Iceland, Liechtenstein, Luxembourg and Norway (or such other countries as may be specified in publicly available published criteria from Moody's).

"**Hedge Agreement**": Any interest rate swap, floor and/or cap agreements, including without limitation one or more interest rate basis swap agreements, between the Issuer and any Hedge Counterparty, as amended from time to time, and any replacement agreement entered into in accordance with this Indenture.

"**Hedge Counterparty**": Any one or more institutions entering into or guaranteeing a Hedge Agreement with the Issuer that satisfies the Required Hedge Counterparty Rating that has entered into a Hedge Agreement with the Issuer, including any permitted assignee or successor under the Hedge Agreements.

"**Hedge Counterparty Collateral Account**": The account established pursuant to Section 10.3(d).

"**Holder**" or "**holder**": With respect to any Note, the Person whose name appears on the Register as the registered holder of such Note.

"**Holder AML Obligations**": The meaning specified in Section 2.5(i).

"**Holder FATCA Information**": Information requested by the Issuer or an Intermediary (or an agent thereof) to be provided by the Noteholders to the Issuer or an Intermediary that in the reasonable determination of the Issuer or an Intermediary is required to be requested by FATCA, including, in the case of a purchaser or transferee of Certificated Notes, the CRS Self-Certification available at http://tia.gov.ky/pdf/CRS/FATCA_CRS_entity_self_cert_final_April_16.doc.

"**IGA**": The meaning specified in Section 2.12(e).

"**Incurrence Covenant**": A covenant by any borrower to comply with one or more financial covenants only upon the occurrence of certain actions of the borrower, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"**Indenture**": This instrument as originally executed and, if from time to time supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, as so supplemented or amended.

"**Independent**": As to any Person, any other Person (including, in the case of an accountant or lawyer, a firm of accountants or lawyers, and any member thereof, or an investment bank and any member thereof) who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such Person or in any Affiliate of such Person, and (ii) is not connected with such Person as an Officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions. "Independent" when used with respect to any accountant may include an accountant who audits the books of such Person if in addition to satisfying the criteria set forth above the accountant is independent with respect to such Person within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants. For purposes of this definition, no manager or director of any Person will fail to be Independent solely because such Person acts as an independent manager or independent director thereof or of any such Person's affiliates. With respect to the Issuer, the Collateral Manager or Affiliates of the Collateral Manager, funds or accounts managed by the Collateral Manager or Affiliates of the Collateral Manager shall not be Independent of the Issuer, the Collateral Manager or Affiliates of the Collateral Manager.

Whenever any Independent Person's opinion or certificate is to be furnished to the Trustee, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

Any pricing service, certified public accountant or legal counsel that is required to be Independent of another Person under this Indenture must satisfy the criteria above with respect to the Issuer, the Collateral Manager and their Affiliates.

"**Initial Rating**": With respect to the Secured Notes, the rating or ratings, if any, assigned to such Secured Notes on the Closing Date by the Applicable Rating Agencies.

"**Institutional Accredited Investor**": An Accredited Investor under clauses (1), (2), (3) or (7) of Rule 501(a) under the Securities Act.

"**Instrument**": The meaning specified in Section 9-102(a)(47) of the UCC.

"**Interest Accrual Period**": (i) With respect to the initial Payment Date (or, in the case of a Class or portion thereof that is subject to Refinancing, the first Payment Date following the Refinancing), the period from and including the Closing Date (or, in the case of a Refinancing, the date of issuance of the replacement notes) to but excluding such Payment Date; and (ii) with respect to each succeeding Payment Date, the period from and including the immediately preceding Payment Date to but excluding the following Payment Date until the principal of the Secured Notes is paid or made available for payment.

"**Interest Collection Subaccount**": The meaning specified in Section 10.2(a).

"**Interest Determination Date**": The second London Banking Day preceding the first day of each Interest Accrual Period.

"**Interest Only Security**": Any obligation or security that does not provide in the related Underlying Instruments for the payment or repayment of a stated principal amount in one or more installments on or prior to its stated maturity.

"**Interest Proceeds**": With respect to any Collection Period or Determination Date, without duplication, the sum of:

(i) all payments of interest and delayed compensation (representing compensation for delayed settlement) received in Cash by the Issuer during the related Collection Period on the Collateral Obligations and Eligible Investments, including the accrued interest received in connection with a sale thereof during the related Collection Period, less any such amount that represents Principal Financed Accrued Interest;

(ii) all principal and interest payments received by the Issuer during the related Collection Period on Eligible Investments purchased with Interest Proceeds;

(iii) all amendment and waiver fees, late payment fees, ticking fees and other fees received by the Issuer during the related Collection Period, except for those in connection with (a) the lengthening of the maturity of the related Collateral Obligation if the Maturity Amendment Weighted Average Life Test is not satisfied immediately following such lengthening or (b) the reduction of the par of the related Collateral Obligation, as determined by the Collateral Manager with notice to the Trustee and the Collateral Administrator;

(iv) commitment fees and other similar fees received by the Issuer during such Collection Period in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations;

(v) any amounts deposited in the Collection Account from the Expense Reserve Account or the Permitted Use Account that are designated as Interest Proceeds, in each case in the sole discretion of the Collateral Manager pursuant to this Indenture in respect of the related Determination Date;

(vi) any funds deposited in the Interest Collection Subaccount on the Closing Date;

(vii) any Current Deferred Servicing Fees that are designated as Interest Proceeds in the sole discretion of the Collateral Manager; and

(viii) any payment received with respect to any Hedge Agreement other than (a) an upfront payment received upon entering into such Hedge Agreement or (b) a payment received as a result of the termination of any Hedge Agreement (net of any amounts due and payable by the Issuer to the related Hedge Counterparty in connection with such termination) to the extent not used by the Issuer to enter into a new or replacement Hedge Agreement;

provided that (i) (A) any amounts received in respect of any Defaulted Obligation will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections in respect of such Defaulted Obligation since it became a Defaulted Obligation equals the outstanding principal balance of such Collateral Obligation at the time it became a Defaulted Obligation and (B) any amounts received in respect of any Equity Security that was received in exchange for a Defaulted Obligation will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections in respect of such Equity Security equals the outstanding principal balance of the Collateral Obligation, at the time it became a Defaulted Obligation, for which such Equity Security was received in exchange and (ii) the portion of any prepayment of a Collateral Obligation that is above the par amount of such Collateral Obligation will constitute Principal Proceeds (and not Interest Proceeds). Notwithstanding the foregoing, in the Collateral Manager's sole discretion (to be exercised on or before the related Determination Date with notice to the Collateral Administrator), on any date after the first Payment Date, Interest Proceeds in any Collection Period may be deemed to be Principal Proceeds so long as no such designation would result in an interest default or deferral, as applicable, on any Class of Secured Notes. Under no circumstances shall Interest Proceeds include the Excepted Property or any interest earned thereon.

"**Interest Rate**": The interest rate designated in respect of each Class of Notes in the Term Sheet.

"**Intermediary**": Any agent or broker through which a Holder purchases its Notes, or any nominee or other entity through which a Holder holds its Notes.

"**Investment Advisers Act**": The Investment Advisers Act of 1940, as amended.

"**Investment Company Act**": The Investment Company Act of 1940, as amended.

"**IRS**": United States Internal Revenue Service.

"**Issuer**": The Person specified in the Term Sheet until a successor Person shall have become the Issuer pursuant to the applicable provisions of this Indenture, and thereafter "Issuer" shall mean such successor Person.

"**Issuer Order**" and "**Issuer Request**": A written order or request (which may be a standing order or request) dated and signed in the name of the Applicable Issuers or by an Authorized Officer of the Issuer or the Co-Issuer, as applicable, or by the Collateral Manager by an Authorized Officer thereof, on behalf of the Issuer.

"**Junior Class**": With respect to a particular Class of Notes, each Class of Notes that ranks junior in Order of Priority to such Class.

"**Letter of Credit**": A facility whereby (i) a fronting bank issues or will issue a letter of credit for or on behalf of a borrower pursuant to an Underlying Instrument, (ii) if the letter of credit is drawn upon, and the borrower does not reimburse the fronting bank, the lender/participant is obligated to fund its portion of the facility and (iii) the fronting bank passes on (in whole or in part) the fees and any other amounts it receives for providing the letter of credit to the lender/participant.

"**LIBOR**": The meaning set forth in Schedule 7 hereto.

"**LIBOR Floor Obligation**": As of any date of determination, a Floating Rate Obligation (a) the interest in respect of which is paid based on a London interbank offered rate and (b) that provides that such London interbank offered rate is (in effect) calculated as the greater of (i) a specified "floor" rate per annum and (ii) the London interbank offered rate for the applicable interest period for such Collateral Obligation.

"**Loan**": Any obligation for the payment or repayment of borrowed money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

"**Loan Sale Agreement**": That certain loan sale agreement, dated as of May 9, 2019, between the Retention Holder, as seller, and the Issuer, as buyer, whereby the Retention Holder will sell and/or contribute to the Issuer, without recourse, all of the right, title and interest of the Retention Holder in certain Collateral Obligations and the proceeds thereof.

"**London Banking Day**": A day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London, England.

"**Long-Dated Excess Obligation**": To the extent the Aggregate Principal Balance of Long-Dated Obligations exceeds 5.0% of the Closing Date Par Amount, each Long-Dated Obligation in excess of such percentage threshold; *provided* that, in determining which Long-Dated Obligations shall be Long-Dated Excess Obligations, the Long-Dated Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Collateral Obligations as of such Determination Date) shall be deemed to be Long-Dated Excess Obligations.

"**Long-Dated Obligation**": An obligation that has a scheduled maturity equal to or later than the earliest Stated Maturity of the Secured Notes.

"**LSTA Modifier**": The modifier (if any) recognized or acknowledged by LSTA in order to cause such rate to be comparable to three-month Libor, which may consist of an addition to or subtraction from such unadjusted reference rate.

"**Maintenance Covenant**": A covenant by any borrower to comply with one or more financial covenants during each reporting period, whether or not such borrower has taken any specified action and includes a covenant that applies only when the related Loan is funded.

"**Majority**": With respect to any Class or Classes of Notes, the Holders of more than 50% of the Aggregate Outstanding Amount of the Notes of such Class or Classes.

"**Mandatory Redemption**": The meaning specified in Section 9.1.

"**Margin Stock**": "Margin Stock" as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into "Margin Stock."

"**Master Participation Agreement**": That certain master participation agreement, dated as of May 9, 2019, between the Retention Holder Subsidiary, as seller, and the Issuer, as buyer, whereby the Issuer will purchase certain Closing Date Participation Interests.

"**Maturity**": With respect to any Note, the date on which the unpaid principal of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"**Maturity Amendment Weighted Average Life Test** ": A test satisfied on any date of determination if the Weighted Average Life of all Collateral Obligations as of such date is less than (i) 5.25 years *minus* (ii) the number of years (rounded to the nearest one hundredth thereof) that have elapsed since the Closing Date.

"**Measurement Date**": (i) any Determination Date, (ii) any Monthly Report Determination Date and (iii) with five Business Days prior written notice, any Business Day requested by the Applicable Rating Agency (if then rating any Class of Outstanding Notes).

"**Memorandum and Articles of Association**": The Issuer's Memorandum and Articles of Association, as they may be amended, revised or restated from time to time.

"**Merging Entity**": The meaning specified in Section 7.10.

"**Money**": The meaning specified in Section 1-201(24) of the UCC.

"**Monthly Report**": Each report containing the information set forth in Schedule 8 and delivered pursuant to Section 10.6(a).

"**Monthly Report Determination Date**": The meaning specified in Schedule 8.

"**Moody's**": Moody's Investors Service, Inc. and any successor thereto.

"**Moody's Default Probability Rating**": With respect to any Collateral Obligation, the rating determined pursuant to Schedule 5 hereto (or such other schedule provided by Moody's to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager).

"**Moody's Derived Rating**": With respect to any Collateral Obligation whose Moody's Rating or Moody's Default Probability Rating cannot otherwise be determined pursuant to the definitions thereof, the rating determined for such Collateral Obligation as set forth in Schedule 5 hereto (or such other schedule provided by Moody's to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager).

"**Moody's Industry Classification**": The industry classifications set forth in Schedule 2 hereto, as such industry classifications shall be updated at the option of the Collateral Manager if Moody's publishes revised industry classifications.

"**Moody's Rating**": With respect to any Collateral Obligation, the rating determined pursuant to Schedule 5 hereto (or such other schedule provided by Moody's to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager).

"**Non-Emerging Market Obligor**": An obligor that is Domiciled in (x) any country that has the applicable Specified Ratings or (y) without duplication, the United States.

"**Non-Permitted ERISA Holder**": The meaning specified in Section 2.11(d).

"**Non-Permitted Holder**": The meaning specified in Section 2.11(b).

"**Note Interest Amount**": With respect to any Class of Secured Notes and any Payment Date, the amount of interest for the related Interest Accrual Period payable in respect of each U.S.$100,000 Outstanding principal amount of such Class of Secured Notes.

"**Noteholder**": With respect to any Note, the Person whose name appears on the Register as the registered holder of such Note.

"**NRSRO**": Any nationally recognized statistical rating organization, other than the Applicable Rating Agencies.

"**NRSRO Certification**": A certification substantially in the form of Exhibit D executed by a NRSRO in favor of the 17g-5 Information Agent, with a copy to the Trustee, the Issuer and the Collateral Manager, that states that such NRSRO has provided the appropriate certifications under Rule 17g-5 and that such NRSRO has access to the 17g-5 Website.

"**Obligor**": The obligor or guarantor under a loan.

"**Offer**": The meaning specified in Section 10.7(c).

"**Offering**": The offering of any Notes pursuant to the relevant Offering Circular.

"**Offering Circular**": The offering circular relating to the offer and sale of the Notes dated May 7, 2019, including any supplements thereto.

"**Officer**": (a) With respect to the Issuer and any corporation, the Chairman of the Board of Directors (or, with respect to the Issuer, any director), the President, any Vice President, the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer of such entity or any Person authorized by such entity and shall, for the avoidance of doubt, include any duly appointed attorney-in-fact of the Issuer, and (b) with respect to the Co-Issuer and any limited liability company, any managing member or manager thereof or any person to whom the rights and powers of management thereof are delegated in accordance with the limited liability company agreement of such limited liability company.

"**offshore transaction**": The meaning specified in Regulation S.

"**Opinion of Counsel**": A written opinion addressed to the Trustee and, if required by the terms hereof, each Applicable Rating Agency (if then rating a Class of Secured Notes), in form and substance reasonably satisfactory to the Trustee (and, if so addressed, each Applicable Rating Agency (if then rating a Class of Secured Notes)), of an attorney admitted to practice, or a nationally or internationally recognized and reputable law firm one or more of the partners of which are admitted to practice, before the highest court of any State of the United States or the District of Columbia (or the Cayman Islands, in the case of an opinion relating to the laws of the Cayman Islands), which attorney or law firm, as the case may be, may, except as otherwise expressly provided in this Indenture, be counsel for the Issuer or the Co-Issuer, and which attorney or law firm, as the case may be, shall be reasonably satisfactory to the Trustee. Whenever an Opinion of Counsel is required hereunder, such Opinion of Counsel may rely on opinions of other counsel who are so admitted and so satisfactory, which opinions of other counsel shall accompany such Opinion of Counsel and shall be addressed to the Trustee (and, if required by the terms hereof, each Applicable Rating Agency (if then rating a Class of Secured Notes)) or shall state that the Trustee (and, if required by the terms hereof, each Applicable Rating Agency (if then rating a Class of Secured Notes)) shall be entitled to rely thereon.

"**Optional Redemption**": A redemption or Refinancing of the Notes in accordance with Section 9.2.

"**Order of Priority**": With respect to any Class of Notes, the priority level specified for such Class in the Term Sheet.

"**Other Plan Law**": Any state, local, other federal or non-U.S. laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

"**Outstanding**": With respect to the Notes or the Notes of any specified Class, as of any date of determination, all of the Notes or all of the Notes of such Class, as the case may be, theretofore authenticated and delivered under this Indenture, except:

(i) Notes theretofore canceled by the Registrar or delivered to the Registrar for cancellation in accordance with the terms of Section 2.9 or registered in the Register on the date the Trustee provides notice to the Holders of the Notes in accordance with the terms hereof that this Indenture has been discharged;

(ii) Notes or portions thereof for whose payment or redemption funds in the necessary amount have been theretofore irrevocably deposited with the Trustee or any Paying Agent in trust for the Holders of such Notes pursuant to Section 4.1(a)(ii); *provided* that if such Notes or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, unless proof satisfactory to the Trustee is presented that any such Notes are held by a "protected purchaser" (within the meaning of Section 8-303 of the UCC); and

(iv) Notes alleged to have been mutilated, destroyed, lost or stolen for which replacement Notes have been issued as provided in Section 2.6;

provided that (A) in determining whether the Holders of the requisite Aggregate Outstanding Amount have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (a) (x) Notes owned by the Issuer or the Co-Issuer shall be disregarded and deemed not to be Outstanding and (y) the Collateral Manager Notes shall be disregarded and deemed not to be Outstanding pursuant to Section 12(g) of the Collateral Management Agreement, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded and (b) Notes so owned that have been pledged in good faith shall be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not one of the Persons specified above and (B) for purposes of the calculation of the Overcollateralization Ratio, any Surrendered Note that is not of the Class that is, at that time, senior most in the Note Payment Sequence, shall be deemed to be "Outstanding" until all Notes of such applicable Class and each Class that is senior in right of payment to such Surrendered Note in the Note Payment Sequence have been retired or redeemed, with such Surrendered Note deemed to have an Aggregate Outstanding Amount equal to the Aggregate Outstanding Amount as of the date of its surrender, reduced proportionately with, and to the extent of, any payments of principal of Notes of the same Class thereafter.

"**Pari Passu Class**": With respect to any specified Class of Notes, each Class of Notes that ranks pari passu in Order of Priority to such Class.

"**Partial Redemption Interest Proceeds**": In connection with a Partial Redemption Date, Interest Proceeds in an amount equal to the sum of (a) the lesser of (i) the amount of accrued interest on the Classes being refinanced (after giving effect to payments under the Priority of Interest Payments if the related Partial Redemption Date would have been a Payment Date without regard to such Refinancing) and (ii) the amount the Collateral Manager reasonably determines would have been available for distribution under the Priority of Payments for the payment of accrued interest on the Classes being refinanced on the next subsequent Payment Date if such Notes had not been refinanced *plus* (b) the amount (i) the Collateral Manager reasonably determines would have been available for distribution under the Priority of Payments for the payment of Administrative Expenses on the next subsequent Payment Date and (ii) any reserve previously established by the Issuer (or the Collateral Manager on behalf of the Issuer) with respect to such Refinancing.

"**Participation Interest**": A participation interest in a loan originated by a bank or financial institution that, at the time of acquisition, or the Issuer's commitment to acquire the same, satisfies each of the following criteria:

(i) such participation would constitute a Collateral Obligation were it acquired directly;

(ii) the Selling Institution is a lender on the loan and, except where the Selling Institution is an Affiliated Transferor, has, at the time of the acquisition of such loan, or the Issuer's commitment to acquire the same, both (x) either (A) a long-term debt rating of at least "A+" by S&P or (B) a long-term debt rating of at least "A" by S&P and a short-term rating of at least "A-1" by S&P and (y) either (A) a long-term credit rating of at least "A1" by Moody's or (B) a long-term credit rating of at least "A2" by Moody's and a short-term credit rating of at least "P-1" by Moody's;

(iii) the aggregate participation in the loan granted by such Selling Institution to any one or more participants does not exceed the principal amount or commitment with respect to which the Selling Institution is a lender under such loan;

(iv) such participation does not grant, in the aggregate, to the participant in such participation a greater interest than the Selling Institution holds in the loan or commitment that is the subject of the participation;

(v) the entire purchase price for such participation is paid in full (without the benefit of financing from the Selling Institution or its affiliates) at the time of the Issuer's acquisition (or, to the extent of a participation in the unfunded commitment under a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, at the time of the funding of such loan);

(vi) the participation provides the participant all of the economic benefit and risk of the whole or part of the loan or commitment that is the subject of the loan participation; and

(vii) such participation is documented under a Loan Syndications and Trading Association, Loan Market Association or similar agreement standard for loan participation transactions among institutional market participants.

For the avoidance of doubt, a Participation Interest shall not include a sub-participation interest in any loan.

"**Partner**": The meaning specified in Section 7.17(l)(i).

"**Partnership Interest**": The meaning specified in Section 7.17(l)(i).

"**Partnership Representative**": The meaning specified in Section 7.17(n).

"**Partnership Tax Audit Rules**": The meaning specified in Section 7.17(o).

"**Party**": The meaning specified in Section 14.15.

"**Paying Agent**": Any Person authorized by the Issuer to pay the principal of or interest on any Notes on behalf of the Issuer as specified in Section 7.2.

"**Payment Account**": The payment account established pursuant to Section 10.3(a).

"**PBGC**": The United States Pension Benefit Guaranty Corporation.

"**Permitted Deferrable Obligation**": Any Deferrable Obligation the Underlying Instrument of which carries a current cash pay interest rate of not less than (a) in the case of a Floating Rate Obligation, LIBOR plus 2.00% *per annum* or (b) in the case of a Fixed Rate Obligation, the zero-coupon swap rate in a fixed/floating interest rate swap with a term equal to five years.

"**Permitted Exchange Security**": A bond, note or other security received by the Issuer in connection with the workout, restructuring or modification of a Collateral Obligation that is a loan.

"**Permitted Liens**": With respect to the Assets: (i) security interests, liens and other encumbrances created pursuant to the Transaction Documents, (ii) security interests, liens and other encumbrances in favor of the Trustee created pursuant to this Indenture and (iii) security interests, liens and other encumbrances, if any, which have priority over first priority perfected security interests in the Collateral Obligations or any portion thereof under the UCC or any other applicable law.

"**Permitted Offer**": An Offer (i) pursuant to the terms of which the offeror offers to acquire a debt obligation (including a Collateral Obligation) in exchange for consideration consisting of (x) Cash in an amount equal to or greater than the full face amount of the debt obligation being exchanged plus any accrued and unpaid interest or (y) other debt obligations that rank pari passu or senior to the debt obligations being exchanged which have a face amount equal to or greater than the full face amount of the debt obligation being exchanged and are eligible to be Collateral Obligations plus any accrued and unpaid interest in Cash and (ii) as to which the Collateral Manager has determined in its reasonable commercial judgment that the offeror has sufficient access to financing to consummate the Offer.

"**Permitted RIC Distributions**": Distributions to a Holder of Subordinated Notes to the extent required to allow such Holder to make sufficient distributions to qualify as a regulated investment company within the meaning of Section 851 of the Code and to otherwise eliminate federal or state income or excise taxes payable by such Holder in or with respect to any taxable year of such Holder (or any calendar year, as relevant); provided that (A) the amount of any such payments made in or with respect to any such taxable year (or calendar year, as relevant) of such Holder shall not exceed 102% of the amounts that the Issuer would have been required to distribute to such Holder to: (i) allow the Issuer to satisfy the minimum distribution requirements that would be imposed by Section 852(a) of the Code (or any successor thereto) to maintain its eligibility to be taxed as a regulated investment company for any such taxable year, (ii) reduce to zero for any such taxable year the Issuer's liability for federal income taxes imposed on (x) its investment

company taxable income pursuant to Section 852(b)(1) of the Code (or any successor thereto) or (y) its net capital gain pursuant to Section 852(b)(3) of the Code (or any successor thereto), and (iii) reduce to zero the Issuer's liability for federal excise taxes for any such calendar year imposed pursuant to Section 4982 of the Code (or any successor thereto), in the case of each of (i), (ii) or (iii), calculated assuming that the Issuer had qualified to be taxed as a RIC under the Code, (B) after the occurrence and during the continuance of an Event of Default, the amount of Permitted RIC Distributions made in any calendar quarter shall not exceed U.S.$1,500,000 (or such greater amount consented to by the Event of Default Voting Holders) and (C) amounts may be distributed pursuant to this definition only from Interest Proceeds to the extent available in the Collection Account and only so long as (w) all Coverage Tests are satisfied immediately prior to and immediately after giving effect to such Permitted RIC Distribution, (y) after giving effect on a pro forma basis to the application of Interest Proceeds to the payment of Permitted RIC Distributions and taking into account scheduled distributions that are expected to be received prior to the next Payment Date, sufficient Interest Proceeds will be available on the next Payment Date to pay in full all amounts due on all Classes of Secured Notes under the Priority of Interest Payments, (y) the Issuer gives at least one (1) Business Day's prior written notice thereof to the Collateral Manager, the Trustee and the Collateral Administrator and (z) the Issuer and the Collateral Manager confirm in writing (which may be by email) to the Trustee and the Collateral Administrator that the conditions to a Permitted RIC Distribution set forth herein are satisfied.

"**Permitted Use**": With respect to any amount on deposit in the Permitted Use Account, any of the following uses: (i) the transfer of the applicable portion of such amount to the Interest Collection Subaccount for application as Interest Proceeds; (ii) the transfer of the applicable portion of such amount to the Principal Collection Subaccount for application as Principal Proceeds; (iii) the transfer of the applicable portion of such amount to pay any costs or expenses associated with a Refinancing and (iv) to make payments in connection with the exercise of an option, warrant, right of conversion, pre-emptive right, rights offering, credit bid or similar right in connection with the workout or restructuring of a Collateral Obligation or otherwise to acquire Equity Securities in accordance with the terms of this Indenture that would, in each case, be considered "received in lieu of debts previously contracted for" under the Volcker Rule.

"**Permitted Use Account**": The account established pursuant to Section 10.3(e).

"**Person**": An individual, corporation (including a business trust), partnership, limited liability company, joint venture, association, joint stock company, statutory trust, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**Principal Balance**": With respect to (a) any Asset other than a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, as of any date of determination, the outstanding principal amount of such Asset (excluding any capitalized interest) and (b) any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, as of any date of determination, the outstanding principal amount of such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation (excluding any capitalized interest), plus (except as expressly set forth in this Indenture) any undrawn commitments that have not been irrevocably reduced or withdrawn with respect to such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation; *provided* that for all purposes the Principal Balance of any Equity Security or interest only strip shall be deemed to be zero.

"**Principal Collection Subaccount**": The meaning specified in Section 10.2(a).

"**Principal Financed Accrued Interest**": With respect to any Collateral Obligation owned or purchased by the Issuer on the Closing Date, an amount equal to the unpaid interest on such Collateral Obligation that accrued prior to the Closing Date that is owing to the Issuer and remains unpaid as of the Closing Date.

"**Principal Proceeds**": With respect to any Collection Period or Determination Date, all amounts received by the Issuer during the related Collection Period that do not constitute Interest Proceeds and any other amounts that have been designated as Principal Proceeds pursuant to the terms of this Indenture. For the avoidance of doubt, Principal Proceeds shall not include any Excepted Property. In addition, the Collateral Manager may designate as Principal Proceeds certain amounts received by the Issuer from the proceeds of the Notes as a result of prepayment amounts received from the Retention Holder (or the Retention Holder Subsidiary) with respect to any Collateral Obligation prior to the Closing Date.

"**Priority Class**": With respect to any specified Class of Notes, each Class of Notes that ranks senior in Order of Priority to such Class.

"**Priority Termination Event**": The meaning specified in the relevant Hedge Agreement, which may include, without limitation, the occurrence of (i) the Issuer's failure to make required payments or deliveries pursuant to a Hedge Agreement with respect to which the Issuer is the sole Defaulting Party (as defined in the relevant Hedge Agreement), (ii) the occurrence of certain events of bankruptcy, dissolution or insolvency with respect to the Issuer with respect to which the Issuer is the sole Defaulting Party (as defined in the relevant Hedge Agreement), (iii) the liquidation of the Assets due to an Event of Default under this Indenture or (iv) a change in law after the Closing Date which makes it unlawful for the Issuer to perform its obligations under a Hedge Agreement.

"**Proceeding**": Any suit in equity, action at law or other judicial or administrative proceeding.

"**Process Agent**": An agent upon which notices and demands to or upon either of the Co-Issuers in respect of the Notes and this Indenture may be served, which shall initially be the Process Agent specified in the Term Sheet, until a successor Person shall have become the Process Agent pursuant to the applicable provisions of this Indenture, and thereafter "Process Agent" shall mean such successor Person.

"**Purchase Agreement**": The purchase agreement, dated as of the Closing Date, among the Co-Issuers and the Initial Purchaser, as amended from time to time.

"**Qualified Broker/Dealer**": Any of Bank of America/Merrill Lynch; The Bank of Montreal; The Bank of New York Mellon, N.A.; Barclays Bank plc; BNP Paribas; Broadpoint Securities; Citadel Securities LLC; Credit Agricole CIB; Citibank N.A.; Credit Agricole S.A.; Canadian Imperial Bank of Commerce; Commerzbank; Credit Suisse; Deutsche Bank AG; Dresdner Bank AG; GE Capital; Goldman Sachs & Co.; HSBC Bank; Imperial Capital LLC; ING Financial Partners, Inc.; Jefferies & Co.; J.P. Morgan Securities LLC; KeyBank; KKR Capital Markets LLC; Lazard; Lloyds TSB Bank; Merrill Lynch, Pierce, Fenner & Smith Incorporated; Morgan Stanley & Co.; Natixis; Northern Trust Company; Oppenheimer & Co. Inc.; Royal Bank of Canada; The Royal Bank of Scotland plc; Scotia Capital; Societe Generale; SunTrust Bank; The Toronto-Dominion Bank; UBS AG; and Wells Fargo Bank, National Association, or any successor thereto.

"**Qualified Institutional Buyer**": The meaning specified in Rule 144A under the Securities Act.

"**Qualified Purchaser**": The meaning set forth in Section 2(a)(51) of the Investment Company Act and Rule 2a51-2 or 2a51-3 under the Investment Company Act.

"**Real Estate Loan**": Any loan principally secured by real property or interest therein.

"**Recalcitrant Holder**": (i) A holder or beneficial owner of debt or equity in the Issuer that fails to provide or update the Holder FATCA Information or otherwise prevents the Issuer from achieving compliance

with FATCA or (ii) a foreign financial institution as defined under FATCA that does not comply (or is not deemed to comply or not excused from complying) with FATCA.

"**Record Date**": With respect to the Notes, the date 15 days prior to the applicable Payment Date.

"**Redemption Date**": Any Business Day specified for a redemption of Notes pursuant to Article IX.

"**Redemption Price**": (a) For each Secured Note to be redeemed (x) 100% of the Aggregate Outstanding Amount of such Secured Note, plus (y) accrued and unpaid interest thereon to the Redemption Date and (b) for each Subordinated Note, its proportional share (based on the Aggregate Outstanding Amount of such Subordinated Notes) of the amount of the proceeds of the Assets remaining after giving effect to the Optional Redemption or Tax Redemption of the Secured Notes in whole or after all of the Secured Notes have been repaid in full and payment in full of all expenses of the Co-Issuers (including all Servicing Fees and Administrative Expenses) and/or creation of a reserve for such expenses; *provided* that, in connection with any Tax Redemption, Holders of 100% of the Aggregate Outstanding Amount of any Class of Secured Notes by notifying the Trustee in writing prior to the Redemption Date may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the Holders of such Class of Secured Notes and such lesser amount shall thereafter constitute the "Redemption Price" with respect to such Class.

"**Reference Banks**": The meaning specified in Schedule 7 hereto.

"**Refinancing Proceeds**": The Cash proceeds from a Refinancing.

"**Register**" and "**Registrar**": The respective meanings specified in Section 2.5(a).

"**Registered**": In registered form for U.S. federal income tax purposes and issued after July 18, 1984, *provided* that a certificate of interest in a grantor trust shall not be treated as Registered unless each of the obligations or securities held by the trust was issued after that date.

"Registered Office Agreement": The agreement of the Issuer to comply with the standard Terms and Conditions for the Provision of Registered Office Services by MaplesFS Limited (Structured Finance – Cayman Company) as published at http://www.maples.com/terms/ and as agreed and approved by board resolutions of the Issuer.

"**Regulation S**": Regulation S, as amended, under the Securities Act.

"**Regulation S Global Secured Note**": The meaning specified in Section 2.2(b)(i).

"**Related Obligation**": An obligation issued by the Collateral Manager, any of its Affiliates that are collateralized debt obligation funds or any other Person that is a collateralized debt obligation fund whose investments are primarily managed by the Collateral Manager or any of its Affiliates.

"**Relevant Governmental Body**": The Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**Repack Obligation**": Any obligation of a special purpose vehicle (i) collateralized or backed by a Structured Finance Obligation or (ii) the payments on which depend on the cash flows from one or more

credit default swaps or other derivative financial contracts that reference a Structured Finance Obligation or a loan.

"**Replacement Benchmark Spread**": On any day, the spread adjustment, or the method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that shall have been selected, endorsed or recommended by the Relevant Governmental Body, to be added to the replacement reference rate to account for the effects of the transition to the replacement reference rate for the applicable Interest Accrual Period.

"**Required Hedge Counterparty Rating**": With respect to any Hedge Counterparty, the ratings required by the criteria of each Applicable Rating Agency then rating a Class of Secured Notes in effect at the time of execution of the related Hedge Agreement.

"**Responsible Officer**": The meaning set forth in Schedule 10.

"**Retention Holder Subsidiary**": Barings BDC Senior Funding I, LLC.

"**Revolver Funding Account**": The account established pursuant to Section 10.4.

"**Revolving Collateral Obligation**": Any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, including funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that by its terms may require one or more future advances to be made to the borrower by the Issuer; *provided* that any such Collateral Obligation will be a Revolving Collateral Obligation only until all commitments to make advances to the borrower expire or are terminated or irrevocably reduced to zero.

"**Rule 144A**": Rule 144A, as amended, under the Securities Act.

"**Rule 144A Global Note**": The meaning specified in Section 2.2(b)(ii).

"**Rule 144A Global Secured Note**": The meaning specified in Section 2.2(b)(ii).

"**Rule 144A Global Subordinated Note**": The meaning specified in Section 2.2(b)(ii).

"**Rule 144A Information**": The meaning specified in Section 7.15.

"**Rule 17g-5**": The meaning specified in Section 14.17(a).

"**S&P**": S&P Global Ratings, an S&P Global business, and any successor or successors thereto.

"**S&P Industry Classification**": The S&P Industry Classifications set forth in Schedule 3 hereto, and such industry classifications shall be updated at the option of the Collateral Manager if S&P publishes revised industry classifications.

"**S&P Rating**": With respect to any Collateral Obligation, the rating determined pursuant to Schedule 6 hereto (or such other schedule provided by S&P to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager).

"**Sale**": The meaning specified in Section 5.17.

"**Sale Proceeds**" : All proceeds (excluding accrued interest, if any) received with respect to Assets as a result of sales of such Assets in accordance with Article XII and the termination of any Hedge Agreement, in each case less any reasonable expenses incurred by the Collateral Manager, the Collateral Administrator or the Trustee (other than amounts payable as Administrative Expenses) in connection with such sales and net of any amounts due and payable by the Issuer to the related Hedge Counterparty in connection with any such termination. Sale Proceeds will include Principal Financed Accrued Interest received in respect of such sale.

"**Schedule of Collateral Obligations**": The schedule of Collateral Obligations attached as Schedule 1 hereto, as may be modified from time to time (without the consent of or any action on the part of any Person) to reflect the release of Collateral Obligations pursuant to Article X hereof.

"**Scheduled Distribution**": With respect to any Asset, for each Due Date, the scheduled payment of principal and/or interest due on such Due Date with respect to such Asset, determined in accordance with the assumptions specified in Section 1.3 hereof.

"**Second Lien Loan**": Any First-Lien Last-Out Loan or assignment of or Participation Interest in or other interest in a loan that (i) is not (and that by its terms is not permitted to become) subordinate in right of payment to any other obligation of the Obligor of the loan other than a Senior Secured Loan with respect to the liquidation of such Obligor or the collateral for such loan (subject to customary exceptions for permitted liens) and (ii) is secured by a valid second priority perfected security interest or lien in, to or on specified collateral securing the Obligor's obligations under the loan (subject to customary exceptions for permitted liens), the value of which is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the loan in accordance with its terms and to repay all other loans of equal or higher seniority secured by a lien or security interest in the same collateral, which security interest or lien is not subordinate to the security interest or lien securing any other debt for borrowed money other than a Senior Secured Loan on such specified collateral.

"**Secured Noteholders**": The Holders of the Secured Notes.

"**Secured Parties**": The meaning specified in the Granting Clauses.

"**Securities Act**": The United States Securities Act of 1933, as amended.

"**Securities Intermediary**": The meaning specified in Section 8-102(a)(14) of the UCC.

"**Securities Lending Agreement**": An agreement pursuant to which the Issuer agrees to loan any securities lending counterparty one or more assets and such securities lending counterparty agrees to post collateral with the Trustee or a Securities Intermediary to secure its obligation to return such assets to the Issuer.

"**Security Entitlement**": The meaning specified in Section 8-102(a)(17) of the UCC.

"**Selling Institution**": The entity obligated to make payments to the Issuer under the terms of a Participation Interest.

"**Senior Secured Loan**": Any assignment of or Participation Interest in a Loan that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the Obligor of the Loan (subject to customary exceptions for permitted liens, such as, but not limited to, Super Senior Revolving Facilities, any tax liens and any liens imposed in any bankruptcy, reorganization, arrangement, insolvency,

moratorium or liquidation proceedings); (b) is secured by a valid first-priority perfected security interest or lien in, to or on specified collateral securing the Obligor's obligations under the Loan (subject to customary exceptions for permitted liens) and (c) the value of the collateral securing the Loan at the time of purchase together with other attributes of the Obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal seniority secured by a first lien or security interest in the same collateral.

"**Senior Unsecured Loan**": Any assignment of or Participation Interest in or other interest in an Unsecured Loan that is not subordinated to any other unsecured indebtedness of the Obligor.

"**Similar Law**": Any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law.

"**Specified Rating**": With respect to the defined terms specified in the table below, the rating set forth in the table below:

Defined Term	**S&P**	**Fitch**
Defaulted Obligation	S&P Rating of "SD" or "CC" or lower	N/A
DIP Collateral Obligation	N/A	N/A
Eligible Investment Required Ratings	N/A	(i) In the case of obligations having up to a thirty day maturity at the time of such investment or the contractual commitment providing for such investment, a long-term credit rating of "A" or better by Fitch or a short-term credit rating of "F1" or better by Fitch and (ii) in the case of obligations not subject to clause (i) above, a short-term credit rating of "F1+" by Fitch (or, if no short-term rating exists, a long-term rating of "AA-" or better by Fitch)
Eligible Investment (clause (iv))	"AAAm"	"AAAmmf" (or, in the absence of a credit rating from Fitch, a credit rating of "Aaa-mf" (and not on credit watch with negative implications) by Moody's)
Non-Emerging Market Obligor	Foreign currency issuer credit rating of at least "AA"	N/A

"**Sponsor**": In relation to the Issuer, a "sponsor" under the U.S. Risk Retention Rules.

"**STAMP**": The meaning specified in Section 2.5(a).

"**Step-Down Obligation**": An obligation or security which by the terms of the related Underlying Instruments provides for a decrease in the per annum interest rate on such obligation or security (other than by reason of any change in the applicable index or benchmark rate used to determine such interest rate) or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; *provided* that an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Down Obligation.

"**Step-Up Obligation**": An obligation or security which by the terms of the related Underlying Instruments provides for an increase in the per annum interest rate on such obligation or security, or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; *provided* that an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Up Obligation.

"**Structured Finance Obligation**": Any obligation issued by a special purpose vehicle and secured directly by, referenced to, or representing ownership of, a pool of receivables or other financial assets of any Obligor, including collateralized debt obligations and mortgage-backed securities.

"**Successor Entity**": The meaning specified in Section 7.10.

"**Super Senior Revolving Facility**": A revolving loan that, pursuant to its terms, may require one or more future advances to be made to the relevant obligor which has the benefit of a security interest in the relevant assets that ranks, in the event of an enforcement in respect of such loan, higher than such obligor's other senior secured indebtedness; *provided, however*, that any such loan may only be treated as a Super Senior Revolving Facility if it represents no greater than 15.0% (or more if the Rating Agency Condition is satisfied) of the relevant obligor's senior debt.

"**Surrendered Notes**": The meaning specified in Section 2.9.

"**Synthetic Security**": A security or swap transaction, other than a Participation Interest, that has payments associated with either payments of interest on and/or principal of a reference obligation or the credit performance of a reference obligation.

"**Tax**": Any tax, levy, impost, duty, charge or assessment of any nature (including interest, penalties and additions thereto) imposed by any governmental taxing authority.

"**Tax Event**": An event that occurs if (a) a change in or the adoption of any U.S. or foreign tax statute or treaty, or any change in or the issuance of any regulation (whether final, temporary or proposed), rule, ruling, practice, procedure or judicial decision or interpretation of the foregoing after the Closing Date results in (i)(x) any Obligor under any Collateral Obligation being required to deduct or withhold from any payment under such Collateral Obligation to the Issuer for or on account of any Tax for whatever reason and such Obligor is not required to pay to the Issuer such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of Taxes, whether assessed against such Obligor or the Issuer) will equal the full amount that the Issuer would have received had no such deduction or withholding occurred and (y) the total amount of such deductions or withholdings on the Assets results in a payment by, or charge or tax burden to, the Issuer that results or will result in the withholding of 5% or more of scheduled distributions for any Collection Period or (ii) a Hedge Counterparty being required to deduct or withhold from any payment to the Issuer under a Hedge Agreement for or on account of any tax for whatever reason and such Hedge Counterparty not being required to pay to the Issuer such additional amount

as is necessary to ensure that the net amount actually received by the Issuer (after payment of all taxes, whether assessed against such Hedge Counterparty or the Issuer) will equal the full amount that the Issuer would have received had no such taxes been imposed, and the aggregate amount of such a tax or taxes imposed on the Issuer or withheld from payments to the Issuer and with respect to which the Issuer receives less than the full amount that the Issuer would have received had no such deduction occurred, or "gross up payments" required to be made by the Issuer, (x) is in excess of $1,000,000 during the Collection Period in which such event occurs or (y) the aggregate of all such "gross up payment" requirements required to be made by the Issuer during any 12-month period is in excess of $1,000,000 or (b) any jurisdiction imposes net income, profits or similar Tax on the Issuer in an aggregate amount in any Collection Period in excess of U.S.$1,000,000.

Until notified by the Collateral Manager or until a Trust Officer of the Trustee obtains actual knowledge of the occurrence of a Tax Event, the Trustee shall not be deemed to have any notice or knowledge of the occurrence of such Tax Event.

"**Tax Jurisdiction**": The Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands or the Channel Islands and any other tax advantaged jurisdiction as may be designated by the Collateral Manager with notice to the Applicable Rating Agency from time to time.

"**Tax Redemption**": The meaning specified in Section 9.3(a).

"**Transaction Documents**": This Indenture, the Collateral Management Agreement, the Collateral Administration Agreement, the Account Control Agreement, the Purchase Agreement, the Administration Agreement, the AML Services Agreement and the Registered Office Agreement.

"**Transfer Agent**": The Person or Persons, which may be the Issuer, authorized by the Issuer to exchange or register the transfer of Notes.

"**Treasury Regulations**": The regulations promulgated under the Code.

"**Trust Officer**": When used with respect to the Trustee, any officer within the Corporate Trust Office (or any successor group of the Trustee) including any vice president, assistant vice president or officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Corporate Trust Office because of such person's knowledge of and familiarity with the particular subject and, in each case, having direct responsibility for the administration of this transaction.

"**Trustee**": The meaning specified in the first sentence of this Indenture, and any successor thereto.

"**Trustee's Website**": The meaning specified in Section 10.6(f).

"**UCC**": The Uniform Commercial Code as in effect in the State of New York or, if different, the political subdivision of the United States that governs the perfection of the relevant security interest as amended from time to time.

"**Uncertificated Security**": The meaning specified in Section 8-102(a)(18) of the UCC.

"**Underlying Instrument**": The indenture or other agreement pursuant to which an Asset has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Asset or of which the holders of such Asset are the beneficiaries.

"**Unregistered Securities**": The meaning specified in Section 5.17(c).

"**Unsalable Assets**": (a)(i) A Defaulted Obligation, (ii) an Equity Security or (iii) an obligation received in connection with an Offer, in a restructuring or plan of reorganization with respect to the obligor, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Collateral Obligation or Eligible Investment identified in an officer's certificate of the Collateral Manager as having a Market Value of less than $1,000, in the case of each of (a) and (b) with respect to which the Collateral Manager certifies to the Trustee that (x) it has made commercially reasonable efforts to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

"**Unsecured Loan**": An unsecured Loan obligation of any corporation, partnership or trust.

"**U.S. person**": The meaning specified in Regulation S.

"**U.S. Risk Retention Rules**": The federal interagency credit risk retention rules, codified at 17 C.F.R. Part 246.

"**U.S. Tax Person**": The meaning specified in Section 7701(a)(30) of the Code.

"**Volcker Rule**": Section 13 of the Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations promulgated thereunder.

"**Weighted Average Life**": As of any date of determination with respect to all Collateral Obligations other than Defaulted Obligations, the number of years following such date obtained by summing the products obtained by multiplying:

(a) (i) the Average Life at such time of each such Collateral Obligation by (ii) the outstanding principal balance of such Collateral Obligation,

and dividing such sum by:

(b) the Aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations.

"**Zero Coupon Bond**": Any debt security that by its terms (a) does not bear interest for all or part of the remaining period that it is outstanding, (b) provides for periodic payments of interest in Cash less frequently than semi-annually or (c) pays interest only at its stated maturity.

Section 1.2 Usage of Terms.

With respect to all terms in this Indenture, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to "writing" include printing, typing, lithography and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all amendments, modifications and supplements thereto or any changes therein entered into in accordance with their respective terms and not prohibited by this Indenture; references to Persons include their permitted successors and assigns; and the term "including" means "including without limitation."

Section 1.3 Assumptions as to Assets. In connection with all calculations required to be made pursuant to this Indenture with respect to Scheduled Distributions on any Asset, or any payments on any other assets included in the Assets, with respect to the sale of and investment in Collateral Obligations, and with respect to the income that can be earned on Scheduled Distributions on such Assets and on any other amounts that may be received for deposit in the Collection Account, the provisions set forth in this Section 1.3 shall be applied. The provisions of this Section 1.3 shall be applicable to any determination or calculation that is covered by this Section 1.3, whether or not reference is specifically made to Section 1.3, unless some other method of calculation or determination is expressly specified in the particular provision.

(a) All calculations with respect to Scheduled Distributions on the Assets securing the Secured Notes shall be made on the basis of information as to the terms of each such Asset and upon reports of payments, if any, received on such Asset that are furnished by or on behalf of the issuer of such Asset and, to the extent they are not manifestly in error, such information or reports may be conclusively relied upon in making such calculations.

(b) For purposes of calculating the Coverage Tests, except as otherwise specified in the Coverage Tests, such calculations will not include scheduled interest and principal payments on Defaulted Obligations unless or until such payments are actually made.

(c) For each Collection Period and as of any date of determination, the Scheduled Distribution on any Asset (including Current Pay Obligations and DIP Collateral Obligations but excluding Defaulted Obligations, which, except as otherwise provided herein, shall be assumed to have a Scheduled Distribution of zero, except to the extent any payments have actually been received) shall be the sum of (i) the total amount of payments and collections to be received during such Collection Period in respect of such Asset (including the proceeds of the sale of such Asset received and, in the case of sales which have not yet settled, anticipated to be received during the Collection Period) that, if received as scheduled, will be available in the Collection Account at the end of the Collection Period and (ii) any such amounts received in prior Collection Periods that were not disbursed on a previous Payment Date.

(d) Each Scheduled Distribution receivable with respect to a Collateral Obligation shall be assumed to be received on the applicable Due Date, and each such Scheduled Distribution shall be assumed to be immediately deposited in the Collection Account to earn interest at the Assumed Reinvestment Rate. All such funds shall be assumed to continue to earn interest until the date on which they are required to be available in the Collection Account for application, in accordance with the terms hereof, to payments of principal of or interest on the Notes or other amounts payable pursuant to this Indenture. For purposes of the applicable determinations required by Section 10.6(b)(iv), Article XII and the definition of "Interest Coverage Ratio," the expected interest on the Secured Notes and Floating Rate Obligations will be calculated using the then current interest rates applicable thereto.

(e) References in the Priority of Payments to calculations made on a "pro forma basis" shall mean such calculations after giving effect to all payments, in accordance with the Priority of Payments described herein, that precede (in priority of payment) or include the clause in which such calculation is made.

(f) If a Collateral Obligation included in the Assets would be deemed a Current Pay Obligation but for the applicable percentage limitation in the proviso to clause (x) of the proviso to the definition of "Defaulted Obligation," then the Current Pay Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the Principal Balance of such Current Pay Obligations as of the date of determination) shall be deemed Defaulted Obligations. Each such Defaulted Obligation will be

treated as a Defaulted Obligation for all purposes until such time as the Aggregate Principal Balance of Current Pay Obligations would not exceed, on a pro forma basis including such Defaulted Obligation, the applicable percentage of the Collateral Principal Amount.

(g) Notwithstanding any other provision of this Indenture to the contrary, all monetary calculations under this Indenture shall be in Dollars.

(h) Any reference in this Indenture to an amount of the Trustee's or the Collateral Administrator's fees calculated with respect to a period at a per annum rate shall be computed on the basis of a 360-day year of twelve 30-day months prorated for the related Interest Accrual Period and shall be based on the aggregate face amount of the Assets.

(i) To the extent there is, in the reasonable determination of the Collateral Administrator or the Trustee, any ambiguity in the interpretation of any definition or term contained in this Indenture or to the extent the Collateral Administrator or the Trustee reasonably determine that more than one methodology can be used to make any of the determinations or calculations set forth herein, the Collateral Administrator and/or the Trustee shall be entitled to request direction from the Collateral Manager as to the interpretation and/or methodology to be used, and the Collateral Administrator and the Trustee shall follow such direction and shall be entitled to conclusively rely thereon without any responsibility or liability therefor.

(j) For purposes of calculating compliance with any tests under this Indenture, the trade date (and not the settlement date) with respect to any acquisition or disposition of a Collateral Obligation or Eligible Investment shall be used to determine whether and when such acquisition or disposition has occurred.

(k) If the Issuer (or the Collateral Manager on behalf of the Issuer) is notified by the administrative agent or other withholding agent or otherwise for the syndicate of lenders in respect of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation that any amounts associated therewith are subject to withholding tax imposed by any jurisdiction, the Coverage Tests shall be calculated thereafter net of the full amount of such withholding tax unless the related Obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding tax on an after-tax basis pursuant to the underlying instruments with respect thereto.

ARTICLE II

THE NOTES

Section 2.1 Forms Generally. The Notes and the Trustee's or Authenticating Agent's certificate of authentication thereon (the "**Certificate of Authentication**") shall be in substantially the forms required by this Article, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be consistent herewith, determined by the Authorized Officers of the Issuer executing such Notes as evidenced by their execution of such Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

Section 2.2 Forms of Notes. (a) The forms of the Notes, including the forms of Certificated Secured Notes, Certificated Subordinated Notes, Regulation S Global Secured Notes, Rule 144A Global Secured Notes and Rule 144A Global Subordinated Notes, shall be as set forth in the applicable part of Exhibit A hereto. The Applicable Issuer may assign one or more CUSIPs or similar identifying numbers to

Notes for administrative convenience or in connection with compliance with FATCA or implementation of a Bankruptcy Subordination Agreement.

(b) Secured Notes and Subordinated Notes.

(i) Except as provided in the Term Sheet, the Secured Notes of each Class sold to persons who are not U.S. persons in offshore transactions in reliance on Regulation S shall each be issued initially in the form of one permanent Global Secured Note per Class in definitive, fully registered form without interest coupons substantially in the applicable form attached as Exhibit A hereto, in the case of the Secured Notes (each, a "**Regulation S Global Secured Note**") and shall be deposited on behalf of the subscribers for such Secured Notes represented thereby with the Trustee as custodian for, and registered in the name of a nominee of, DTC for the respective accounts of Euroclear and Clearstream, duly executed by the Applicable Issuers and authenticated by the Trustee as hereinafter provided.

(ii) Except as provided in the Term Sheet, the Notes of each Class sold to persons that are Qualified Institutional Buyers shall each be issued initially in the form of one permanent Global Secured Note per Class in definitive, fully registered form without interest coupons substantially in the applicable form attached as Exhibit A hereto, in the case of the Secured Notes (each, a "**Rule 144A Global Secured Note**") and in the form of one permanent global Subordinated Note in definitive, fully registered form without interest coupons substantially in the applicable form attached as Exhibit A-2 hereto, in the case of the Subordinated Notes (each, a "**Rule 144A Global Subordinated Note**" and, together with the Rule 144A Global Secured Notes, the "**Rule 144A Global Notes**"), and shall be deposited on behalf of the subscribers for such Notes represented thereby with the Trustee as custodian for, and registered in the name of a nominee of, DTC, duly executed by the Applicable Issuers and authenticated by the Trustee as hereinafter provided.

(iii) The Secured Notes sold to persons that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Secured Note, are Institutional Accredited Investors, shall be issued in the form of definitive, fully registered notes without coupons substantially in the applicable form attached as Exhibit A hereto (a "**Certificated Secured Note**") which shall be registered in the name of the beneficial owner or a nominee thereof, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. The Subordinated Notes sold to persons that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Subordinated Note, are Institutional Accredited Investors shall be issued in the form of definitive, fully registered notes without coupons substantially in the form attached as Exhibit A hereto (each, a "**Certificated Subordinated Note**" and, together with the Certificated Secured Notes, "**Certificated Notes**") which shall be registered in the name of the beneficial owner or a nominee thereof, duly executed by the Issuer and authenticated by the Trustee upon Issuer Order as hereinafter provided.

(iv) The aggregate principal amount of the Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee or DTC or its nominee, as the case may be, as hereinafter provided.

(c) Book Entry Provisions. This Section 2.2(c) shall apply only to Global Notes deposited with or on behalf of DTC.

The provisions of the "Operating Procedures of the Euroclear System" of Euroclear and the "Terms and Conditions Governing Use of Participants" of Clearstream, respectively, will be applicable to the Global

Notes insofar as interests in such Global Notes are held by the Agent Members of Euroclear or Clearstream, as the case may be.

Agent Members shall have no rights under this Indenture with respect to any Global Notes held on their behalf by the Trustee, as custodian for DTC and DTC may be treated by the Applicable Issuer, the Trustee, and any agent of the Applicable Issuer or the Trustee as the absolute owner of such Notes for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Applicable Issuer, the Trustee, or any agent of the Applicable Issuer or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by DTC or impair, as between DTC and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

Section 2.3 Authorized Amount; Stated Maturity; Denominations. The aggregate principal amount of Secured Notes and Subordinated Notes that may be authenticated and delivered under this Indenture is limited to the aggregate principal amount of Notes specified in the Term Sheet (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 2.5, Section 2.6 or Section 8.5 of this Indenture).

The Notes shall be divided into the Classes, having the designations, original principal amounts, Interest Rates, Stated Maturity and Minimum Denominations set forth in the Term Sheet.

Section 2.4 Execution, Authentication, Delivery and Dating. The Notes shall be executed on behalf of each of the Applicable Issuers by one of their respective Authorized Officers. The signature of such Authorized Officer on the Notes may be manual or facsimile.

Notes bearing the manual or facsimile signatures of individuals who were at any time the Authorized Officers of the Applicable Issuer, shall bind the Issuer and the Co-Issuer, as applicable, notwithstanding the fact that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of issuance of such Notes.

At any time and from time to time after the execution and delivery of this Indenture, the Issuer and the Co-Issuer may deliver Notes executed by the Applicable Issuers to the Trustee or the Authenticating Agent for authentication and the Trustee or the Authenticating Agent, upon Issuer Order, shall authenticate and deliver such Notes as provided in this Indenture and not otherwise.

Each Note authenticated and delivered by the Trustee or the Authenticating Agent upon Issuer Order on the Closing Date shall be dated as of the Closing Date. All other Notes that are authenticated after the Closing Date for any other purpose under this Indenture shall be dated the date of their authentication.

Notes issued upon transfer, exchange or replacement of other Notes shall be issued in authorized denominations reflecting the original Aggregate Outstanding Amount of the Notes so transferred, exchanged or replaced, but shall represent only the current Outstanding principal amount of the Notes so transferred, exchanged or replaced. If any Note is divided into more than one Note in accordance with this Article II, the original principal amount of such Note shall be proportionately divided among the Notes delivered in exchange therefor and shall be deemed to be the original aggregate principal amount of such subsequently issued Notes.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a Certificate of Authentication, substantially in the form provided for herein, executed by the Trustee or by the Authenticating Agent by the manual signature of one of their

authorized signatories, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

Section 2.5 Registration, Registration of Transfer and Exchange. (a) The Issuer shall cause the Notes to be Registered and shall cause to be kept a register (the "**Register**") at the office of the Trustee in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers of Notes. The Trustee is hereby initially appointed registrar (the "**Registrar**") for the purpose of registering Notes and transfers of such Notes with respect to the Register maintained in the United States as herein provided. Upon any resignation or removal of the Registrar, the Issuer shall promptly appoint a successor or, in the absence of such appointment, assume the duties of Registrar.

If a Person other than the Trustee is appointed by the Issuer as Registrar, the Issuer will give the Trustee prompt written notice of the appointment of a Registrar and of the location, and any change in the location, of the Register, and the Trustee shall have the right to inspect the Register at all reasonable times and to obtain copies thereof and the Trustee shall have the right to rely upon a certificate executed on behalf of the Registrar by an Officer thereof as to the names and addresses of the Holders of the Notes and the principal or face amounts and numbers of such Notes. Upon written request at any time the Registrar shall provide to the Issuer, the Collateral Manager, the Initial Purchaser or any Holder a current list of Holders (and their holdings) as reflected in the Register. In addition and upon written request at any time, the Registrar shall provide to the Issuer, the Collateral Manager, the Initial Purchaser or any Holder any information the Registrar actually possesses regarding the nature and identity of any beneficial owner of any Note (and its holdings).

Subject to this Section 2.5, upon surrender for registration of transfer of any Notes at the office or agency of the Co-Issuers to be maintained as provided in Section 7.2, the Applicable Issuers shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denomination and of a like aggregate principal or face amount.

At the option of the Holder, Notes may be exchanged for Notes of like terms, in any authorized denominations and of like aggregate principal amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Note is surrendered for exchange, the Applicable Issuers shall execute, and the Trustee shall authenticate and deliver, the Notes that the Holder making the exchange is entitled to receive.

All Notes issued and authenticated upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer and, solely in the case of the Secured Notes, the Co-Issuer, evidencing the same debt (to the extent they evidence debt), and entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by the Holder thereof or such Holder's attorney duly authorized in writing with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act.

No service charge shall be made to a Holder for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. The Trustee and the Registrar shall be permitted to request such evidence reasonably satisfactory to it documenting the identity and/or signatures of the transferor and transferee.

(b) No Note may be sold or transferred (including, without limitation, by pledge or hypothecation) unless such sale or transfer is exempt from the registration requirements of the Securities Act, is exempt from the registration requirements under applicable state securities laws and will not cause either of the Co-Issuers to become subject to the requirement that it register as an investment company under the Investment Company Act.

(c) No transfer of any Subordinated Note (or any interest therein) will be effective, and the Trustee will not recognize any such transfer, if after giving effect to such transfer 25% or more of the Aggregate Outstanding Amount of the Subordinated Notes would be held by Persons who are Benefit Plan Investors. For purposes of these calculations and all other calculations required by this subsection, (A) any Notes of the Issuer held by a Person (other than a Benefit Plan Investor) who is a Controlling Person or the Trustee, the Collateral Manager, the Retention Holder, the Initial Purchaser or any of their respective affiliates (other than those interests held by a Benefit Plan Investor) shall be disregarded and not treated as Outstanding and (B) an "affiliate" of a Person shall include any Person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the Person, and "control" with respect to a Person other than an individual shall mean the power to exercise a controlling influence over the management or policies of such Person. The Trustee shall be entitled to rely exclusively upon the information set forth in the face of the transfer certificates received pursuant to the terms of this Section 2.5 and only Notes that a Trust Officer of the Trustee actually knows (solely in reliance upon such information) to be so held shall be so disregarded.

(d) Notwithstanding anything contained herein to the contrary, the Trustee shall not be responsible for ascertaining whether any transfer complies with, or for otherwise monitoring or determining compliance with, the registration provisions of or any exemptions from the Securities Act, applicable state securities laws or the applicable laws of any other jurisdiction, ERISA, the Code, the Investment Company Act, or the terms hereof; *provided* that if a certificate is specifically required by the terms of this Section 2.5 to be provided to the Trustee by a prospective transferor or transferee, the Trustee shall be under a duty to receive and examine the same to determine whether or not the certificate substantially conforms on its face to the applicable requirements of this Indenture and shall promptly notify the party delivering the same if such certificate does not comply with such terms.

(e) For so long as any of the Notes are Outstanding, the Issuer shall not issue or permit the transfer of any ordinary shares of the Issuer to U.S. persons.

(f) Transfers of Global Notes shall only be made in accordance with Section 2.2(b) and this Section 2.5(f).

(i) Rule 144A Global Secured Note to Regulation S Global Secured Note . If a holder of a beneficial interest in a Rule 144A Global Secured Note deposited with DTC wishes at any time to exchange its interest in such Rule 144A Global Secured Note for an interest in the corresponding Regulation S Global Secured Note, or to transfer its interest in such Rule 144A Global Secured Note to a Person who wishes to take delivery thereof in the form of an interest in the corresponding Regulation S Global Secured Note, such holder (*provided* that such holder or, in the case of a transfer, the transferee, is not a U.S. person and is acquiring such interest in an offshore transaction) may,

subject to the immediately succeeding sentence and the rules and procedures of DTC, exchange or transfer, or cause the exchange or transfer of, such interest for an equivalent beneficial interest in the corresponding Regulation S Global Secured Note. Upon receipt by the Registrar of (A) instructions given in accordance with DTC's procedures from an Agent Member directing the Registrar to credit or cause to be credited a beneficial interest in the corresponding Regulation S Global Secured Note, but not less than the Minimum Denomination applicable to such holder's Notes, in an amount equal to the beneficial interest in the Rule 144A Global Secured Note to be exchanged or transferred, (B) a written order given in accordance with DTC's procedures containing information regarding the participant account of DTC and the Euroclear or Clearstream account to be credited with such increase, (C) a certificate in the form of Exhibit B-1 attached hereto given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Global Secured Notes, including that the holder or the transferee, as applicable, is not a U.S. person, and in an offshore transaction pursuant to and in accordance with Regulation S, and (D) a written certification in the form of Exhibit B-5 attached hereto given by the transferee in respect of such beneficial interest stating, among other things, that such transferee is a non-U.S. person purchasing such beneficial interest in an offshore transaction pursuant to Regulation S, then the Registrar shall approve the instructions at DTC to reduce the principal amount of the Rule 144A Global Secured Note and to increase the principal amount of the Regulation S Global Secured Note by the aggregate principal amount of the beneficial interest in the Rule 144A Global Secured Note to be exchanged or transferred, and to credit or cause to be credited to the securities account of the Person specified in such instructions a beneficial interest in the corresponding Regulation S Global Secured Note equal to the reduction in the principal amount of the Rule 144A Global Secured Note.

(ii) Regulation S Global Secured Note to Rule 144A Global Secured Note. If a holder of a beneficial interest in a Regulation S Global Secured Note deposited with DTC wishes at any time to exchange its interest in such Regulation S Global Secured Note for an interest in the corresponding Rule 144A Global Secured Note or to transfer its interest in such Regulation S Global Secured Note to a Person who wishes to take delivery thereof in the form of an interest in the corresponding Rule 144A Global Secured Note, such holder may, subject to the immediately succeeding sentence and the rules and procedures of Euroclear, Clearstream and/or DTC, as the case may be, exchange or transfer, or cause the exchange or transfer of, such interest for an equivalent beneficial interest in the corresponding Rule 144A Global Secured Note. Upon receipt by the Registrar of (A) instructions from Euroclear, Clearstream and/or DTC, as the case may be, directing the Registrar to cause to be credited a beneficial interest in the corresponding Rule 144A Global Secured Note in an amount equal to the beneficial interest in such Regulation S Global Secured Note, but not less than the Minimum Denomination applicable to such holder's Notes to be exchanged or transferred, such instructions to contain information regarding the participant account with DTC to be credited with such increase, (B) a certificate in the form of Exhibit B-3 attached hereto given by the holder of such beneficial interest and stating, among other things, that, in the case of a transfer, the Person transferring such interest in such Regulation S Global Secured Note reasonably believes that the Person acquiring such interest in a Rule 144A Global Secured Note is (x) a Qualified Institutional Buyer and (y) a Qualified Purchaser or entity owned exclusively by Qualified Purchasers, is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (C) a written certification in the form of Exhibit B-5 attached hereto given by the transferee in respect of such beneficial interest stating, among other things, that such transferee is (x) a Qualified Institutional Buyer and (y) a Qualified Purchaser or entity owned exclusively by Qualified Purchasers, then the Registrar will approve the instructions at DTC to reduce, or cause to

be reduced, the Regulation S Global Secured Note by the aggregate principal amount of the beneficial interest in the Regulation S Global Secured Note to be transferred or exchanged and the Registrar shall instruct DTC, concurrently with such reduction, to credit or cause to be credited to the securities account of the Person specified in such instructions a beneficial interest in the corresponding Rule 144A Global Secured Note equal to the reduction in the principal amount of the Regulation S Global Secured Note.

(iii) Global Note to Certificated Note. Subject to Section 2.10(a), if a holder of a beneficial interest in a Global Note deposited with DTC wishes at any time to transfer its interest in such Global Note to a Person who wishes to take delivery thereof in the form of a corresponding Certificated Note, such holder may, subject to the immediately succeeding sentence and the rules and procedures of Euroclear, Clearstream and/or DTC, as the case may be, transfer, or cause the transfer of, such interest for a Certificated Note. Upon receipt by the Registrar of (A) a certificate substantially in the form of Exhibit B-2 attached hereto (and Exhibit B-4, in the case of Subordinated Notes) executed by the transferee and (B) appropriate instructions from DTC, if required, the Registrar will approve the instructions at DTC to reduce, or cause to be reduced, the Global Note by the aggregate principal amount of the beneficial interest in the Global Note to be transferred, record the transfer in the Register in accordance with Section 2.5(a) and upon execution by the Issuer and authentication and delivery by the Trustee, one or more corresponding Certificated Notes, registered in the names specified in the instructions described in clause (B) above, in principal amounts designated by the transferee (the aggregate of such principal amounts being equal to the aggregate principal amount of the interest in such Global Note transferred by the transferor), and in authorized denominations.

(g) Transfers of Certificated Notes shall only be made in accordance with Section 2.2(b) and this Section 2.5(g).

(i) Transfer of Certificated Notes to Global Notes. If a Holder of a Certificated Note wishes at any time to transfer such Certificated Note to a Person who wishes to take delivery thereof in the form of a beneficial interest in a corresponding Global Note, such Holder may, subject to the immediately succeeding sentence and the rules and procedures of Euroclear, Clearstream and/or DTC, as the case may be, exchange or transfer, or cause the exchange or transfer of, such Certificated Note for a beneficial interest in a corresponding Global Note. Upon receipt by the Registrar of (A) a Holder's Certificated Note properly endorsed for assignment to the transferee, (B) a certificate substantially in the form of Exhibit B-1 or B-3 attached hereto executed by the transferor and certificates substantially in the form of Exhibit B-5 (and Exhibit B-4, in the case of Subordinated Notes) attached hereto executed by the transferee, (C) instructions given in accordance with Euroclear, Clearstream or DTC's procedures, as the case may be, from an Agent Member to instruct DTC to cause to be credited a beneficial interest in the applicable Global Notes in an amount equal to the Certificated Notes to be transferred or exchanged, and (D) a written order given in accordance with DTC's procedures containing information regarding the participant's account at DTC and/or Euroclear or Clearstream to be credited with such increase, the Registrar shall cancel such Certificated Note in accordance with Section 2.9, record the transfer in the Register in accordance with Section 2.5(a) and approve the instructions at DTC, concurrently with such cancellation, to credit or cause to be credited to the securities account of the Person specified in such instructions a beneficial interest in the corresponding Global Note equal to the principal amount of the Certificated Note transferred or exchanged.

(ii) Transfer of Certificated Notes to Certificated Notes. Upon receipt by the Registrar of (A) a Holder's Certificated Note properly endorsed for assignment to the transferee, and (B) a

certificate substantially in the form of Exhibit B-2 (and Exhibit B-4, in the case of Subordinated Notes) attached hereto executed by the transferee, the Registrar shall cancel such Certificated Note in accordance with Section 2.9, record the transfer in the Register in accordance with Section 2.5(a) and upon execution by the Issuer and authentication and delivery by the Trustee, deliver one or more Certificated Notes bearing the same designation as the Certificated Note endorsed for transfer, registered in the names specified in the assignment described in clause (A) above, in principal amounts designated by the transferee (the aggregate of such principal amounts being equal to the aggregate principal amount of the Certificated Note surrendered by the transferor), and in authorized denominations.

(h) If Notes are issued upon the transfer, exchange or replacement of Notes bearing the applicable legends set forth in the applicable part of Exhibit A hereto, and if a request is made to remove such applicable legend on such Notes, the Notes so issued shall bear such applicable legend, or such applicable legend shall not be removed, as the case may be, unless there is delivered to the Trustee and the Applicable Issuers such satisfactory evidence, which may include an Opinion of Counsel acceptable to them, as may be reasonably required by the Applicable Issuers (and which shall by its terms permit reliance by the Trustee), to the effect that neither such applicable legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of the Securities Act, the Investment Company Act, ERISA or the Code. Upon provision of such satisfactory evidence, the Trustee or its Authenticating Agent, at the written direction of the Applicable Issuers shall, after due execution by the Applicable Issuers authenticate and deliver Notes that do not bear such applicable legend.

(i) Each Person who becomes a beneficial owner of Notes represented by an interest in a Global Note will be deemed to have represented and agreed (and, in the case of Rule 144A Global Subordinated Notes acquired from the Issuer on the Closing Date, will represent and agree, in substantially the same form) as follows:

(i) In connection with the purchase of such Notes: (A) none of the Transaction Parties or any of their respective Affiliates is acting as a fiduciary or financial or investment advisor for such beneficial owner; (B) such beneficial owner is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Transaction Parties or any of their respective Affiliates other than any statements in the final Offering Circular for such Notes, and such beneficial owner has read and understands such final Offering Circular; (C) such beneficial owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to this Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Transaction Parties or any of their respective Affiliates; (D) such beneficial owner is either (1) (in the case of a beneficial owner of an interest in a Rule 144A Global Secured Note) (x) a "qualified institutional buyer" (as defined under Rule 144A under the Securities Act) that is not a broker-dealer which owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of issuers that are not affiliated persons of the dealer and is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A under the Securities Act or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A under the Securities Act that holds the assets of such a plan, if investment decisions with respect to the plan are made by beneficiaries of the plan and (y) a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act or an entity owned exclusively by "qualified purchasers" or (2) solely in the case of Secured Notes, not a "U.S. person" as defined in Regulation S and is acquiring the Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from registration

provided by Regulation S; (E) such beneficial owner is acquiring its interest in such Notes for its own account; (F) such beneficial owner was not formed for the purpose of investing in such Notes; (G) such beneficial owner understands that the Issuer may receive a list of participants holding interests in the Notes from one or more book-entry depositories; (H) such beneficial owner will hold and transfer at least the Minimum Denomination of such Notes; (I) such beneficial owner is a sophisticated investor and is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof, and is capable of and willing to assume those risks; (J) such beneficial owner will provide notice of the relevant transfer restrictions to subsequent transferees and (K) if it is not a U.S. person, it is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income tax; *provided* that any purchaser or transferee of Notes, which purchaser or transferee is any of (I) the Collateral Manager, (II) an Affiliate of the Collateral Manager or (III) a fund or account managed by the Collateral Manager (or any of its Affiliates) as to which the Collateral Manager (or such Affiliate) has discretionary voting authority, in each case shall not be required or deemed to make the representations set forth in clauses (A), (B) and (C) above with respect to the Collateral Manager.

(ii) (x) With respect to a Secured Note, or any interest therein (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such interest does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (b) if it is a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any such Other Plan Law.

(y) With respect to a Subordinated Note or any interest therein (1) if it is a purchaser of such Notes from the Issuer as part of the initial offering on the Closing Date, it will be required to represent and warrant (a) whether or not it is or will become (or otherwise acts on behalf of) a Benefit Plan Investor on any day from the date on which it acquires its interest in such Subordinated Notes through and including the date on which it disposes of such interest in such Subordinated Notes, (b) whether or not it is or will become (or otherwise acts on behalf of) a Controlling Person on any day from the date on which it acquires its interest in such Subordinated Notes through and including the date on which it disposes of its interest in such Subordinated Notes and (c) (i) if it is a Benefit Plan Investor, that its acquisition, holding and disposition of such Subordinated Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or (ii) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Notes or interest therein will not be, subject to Similar Law and (y) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (2) each purchaser or subsequent transferee, as applicable, of an interest in a Subordinated Note from Persons other than from the Issuer or the Initial Purchaser as part of the initial offering on the Closing Date, on each day from the date on which such beneficial owner acquires its interest in such Notes through and including the date on which such beneficial owner disposes of its interest in such Notes, will be deemed to have represented and agreed that (a) it is not, and is not acting on behalf of, a Benefit Plan Investor or a Controlling Person and (b) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Notes or interest therein will not be, subject to Similar Law and (y) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law.

(iii) Such beneficial owner understands that such Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Notes have not been and will not be registered under the Securities Act, and, if in the future such beneficial owner decides to offer, resell, pledge or otherwise transfer such Notes, such Notes

may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of this Indenture and the legend on such Notes. Such beneficial owner acknowledges that no representation has been made as to the availability of any exemption under the Securities Act or any state securities laws for resale of such Notes. Such beneficial owner understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act.

(iv) Such beneficial owner is aware that, except as otherwise provided in this Indenture, any Secured Notes being sold to it in reliance on Regulation S will be represented by one or more Regulation S Global Secured Notes and that beneficial interests therein may be held only through DTC for the respective accounts of Euroclear or Clearstream.

(v) Such beneficial owner will provide notice to each Person to whom it proposes to transfer any interest in the Notes of the transfer restrictions and representations set forth in this Section 2.5, including the Exhibits referenced herein.

(vi) Such beneficial owner agrees that it will not cause the filing of a petition in bankruptcy against the Issuer or the Co-Issuer prior to the day which is one year (or, if longer, the applicable preference period then in effect) plus one day after payment in full of all Notes.

(vii) Such beneficial owner understands and agrees that the Notes are limited recourse obligations of the Issuer (and the Co-Issuer, as applicable) payable solely from the proceeds of the Assets and following realization of the Assets, and all application of the proceeds thereof in accordance with this Indenture, all obligations of and any claims against the Issuer (and the Co-Issuer, as applicable) thereunder or in connection therewith shall be extinguished and shall not thereafter revive.

(viii) Such beneficial owner agrees to be subject to the Bankruptcy Subordination Agreement.

(ix) Such beneficial owner is not a member of the public in the Cayman Islands.

(x) Such beneficial owner will provide the Issuer or its agents with such information and documentation that may be required for the Issuer to achieve AML Compliance and shall update or replace such information or documentation, as may be necessary (the "**Holder AML Obligations**").

(xi) Such beneficial owner acknowledges and agrees to the restrictions set forth in Section 2.12.

(j) Any purported transfer of a Note not in accordance with this Section 2.5 and Section 2.12 shall be null and void and shall not be given effect for any purpose whatsoever.

(k) To the extent required by the Issuer, as determined by the Issuer or the Collateral Manager on behalf of the Issuer, the Issuer may, upon written notice to the Trustee, impose additional transfer restrictions on the Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and other similar laws or regulations, including, without limitation, requiring each transferee of a Note to make representations to the Issuer in connection with such compliance.

(l) The Registrar, the Trustee and the Issuer shall be entitled to conclusively rely on the information set forth on the face of any transferor and transferee certificate delivered pursuant to this

Section 2.5 and shall be able to presume conclusively the continuing accuracy thereof, in each case without further inquiry or investigation. Notwithstanding anything in this Indenture to the contrary, the Trustee shall not be required to obtain any certificate specifically required by the terms of this Section 2.5 if the Trustee is not notified of any transfer requiring such certificate to be presented by the proposed transferor or transferee.

(m) For the avoidance of doubt, notwithstanding anything in this Indenture to the contrary, the Initial Purchaser may hold a position in a Regulation S Global Note prior to the distribution of the applicable Notes represented by such position.

Section 2.6 Mutilated, Defaced, Destroyed, Lost or Stolen Note. If (a) any mutilated or defaced Note is surrendered to a Transfer Agent, or if there shall be delivered to the Applicable Issuers, the Trustee and the relevant Transfer Agent evidence to their reasonable satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Applicable Issuers, the Trustee and such Transfer Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Applicable Issuers, the Trustee or such Transfer Agent that such Note has been acquired by a protected purchaser, the Applicable Issuers shall execute and, upon Issuer Order, the Trustee shall authenticate and deliver to the Holder, in lieu of any such mutilated, defaced, destroyed, lost or stolen Note, a new Note, of like tenor (including the same date of issuance) and equal principal or face amount, registered in the same manner, dated the date of its authentication, bearing interest from the date to which interest has been paid on the mutilated, defaced, destroyed, lost or stolen Note and bearing a number not contemporaneously outstanding.

If, after delivery of such new Note, a protected purchaser of the predecessor Note presents for payment, transfer or exchange such predecessor Note, the Applicable Issuers, the Transfer Agent and the Trustee shall be entitled to recover such new Note from the Person to whom it was delivered or any Person taking therefrom, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Applicable Issuers, the Trustee and the Transfer Agent in connection therewith.

In case any such mutilated, defaced, destroyed, lost or stolen Note has become due and payable, the Applicable Issuers in their discretion may, instead of issuing a new Note pay such Note without requiring surrender thereof except that any mutilated or defaced Note shall be surrendered.

Upon the issuance of any new Note under this Section 2.6, the Applicable Issuers may require the payment by the Holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Note issued pursuant to this Section 2.6 in lieu of any mutilated, defaced, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Applicable Issuers and such new Note shall be entitled, subject to the second paragraph of this Section 2.6, to all the benefits of this Indenture equally and proportionately with any and all other Notes of the same Class duly issued hereunder.

The provisions of this Section 2.6 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, defaced, destroyed, lost or stolen Notes.

Section 2.7 Payment of Principal and Interest and Other Amounts; Principal and Interest Rights Preserved. (a) The Secured Notes of each Class shall accrue interest during each Interest Accrual

Period at the applicable Interest Rate and such interest will be payable in arrears on each Payment Date on the Aggregate Outstanding Amount thereof on the first day of the related Interest Accrual Period (in each case after giving effect to payments of principal thereof on such date). Payment of interest on each Class of Secured Notes (and payments of available Interest Proceeds to the Holders of the Subordinated Notes) will be subordinated to the payment of interest on each related Priority Class as provided in Section 11.1. To the extent lawful and enforceable, interest on any interest that is not paid when due on any Class of Secured Notes shall accrue at the applicable Interest Rate for such Class until paid as provided herein.

(b) The principal of each Secured Note of each Class matures at par and is due and payable on the date of the Stated Maturity for such Class, unless such principal has been previously repaid or unless the unpaid principal of such Secured Note becomes due and payable at an earlier date by declaration of acceleration, call for redemption or otherwise. Notwithstanding the foregoing, the payment of principal of each Class of Secured Notes (and payments of Principal Proceeds to the Holders of the Subordinated Notes) may only occur in accordance with the Priority of Payments. Payments of principal on any Class of Secured Notes, and distributions of Principal Proceeds to Holders of Subordinated Notes, which are not paid, in accordance with the Priority of Payments, on any Payment Date (other than the Payment Date which is the Stated Maturity of such Class of Notes or any Redemption Date), because of insufficient funds therefor shall not be considered "due and payable" for purposes of Section 5.1(a) until the Payment Date on which such principal may be paid in accordance with the Priority of Payments or all Priority Classes with respect to such Class have been paid in full.

(c) Principal payments on the Notes will be made in accordance with the Priority of Payments and Article IX.

(d) The Paying Agent shall require the previous delivery of properly completed and signed applicable tax certifications (generally, in the case of U.S. federal income tax, an IRS Form W-9 (or applicable successor form) in the case of a U.S. Tax Person within the meaning of Section 7701(a)(30) of the Code or the applicable IRS Form W-8 (or applicable successor form) in the case of a Person that is not a U.S. Tax Person within the meaning of Section 7701(a)(30) of the Code) or other certification (including, with respect to FATCA, waivers of foreign law confidentiality) acceptable to it to enable the Issuer, the Co-Issuer, the Trustee and any Paying Agent, as applicable, to determine their duties and liabilities with respect to any taxes or other charges that they may be required to pay, deduct or withhold from payments in respect of such Note or the Holder or beneficial owner of such Note under any present or future law or regulation of the Cayman Islands, the United States, any other jurisdiction or any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation. In addition, the Issuer and its agents should require the delivery of any information required under FATCA to determine if the Issuer is subject to withholding or payments by the Issuer are subject to withholding. The Co-Issuers shall not be obligated to pay any additional amounts to the Holders or beneficial owners of the Notes as a result of deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges with respect to the Notes. Nothing herein shall be construed to obligate the Paying Agent to determine the duties or liabilities of the Issuer or any other paying agent with respect to any tax certification or withholding requirements, or any tax certification or withholding requirements of any jurisdiction, political subdivision or taxing authority outside the United States.

(e) Payments in respect of interest on and principal of any Secured Note and any payment with respect to any Subordinated Note shall be made by the Trustee in Dollars to DTC or its designee with respect to a Global Note and to the Holder or its nominee with respect to a Certificated Note, by wire transfer, as directed by the Holder, in immediately available funds to a Dollar account maintained by DTC or its nominee with respect to a Global Note, and to the Holder or its nominee with respect to a Certificated Note;

provided that (1) in the case of a Certificated Note, the Holder thereof shall have provided written wiring instructions to the Trustee on or before the related Record Date and (2) if appropriate instructions for any such wire transfer are not received by the related Record Date, then such payment shall be made by check drawn on a U.S. bank mailed to the address of the Holder specified in the Register. Upon final payment due on the Maturity of a Note, the Holder thereof shall present and surrender such Note at the Corporate Trust Office of the Trustee or at the office of any Paying Agent on or prior to such Maturity; *provided* that if the Trustee and the Applicable Issuers shall have been furnished such security or indemnity as may be required by them to save each of them harmless and an undertaking thereafter to surrender such certificate, then, in the absence of notice to the Applicable Issuers or the Trustee that the applicable Note has been acquired by a protected purchaser, such final payment shall be made without presentation or surrender. None of the Co-Issuers, the Trustee, the Collateral Manager, nor any Paying Agent will have any responsibility or liability for any aspects of the records maintained by DTC, Euroclear, Clearstream or any of the Agent Members relating to or for payments made thereby on account of beneficial interests in a Global Note. In the case where any final payment of principal and interest is to be made on any Secured Note (other than on the Stated Maturity thereof) or any final payment is to be made on any Subordinated Note (other than on the Stated Maturity thereof), the Trustee, in the name and at the expense of the Applicable Issuers shall, prior to the date on which such payment is to be made, mail (by first class mail, postage prepaid) to the Persons entitled thereto at their addresses appearing on the Register a notice which shall specify the date on which such payment will be made, the amount of such payment per U.S.$1,000 original principal amount of Secured Notes, original principal amount of Subordinated Notes and the place where such Notes may be presented and surrendered for such payment.

(f) Payments of principal to Holders of the Secured Notes of each Class shall be made in the proportion that the Aggregate Outstanding Amount of the Secured Notes of such Class registered in the name of each such Holder on the applicable Record Date bears to the Aggregate Outstanding Amount of all Secured Notes of such Class on such Record Date. Payments to the Holders of the Subordinated Notes from Interest Proceeds and Principal Proceeds shall be made in the proportion that the Aggregate Outstanding Amount of the Subordinated Notes registered in the name of each such Holder on the applicable Record Date bears to the Aggregate Outstanding Amount of all Subordinated Notes on such Record Date.

(g) Interest accrued with respect to the Floating Rate Notes shall be calculated on the basis of the actual number of days elapsed in the applicable Interest Accrual Period divided by 360.

(h) All reductions in the principal amount of a Note (or one or more predecessor Notes) effected by payments of installments of principal made on any Payment Date or Redemption Date shall be binding upon all future Holders of such Note and of any Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, whether or not such payment is noted on such Note.

(i) Notwithstanding any other provision of this Indenture, the obligations of the Applicable Issuers under the Notes and this Indenture are limited recourse obligations of the Applicable Issuers from time to time and at any time payable solely from the Assets available at such time and following realization of the Assets, and application of the proceeds thereof in accordance with this Indenture, all obligations of and any claims against the Co-Issuers hereunder or in connection herewith after such realization shall be extinguished and shall not thereafter revive. No recourse shall be had against any Officer, director, employee, shareholder, member, manager, authorized person or incorporator of the Co-Issuers, the Collateral Manager or their respective Affiliates, successors or assigns for any amounts payable under the Notes or this Indenture. It is understood that the foregoing provisions of this paragraph (i) shall not (i) prevent recourse to the Assets for the sums due or to become due under any security, instrument or agreement which is part of the Assets or (ii) constitute a waiver, release or discharge of any indebtedness or obligation evidenced by the Notes or

secured by this Indenture until such Assets have been realized. It is further understood that the foregoing provisions of this paragraph (i) shall not limit the right of any Person to name the Issuer or the Co-Issuer as a party defendant in any Proceeding or in the exercise of any other remedy under the Notes or this Indenture, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against any such Person or entity. The Subordinated Notes are not secured hereunder.

(j) Subject to the foregoing provisions of this Section 2.7, each Note delivered under this Indenture and upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights to unpaid interest and principal (or other applicable amount) that were carried by such other Note.

Section 2.8 Persons Deemed Owners. The Issuer, the Co-Issuer, the Trustee, and any agent of the Issuer, the Co-Issuer or the Trustee shall treat as the owner of each Note the Person in whose name such Note is registered on the Register on the applicable Record Date for the purpose of receiving payments of principal of and interest on such Note and on any other date for all other purposes whatsoever (whether or not such Note is overdue), and none of the Issuer, the Co-Issuer, the Trustee or any agent of the Issuer, the Co-Issuer or the Trustee shall be affected by notice to the contrary.

Section 2.9 Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption, or deemed lost or stolen, shall be promptly canceled by the Trustee and may not be reissued or resold. No Note may be surrendered (including any surrender in connection with any abandonment) except for payment as provided herein, or for registration of transfer, exchange or redemption in accordance with Article IX hereof (in the case of a Mandatory Redemption, only to the extent that such Mandatory Redemption results in payment in full of the applicable Class of Notes), or for replacement in connection with any Note deemed lost or stolen. If any Note is canceled other than for any of the reasons described in the immediately preceding sentence (any such surrendered Secured Note or beneficial interest therein, "**Surrendered Notes**") that is not of the Class that is, at that time, the most senior Class in the Note Payment Sequence, such Note shall be deemed to be outstanding to the extent provided in the definition of "Outstanding." Any Notes surrendered for cancellation as permitted by this Section 2.9 shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section 2.9, except as expressly permitted by this Indenture. All canceled Notes held by the Trustee shall be destroyed or held by the Trustee in accordance with its standard retention policy unless the Applicable Issuers shall direct by an Issuer Order received prior to destruction that they be returned to it. The Issuer may not acquire any of the Notes (including any Notes that are surrendered, cancelled or abandoned). The preceding sentence shall not limit an optional or mandatory redemption of the Notes pursuant to the terms of this Indenture.

Section 2.10 DTC Ceases to be Depository.

(a) A Global Note deposited with DTC pursuant to Section 2.2 shall be transferred in the form of a corresponding Certificated Note to the beneficial owners thereof only if (A) such transfer complies with Section 2.5 of this Indenture and (B) any of (x) (i) DTC notifies the Applicable Issuers that it is unwilling or unable to continue as depository for such Global Note or (ii) DTC ceases to be a Clearing Agency registered under the Exchange Act and, in each case, a successor depository is not appointed by the Co-Issuers within 90 days after such event or (y) an Event of Default has occurred and is continuing and such transfer is requested by any beneficial owner of an interest in such Global Note.

(b) Any Global Note that is transferable in the form of a corresponding Certificated Note to the beneficial owner thereof pursuant to this Section 2.10 shall be surrendered by DTC to the Trustee to be

so transferred, in whole or from time to time in part, without charge, and the Applicable Issuers shall execute and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Note, an equal aggregate principal amount of definitive physical certificates (pursuant to the instructions of DTC) in authorized denominations. Any Certificated Note delivered in exchange for an interest in a Global Note shall, except as otherwise provided by Section 2.5, bear the legends set forth in the applicable Exhibit A and shall be subject to the transfer restrictions referred to in such legends.

(c) Subject to the provisions of paragraph (b) of this Section 2.10, the Holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which such Holder is entitled to take under this Indenture or the Notes.

(d) In the event of the occurrence of either of the events specified in subsection (a) of this Section 2.10, the Co-Issuers will promptly make available to the Trustee a reasonable supply of Certificated Notes.

If Certificated Notes are not so issued by the Applicable Issuers to such beneficial owners of interests in Global Notes as required by subsection (a) of this Section 2.10, the Issuer expressly acknowledges that the beneficial owners shall be entitled to pursue any remedy that the Holders of a Global Note would be entitled to pursue in accordance with Article V of this Indenture (but only to the extent of such beneficial owner's interest in the Global Note) as if corresponding Certificated Notes had been issued; *provided* that the Trustee shall be entitled to rely upon any certificate of ownership provided by such beneficial owners (including a certificate in the form of Exhibit C) and/or other forms of reasonable evidence of such ownership.

Neither the Trustee nor the Registrar shall be liable for any delay in the delivery of directions from DTC and may conclusively rely on, and shall be fully protected in relying on, such direction as to the names of the beneficial owners in whose names such Certificated Notes shall be registered or as to delivery instructions for such Certificated Notes.

Section 2.11 Non-Permitted Holders.

(a) Notwithstanding anything to the contrary elsewhere in this Indenture, any transfer of a beneficial interest in any Note to a U.S. person that is not (I) (A) a Qualified Institutional Buyer or (B) an Institutional Accredited Investor and (II) (A) a Qualified Purchaser or (B) an entity owned exclusively by Qualified Purchasers shall be null and void and any such purported transfer of which the Issuer, the Co-Issuer or the Trustee shall have notice may be disregarded by the Issuer, the Co-Issuer and the Trustee for all purposes.

(b) If (x) any U.S. person that is not (I) (A) a Qualified Institutional Buyer or (B) an Institutional Accredited Investor and (II) (A) a Qualified Purchaser or (B) an entity owned exclusively by Qualified Purchasers, in either case shall become the beneficial owner of an interest in any Note, (y) any beneficial owner of Notes shall fail to provide or update its Holder FATCA Information or take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer or an Intermediary to comply with FATCA and the Issuer makes the determination in Section 7.17(k) that it needs to close out such holder or (z) any holder fails to comply with the Holder AML Obligations (any such person a "**Non-Permitted Holder**"), the acquisition of Notes (other than under clause (y)) by such holder or beneficial owner shall be null and void ab initio. The Issuer (or the Collateral Manager on behalf of the Issuer) shall, promptly after discovery that such person is a Non-Permitted Holder by the Issuer, the Co-Issuer or the Trustee (and notice by the Trustee (if a Trust Officer of the Trustee obtains actual knowledge) or the Co-Issuer to the Issuer, if either of them makes the discovery), send notice

to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest in the Notes held by such person to a Person that is not a Non-Permitted Holder within 30 days after the date of such notice. If such Non-Permitted Holder fails to so transfer such Notes, the Issuer or the Collateral Manager acting for the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Notes or interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms as the Issuer may choose. The Issuer, or the Collateral Manager acting on behalf of the Issuer, may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and sell such Notes to the highest such bidder; *provided* that the Collateral Manager, its Affiliates and accounts, funds, clients or portfolios established and controlled by the Collateral Manager shall be entitled to bid in any such sale. However, the Issuer or the Collateral Manager may select a purchaser by any other means determined by it in its sole discretion. The Holder of each Note, the Non-Permitted Holder and each other Person in the chain of title from the Holder to the Non-Permitted Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer, the Collateral Manager and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and none of the Issuer, the Co-Issuer, the Trustee or the Collateral Manager shall be liable to any Person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

(c) Notwithstanding anything to the contrary elsewhere in this Indenture, any transfer of a beneficial interest in any Subordinated Note to a Person who has made an ERISA-related representation required by this Indenture that is subsequently shown to be false or misleading shall be null and void and any such purported transfer of which the Issuer, the Co-Issuer or the Trustee shall have notice may be disregarded by the Issuer, the Co-Issuer and the Trustee for all purposes.

(d) If any Person shall become the beneficial owner of an interest in any Note who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation required by this Indenture that is subsequently shown to be false or misleading or whose beneficial ownership otherwise causes a violation of the 25% Limitation (any such person a "**Non-Permitted ERISA Holder**"), the Issuer (or the Collateral Manager on behalf of the Issuer) shall, promptly after discovery that such person is a Non-Permitted ERISA Holder by the Issuer or upon notice from the Trustee (if a Trust Officer of the Trustee obtains actual knowledge) or the Co-Issuer to the Issuer, if either of them makes the discovery and who, in each case, agree to notify the Issuer of such discovery, send notice to such Non-Permitted ERISA Holder demanding that such Non-Permitted ERISA Holder transfer all or any portion of the Notes or its interest in such Notes held by such Person to a Person that is not a Non-Permitted ERISA Holder within 14 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer such Notes the Issuer shall have the right, without further notice to the Non-Permitted ERISA Holder, to sell such Notes or interest in such Notes, as applicable, to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and selling such Notes to the highest such bidder. The Holder and beneficial owner of each Note, the Non-Permitted ERISA Holder and each other Person in the chain of title from the Holder to the Non-Permitted ERISA Holder, by its acceptance of an interest in the Notes agrees to cooperate with the Issuer and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted ERISA Holder. The terms and conditions of any sale under this subsection shall be determined in the sole discretion of the Issuer, and none of the Issuer, the Co-Issuer, the Trustee or the Collateral Manager shall be liable to any Person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

Section 2.12 Treatment and Tax Certification.

(a) The Issuer, the Co-Issuer and the Trustee agree, and each Holder (including for purposes of this Section 2.12, any beneficial owner of an interest in a Note) of a Secured Note, by acceptance of such Secured Note or an interest in such Secured Note shall be deemed to have agreed, to treat, and shall treat, the Secured Notes as debt for U.S. federal, state and local income and franchise tax purposes, except as otherwise required by applicable law.

(b) The Issuer, the Co-Issuer and the Trustee agree, and each Holder of a Subordinated Note, by acceptance of such Subordinated Note or an interest in such Subordinated Note shall be deemed to have agreed, to treat, and shall treat, the Subordinated Notes as equity in the Issuer for U.S. federal, state and local income and franchise tax purposes, except as otherwise required by applicable law.

(c) Each Holder of a Note will timely furnish the Issuer, the Trustee or any agent of the Issuer (including any Paying Agent) with any U.S. federal income tax forms or certifications (including applicable IRS Forms W-8 and W-9, or any successors to such IRS forms) that the Issuer or its agents (including any Paying Agent) may reasonably request, and any documentation, agreements, information or certifications that are reasonably requested by the Issuer or its agents (including any Paying Agent) (A) to permit the Issuer or its agents to make payments to it without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments and (C) to enable the Issuer or its agents to satisfy reporting and other obligations, and shall update or replace such documentation, agreements, information or certifications as appropriate or in accordance with their terms or subsequent amendments, and acknowledges that the failure to provide, update or replace any such documentation, agreements, information or certifications may result in the imposition of withholding or back-up withholding upon payments to such Holder. Amounts withheld pursuant to applicable tax laws will be treated as having been paid to the Holder by the Issuer.

(d) Each Holder and subsequent transferee of a Note or interest therein, by acceptance of such Note or an interest in such Note, shall be deemed (i) to have agreed to provide the Issuer or an authorized agent acting on its behalf (and any applicable Intermediary) with the Holder FATCA Information upon request and update any such Holder FATCA Information promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required and to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer to comply with FATCA; (ii) to acknowledge that the Issuer may provide such information and any other information concerning its investment in the Notes to the Cayman Islands Tax Information Authority, the IRS and any other relevant taxing authority; (iii) to acknowledge that the Issuer has the right, hereunder, to compel any beneficial owner of an interest in a Note that fails to comply with the foregoing requirements or whose holding of the Notes prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "participating FFI" or a "deemed-compliant FFI" within the meaning of the Code or any Treasury Regulations promulgated thereunder or otherwise complying with FATCA to sell its interest in such Note, or to sell such interest on behalf of such owner following the procedures and timeframe relating to Non-Permitted Holders specified in Section 2.11(b) (for these purposes, the Issuer may sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such interest would permit the Issuer to comply with FATCA) and to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer to comply with FATCA; and (iv) to understand and acknowledge that the Issuer has the right, hereunder, to withhold on any beneficial owner of an interest in a Note that fails to comply with the

foregoing requirements and to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer to comply with FATCA.

(e) [Reserved].

(f) Each Holder of a Secured Note that is not a U.S. Tax Person represents that either (a) it is not (i) a bank (or an entity affiliated with a bank) extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business (within the meaning of Section 881(c)(3)(A) of the Code), (ii) a "10 percent shareholder" with respect to the Issuer within the meaning of Section 871(h)(3) or Section 881(c)(3)(D) of the Code or (iii) a "controlled foreign corporation" that is related to the Issuer within the meaning of Section 881(c)(3)(C) of the Code; (b) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States or (c) it has provided an IRS Form W-8ECI representing that all payments received or to be received by it on the Notes are effectively connected with the conduct of a trade or business in the United States.

(g) Each Holder of a Subordinated Note represents and warrants that it is a U.S. Tax Person and agrees to provide the Issuer and the Trustee (and any of their agents) with a correct, complete and properly executed IRS Form W-9 (or applicable successor form), and acknowledges that if it fails to provide the Issuer and the Trustee (and any of their agents) with the properly completed and signed tax certifications specified above, the acquisition of its interest in such Subordinated Note shall be void *ab initio*.

(h) Each Holder of a Subordinated Note agrees that (i) it will not transfer any Subordinated Note to another person unless such beneficial owner has obtained written advice of Dechert LLP or Paul Hastings LLP or an opinion of tax counsel of nationally recognized standing in the United States that is experienced in such matters to the effect that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes and (ii) it will not acquire any Subordinated Notes from another person (other than the initial acquisition on the Closing Date) if such acquisition would cause the beneficial owner to own 100% of the Subordinated Notes.

(i) Each Holder of a Subordinated Note agrees to deliver to the transferee, with a copy to the Trustee, prior to the transfer of such Subordinated Note, a properly completed certificate, in a form reasonably acceptable to the transferee and the Trustee, stating, under penalty of perjury, the transferor's United States taxpayer identification number and that the transferor is not a foreign person within the meaning of Section 1446(f)(2) of the Code (such certificate, a "**Non-Foreign Status Certificate**"). Each Holder of a Subordinated Note acknowledges that the failure to provide a Non-Foreign Status Certificate to the transferee may result in withholding on the amount realized on its disposition of such Subordinated Note.

(j) Each Holder of a Subordinated Note represents, acknowledges and agrees that:

(i) such Subordinated Note (or any interests therein) may not be acquired or owned by any person that is classified for U.S. federal income tax purposes as a partnership, Subchapter S corporation or grantor trust unless (i) (a) none of the direct or indirect beneficial owners of any interest in such person have or ever will have more than 40% of the value of its interest in such person attributable to the aggregate interest of such person in the combined value of the Subordinated Notes (and any other interest treated as equity in the Issuer for U.S. federal income tax purposes) and (b) it is not and will not be a principal purpose of the arrangement involving the investment of such person in any Subordinated Notes and any other equity interests of the Issuer to permit any partnership to satisfy the 100 partner limitation of Treasury Regulations Section 1.7704-1(h)(1)(ii) or (ii) such person obtains written advice of Dechert LLP or an opinion of nationally recognized

U.S. tax counsel reasonably acceptable to the Issuer that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes;

(ii) it will not participate in the creation or other transfer of any financial instrument or contract the value of which is determined in whole or in part by reference to the Issuer (including the amount of distributions by the Issuer, the value of the Issuer's assets or the results of the Issuer's operations) or the Subordinated Notes;

(iii) it will not acquire, or sell, transfer, assign, participate, pledge or otherwise dispose of the Subordinated Note (or any interest therein) or cause the Subordinated Note (or any interest therein) to be marketed (i) on or through an "established securities market" within the meaning of Section 7704(b)(1) of the Code and Treasury Regulations Section 1.7704-1(b), including without limitation, an interdealer quotation system that regularly disseminates firm buy or sell quotations or (ii) if such acquisition, sale, transfer, assignment, participation, pledge or other disposition would cause the combined number of holders of the Subordinated Notes and any other equity interests in the Issuer to be more than 90; and

(iv) it acknowledges and agrees that any sale, transfer, assignment, participation, pledge or other disposition of the Subordinated Note (or any interest therein) that would violate any of the three preceding paragraphs above or otherwise cause the Issuer to be unable to rely on the "private placement" safe harbor of Treasury Regulations Section 1.7704-1(h) will be void and of no force or effect, and it will not transfer any interest in the Subordinated Note to any Person that does not agree to be bound by the three preceding paragraphs above or by this paragraph.

(k) Each Holder of a Secured Note will make, or by acquiring a Secured Note will be deemed to make, a representation that if it is not a U.S. Tax Person, it is not and will not become a member of an "expanded group" (within the meaning of the regulations issued under Section 385 of the Code) that includes a domestic corporation (as determined for U.S. federal income tax purposes) if such domestic corporation directly or indirectly (through one or more entities that are treated for U.S. federal income tax purposes as partnerships, disregarded entities or grantor trusts) owns any equity interests in the Issuer.

(l) With respect to any period during which a holder owns more than 50% (but less than 100%) of the Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury Regulations Section 1.1471-5(i) (or any successor provision)), such holder covenants that it will (i) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "registered deemed-compliant FFI" within the meaning of Treasury Regulations Section 1.1471-1(b)(111) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury Regulations promulgated thereunder to be a "participating FFI," a "deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury Regulations Section 1.1471-4(e) (or any successor provision), and (ii) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury Regulations promulgated thereunder is not a "participating FFI," a "deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury Regulations Section 1.1471-4(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided the holder with an express waiver of this provision.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1 Conditions to Issuance of Notes on Closing Date.

(a) The Notes to be issued on the Closing Date may be executed by the Applicable Issuers and delivered to the Trustee for authentication and thereupon the same shall be authenticated and delivered by the Trustee upon Issuer Order and upon receipt by the Trustee of the following:

(i) Officers' Certificate of the Co-Issuers Regarding Corporate Matters. An Officer's certificate of each of the Co-Issuers (A) evidencing the authorization by Board Resolution of the execution and delivery of this Indenture, and in the case of the Issuer, the Collateral Management Agreement, the Collateral Administration Agreement, the Account Control Agreement, the Administration Agreement, the Purchase Agreement and any subscription agreements and in each case the execution, authentication and (with respect to the Issuer only) delivery of the Notes applied for by it and specifying the Stated Maturity, principal amount and Interest Rate of each Class of Secured Notes to be authenticated and delivered and the Stated Maturity and principal amount of the Subordinated Notes to be authenticated and delivered and (B) certifying that (1) the attached copy of the Board Resolution is a true and complete copy thereof, (2) such resolutions have not been rescinded and are in full force and effect on and as of the Closing Date and (3) the Officers authorized to execute and deliver such documents hold the offices and have the signatures indicated thereon.

(ii) Governmental Approvals. From each of the Co-Issuers either (A) a certificate of the Applicable Issuer or other official document evidencing the due authorization, approval or consent of any governmental body or bodies, at the time having jurisdiction in the premises, together with an Opinion of Counsel of such Applicable Issuer that no other authorization, approval or consent of any governmental body is required for the valid issuance of the Notes or (B) an Opinion of Counsel of such Applicable Issuer that no such authorization, approval or consent of any governmental body is required for the valid issuance of such Notes except as has been given.

(iii) U.S. Counsel Opinions. Opinions of Paul Hastings LLP, counsel to the Initial Purchaser and the Co-Issuers, Dechert LLP, counsel to the Collateral Manager, Nixon Peabody LLP, counsel to the Trustee and the Collateral Administrator, each dated the Closing Date.

(iv) Officers' Certificate of the Co-Issuers Regarding Indenture. An Officer's certificate of each of the Co-Issuers stating that, to the best of the signing Officer's knowledge, the Applicable Issuer is not in default under this Indenture and that the issuance of the Notes applied for by it will not result in a default or a breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any indenture or other agreement or instrument to which it is a party or by which it is bound, or any order of any court or administrative agency entered in any Proceeding to which it is a party or by which it may be bound or to which it may be subject; that all conditions precedent provided in this Indenture relating to the authentication and delivery of the Notes applied for by it have been complied with; and that all expenses due or accrued with respect to the Offering of such Notes or relating to actions taken on or in connection with the Closing Date have been paid or reserves therefor have been made. The Officer's certificate of the Issuer shall also state that all of its representations and warranties contained herein are true and correct as of the Closing Date.

(v) Transaction Documents. An executed counterpart of each Transaction Document.

(vi) Certificate of the Collateral Manager. An Officer's certificate of the Collateral Manager, dated as of the Closing Date, to the effect that immediately before the Delivery of the Collateral Obligations on the Closing Date:

(A) in the case of (x) each Collateral Obligation Delivered on or prior to the Closing Date, such Collateral Obligation satisfied the Eligibility Criteria upon the Delivery thereof and (y) each Collateral Obligation committed to be purchased, but not Delivered, on or prior to the Closing Date, such Collateral Obligation will satisfy the Eligibility Criteria as of the date on which such Collateral Obligation is Delivered; and

(B) the information with respect to each Collateral Obligation in the Schedule of Collateral Obligations set forth in Schedule 1 is correct and such schedule is complete with respect to each such Collateral Obligation.

(vii) Grant of Collateral Obligations. The Grant pursuant to the Granting Clauses of this Indenture of all of the Issuer's right, title and interest in and to the Collateral Obligations pledged to the Trustee for inclusion in the Assets on the Closing Date shall be effective, and Delivery of such Collateral Obligations (including any promissory note and all other Underlying Instruments related thereto to the extent received by the Issuer) as contemplated by Section 3.2 shall have been effected.

(viii) Certificate of the Issuer Regarding Assets. A certificate of an Authorized Officer of the Issuer, dated as of the Closing Date, to the effect that, in the case of each Collateral Obligation pledged to the Trustee for inclusion in the Assets, on the Closing Date and immediately prior to the Delivery thereof (or immediately after Delivery thereof, in the case of clause (E)(ii) below) on the Closing Date;

(A) the Issuer is the owner of such Collateral Obligation free and clear of any liens, claims or encumbrances of any nature whatsoever except for (i) those which are being released on the Closing Date, (ii) those Granted pursuant to this Indenture and (iii) any other Permitted Liens;

(B) the Issuer has acquired its ownership in such Collateral Obligation in good faith without notice of any adverse claim, except as described in clause (A) above;

(C) the Issuer has not assigned, pledged or otherwise encumbered any interest in such Collateral Obligation (or, if any such interest has been assigned, pledged or otherwise encumbered, it has been released) other than interests Granted pursuant to this Indenture;

(D) the Issuer has full right to Grant a security interest in and assign and pledge such Collateral Obligation to the Trustee;

(E) (i) based on the certificate of the Collateral Manager delivered pursuant to Section 3.1(a)(vi), (x) each Collateral Obligation included in the Assets satisfies or will satisfy the Eligibility Criteria and (y) the information with respect to each Collateral Obligation in the Schedule of Collateral Obligations set forth in Schedule 1 is

correct and such schedule is complete with respect to each such Collateral Obligation and (ii) the requirements of Section 3.1(a)(vii) have been satisfied; and

(F) upon Grant by the Issuer, the Trustee has a first priority perfected security interest in the Collateral Obligations and other Assets, except as permitted by this Indenture.

(ix) Rating Letters. An Officer's certificate of the Issuer to the effect that attached thereto is a true and correct copy of a letter from each Applicable Rating Agency assigning ratings no lower than the ratings specified for each Class of Secured Notes in the Term Sheet.

(x) Accounts. Evidence of the establishment of each of the Accounts.

(xi) Issuer Order for Deposit of Funds into Accounts . (A) An Issuer Order signed in the name of the Issuer by an Authorized Officer of the Issuer, dated as of the Closing Date, authorizing the deposit of (x) the amount specified in such Issuer Order from the proceeds of the issuance of the Notes into the Principal Collection Subaccount and (y) the amount specified in such Issuer Order from the proceeds of the issuance of the Notes into the Interest Collection Subaccount, in each case for use pursuant to Section 10.2; (B) an Issuer Order signed in the name of the Issuer by an Authorized Officer of the Issuer, dated as of the Closing Date, authorizing the deposit of the amount specified in such Issuer Order from the proceeds of the issuance of the Notes into the Expense Reserve Account for use pursuant to Section 10.3(c); and (C) an Issuer Order signed in the name of the Issuer by an Authorized Officer of the Issuer, dated as of the Closing Date, authorizing the deposit of the amount specified in such Issuer Order from the proceeds of the issuance of the Notes into the Revolver Funding Account for use pursuant to Section 10.4.

(xii) Cayman Counsel Opinion. An opinion of Maples and Calder, Cayman Islands counsel to the Issuer, dated the Closing Date.

(xiii) Other Documents. Such other documents as the Trustee may reasonably require; *provided* that nothing in this clause (xiii) shall imply or impose a duty on the part of the Trustee to require any other documents.

(b) The Issuer shall cause copies of the documents specified in Section 3.1(a) (other than the rating letters specified in clause (ix) thereof) to be posted on the 17g-5 Website as soon as practicable after the Closing Date.

Section 3.2 Custodianship; Delivery of Collateral Obligations and Eligible Investments.

(a) The Collateral Manager, on behalf of the Issuer, shall deliver or cause to be delivered to a custodian appointed by the Issuer, which shall be a Securities Intermediary (the "**Custodian**") or the Trustee, as applicable, all Assets in accordance with the definition of "Deliver." Initially, the Custodian shall be the Bank. Any successor custodian shall be a state or national bank or trust company that has capital and surplus of at least U.S.$200,000,000 and is a Securities Intermediary. Subject to the limited right to relocate Assets as provided in Section 7.5(b), the Trustee or the Custodian, as applicable, shall hold (i) all Collateral Obligations, Eligible Investments, Cash and other investments purchased in accordance with this Indenture and (ii) any other property of the Issuer otherwise Delivered to the Trustee or the Custodian, as applicable, by or on behalf of the Issuer, in the relevant Account established and maintained pursuant to Article X; as to which in each case the Trustee shall have entered into the Account Control Agreement with the Custodian

providing, inter alia, that the establishment and maintenance of such Account will be governed by a law of a jurisdiction satisfactory to the Issuer and the Trustee.

(b) Each time that the Collateral Manager on behalf of the Issuer directs or causes the acquisition of any Collateral Obligation, Eligible Investment or other investment, the Collateral Manager (on behalf of the Issuer) shall, if the Collateral Obligation, Eligible Investment or other investment is required to be, but has not already been, transferred to the relevant Account, cause the Collateral Obligation, Eligible Investment or other investment to be Delivered to the Custodian to be held in the Custodial Account (or in the case of any such investment that is not a Collateral Obligation, in the Account in which the funds used to purchase the investment are held in accordance with Article X) for the benefit of the Trustee in accordance with this Indenture. The security interest of the Trustee in the funds or other property used in connection with the acquisition shall, immediately and without further action on the part of the Trustee, be released. The security interest of the Trustee shall nevertheless come into existence and continue in the Collateral Obligation, Eligible Investment or other investment so acquired, including all interests of the Issuer in to any contracts related to and proceeds of such Collateral Obligation, Eligible Investment or other investment.

ARTICLE IV

SATISFACTION AND DISCHARGE

Section 4.1 Satisfaction and Discharge of Indenture. This Indenture shall be discharged and shall cease to be of further effect except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, defaced, destroyed, lost or stolen Notes, (iii) rights of Holders to receive payments of principal thereof and interest thereon, (iv) the rights, obligations and immunities of the Trustee hereunder, (v) the rights, obligations and immunities of the Collateral Manager hereunder and under the Collateral Management Agreement, (vi) the rights, obligations and immunities of the Collateral Administrator under the Collateral Administration Agreement and (vii) the rights of Holders as beneficiaries hereof with respect to the property deposited with the Trustee and payable to all or any of them (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture) when:

(a) either:

(i) all Notes theretofore authenticated and delivered to Holders (other than (A) Notes which have been mutilated, defaced, destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.6 and (B) Notes for whose payment Money has theretofore irrevocably been deposited in trust and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 7.3) have been delivered to the Trustee for cancellation; or

(ii) all Notes not theretofore delivered to the Trustee for cancellation (A) have become due and payable, or (B) will become due and payable at their Stated Maturity within one year, or (C) are to be called for redemption pursuant to Article IX under an arrangement satisfactory to the Trustee for the giving of notice of redemption by the Applicable Issuers pursuant to Section 9.4 and either (1) the Issuer has irrevocably deposited or caused to be deposited with the Trustee, in trust for such purpose, Cash or non-callable direct obligations of the United States of America; *provided* that the obligations are entitled to the full faith and credit of the United States of America or are debt obligations which are rated "AAA" by S&P and "Aaa" by Moody's, in an amount sufficient, as recalculated by a firm of Independent certified public accountants which are nationally recognized, to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee

for cancellation, for principal and interest to the date of such deposit (in the case of Notes which have become due and payable), or to their Stated Maturity or Redemption Date, as the case may be, and shall have Granted to the Trustee a valid perfected security interest in such Eligible Investment that is of first priority or free of any adverse claim, as applicable, and shall have furnished to the Trustee an Opinion of Counsel with respect thereto or (2) in the event all of the Assets are liquidated following the satisfaction of the conditions specified in Section 5.5(a), the Issuer shall have paid or caused to be paid all proceeds of such liquidation of the Assets in accordance with the Priority of Payments; or

(iii) the Issuer has delivered to the Trustee an Officer's certificate stating that (A) there are no Assets that remain subject to the lien of this Indenture and (B) all funds on deposit in the Accounts have been distributed in accordance with the terms of this Indenture (including, without limitation, the Priority of Payments) or have otherwise been irrevocably deposited in trust with the Trustee for such purpose;

(b) the Issuer has paid or caused to be paid all other sums then due and payable hereunder (including, without limitation, any amounts then due and payable pursuant to the Collateral Administration Agreement and the Collateral Management Agreement, in each case, without regard to the Administrative Expense Cap) by the Issuer and no other amounts are scheduled to be due and payable by the Issuer, it being understood that the requirements of this clause (b) may be satisfied as set forth in Section 5.7; and

(c) the Co-Issuers have delivered to the Trustee, Officers' certificates and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

In connection with delivery by each of the Co-Issuers of the Officer's certificate (which may rely on information provided by the Trustee, the Collateral Administrator or the Collateral Manager as to the Collateral Obligations, Equity Securities and Eligible Investments (including Cash) included in the Assets) referred to above, the Trustee will confirm to the Co-Issuers that (i) to its knowledge, there are no Assets that remain subject to the lien of this Indenture and (ii) to its knowledge, all funds on deposit in the Accounts have been distributed in accordance with the terms of this Indenture (including the Priority of Payments) or have otherwise been irrevocably deposited in trust with the Trustee for such purpose.

In connection with such discharge, the Trustee shall notify all Holders of Outstanding Notes that (i) there are no pledged Collateral Obligations that remain subject to the lien of this Indenture, (ii) all proceeds thereof have been distributed in accordance with the terms of this Indenture (including the Priority of Payments) or are otherwise held in trust by the Trustee for such purpose and (iii) this Indenture has been discharged. Upon the discharge of this Indenture, the Trustee shall provide such information to the Issuer or the Administrator as may be reasonably required by the Issuer or the Administrator in order for the liquidation of the Issuer to be completed.

Notwithstanding the satisfaction and discharge of this Indenture, the rights and obligations of the Co-Issuers, the Trustee, the Collateral Manager and, if applicable, the Holders, as the case may be, under Sections 2.7, 4.2, 5.4(d), 5.9, 5.18, 6.1, 6.3, 6.6, 6.7, 7.1, 7.3, 13.1 and 14.15 shall survive.

Section 4.2 Application of Trust Money. All Cash and obligations deposited with the Trustee pursuant to Section 4.1 shall be held in trust and applied by it in accordance with the provisions of the Notes and this Indenture, including, without limitation, the Priority of Payments, to the payment of principal and interest (or other amounts with respect to the Subordinated Notes), either directly or through any Paying Agent, as the Trustee may determine; and such Cash and obligations shall be held in a segregated account identified as being held in trust for the benefit of the Secured Parties.

Section 4.3 Repayment of Monies Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all Monies then held by any Paying Agent other than the Trustee under the provisions of this Indenture shall, upon demand of the Co-Issuers, be paid to the Trustee to be held and applied pursuant to Section 7.3 hereof and in accordance with the Priority of Payments and thereupon such Paying Agent shall be released from all further liability with respect to such Monies.

Section 4.4 Limitation on obligation to incur Administrative Expenses. In connection with the satisfaction and discharge of this Indenture in accordance with this Article IV, if at any time (i) the sum of (A) Eligible Investments (including Cash) and (B) amounts reasonably expected to be received by the Issuer in cash during the current Collection Period (as certified by the Collateral Manager in its reasonable judgment) is less than (ii) the sum of (A) an amount not to exceed the greater of (x) U.S.$30,000 and (y) the amount (if any) reasonably certified by the Collateral Manager or the Issuer, including but not limited to fees and expenses incurred by the Trustee and reported to the Collateral Manager, as the sum of expenses reasonably likely to be incurred in connection with the discharge of this Indenture, the liquidation of the Assets and the dissolution of the Co-Issuers and (B) any amounts payable under clause (A) of the Priority of Interest Payments or clause (A) of the Acceleration Waterfall, then notwithstanding any other provision of this Indenture, the Issuer shall no longer be required to incur Administrative Expenses as otherwise required by this Indenture to any person or entity other than amounts owed the Trustee, the Collateral Administrator (or any other capacity in which the Bank is acting pursuant to the Transaction Documents), the Administrator and their respective Affiliates, including for opinions of counsel in connection with supplemental indentures pursuant to Article VIII, any annual opinions required hereunder, services of accountants and fees of the Applicable Rating Agencies, in each case as required under this Indenture and failure to pay such amounts or provide or obtain such opinions, reports or services shall not constitute a Default under this Indenture, and the Trustee shall have no liability for any failure to obtain or receive any of the foregoing opinions, reports or services. The foregoing shall not, however, limit, supersede or alter any right afforded to the Trustee under this Indenture to refrain from taking action in the absence of its receipt of any such opinion, report or service which it reasonably determines is necessary for its own protection.

ARTICLE V

REMEDIES

Section 5.1 Events of Default. "**Event of Default**," wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) a default in the payment, when due and payable, of (i) any interest on any Class A Note and the continuation of any such default, for five Business Days, or (ii) any principal of, or interest on, or any Redemption Price in respect of, any Secured Note at its Stated Maturity or any Redemption Date; *provided* that, in the case of a default under clause (i) above due to an administrative error or omission by the Collateral Manager, the Trustee, Collateral Administrator or any Paying Agent, such default continues for seven Business Days after a Trust Officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission; *provided, further*, that the failure to effect an Optional Redemption which has been withdrawn or with respect to which a Refinancing fails will not constitute an Event of Default;

(b) the failure on any Payment Date to disburse amounts available in the Payment Account in excess of $100,000 in accordance with the Priority of Payments and continuation of such failure for a period of five Business Days or, in the case of a failure to disburse due to an administrative error or omission by

the Trustee, Collateral Administrator or any Paying Agent, such failure continues for seven Business Days after a Trust Officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission;

(c) either of the Co-Issuers or the Assets becomes an investment company required to be registered under the Investment Company Act and that status continues for 45 days;

(d) except as otherwise provided in this Section 5.1, a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer or the Co-Issuer under this Indenture (it being understood, without limiting the generality of the foregoing, that any failure to satisfy the requirements of Section 14.17 is not an Event of Default), or the failure of any material representation or warranty of the Issuer or the Co-Issuer made in this Indenture or in any certificate or other writing delivered pursuant hereto or in connection herewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 30 days after notice to the Issuer or the Co-Issuer, as applicable, and the Collateral Manager by registered or certified mail or overnight courier, by the Trustee, the Issuer, the Co-Issuer or the Collateral Manager, or to the Issuer or the Co-Issuer, as applicable, the Collateral Manager and the Trustee at the direction of the Event of Default Voting Holders, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(e) the entry of a decree or order by a court having competent jurisdiction adjudging the Issuer or the Co-Issuer as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer or the Co-Issuer under the Bankruptcy Law or any other applicable law, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar official) of the Issuer or the Co-Issuer or of any substantial part of its property, respectively, or ordering the winding up or liquidation of its affairs, respectively, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(f) the institution by the Issuer or the Co-Issuer of Proceedings to have the Issuer or the Co-Issuer, as the case may be, adjudicated as bankrupt or insolvent, or the consent of the Issuer or the Co-Issuer to the institution of bankruptcy or insolvency Proceedings against the Issuer or the Co-Issuer, as the case may be, or the filing by the Issuer of a petition or answer or consent seeking reorganization or relief under the Bankruptcy Law or any other similar applicable law, or the consent by the Issuer or the Co-Issuer to the filing of any such petition or to the appointment in a Proceeding of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or the Co-Issuer or of any substantial part of its property, respectively, or the making by the Issuer or the Co-Issuer of an assignment for the benefit of creditors, or the admission by the Issuer or the Co-Issuer in writing of its inability to pay its debts generally as they become due, or the taking of any action by the Issuer or the Co-Issuer in furtherance of any such action, or the passing of a resolution by the shareholders of the Issuer to have the Issuer wound up on a voluntary basis; or

(g) on any Measurement Date while the Class A-1 Notes are Outstanding, the Event of Default Test is not satisfied.

Upon obtaining knowledge of the occurrence of an Event of Default, each of (i) the Co-Issuers, (ii) the Trustee and (iii) a Responsible Officer of the Collateral Manager shall notify each other. Upon the occurrence of an Event of Default known to a Trust Officer of the Trustee, the Trustee shall, not later than three Business Days thereafter, notify the Noteholders (as their names appear on the Register), each Paying Agent, the Collateral Manager and the Issuer (and, subject to Section 14.3(c), the Issuer shall notify each

Applicable Rating Agency (if then rating a Class of Secured Notes)) of such Event of Default in writing (unless such Event of Default has been waived as provided in Section 5.14).

Section 5.2 Acceleration of Maturity; Rescission and Annulment. (a) If an Event of Default occurs and is continuing (other than an Event of Default specified in Section 5.1(e) or (f)), the Trustee may, and shall, upon the written direction of the Event of Default Voting Holders, by notice to the Co-Issuer, the Issuer (subject to Section 14.3(c), which notice the Issuer shall provide to each Applicable Rating Agency (if then rating a Class of Secured Notes)) and a Responsible Officer of the Collateral Manager, declare the principal of all the Secured Notes to be immediately due and payable, and upon any such declaration such principal, together with all accrued and unpaid interest thereon, and other amounts payable hereunder, shall become immediately due and payable. If an Event of Default specified in Section 5.1(e) or (f) occurs, all unpaid principal, together with all accrued and unpaid interest thereon, of all the Secured Notes, and other amounts payable thereunder and hereunder, shall automatically become due and payable without any declaration or other act on the part of the Trustee or any Noteholder.

(b) At any time after such a declaration of acceleration of maturity has been made and before a judgment or decree for payment of the Money due has been obtained by the Trustee as hereinafter provided in this Article V, the Event of Default Voting Holders by written notice to the Issuer and the Trustee (who will provide notice to each Applicable Rating Agency (if then rating a Class of Secured Notes)), may rescind and annul such declaration and its consequences if:

(i) The Issuer or the Co-Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(A) all unpaid installments of interest and principal then due on the Secured Notes (other than any principal amounts due to the occurrence of an acceleration); and

(B) all unpaid taxes and Administrative Expenses (without regard to the Administrative Expense Cap) of the Co-Issuers and other sums paid or advanced by the Trustee hereunder or by the Collateral Administrator under the Collateral Administration Agreement or hereunder, accrued and unpaid Servicing Fees and any other amounts then payable by the Co-Issuers hereunder prior to such Administrative Expenses and such Servicing Fees; and

(ii) It has been determined that all Events of Default, other than the nonpayment of the interest on or principal of the Secured Notes that has become due solely by such acceleration, have (A) been cured, and the Event of Default Voting Holders by written notice to the Trustee have agreed with such determination (which agreement shall not be unreasonably withheld), or (B) been waived as provided in Section 5.14.

No such rescission shall affect any subsequent Default or impair any right consequent thereon.

Section 5.3 Collection of Indebtedness and Suits for Enforcement by Trustee. The Applicable Issuers covenant that if a default shall occur in respect of the payment of any principal of or interest when due and payable on any Secured Note, the Applicable Issuers will, upon demand of the Trustee, pay to the Trustee, for the benefit of the Holder of such Secured Note, the whole amount, if any, then due and payable on such Secured Note for principal and interest with interest upon the overdue principal and, to the extent that payments of such interest shall be legally enforceable, upon overdue installments of interest, at the applicable Interest Rate, and, in addition thereto, such further amount as shall be sufficient to cover the costs

and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel.

If the Issuer or the Co-Issuer fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may, and shall, subject to the terms of this Indenture (including Section 6.3(e)) upon direction of the Event of Default Voting Holders, institute a Proceeding for the collection of the sums so due and unpaid, may prosecute such Proceeding to judgment or final decree, and may enforce the same against the Applicable Issuers or any other obligor upon the Secured Notes and collect the Monies adjudged or decreed to be payable in the manner provided by law out of the Assets.

If an Event of Default occurs and is continuing, the Trustee may in its discretion, and shall, subject to the terms of this Indenture (including Section 6.3(e)) upon written direction of the Event of Default Voting Holders, proceed to protect and enforce its rights and the rights of the Secured Parties by such appropriate Proceedings as the Trustee shall deem most effectual (if no such direction is received by the Trustee) or as the Trustee may be directed by the Event of Default Voting Holders, to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Trustee by this Indenture or by law.

In case there shall be pending Proceedings relative to the Issuer or the Co-Issuer or any other obligor upon the Secured Notes under the Bankruptcy Law or any other applicable bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer, the Co-Issuer or their respective property or such other obligor or its property, or in case of any other comparable Proceedings relative to the Issuer, the Co-Issuer or other obligor upon the Secured Notes, or the creditors or property of the Issuer, the Co-Issuer or such other obligor, the Trustee, regardless of whether the principal of any Secured Note shall then be due and payable as therein expressed or by declaration or otherwise and regardless of whether the Trustee shall have made any demand pursuant to the provisions of this Section 5.3, shall be entitled and empowered, by intervention in such Proceedings or otherwise:

(a) to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Secured Notes upon direction by the Event of Default Voting Holders and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all reasonable expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence or bad faith) and of the Secured Noteholders allowed in any Proceedings relative to the Issuer, the Co-Issuer or other obligor upon the Secured Notes or to the creditors or property of the Issuer, the Co-Issuer or such other obligor;

(b) unless prohibited by applicable law and regulations, to vote on behalf of the Secured Noteholders upon the direction of the Event of Default Voting Holders, in any election of a trustee or a standby trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency Proceedings or person performing similar functions in comparable Proceedings; and

(c) to collect and receive any Monies or other property payable to or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Noteholders and of the Trustee on their behalf; and any trustee, receiver or liquidator, custodian or other similar official is hereby authorized by each of the Secured Noteholders to make payments to the Trustee, and, if the Trustee shall consent to the

making of payments directly to the Secured Noteholders to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Secured Noteholders, any plan of reorganization, arrangement, adjustment or composition affecting the Secured Notes or any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Secured Noteholders, as applicable, in any such Proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar person.

In any Proceedings brought by the Trustee on behalf of the Holders of the Secured Notes (and any such Proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party), the Trustee shall be held to represent all the Holders of the Secured Notes.

Notwithstanding anything in this Section 5.3 to the contrary, the Trustee may not sell or liquidate the Assets or institute Proceedings in furtherance thereof pursuant to this Section 5.3 except according to the provisions specified in Section 5.5(a).

Section 5.4 Remedies. (a) If an Event of Default has occurred and is continuing, and the Secured Notes have been declared due and payable and such declaration and its consequences have not been rescinded and annulled, the Co-Issuers agree that the Trustee may, and shall, subject to the terms of this Indenture (including Section 6.3(e)), upon written direction of the Event of Default Voting Holders, to the extent permitted by applicable law, exercise one or more of the following rights, privileges and remedies:

(i) institute Proceedings for the collection of all amounts then payable on the Secured Notes or otherwise payable under this Indenture, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Assets any Monies adjudged due;

(ii) sell or cause the sale of all or a portion of the Assets or rights or interests therein, at one or more public or private sales called and conducted in any manner permitted by law and in accordance with Section 5.17 hereof;

(iii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Assets;

(iv) exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Trustee and the Holders of the Secured Notes hereunder (including exercising all rights of the Trustee under the Account Control Agreement); and

(v) exercise any other rights and remedies that may be available at law or in equity;

provided that the Trustee may not sell or liquidate the Assets or institute Proceedings in furtherance thereof pursuant to this Section 5.4 except according to the provisions of Section 5.5(a).

The Trustee may, but need not, obtain and rely upon an opinion or written advice of an Independent investment banking firm of national reputation (the cost of which shall be payable as an Administrative Expense) in structuring and distributing securities similar to the Secured Notes, which may be the Initial Purchaser, as to the feasibility of any action proposed to be taken in accordance with this Section 5.4 and as

to the sufficiency of the proceeds and other amounts receivable with respect to the Assets to make the required payments of principal of and interest on the Secured Notes which opinion shall be conclusive evidence as to such feasibility or sufficiency.

(b) If an Event of Default as described in Section 5.1(d) hereof shall have occurred and be continuing the Trustee may, and at the direction of the Holders of not less than 25% of the Aggregate Outstanding Amount of the Controlling Class shall, subject to the terms of this Indenture (including Section 6.3(e)), institute a Proceeding solely to compel performance of the covenant or agreement or to cure the representation or warranty, the breach of which gave rise to the Event of Default under such Section, and enforce any equitable decree or order arising from such Proceeding.

(c) Upon any sale, whether made under the power of sale hereby given or by virtue of judicial Proceedings, any Secured Party may bid for and purchase the Assets or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. Any Holder at such sale may, in payment of the purchase price, deliver to the Trustee for cancellation any of the Notes in lieu of cash equal to the amount which shall, upon distribution of the net proceeds of such sale, be payable on the Notes so delivered by such Holder (taking into account the Class of such Notes, the Priority of Payments and Article XIII).

Upon any sale, whether made under the power of sale hereby given or by virtue of judicial Proceedings, the receipt of the Trustee, or of the Officer making a sale under judicial Proceedings, shall be a sufficient discharge to the purchaser or purchasers at any sale for its or their purchase Money, and such purchaser or purchasers shall not be obliged to see to the application thereof.

Any such sale, whether under any power of sale hereby given or by virtue of judicial Proceedings, shall bind the Co-Issuers, the Trustee and the Holders of the Secured Notes, shall operate to divest all right, title and interest whatsoever, either at law or in equity, of each of them in and to the property sold, and shall be a perpetual bar, both at law and in equity, against each of them and their successors and assigns, and against any and all Persons claiming through or under them.

(d) (i) Notwithstanding any other provision of this Indenture, none of the Trustee, the Secured Parties or the Noteholders (including beneficial owners of Notes) may, prior to the date which is one year (or if longer, any applicable preference period) and one day after the payment in full of all Notes, institute against, or join any other Person in instituting against, the Issuer or the Co-Issuer any bankruptcy, reorganization, arrangement, insolvency, winding up, moratorium or liquidation Proceedings, or other Proceedings under Cayman Islands, U.S. federal or state bankruptcy or similar laws. Notwithstanding anything to the contrary in this Article V, in the event that any Proceeding described in the immediately preceding sentence is commenced against the Issuer or the Co-Issuer, the Issuer or the Co-Issuer, as applicable, subject to the availability of funds as described in the immediately following sentence, will promptly object to the institution of any such proceeding against it and take all necessary or advisable steps to cause the dismissal of any such proceeding (including, without limiting the generality of the foregoing, to timely file an answer and any other appropriate pleading objecting to (i) the institution of any proceeding to have the Issuer or the Co-Issuer, as the case may be, adjudicated as bankrupt or insolvent or (ii) the filing of any petition seeking relief, reorganization, arrangement, adjustment or composition or in respect of the Issuer or the Co-Issuer, as the case may be, under applicable bankruptcy law or any other applicable law). The reasonable fees, costs, charges and expenses incurred by the Co-Issuer or the Issuer (including reasonable attorneys' fees and expenses) in connection with taking any such action will be paid as

Administrative Expenses. Any person who acquires a beneficial interest in a Note shall be deemed to have accepted and agreed to the foregoing restrictions.

(ii) In the event one or more Holders or beneficial owners of Notes cause the filing of a petition in bankruptcy against the Issuer in violation of the prohibition described above, such Holder(s) or beneficial owner(s) will be deemed to acknowledge and agree that any claim that such Holder(s) or beneficial owner(s) have against the Issuer or with respect to any Assets (including any proceeds thereof) shall, notwithstanding anything to the contrary in the Priority of Payments, be fully subordinate in right of payment to the claims of each Holder and beneficial owner of any Secured Note that does not seek to cause any such filing, with such subordination being effective until each Secured Note held by each Holder or beneficial owners of any Secured Note that does not seek to cause any such filing is paid in full in accordance with the Priority of Payments (after giving effect to such subordination). The terms described in the immediately preceding sentence are referred to herein as the "**Bankruptcy Subordination Agreement**." The Bankruptcy Subordination Agreement will constitute a "subordination agreement" within the meaning of Section 510(a) of the Bankruptcy Law (or any successor statute). The Trustee shall be entitled to rely upon an Issuer Order with respect to the payment of any amounts payable to Holders, which amounts are subordinated pursuant to this Section 5.4(d)(ii).

(iii) Nothing in this Section 5.4 shall preclude, or be deemed to stop, the Trustee (A) from taking any action prior to the expiration of the aforementioned period in (I) any case or Proceeding voluntarily filed or commenced by the Issuer or the Co-Issuer or (II) any involuntary insolvency Proceeding filed or commenced by a Person other than the Trustee, or (B) from commencing against the Issuer or the Co-Issuer or any of their respective properties any legal action which is not a bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation Proceeding.

(iv) The parties hereto agree that the restrictions described in clause (i) of this Section 5.4(d) are a material inducement for each Holder and beneficial owner of the Notes to acquire such Notes and for the Issuer, the Co-Issuer and the Collateral Manager to enter into this Indenture (in the case of the Issuer and the Co-Issuer) and the other applicable transaction documents and are an essential term of this Indenture. Any Holder or beneficial owner of Notes or either of the Co-Issuers may seek and obtain specific performance of such restrictions (including injunctive relief), including, without limitation, in any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, or other proceedings under Cayman Islands law, United States federal or state bankruptcy law or similar laws.

Section 5.5 Optional Preservation of Assets. (I) Notwithstanding anything to the contrary herein, if an Event of Default shall have occurred and be continuing, the Trustee shall retain the Assets securing the Secured Notes intact, collect and cause the collection of the proceeds thereof and make and apply all payments and deposits and maintain all accounts in respect of the Assets and the Notes in accordance with the Priority of Payments and the provisions of Article X, Article XII and Article XIII unless:

(i) the Trustee, pursuant to Section 5.5(c), determines that the anticipated proceeds of a sale or liquidation of the Assets (after deducting the anticipated reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the amounts then due (or, in the case of interest, accrued) and unpaid on the Secured Notes for principal and interest, and all other amounts that, pursuant to the Priority of Payments, are payable prior to payment of principal on such Secured Notes (including amounts due and owing (or anticipated to be due and owing) as Administrative Expenses (without giving effect to the Administrative Expense Cap), any amounts payable to any

Hedge Counterparty pursuant to an early termination (or partial early termination) of the related Hedge Agreement as a result of a Priority Termination Event and any due and unpaid Servicing Fees) and the Event of Default Voting Holders agree with such determination; or

(ii) a Majority of each Class of Secured Notes (each voting separately by Class) direct the sale and liquidation of the Assets.

So long as such Event of Default is continuing, any such retention pursuant to this Section 5.5(a) may be rescinded at any time when the conditions specified in clause (i) or (ii) exist.

(b) Nothing contained in Section 5.5(a) shall be construed to require the Trustee to sell the Assets securing the Secured Notes if the conditions set forth in clause (i) or (ii) of Section 5.5(a) are not satisfied. Nothing contained in Section 5.5(a) shall be construed to require the Trustee to preserve the Assets securing the Secured Notes if prohibited by applicable law.

(c) In determining whether the condition specified in Section 5.5(a)(i) exists, the Trustee shall use reasonable efforts to obtain, with the cooperation and assistance of the Collateral Manager, bid prices with respect to each security contained in the Assets from two nationally recognized dealers (as specified by the Collateral Manager in writing) at the time making a market in such securities and shall compute the anticipated proceeds of sale or liquidation on the basis of the lower of such bid prices for each such security. In the event that the Trustee, with the cooperation and assistance of the Collateral Manager, is only able to obtain bid prices with respect to a security contained in the Assets from one nationally recognized dealer at the time making a market in such securities, the Trustee shall compute the anticipated proceeds of sale or liquidation on the basis of such one bid price for such security. In addition, for the purposes of determining issues relating to the execution of a sale or liquidation of the Assets and the execution of a sale or other liquidation thereof in connection with a determination whether the condition specified in Section 5.5(a)(i) exists, the Trustee may retain and rely on an opinion or written advice of an Independent investment banking firm of national reputation or other appropriate advisors (the cost of which shall be payable as an Administrative Expense).

The Trustee shall deliver to the Noteholders and the Collateral Manager a report stating the results of any determination required pursuant to Section 5.5(a)(i) no later than 10 days after such determination is made. The Trustee shall make the determinations required by Section 5.5(a)(i) within 30 days after the request of the Event of Default Voting Holders at any time during which the Trustee retains the Assets pursuant to Section 5.5(a)(i).

Section 5.6 Trustee May Enforce Claims Without Possession of Notes . All rights of action and claims under this Indenture or under any of the Secured Notes may be prosecuted and enforced by the Trustee without the possession of any of the Secured Notes or the production thereof in any trial or other Proceeding relating thereto, and any such action or Proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be applied as set forth in Section 5.7 hereof.

Section 5.7 Application of Money Collected. Any Money collected by the Trustee with respect to the Notes pursuant to this Article V and any Money that may then be held or thereafter received by the Trustee with respect to the Notes hereunder shall be applied, subject to Section 13.1 and in accordance with the provisions of the Acceleration Waterfall, on each Payment Date. Upon the final distribution of all proceeds of any liquidation of the Collateral Obligations, the Equity Securities and the Eligible Investments effected hereunder, the provisions of Section 4.1(a) and (b) shall be deemed satisfied for the purposes of discharging this Indenture pursuant to Article IV.

Section 5.8 Limitation on Suits. No Holder of any Note shall have any right to institute any Proceedings, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder has previously given to the Trustee written notice of an Event of Default;

(b) the Holders of not less than 25% of the then Aggregate Outstanding Amount of the Notes of the Controlling Class shall have made a written request to the Trustee to institute Proceedings in respect of such Event of Default in its own name as Trustee hereunder and such Holder or Holders have provided the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities to be incurred in compliance with such request;

(c) the Trustee, for 30 days after its receipt of such notice, request and provision of such indemnity, has failed to institute any such Proceeding; and

(d) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by the Event of Default Voting Holders; it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing itself of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes of the same Class or to obtain or to seek to obtain priority or preference over any other Holders of the Notes of the same Class or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Notes of the same Class subject to and in accordance with Section 13.1 and the Priority of Payments.

In the event the Trustee shall receive conflicting or inconsistent requests and indemnity pursuant to this Section 5.8 from two or more groups of Holders of the Controlling Class, each representing less than the Event of Default Voting Holders, the Trustee shall act in accordance with the request specified by the group of Holders with the greatest percentage of the Aggregate Outstanding Amount of the Controlling Class, notwithstanding any other provisions of this Indenture. If all such groups represent the same percentage, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

Section 5.9 Unconditional Rights of Secured Noteholders to Receive Principal and Interest. Subject to Section 2.7(i), but notwithstanding any other provision of this Indenture, the Holder of any Secured Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Secured Note, as such principal, interest and other amounts become due and payable in accordance with the Priority of Payments and Section 13.1, as the case may be, and, subject to the provisions of Sections 5.4(d) and 5.8, to institute proceedings for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder. Holders of Secured Notes ranking junior to Notes still Outstanding shall have no right to institute Proceedings for the enforcement of any such payment until such time as no Secured Note ranking senior to such Secured Note remains Outstanding, which right shall be subject to the provisions of Sections 5.4(d) and 5.8, and shall not be impaired without the consent of any such Holder.

Section 5.10 Restoration of Rights and Remedies. If the Trustee or any Noteholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Noteholder, then and in every such case the Co-Issuers, the Trustee and the Noteholder shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Noteholder shall continue as though no such Proceeding had been instituted.

Section 5.11 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.12 Delay or Omission Not Waiver. No delay or omission of the Trustee or any Holder of Secured Notes to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein or of a subsequent Event of Default. Every right and remedy given by this Article V or by law to the Trustee or to the Holders of the Secured Notes may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of the Secured Notes.

Section 5.13 Control by the Event of Default Voting Holders. The Event of Default Voting Holders shall have the right following the occurrence, and during the continuance of, an Event of Default to cause the institution of and direct the time, method and place of conducting any Proceeding for any remedy available to the Trustee; *provided* that:

(a) such direction shall not conflict with any rule of law or with any express provision of this Indenture;

(b) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction; *provided* that subject to Section 6.1, the Trustee need not take any action that it determines might involve it in liability or expense (unless the Trustee has received the indemnity as set forth in (c) below);

(c) the Trustee shall have been provided with indemnity reasonably satisfactory to it; and

(d) notwithstanding the foregoing, any direction to the Trustee to undertake a Sale of the Assets may be given only in accordance with Section 5.5 and the applicable provisions of this Indenture.

Section 5.14 Waiver of Past Defaults. Prior to the time a judgment or decree for payment of the Money due has been obtained by the Trustee, as provided in this Article V, the Event of Default Voting Holders may on behalf of the Holders of all the Notes waive any past Default or Event of Default and its consequences, except a Default:

(a) in the payment of the principal of any Secured Note (which may be waived only with the consent of the Holder of such Secured Note);

(b) in the payment of interest on any Secured Notes (which may be waived only with the consent of the Holders of such Secured Note);

(c) in respect of a covenant or provision hereof that under Section 8.2 cannot be modified or amended without the waiver or consent of the Holder of each Outstanding Note materially and adversely affected thereby (which may be waived only with the consent of each such Holder); or

(d) in respect of a representation contained in Section 7.18 (which may be waived only by the Event of Default Voting Holders if the Rating Agency Condition is satisfied).

In the case of any such waiver, the Co-Issuers, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto. The Trustee shall promptly give written notice of any such waiver to the Collateral Manager, the Issuer (and, subject to Section 14.3(c), the Issuer shall provide such notice to each Applicable Rating Agency (if then rating a Class of Secured Notes)) and each Holder. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture.

Section 5.15 Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.15 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Noteholder, or group of Noteholders, holding in the aggregate more than 10% of the Aggregate Outstanding Amount of the Controlling Class, or to any suit instituted by any Noteholder for the enforcement of the payment of the principal of or interest on any Note on or after the applicable Stated Maturity (or, in the case of redemption, on or after the applicable Redemption Date).

Section 5.16 Waiver of Stay or Extension Laws. The Co-Issuers covenant (to the extent that they may lawfully do so) that they will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any valuation, appraisement, redemption or marshalling law or rights, in each case wherever enacted, now or at any time hereafter in force, which may affect the covenants, the performance of or any remedies under this Indenture; and the Co-Issuers (to the extent that they may lawfully do so) hereby expressly waive all benefit or advantage of any such law or rights, and covenant that they will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted or rights created.

Section 5.17 Sale of Assets.

(a) The power to effect any sale (a "**Sale**") of any portion of the Assets pursuant to Sections 5.4 and 5.5 shall not be exhausted by any one or more Sales as to any portion of such Assets remaining unsold, but shall continue unimpaired until the entire Assets shall have been sold or all amounts secured by the Assets shall have been paid. The Trustee may upon notice to the Noteholders and the Collateral Manager, and shall, upon direction of the Event of Default Voting Holders, from time to time postpone any Sale by public announcement made at the time and place of such Sale. The Trustee hereby expressly waives its rights to any amount fixed by law as compensation for any Sale; *provided* that the Trustee shall be authorized to deduct the reasonable costs, charges and expenses (including but not limited to costs and expenses of counsel) incurred by it in connection with such Sale from the proceeds thereof notwithstanding the provisions of Section 6.7 or other applicable terms hereof.

(b) The Trustee and the Collateral Manager (or any Affiliate of the Collateral Manager or fund or account managed by the Collateral Manager or its Affiliates) may bid for and acquire any portion of the Assets in connection with a public Sale thereof, and the Trustee may pay all or part of the purchase price by crediting against amounts owing on the Secured Notes in the case of the Assets or other amounts secured by the Assets, all or part of the net proceeds of such Sale after deducting the reasonable costs, charges and

expenses (including but not limited to costs and expenses of counsel) incurred by the Trustee in connection with such Sale notwithstanding the provisions of Section 6.7 hereof or other applicable terms hereof. The Secured Notes need not be produced in order to complete any such Sale, or in order for the net proceeds of such Sale to be credited against amounts owing on the Notes. The Trustee may hold, lease, operate, manage or otherwise deal with any property so acquired in any manner permitted by law in accordance with this Indenture.

(c) If any portion of the Assets consists of securities issued without registration under the Securities Act (" **Unregistered Securities**"), the Trustee may seek an Opinion of Counsel, or, if no such Opinion of Counsel can be obtained and with the consent of the Event of Default Voting Holders, seek a no action position from the Securities and Exchange Commission or any other relevant federal or State regulatory authorities, regarding the legality of a public or private Sale of such Unregistered Securities.

(d) The Trustee shall execute and deliver an appropriate instrument of conveyance transferring its interest in any portion of the Assets in connection with a Sale thereof, without recourse, representation or warranty. In addition, the Trustee is hereby irrevocably appointed the agent and attorney in fact of the Issuer to transfer and convey its interest in any portion of the Assets in connection with a Sale thereof, and to take all action necessary to effect such Sale. No purchaser or transferee at such a sale shall be bound to ascertain the Trustee's authority, to inquire into the satisfaction of any conditions precedent or see to the application of any Monies.

(e) The Trustee shall provide notice of any public Sale to the Holders of the Subordinated Notes and the Collateral Manager at least 10 days prior to such public Sale, and the Holders of the Subordinated Notes shall be permitted to participate in any such public Sale to the extent permitted by applicable law and such Holders or the Collateral Manager, as the case may be, meet any applicable eligibility requirements with respect to such Sale.

Section 5.18 Action on the Notes. The Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking or obtaining of or application for any other relief under or with respect to this Indenture. Neither the lien of this Indenture nor any rights or remedies of the Trustee or the Noteholders shall be impaired by the recovery of any judgment by the Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Assets or upon any of the assets of the Issuer or the Co-Issuer.

ARTICLE VI

THE TRUSTEE

Section 6.1 Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default known to the Trustee:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; *provided* that in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to

determine whether or not they substantially conform to the requirements of this Indenture and shall promptly, but in any event within three Business Days in the case of an Officer's certificate furnished by the Collateral Manager, notify the party delivering the same if such certificate or opinion does not conform. If a corrected form shall not have been delivered to the Trustee within 15 days after such notice from the Trustee, the Trustee shall so notify the Noteholders.

(b) In case an Event of Default known to the Trustee has occurred and is continuing, the Trustee shall, prior to the receipt of directions, if any, from the Event of Default Voting Holders, or such other percentage as permitted by this Indenture, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section 6.1;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it shall be proven that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Issuer, the Co-Issuer or the Collateral Manager in accordance with this Indenture and/or such percentage of the Controlling Class as is required by the terms hereof (or other Class if required or permitted by the terms hereof), relating to the time, method and place of conducting any Proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial or other liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers contemplated hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risk or liability is not reasonably assured to it; and

(v) in no event shall the Trustee be liable for special, indirect, punitive or consequential loss or damage (including lost profits) even if the Trustee has been advised of the likelihood of such damages and regardless of such action.

(d) For all purposes under this Indenture, the Trustee shall not be deemed to have notice or knowledge of any Default or Event of Default described in Sections 5.1(c), (d), (e), or (f) unless a Trust Officer assigned to and working in the Corporate Trust Office has actual knowledge thereof or unless written notice of any event which is in fact such an Event of Default or Default is received by the Trustee at the Corporate Trust Office, and such notice references the Notes generally, the Issuer, the Co-Issuer, the Assets or this Indenture. For purposes of determining the Trustee's responsibility and liability hereunder, whenever reference is made in this Indenture to such an Event of Default or a Default, such reference shall be construed to refer only to such an Event of Default or Default of which the Trustee is deemed to have notice as described in this Section 6.1.

(e) Not later than one Business Day after the Trustee receives (i) notice of assignment pursuant to Section 13 of the Collateral Management Agreement, (ii) notice of termination pursuant to Section 12 of the Collateral Management Agreement or (iii) notice of a "cause" event pursuant to Section 14 of the Collateral

Management Agreement, the Trustee shall forward a copy of such notice to the Noteholders (as their names appear in the Register) and Fitch.

(f) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 6.1.

(g) The Trustee agrees to (i) provide to the Issuer and the Collateral Manager all information reasonably available to it relating to the Assets or the transactions contemplated by this Indenture (other than information the Trustee has reasonably determined is confidential or proprietary) that is reasonably requested by the Issuer or the Collateral Manager in connection with regulatory matters, including any information that is necessary or advisable in order for the Collateral Manager (or its parent or Affiliates) to complete its Form ADV, to file its reports on Form PF or to comply with any requirements of the Dodd-Frank Act, as amended from time to time, and any other laws or regulations applicable to the Collateral Manager from time to time and (ii) provide, upon written request, to Issuer, the Collateral Manager or any agent thereof any information specified by such parties regarding the Holders of the Notes and payments on the Notes that is reasonably available to the Trustee and may be necessary for compliance with FATCA, subject in all cases to confidentiality provisions.

Section 6.2 Notice of Event of Default. Promptly (and in no event later than three Business Days) after the occurrence of any Event of Default actually known to a Trust Officer of the Trustee or after any declaration of acceleration has been made or delivered to the Trustee pursuant to Section 5.2, the Trustee shall transmit by mail to the Collateral Manager, the Issuer (and, subject to Section 14.3(c), the Issuer shall provide such notice to each Applicable Rating Agency (if then rating a Class of Secured Notes)), and all Holders, as their names and addresses appear on the Register, notice of all Event of Defaults hereunder known to the Trustee, unless such Event of Default shall have been cured or waived.

Section 6.3 Certain Rights of Trustee. Except as otherwise provided in Section 6.1:

(a) the Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Issuer or the Co-Issuer mentioned herein shall be sufficiently evidenced by an Issuer Request or Issuer Order, as the case may be;

(c) whenever in the administration of this Indenture the Trustee shall (i) deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's certificate or Issuer Order or (ii) be required to determine the value of any Assets or funds hereunder or the cash flows projected to be received therefrom, the Trustee may, in the absence of bad faith on its part, rely on reports of nationally recognized accountants (which may or may not be the Independent accountants appointed by the Issuer pursuant to Section 10.8(a)), investment bankers or other persons qualified to provide the information required to make such determination, including nationally recognized dealers in securities of the type being valued and securities quotation services;

(d) as a condition to the taking or omitting of any action by it hereunder, the Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete

authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise or to honor any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have provided to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities which might reasonably be incurred by it in complying with such request or direction (including any actions in respect thereof);

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, note or other paper or document, but the Trustee, in its discretion, may, and upon the written direction of a Majority of the Controlling Class or of an Applicable Rating Agency shall (subject to the right hereunder to be reasonably satisfactorily indemnified for associated expense and liability), make such further inquiry or investigation into such facts or matters as it may see fit or as it shall be directed, and the Trustee shall be entitled, on reasonable prior written notice to the Co-Issuers and the Collateral Manager, to examine the books and records relating to the Notes and the Assets, personally or by agent or attorney, during the Co-Issuers' or the Collateral Manager's normal business hours; *provided* that the Trustee shall, and shall cause its agents to, hold in confidence all such information, except (i) to the extent disclosure may be required by law or by any regulatory, administrative or governmental authority, (ii) as otherwise required pursuant to this Indenture and (iii) to the extent that the Trustee, in its sole discretion, may determine that such disclosure is consistent with its obligations hereunder; *provided*, *further*, that the Trustee may disclose on a confidential basis any such information to its agents, attorneys and auditors in connection with the performance of its responsibilities hereunder;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys; *provided* that the Trustee shall not be responsible for any misconduct or negligence on the part of any agent appointed or attorney appointed, with due care by it hereunder;

(h) the Trustee shall not be liable for any action it takes or omits to take in good faith that it reasonably believes to be authorized or within its rights or powers hereunder, including actions or omissions to act at the direction of the Collateral Manager;

(i) nothing herein shall be construed to impose an obligation on the part of the Trustee to monitor, recalculate, evaluate or verify or independently determine the accuracy of any report, certificate or information received from the Issuer or the Collateral Manager (unless and except to the extent otherwise expressly set forth herein);

(j) to the extent any defined term hereunder, or any calculation required to be made or determined by the Trustee hereunder, is dependent upon or defined by reference to generally accepted accounting principles (as in effect in the United States) ("**GAAP**"), the Trustee shall be entitled to request and receive (and rely upon) instruction from the Issuer or the accountants, which may or may not be the Independent accountants appointed by the Issuer pursuant to Section 10.8(a) (and in the absence of its receipt of timely instruction therefrom, shall be entitled to obtain from an Independent accountant at the expense of the Issuer) as to the application of GAAP in such connection, in any instance;

(k) The Trustee is authorized, at the request of the Collateral Manager, to accept directions or otherwise enter into agreements regarding the remittance of fees owing to the Collateral Manager;

(l) the Trustee shall not be liable for the actions or omissions of, or any inaccuracies in the records of, the Collateral Manager, the Issuer, the Co-Issuer, any Paying Agent (other than the Trustee), DTC, Euroclear, Clearstream, or any other clearing agency or depository and without limiting the foregoing, the Trustee shall not be under any obligation to monitor, evaluate or verify compliance by the Collateral Manager with the terms hereof or of the Collateral Management Agreement, or to verify or independently determine the accuracy of information received by the Trustee from the Collateral Manager (or from any selling institution, agent bank, trustee or similar source) with respect to the Assets;

(m) notwithstanding any term hereof (or any term of the UCC that might otherwise be construed to be applicable to a "securities intermediary" as defined in the UCC) to the contrary, none of the Trustee, the Custodian or the Securities Intermediary shall be under a duty or obligation in connection with the acquisition or Grant by the Issuer to the Trustee of any item constituting the Assets, or to evaluate the sufficiency of the documents or instruments delivered to it by or on behalf of the Issuer in connection with its Grant or otherwise, or in that regard to examine any Underlying Instrument, in each case, in order to determine compliance with applicable requirements of and restrictions on transfer in respect of such Assets;

(n) in the event the Bank is also acting in the capacity of Paying Agent, Registrar, Transfer Agent, Custodian, Calculation Agent or Securities Intermediary, the rights, protections, benefits, immunities and indemnities afforded to the Trustee pursuant to this Article VI shall also be afforded to the Bank acting in such capacities; *provided* that such rights, protections, benefits, immunities and indemnities shall be in addition to any rights, immunities and indemnities provided in the Account Control Agreement or any other documents to which the Bank in such capacity is a party;

(o) any permissive right of the Trustee to take or refrain from taking actions enumerated in this Indenture shall not be construed as a duty;

(p) the Trustee shall not be required to give any bond or surety in respect of the execution of this Indenture or otherwise;

(q) the Trustee shall not be deemed to have notice or knowledge of any matter unless a Trust Officer has actual knowledge thereof or unless written notice thereof is received by the Trustee at the Corporate Trust Office and such notice references the Notes generally, the Issuer, the Co-Issuer or this Indenture. Subject to Section 6.1(d), whenever reference is made in this Indenture to a Default or an Event of Default such reference shall, insofar as determining any liability on the part of the Trustee is concerned, be construed to refer only to a Default or an Event of Default of which the Trustee is deemed to have knowledge in accordance with this paragraph;

(r) the Trustee shall not be responsible for delays or failures in performance resulting from circumstances beyond its control (such circumstances include but are not limited to acts of God, strikes, lockouts, riots, acts of war, loss or malfunctions of utilities, computer (hardware or software) or communication services);

(s) to help fight the funding of terrorism and money laundering activities, the Trustee will obtain, verify, and record information that identifies individuals or entities that establish a relationship or open an account with the Trustee. The Trustee will ask for the name, address, tax identification number and other information that will allow the Trustee to identify the individual or entity who is establishing the relationship or opening the account. The Trustee may also ask for formation documents such as articles of incorporation, an offering memorandum, or other identifying documents to be provided;

(t) to the extent not inconsistent herewith, the rights, protections, immunities and indemnities afforded to the Trustee pursuant to this Indenture also shall be afforded to the Collateral Administrator; *provided* that such rights, immunities and indemnities shall be in addition to any rights, immunities and indemnities provided in the Collateral Administration Agreement;

(u) in making or disposing of any investment permitted by this Indenture, the Trustee is authorized to deal with itself (in its individual capacity) or with any one or more of its Affiliates, in each case on an arm's-length basis, whether it or such Affiliate is acting as a subagent of the Trustee or for any third person or dealing as principal for its own account. If otherwise qualified, obligations of the Bank or any of its Affiliates shall qualify as Eligible Investments hereunder;

(v) the Trustee or its Affiliates are permitted to receive additional compensation that could be deemed to be in the Trustee's economic self-interest for (i) serving as investment adviser, administrator, shareholder, servicing agent, custodian or subcustodian with respect to certain of the Eligible Investments, (ii) using Affiliates to effect transactions in certain Eligible Investments and (iii) effecting transactions in certain Eligible Investments. Such compensation is not payable or reimbursable under Section 6.7 of this Indenture;

(w) the Trustee shall have no duty (i) to see to any recording, filing, or depositing of this Indenture or any supplemental indenture or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording, filing or depositing or to any rerecording, refiling or redepositing of any thereof or (ii) to maintain any insurance;

(x) neither the Trustee nor the Collateral Administrator shall have any obligation to determine: (i) if a Collateral Obligation meets the criteria or eligibility restrictions imposed by this Indenture or (ii) if the Collateral Manager has not provided it with the information necessary for making such determination, whether the conditions specified in the definition of "Delivered" have been complied with;

(y) in accordance with the U.S. Unlawful Internet Gambling Act (the Gambling Act), the Issuer may not use the Accounts or other State Street Bank and Trust Company facilities in the United States to process "restricted transactions" as such term is defined in U.S. 31 CFR Section 132.2(y) (and therefore, neither the Issuer nor any person who has an ownership interest in or control over the Accounts may use it to process or facilitate payments for prohibited internet gambling transactions);

(z) notwithstanding anything to the contrary herein, any and all communications (both text and attachments) by or from the Trustee that the Trustee in its sole discretion deems to contain confidential, proprietary, and/or sensitive information and sent by electronic mail may, at the Trustee's option be encrypted; and

(aa) the Trustee is authorized, at the request of the Collateral Manager, to accept directions or otherwise enter into agreements regarding the remittance of fees owing to the Collateral Manager.

Section 6.4 Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes, other than the Certificate of Authentication thereon, shall be taken as the statements of the Applicable Issuers; and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Indenture (except as may be made with respect to the validity of the Trustee's obligations hereunder), the Assets or the Notes. The Trustee shall not be accountable for the use or application by the Co-Issuers of the Notes or the proceeds thereof or any Money paid to the Co-Issuers pursuant to the provisions hereof.

Section 6.5 May Hold Notes. The Trustee, any Paying Agent, Registrar or any other agent of the Co-Issuers, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Co-Issuers or any of their Affiliates with the same rights it would have if it were not Trustee, Paying Agent, Registrar or such other agent.

Section 6.6 Money Held in Trust. Money held by the Trustee hereunder shall be held in trust to the extent required herein. The Trustee shall be under no liability for interest on any Money received by it hereunder except to the extent of income or other gain on investments which are deposits in or certificates of deposit of the Bank in its commercial capacity and income or other gain actually received by the Trustee on Eligible Investments.

Section 6.7 Compensation and Reimbursement. (a) The Issuer agrees:

(i) to pay the Trustee on each Payment Date reasonable compensation, as set forth in a separate fee schedule, for all services rendered by it in any capacity hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(ii) except as otherwise expressly provided herein, to reimburse the Trustee in a timely manner upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in any capacity in accordance with any provision of this Indenture or other Transaction Document (including, without limitation, securities transaction charges and the reasonable compensation and expenses and disbursements of its agents and legal counsel and of any accounting firm or investment banking firm employed by the Trustee pursuant to Section 5.4, 5.5, 6.3(c) or 10.6, except any such expense, disbursement or advance as may be attributable to its negligence, willful misconduct or bad faith) but with respect to securities transaction charges, only to the extent any such charges have not been waived during a Collection Period due to the Trustee's receipt of a payment from a financial institution with respect to certain Eligible Investments, as specified by the Collateral Manager;

(iii) to indemnify the Trustee and its officers, directors, employees and agents for, and to hold them harmless against, any loss, liability or expense (including reasonable attorneys' fees and expenses) incurred without negligence, willful misconduct or bad faith on their part, arising out of or in connection with the acceptance or administration of this trust or the performance of its duties in any capacity hereunder or under any of the other Transaction Documents, including the costs and expenses of defending themselves (including reasonable attorneys' fees and costs) against any claim or liability in connection with the exercise or performance of any of their powers or duties hereunder and under any other agreement or instrument related hereto; and

(iv) to pay the Trustee reasonable additional compensation together with its expenses (including reasonable counsel fees) for any collection or enforcement action taken pursuant to Section 6.13 or Article V, respectively.

(b) The Trustee shall receive amounts pursuant to this Section 6.7 and any other amounts payable to it under this Indenture or in any of the Transaction Documents to which the Trustee is a party only as provided in the Priority of Interest Payments and the Priority of Principal Payments but only to the extent that funds are available for the payment thereof. Subject to Section 6.9, the Trustee shall continue to serve as Trustee under this Indenture notwithstanding the fact that the Trustee shall not have received amounts due it hereunder; *provided* that nothing herein shall impair or affect the Trustee's rights under Section 6.9.

No direction by the Noteholders shall affect the right of the Trustee to collect amounts owed to it under this Indenture. If on any date when a fee or an expense shall be payable to the Trustee pursuant to this Indenture insufficient funds are available for the payment thereof, any portion of a fee or an expense not so paid shall be deferred and payable on such later date on which a fee or an expense shall be payable and sufficient funds are available therefor.

(c) The Trustee hereby agrees not to cause the filing of a petition in bankruptcy for the non-payment to the Trustee of any amounts provided by this Section 6.7 until at least one year, or if longer the applicable preference period then in effect, and one day after the payment in full of all Notes issued under this Indenture.

(d) The Issuer's payment obligations to the Trustee under this Section 6.7 shall be secured by the lien of this Indenture payable in accordance with the Priority of Payments, and shall survive the discharge of this Indenture and the resignation or removal of the Trustee. When the Trustee incurs expense after the occurrence of a Default or an Event of Default under Section 5.1(e) or (f), the expenses are intended to constitute expenses of administration under the Bankruptcy Law or any other applicable federal or state bankruptcy, insolvency or similar law.

Section 6.8 Corporate Trustee Required; Eligibility.

(a) There shall at all times be a Trustee hereunder which shall be an Independent organization or entity organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least U.S.$200,000,000, subject to supervision or examination by federal or state authority, having the Fitch Eligible Counterparty Ratings and having an office within the United States.

(b) The Trustee shall be a "bank" (as defined under the Investment Company Act) and shall not be "affiliated" (as defined in Rule 405 under the Securities Act) with the Issuer or any person involved in the organization or operation of the Issuer and the Trustee shall not provide credit or credit enhancement to the Issuer.

(c) If such organization or entity publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 6.8, the combined capital and surplus of such organization or entity shall be deemed to be its combined capital and surplus as set forth in its most recent published report of condition.

(d) If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 6.8, it shall resign immediately in the manner and with the effect hereinafter specified in this Article VI.

Section 6.9 Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article VI shall become effective until the acceptance of appointment by the successor Trustee under Section 6.10.

(b) The Trustee may resign at any time by giving not less than 30 days' written notice thereof to the Co-Issuers (and, subject to Section 14.3(c), the Issuer shall provide notice to each Applicable Rating Agency (if then rating a Class of Secured Notes)), the Collateral Manager and the Holders of the Notes. Upon receiving such notice of resignation, the Co-Issuers shall promptly appoint a successor trustee or trustees satisfying the requirements of Section 6.8 by written instrument, in duplicate, executed by an Authorized Officer of the Issuer, one copy of which shall be delivered to the Trustee so resigning and one copy to the successor Trustee or Trustees, together with a copy to each Holder and the Collateral Manager;

provided that such successor Trustee shall be appointed only upon the written consent of a Majority of the Secured Notes of each Class (voting separately by Class) or, at any time when an Event of Default shall have occurred and be continuing or when a successor Trustee has been appointed pursuant to Section 6.9(e), by an Act of a Majority of the Controlling Class. If no successor Trustee shall have been appointed and an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee or any Holder, on behalf of itself and all others similarly situated, may petition any court of competent jurisdiction for the appointment of a successor Trustee satisfying the requirements of Section 6.8.

(c) The Trustee may be removed at any time by Act of a Majority of each Class of Notes (voting separately by Class) or, at any time when an Event of Default shall have occurred and be continuing by an Act of a Majority of the Controlling Class, delivered to the Trustee and to the Co-Issuers.

(d) If at any time:

(i) the Trustee shall cease to be eligible under Section 6.8 and shall fail to resign after written request therefor by the Co-Issuers or by any Holder; or

(ii) the Trustee shall become incapable of acting or shall be adjudged as bankrupt or insolvent or a receiver or liquidator of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case (subject to Section 6.9(a)), (A) the Co-Issuers, by Issuer Order, may remove the Trustee, or (B) subject to Section 5.15, any Holder may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any reason (other than resignation), the Co-Issuers, by Issuer Order, shall promptly appoint a successor Trustee. If the Co-Issuers shall fail to appoint a successor Trustee within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee may be appointed by a Majority of the Controlling Class by written instrument delivered to the Issuer and the retiring Trustee. The successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede any successor Trustee proposed by the Co-Issuers. If no successor Trustee shall have been so appointed by the Co-Issuers or a Majority of the Controlling Class and shall have accepted appointment in the manner hereinafter provided, subject to Section 5.15, any Holder may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Co-Issuers shall give prompt notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first class mail, postage prepaid, to the Collateral Manager, subject to Section 14.3(c), each Applicable Rating Agency (if then rating a Class of Secured Notes) and to the Holders of the Notes as their names and addresses appear in the Register. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office. If the Co-Issuers fail to mail such notice within ten days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause, subject to Section 14.3(c), such notice to be given at the expense of the Co-Issuers.

(g) Any resignation or removal of the Trustee under this Section 6.9 shall be an effective resignation or removal of the Bank in all capacities under this Indenture.

Section 6.10 Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall meet the requirements of Section 6.8 and shall execute, acknowledge and deliver to the Co-Issuers and the retiring Trustee an instrument accepting such appointment. Upon delivery of the required instruments, the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of the retiring Trustee; but, on request of the Co-Issuers or a Majority of any Class of Secured Notes or the successor Trustee, such retiring Trustee shall, upon payment of its charges then unpaid, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and Money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the Co-Issuers shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

Section 6.11 Merger, Conversion, Consolidation or Succession to Business of Trustee. Any organization or entity into which the Trustee may be merged or converted or with which it may be consolidated, or any organization or entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any organization or entity succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, *provided* that such organization or entity shall be otherwise qualified and eligible under this Article VI, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any of the Notes has been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

Section 6.12 Co-Trustees. At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any part of the Assets may at the time be located, the Co-Issuers and the Trustee shall have power to appoint one or more Persons to act as co-trustee (subject to (x) the written approval of each Applicable Rating Agency (if then rating a Class of Secured Notes) and (y) satisfaction of the requirements set forth in Section 6.8 relating to trustee eligibility), jointly with the Trustee, of all or any part of the Assets, with the power to file such proofs of claim and take such other actions pursuant to Section 5.6 herein and to make such claims and enforce such rights of action on behalf of the Holders, as such Holders themselves may have the right to do, subject to the other provisions of this Section 6.12.

The Co-Issuers shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint a co-trustee. If the Co-Issuers do not join in such appointment within 15 days after the receipt by them of a request to do so, the Trustee shall have the power to make such appointment.

Should any written instrument from the Co-Issuers be required by any co-trustee so appointed, more fully confirming to such co-trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Co-Issuers. The Co-Issuers agree to pay, to the extent funds are available therefor under clause (A) of the Priority of Interest Payments, for any reasonable fees and expenses in connection with such appointment.

Every co-trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms:

(a) the Notes shall be authenticated and delivered and all rights, powers, duties and obligations hereunder in respect of the custody of securities, Cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely by the Trustee;

(b) the rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by the appointment of a co-trustee shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee jointly as shall be provided in the instrument appointing such co-trustee;

(c) the Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Co-Issuers evidenced by an Issuer Order, may accept the resignation of or remove any co-trustee appointed under this Section 6.12, and in case an Event of Default has occurred and is continuing, the Trustee shall have the power to accept the resignation of, or remove, any such co-trustee without the concurrence of the Co-Issuers. A successor to any co-trustee so resigned or removed may be appointed in the manner provided in this Section 6.12;

(d) no co-trustee hereunder shall be personally liable by reason of any act or omission of the Trustee hereunder;

(e) the Trustee shall not be liable by reason of any act or omission of a co-trustee; and

(f) any Act of Holders delivered to the Trustee shall be deemed to have been delivered to each co-trustee.

Subject to Section 14.3(c), the Issuer shall notify each Applicable Rating Agency (if then rating a Class of Secured Notes) of the appointment of a co-trustee hereunder.

Section 6.13 Certain Duties of Trustee Related to Delayed Payment of Proceeds. If the Trustee shall not have received a payment with respect to any Asset on its Due Date, (a) the Trustee shall promptly notify the Issuer and the Collateral Manager in writing and (b) unless within three Business Days (or the end of the applicable grace period for such payment, if any) after such notice (x) such payment shall have been received by the Trustee or (y) the Issuer, in its absolute discretion (but only to the extent permitted by Section 10.2(a)), shall have made provision for such payment satisfactory to the Trustee in accordance with Section 10.2(a), the Trustee shall, not later than the Business Day immediately following the last day of such period and in any case upon request by the Collateral Manager, request the issuer of such Asset, the trustee under the related Underlying Instrument or paying agent designated by either of them, as the case may be, to make such payment not later than three Business Days after the date of such request. If such payment is not made within such time period, the Trustee, subject to the provisions of clause (iv) of Section 6.1(c), shall take such action as the Collateral Manager shall direct. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Indenture. If the Issuer or the Collateral Manager requests a release of an Asset in connection with any such action under the Collateral Management Agreement, such release shall be subject to Section 10.7 and Article XII of this Indenture, as the case may be. Notwithstanding any other provision hereof, the Trustee shall deliver to the Issuer or its designee any payment with respect to any Asset received after the Due Date thereof to the extent the Issuer previously made provisions for such payment satisfactory to the Trustee in accordance with this Section 6.13 and such payment shall not be deemed part of the Assets.

Section 6.14 Authenticating Agents. Upon the request of the Co-Issuers, the Trustee shall, and if the Trustee so chooses the Trustee may, appoint one or more Authenticating Agents with power to act on its behalf and subject to its direction in the authentication of Notes in connection with issuance, transfers

and exchanges under Sections 2.4, 2.5, 2.6 and 8.5, as fully to all intents and purposes as though each such Authenticating Agent had been expressly authorized by such Sections to authenticate such Notes. For all purposes of this Indenture, the authentication of Notes by an Authenticating Agent pursuant to this Section 6.14 shall be deemed to be the authentication of Notes by the Trustee.

Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of such Authenticating Agent hereunder, without the execution or filing of any further act on the part of the parties hereto or such Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and the Issuer. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and the Co-Issuers. Upon receiving such notice of resignation or upon such a termination, the Trustee shall, upon the written request of the Issuer, promptly appoint a successor Authenticating Agent and shall give written notice of such appointment to the Co-Issuers.

Unless the Authenticating Agent is also the same entity as the Trustee, the Issuer agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services, and reimbursement for its reasonable expenses relating thereto as an Administrative Expense. The provisions of Sections 2.8, 6.4 and 6.5 shall be applicable to any Authenticating Agent.

Section 6.15 Withholding. If any withholding tax is imposed by applicable law on the Issuer's payment (or allocations of income) under the Notes, such tax shall reduce the amount otherwise distributable to the relevant Holder. For the avoidance of doubt, any withholding tax withheld in connection with FATCA shall be treated as imposed by applicable law. The Trustee or Paying Agent is hereby authorized and directed to retain from amounts otherwise distributable to any Holder sufficient funds for the payment of any such tax that is legally owed or required to be withheld by the Issuer, including, but not limited to, due to the failure by a Holder to provide the Holder FATCA Information or the failure by Holder that is a "foreign financial institution" as defined under FATCA that, unless otherwise exempted or excused, fails to register with the IRS (or to otherwise fulfill its own obligations under FATCA) or to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or affiliates) to enable the Issuer or an Intermediary to comply with FATCA and to timely remit such amounts to the appropriate taxing authority. Such authorization, however, shall not prevent the Trustee from contesting any such tax in appropriate Proceedings and withholding payment of such tax, if permitted by law, pending the outcome of such Proceedings. The amount of any withholding tax imposed with respect to any Note shall be treated as Cash distributed to the relevant Holder at the time it is withheld by the Trustee or any Paying Agent. If there is a possibility that withholding is required by applicable law with respect to a distribution, the Paying Agent or the Trustee may, in its sole discretion, withhold such amounts in accordance with this Section 6.15. If any Holder or beneficial owner wishes to apply for a refund of any such withholding tax, the Trustee or such Paying Agent shall reasonably cooperate with such Holder in making such claim by providing readily available information so long as such Holder agrees to reimburse the Trustee or such Paying Agent, as applicable, for any out-of-pocket expenses incurred in doing so. Nothing herein shall impose an obligation on the part of the Trustee or any Paying Agent to determine the amount of any tax or withholding obligation on the part of the Issuer or in respect of the Notes.

Section 6.16 Representative for Secured Noteholders Only; Agent for each other Secured Party and the Holders of the Subordinated Notes. With respect to the security interest created hereunder, the

delivery of any Asset to the Trustee is to the Trustee as representative of the Secured Noteholders and agent for each other Secured Party and the Holders of the Subordinated Notes. In furtherance of the foregoing, the possession by the Trustee of any Asset, the endorsement to or registration in the name of the Trustee of any Asset (including without limitation as entitlement holder of the Custodial Account) are all undertaken by the Trustee in its capacity as representative of the Secured Noteholders, and agent for each other Secured Party and the Holders of the Subordinated Notes.

Section 6.17 Representations and Warranties of the Bank. The Bank hereby represents and warrants as follows:

(a) Organization. The Bank has been duly organized and is validly existing as a trust company with trust powers under the laws of The Commonwealth of Massachusetts and has the power to conduct its business and affairs as a trustee, paying agent, registrar, transfer agent, custodian, calculation agent and securities intermediary.

(b) Authorization; Binding Obligations. The Bank has the corporate power and authority to perform the duties and obligations of Trustee, Paying Agent, Registrar, Transfer Agent, Custodian, Calculation Agent and Securities Intermediary under this Indenture. The Bank has taken all necessary corporate action to authorize the execution, delivery and performance of this Indenture, and all of the documents required to be executed by the Bank pursuant hereto. This Indenture has been duly authorized, executed and delivered by the Bank and constitutes the legal, valid and binding obligation of the Bank enforceable in accordance with its terms subject, as to enforcement, (i) to the effect of bankruptcy, insolvency or similar laws affecting generally the enforcement of creditors' rights as such laws would apply in the event of any bankruptcy, receivership, insolvency or similar event applicable to the Bank and (ii) to general equitable principles (whether enforcement is considered in a Proceeding at law or in equity).

(c) Eligibility. The Bank is eligible under Section 6.8 to serve as Trustee hereunder.

(d) No Conflict. Neither the execution, delivery and performance of this Indenture, nor the consummation of the transactions contemplated by this Indenture, (i) is prohibited by, or requires the Bank to obtain any consent, authorization, approval or registration under, any law, statute, rule, regulation, judgment, order, writ, injunction or decree that is binding upon the Bank or any of its properties or assets, or (ii) will violate any provision of, result in any default or acceleration of any obligations under, result in the creation or imposition of any lien pursuant to, or require any consent under, any material agreement to which the Bank is a party or by which it or any of its property is bound.

Section 6.18 Communications with Applicable Rating Agencies. Any written communication, including any confirmation or approval, from an Applicable Rating Agency provided for or required to be obtained by the Trustee hereunder shall be sufficient in each case when such communication or confirmation is received by the Trustee, including by electronic message, facsimile, press release, posting to the Applicable Rating Agency's website, or any other means then implemented by such Applicable Rating Agency. For the avoidance of doubt, no written communication given by an Applicable Rating Agency under this Section 6.18 shall be deemed to satisfy the Rating Agency Condition unless such communication is provided by the Applicable Rating Agency specifically in satisfaction of the Rating Agency Condition.

Section 6.19 Provisions related to the Collateral Management Agreement. In accordance with the notice provisions hereof, the Trustee shall promptly forward to all Holders of Notes and Fitch a copy of any notice received by the Trustee from the Collateral Manager pursuant to Section 18 of the Collateral Management Agreement. The Trustee shall, in accordance with the notice provisions hereof and promptly

upon receipt of an Issuer Order, forward any notice received in connection with the Collateral Management Agreement to such Noteholders and Fitch as set forth in such Issuer Order. In accordance with the notice provisions hereof, the Issuer shall promptly forward to all Holders of Notes and Fitch the details of any amendment pursuant to Section 20 of the Collateral Management Agreement.

ARTICLE VII

COVENANTS

Section 7.1 Payment of Principal and Interest. The Applicable Issuers will duly and punctually pay the principal of and interest on the Secured Notes, in accordance with the terms of such Secured Notes and this Indenture pursuant to the Priority of Payments. The Issuer will, to the extent funds are available pursuant to the Priority of Payments, duly and punctually pay all required distributions on the Subordinated Notes, in accordance with the Subordinated Notes and this Indenture.

The Issuer shall, subject to the Priority of Payments, reimburse the Co-Issuer for any amounts paid by the Co-Issuer pursuant to the terms of the Notes or this Indenture. The Co-Issuer shall not reimburse the Issuer for any amounts paid by the Issuer pursuant to the terms of the Notes or this Indenture.

The Issuer hereby provides notice to each Holder that the failure of such Holder to provide the Issuer (and its agents, including the Trustee and the Paying Agent) with appropriate tax certifications may result in amounts being withheld from payments to such Holder under this Indenture, provided that amounts withheld pursuant to applicable tax laws shall be considered as having been paid to such Holder.

Amounts properly withheld under the Code or other applicable law by any Person from a payment under a Note shall be considered as having been paid by the Issuer to the relevant Holder for all purposes of this Indenture.

Section 7.2 Maintenance of Office or Agency. The Co-Issuers hereby appoint the Trustee as a Paying Agent for payments on the Notes and the Co-Issuers hereby appoint the Trustee as Transfer Agent at its applicable Corporate Trust Office, as the Co-Issuers' agent where Notes may be surrendered for registration of transfer or exchange. Each of the Co-Issuers will maintain a Process Agent in New York.

The Co-Issuers may at any time and from time to time vary or terminate the appointment of any such agent or appoint any additional agents for any or all of such purposes; *provided* that (x) the Co-Issuers will maintain in the Borough of Manhattan, The City of New York, an office or agency where notices and demands to or upon the Co-Issuers in respect of such Notes and this Indenture may be served and, subject to any laws or regulations applicable thereto, an office or agency outside of the United States where Notes may be presented for payment; and (y) no paying agent shall be appointed in a jurisdiction which subjects payments on the Notes to withholding tax solely as a result of such Paying Agent's activities. The Co-Issuers shall at all times maintain a duplicate copy of the Register at the Corporate Trust Office. The Co-Issuers shall give prompt written notice to the Trustee, each Applicable Rating Agency (if then rating a Class of Secured Notes) and the Holders of the appointment or termination of any such agent and of the location and any change in the location of any such office or agency.

If at any time the Co-Issuers shall fail to maintain any such required office or agency in the Borough of Manhattan, The City of New York, or outside the United States, or shall fail to furnish the Trustee with the address thereof, presentations and surrenders may be made (subject to the limitations described in the preceding paragraph) at and notices and demands may be served on the Co-Issuers, and Notes may be

presented and surrendered for payment to the appropriate Paying Agent at its main office, and the Co-Issuers hereby appoint the same as their agent to receive such respective presentations, surrenders, notices and demands.

Section 7.3 Money for Note Payments to be Held in Trust. All payments of amounts due and payable with respect to any Notes that are to be made from amounts withdrawn from the Payment Account shall be made on behalf of the Issuer by the Trustee or a Paying Agent with respect to payments on the Notes.

When the Applicable Issuers shall have a Paying Agent that is not also the Registrar, they shall furnish, or cause the Registrar to furnish, no later than the fifth calendar day after each Record Date a list, if necessary, in such form as such Paying Agent may reasonably request, of the names and addresses of the Holders and of the certificate numbers of individual Notes held by each such Holder.

Whenever the Applicable Issuers shall have a Paying Agent other than the Trustee, they shall, on or before the Business Day next preceding each Payment Date and any Redemption Date, as the case may be, direct the Trustee to deposit on such Payment Date or such Redemption Date, as the case may be, with such Paying Agent, if necessary, an aggregate sum sufficient to pay the amounts then becoming due (to the extent funds are then available for such purpose in the Payment Account), such sum to be held in trust for the benefit of the Persons entitled thereto and (unless such Paying Agent is the Trustee) the Applicable Issuers shall promptly notify the Trustee of its action or failure so to act. Any Monies deposited with a Paying Agent (other than the Trustee) in excess of an amount sufficient to pay the amounts then becoming due on the Notes with respect to which such deposit was made shall be paid over by such Paying Agent to the Trustee for application in accordance with Article X.

The initial Paying Agent shall be as set forth in Section 7.2. Any additional or successor Paying Agents shall be appointed by Issuer Order with written notice thereof to the Trustee; *provided* that so long as the Notes of any Class are rated by an Applicable Rating Agency, with respect to any additional or successor Paying Agent, such Paying Agent satisfies the rating requirements specified in Section 6.8. If such successor Paying Agent ceases to have an applicable rating specified above, the Co-Issuers shall promptly remove such Paying Agent and appoint a successor Paying Agent. The Co-Issuers shall not appoint any Paying Agent that is not, at the time of such appointment, a depository institution or trust company subject to supervision and examination by federal and/or state and/or national banking authorities. The Co-Issuers shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee and if the Trustee acts as Paying Agent, it hereby so agrees, subject to the provisions of this Section 7.3, that such Paying Agent will:

(a) allocate all sums received for payment to the Holders of Notes for which it acts as Paying Agent on each Payment Date and any Redemption Date among such Holders in the proportion specified in the applicable Distribution Report to the extent permitted by applicable law;

(b) hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(c) if such Paying Agent is not the Trustee, immediately resign as a Paying Agent and forthwith pay to the Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards set forth above required to be met by a Paying Agent at the time of its appointment;

(d) if such Paying Agent is not the Trustee, immediately give the Trustee notice of any default by the Issuer or the Co-Issuer (or any other obligor upon the Notes) in the making of any payment required to be made; and

(e) if such Paying Agent is not the Trustee, during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Co-Issuers may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Issuer Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Co-Issuers or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Co-Issuers or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such Money.

Except as otherwise required by applicable law, any Money deposited with the Trustee or any Paying Agent in trust for any payment on any Note and remaining unclaimed for two years after such amount has become due and payable shall be paid to the Applicable Issuers on Issuer Order; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Applicable Issuers for payment of such amounts (but only to the extent of the amounts so paid to the Applicable Issuers) and all liability of the Trustee or such Paying Agent with respect to such trust Money shall thereupon cease. The Trustee or such Paying Agent, before being required to make any such release of payment, may, but shall not be required to, adopt and employ, at the expense of the Applicable Issuers any reasonable means of notification of such release of payment, including, but not limited to, mailing notice of such release to Holders whose Notes have been called but have not been surrendered for redemption or whose right to or interest in Monies due and payable but not claimed is determinable from the records of any Paying Agent, at the last address of record of each such Holder.

Section 7.4 Existence of Co-Issuers. (a) The Issuer and the Co-Issuer shall, to the maximum extent permitted by applicable law, maintain in full force and effect their existence and rights as companies incorporated or organized under the laws of the Cayman Islands and the State of Delaware, respectively, and shall obtain and preserve their qualification to do business as foreign corporations or companies, as applicable, in each jurisdiction in which such qualifications are or shall be necessary to protect the validity and enforceability of this Indenture, the Notes, or any of the Assets; *provided* that the Issuer shall be entitled to change its jurisdiction of incorporation from the Cayman Islands to any other jurisdiction reasonably selected by the Issuer at the direction of a Majority of the Subordinated Notes so long as (i) the Issuer has received a legal opinion (upon which the Trustee may conclusively rely) to the effect that such change is not disadvantageous in any material respect to the Holders, (ii) written notice of such change shall have been given to the Trustee and, subject to Section 14.3(c), each Applicable Rating Agency (if then rating a Class of Secured Notes) by the Issuer, which notice shall be promptly forwarded by the Trustee to the Holders and the Collateral Manager, (iii) the Rating Agency Condition is satisfied and (iv) on or prior to the 15th Business Day following receipt of such notice the Trustee shall not have received written notice from a Majority of the Controlling Class objecting to such change.

(b) The Issuer and the Co-Issuer shall ensure that all corporate or other formalities regarding their respective existences (including, if required, holding regular board of directors' and shareholders', or other similar, meetings) are followed. Neither the Issuer nor the Co-Issuer shall take any action, or conduct its affairs in a manner, that is likely to result in its separate existence being ignored or in its assets and liabilities being substantively consolidated with any other Person in a bankruptcy, reorganization, winding up or other insolvency Proceeding. Without limiting the foregoing, (i) the Issuer shall not have any

subsidiaries (other than the Co-Issuer); (ii) the Co-Issuer shall not have any subsidiaries; and (iii) except to the extent contemplated in the Administration Agreement or the declaration of trust by MaplesFS Limited, (x) the Issuer and the Co-Issuer shall not (A) have any employees (other than their respective directors or managers to the extent they are employees), (B) except as contemplated by the Collateral Management Agreement, the Memorandum and Articles of Association, the Registered Office Agreement or the Administration Agreement, engage in any transaction with any shareholder that would constitute a conflict of interest or (C) pay dividends other than in accordance with the terms of this Indenture and the Memorandum and Articles of Association and (y) the Issuer and the Co-Issuer shall (A) maintain their books and records separate from any other Person, (B) maintain their accounts separate from those of any other Person, (C) not commingle any of their assets with those of any other Person, (D) conduct its own business in its own name, (E) each maintain separate financial statements (if any), (F) pay their own liabilities out of their respective funds, (G) maintain an arm's length relationship with their Affiliates, (H) use separate stationery, invoices and checks, (I) each hold itself out as a separate Person, (J) correct any known misunderstanding regarding their separate identity and (K) have at least one director that is Independent of the Collateral Manager.

Section 7.5 Protection of Assets. (a) The Collateral Manager on behalf of the Issuer will cause the taking of such action within the Collateral Manager's control as is reasonably necessary in order to maintain the perfection and priority of the security interest of the Trustee in the Assets; *provided* that the Collateral Manager shall be entitled to rely on any Opinion of Counsel delivered pursuant to Section 7.6 and any Opinion of Counsel with respect to the same subject matter delivered pursuant to Section 3.1(a)(iii) to determine what actions are reasonably necessary, and shall be fully protected in so relying on such an Opinion of Counsel, unless the Collateral Manager has actual knowledge that the procedures described in any such Opinion of Counsel are no longer adequate to maintain such perfection and priority. The Issuer shall from time to time execute and deliver all such supplements and amendments hereto and file or authorize the filing of all such Financing Statements, continuation statements, instruments of further assurance and other instruments, and shall take such other action as may be necessary or advisable or desirable to secure the rights and remedies of the Holders of the Secured Notes hereunder and to:

(i) Grant more effectively all or any portion of the Assets;

(ii) maintain, preserve and perfect any Grant made or to be made by this Indenture including, without limitation, the first priority nature of the lien or carry out more effectively the purposes hereof;

(iii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations);

(iv) enforce any of the Assets or other instruments or property included in the Assets;

(v) preserve and defend title to the Assets and the rights therein of the Trustee and the Holders of the Secured Notes in the Assets against the claims of all Persons and parties; or

(vi) pay or cause to be paid any and all taxes levied or assessed upon all or any part of the Assets.

The Issuer hereby designates the Trustee as its agent and attorney in fact to prepare and file and hereby authorizes the filing of any Financing Statement, continuation statement and all other instruments, and take all other actions, required pursuant to this Section 7.5. Such designation shall

not impose upon the Trustee, or release or diminish, the Issuer's and the Collateral Manager's obligations under this Section 7.5. The Issuer further authorizes and shall cause the Issuer's United States counsel to file without the Issuer's signature a Financing Statement that names the Issuer as debtor and the Trustee, on behalf of the Secured Parties, as secured party and that describes "all personal property of the Debtor now owned or hereafter acquired" as the Assets in which the Trustee has a Grant.

(b) The Trustee shall not, except in accordance with Section 5.5 or Section 10.7(a), (b) and (c) or Section 12.1, as applicable, permit the removal of any portion of the Assets or transfer any such Assets from the Account to which it is credited, or cause or permit any change in the Delivery made pursuant to Section 3.2 with respect to any Assets, if, after giving effect thereto, the jurisdiction governing the perfection of the Trustee's security interest in such Assets is different from the jurisdiction governing the perfection at the time of delivery of the most recent Opinion of Counsel pursuant to Section 7.6 (or, if no Opinion of Counsel has yet been delivered pursuant to Section 7.6, the Opinion of Counsel delivered at the Closing Date pursuant to Section 3.1(a)(iii) unless the Trustee shall have received an Opinion of Counsel to the effect that the lien and security interest created by this Indenture with respect to such property and the priority thereof will continue to be maintained after giving effect to such action or actions).

Section 7.6 Opinions as to Assets. On or before the 60th day prior to the anniversary of the Closing Date in each calendar year commencing in the calendar year after the calendar year of the Closing Date, the Issuer shall furnish to the Trustee an Opinion of Counsel relating to the security interest granted by the Issuer to the Trustee, stating that, as of the date of such opinion, the lien and security interest created by this Indenture with respect to the Assets remain in effect and that no further action (other than as specified in such opinion) needs to be taken to ensure the continued effectiveness of such lien over the next year.

Section 7.7 Performance of Obligations. (a) The Co-Issuers, each as to itself, shall not take any action, and will use their best efforts not to permit any action to be taken by others, that would release any Person from any of such Person's covenants or obligations under any instrument included in the Assets, except in the case of enforcement action taken with respect to any Defaulted Obligation in accordance with the provisions hereof and actions by the Collateral Manager under the Collateral Management Agreement and in conformity with this Indenture or as otherwise required hereby.

(b) The Issuer shall notify each Applicable Rating Agency within 10 Business Days after it has received notice from any Noteholder of any material breach of any Transaction Document, following any applicable cure period for such breach.

Section 7.8 Negative Covenants. (a) The Issuer will not and, with respect to clauses (i), (ii), (iii), (iv), (vi), (vii), (viii), (ix), (x) and (xi) the Co-Issuer will not, in each case from and after the Closing Date:

(i) sell, transfer, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (or permit such to occur or suffer such to exist) any part of the Assets or enter into an agreement or commitment to do so, or enter into or engage in any business with respect to any part of the Assets, except as expressly permitted by this Indenture and the Collateral Management Agreement;

(ii) claim any credit on, make any deduction from, or dispute the enforceability of payment of the principal or interest payable (or any other amount) in respect of the Notes (other than amounts withheld or deducted in accordance with the Code or any applicable laws of the Cayman

Islands or other applicable jurisdiction) or assert any claim against any present or future Holder of Notes, by reason of the payment of any taxes levied or assessed upon any part of the Assets except as otherwise permitted under this Indenture;

(iii) (A) incur or assume or guarantee any indebtedness, other than the Notes, this Indenture and the transactions contemplated hereby or (B) issue or co-issue, as applicable, (1) any additional class of securities or (2) any additional shares;

(iv) (A) permit the validity or effectiveness of this Indenture or any Grant hereunder to be impaired, or permit the lien of this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to this Indenture or the Notes except as may be permitted hereby or by the Collateral Management Agreement, (B) except as permitted by this Indenture, permit any lien, charge, adverse claim, security interest, mortgage or other encumbrance (other than the lien of this Indenture) to be created on or extend to or otherwise arise upon or burden any part of the Assets, any interest therein or the proceeds thereof, or (C) except as permitted by this Indenture, take any action that would permit the lien of this Indenture not to constitute a valid first priority security interest in the Assets;

(v) amend the Collateral Management Agreement except pursuant to the terms thereof;

(vi) dissolve or liquidate in whole or in part, except as permitted hereunder or required by applicable law;

(vii) pay any distributions other than in accordance with the Priority of Payments;

(viii) permit the formation of any subsidiaries (other than the Co-Issuer);

(ix) conduct business under any name other than its own;

(x) have any employees (other than directors or managers to the extent they are employees);

(xi) amend any Hedge Agreement except as permitted by the terms thereof and of this Indenture; or

(xii) enter into any agreement amending, modifying or terminating any Transaction Document without five Business Days' prior written notice to the Applicable Rating Agencies, each Holder in the Controlling Class and each Holder of a Subordinated Note.

(b) The Co-Issuer will not invest any of its assets in "securities" as such term is defined in the Investment Company Act, and will keep all of its assets in Cash.

(c) The Issuer and the Co-Issuer shall not be party to any agreements without including customary "non-petition" and "limited recourse" provisions therein (and shall not amend or eliminate such provisions in any agreement to which it is party), except for (i) any agreements related to the sale of any Collateral Obligations or Eligible Investments which contain customary (as determined by the Collateral Manager in its sole discretion) sale terms or which are documented using customary (as determined by the Collateral Manager in its sole discretion) loan trading documentation and (ii) any agreement with the IRS relating to compliance with FATCA.

(d) Notwithstanding anything contained in this Indenture to the contrary, the Issuer may not acquire any of the Secured Notes (including any Notes cancelled, surrendered or abandoned); *provided* that this Section 7.8(d) shall not be deemed to limit an optional or mandatory redemption pursuant to the terms of this Indenture.

Section 7.9 Statement as to Compliance. On or before the anniversary of the Closing Date in each calendar year commencing in the calendar year after the calendar year of the Closing Date, or immediately if there has been a Default under this Indenture, the Issuer, subject to Section 14.3(c), shall deliver to each Applicable Rating Agency (if then rating a Class of Secured Notes), the Trustee, the Collateral Manager and the Administrator (to be forwarded by the Trustee or the Administrator, as applicable, to each Noteholder making a written request therefor) an Officer's certificate of the Issuer that, having made reasonable inquiries of the Collateral Manager, and to the best of the knowledge, information and belief of the Issuer, there did not exist, as at a date not more than five days prior to the date of the certificate, nor had there existed at any time prior thereto since the date of the last certificate (if any), any Default hereunder or, if such Default did then exist or had existed, specifying the same and the nature and status thereof, including actions undertaken to remedy the same, and that the Issuer has complied with all of its obligations under this Indenture or, if such is not the case, specifying those obligations with which it has not complied.

Section 7.10 Co-Issuers May Consolidate, etc., Only on Certain Terms. Neither the Issuer nor the Co-Issuer (the "**Merging Entity**") shall consolidate or merge with or into any other Person or transfer or convey all or substantially all of its assets to any Person, unless permitted by Cayman Islands law (in the case of the Issuer) or United States and Delaware law (in the case of the Co-Issuer) and unless:

(a) the Merging Entity shall be the surviving corporation, or the Person (if other than the Merging Entity) formed by such consolidation or into which the Merging Entity is merged or to which all or substantially all of the assets of the Merging Entity are transferred (the "**Successor Entity**") (A) if the Merging Entity is the Issuer, shall be a company organized and existing under the laws of the Cayman Islands or such other jurisdiction approved by a Majority of the Controlling Class *provided* that no such approval shall be required in connection with any such transaction undertaken solely to effect a change in the jurisdiction of incorporation pursuant to Section 7.4, and (B) in any case shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee and each Holder, the due and punctual payment of the principal of and interest on all Secured Notes and the performance and observance of every covenant of this Indenture on its part to be performed or observed, all as provided herein;

(b) the Rating Agency Condition shall have been satisfied with respect to such consolidation or merger;

(c) if the Merging Entity is not the Successor Entity, the Successor Entity shall have agreed with the Trustee (i) to observe the same legal requirements for the recognition of such formed or surviving corporation as a legal entity separate and apart from any of its Affiliates as are applicable to the Merging Entity with respect to its Affiliates and (ii) not to consolidate or merge with or into any other Person or transfer or convey the Assets or all or substantially all of its assets to any other Person except in accordance with the provisions of this Section 7.10;

(d) if the Merging Entity is not the Successor Entity, the Successor Entity shall have delivered to the Trustee, the Collateral Manager and the Issuer (and, subject to Section 14.3(c), the Issuer shall have delivered to each Applicable Rating Agency (if then rating a Class of Secured Notes)) an Officer's certificate and an Opinion of Counsel each stating that such Person is duly organized, validly existing and in good standing in the jurisdiction in which such Person is organized; that such Person has sufficient power and

authority to assume the obligations set forth in subsection (a) above and to execute and deliver an indenture supplemental hereto for the purpose of assuming such obligations; that such Person has duly authorized the execution, delivery and performance of an indenture supplemental hereto for the purpose of assuming such obligations and that such supplemental indenture is a valid, legal and binding obligation of such Person, enforceable in accordance with its terms, subject only to bankruptcy, reorganization, insolvency, moratorium and other laws affecting the enforcement of creditors' rights generally and to general principles of equity (regardless of whether such enforceability is considered in a Proceeding in equity or at law); if the Merging Entity is the Issuer, that, immediately following the event which causes such Successor Entity to become the successor to the Issuer, (i) such Successor Entity has title, free and clear of any lien, security interest or charge, other than the lien and security interest of this Indenture and any other Permitted Lien, to the Assets securing all of the Notes and (ii) the Trustee continues to have a valid perfected first priority security interest in the Assets securing all of the Secured Notes; and in each case as to such other matters as the Trustee or any Noteholder may reasonably require; *provided* that nothing in this clause shall imply or impose a duty on the Trustee to require such other documents;

(e) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(f) the Merging Entity shall have notified the Collateral Manager and the Issuer (and, subject to Section 14.3(c), the Issuer shall have notified each Applicable Rating Agency (if then rating a Class of Secured Notes)) of such consolidation, merger, transfer or conveyance and shall have delivered to the Trustee and each Noteholder an Officer's certificate and an Opinion of Counsel each stating that such consolidation, merger, transfer or conveyance and such supplemental indenture comply with this Article VII and that all conditions precedent in this Article VII relating to such transaction have been complied with and that such transaction will not (1) result in the Merging Entity or the Successor Entity becoming subject to U.S. federal income taxation with respect to their net income or (2) result in the Issuer being treated as an association or a publicly traded partnership, in either case, taxable as a corporation for U.S. federal income tax purposes;

(g) the Merging Entity shall have delivered to the Trustee an Opinion of Counsel stating that after giving effect to such transaction, neither of the Co-Issuers (or, if applicable, the Successor Entity) will be required to register as an investment company under the Investment Company Act;

(h) after giving effect to such transaction, the outstanding stock of the Merging Entity (or, if applicable, the Successor Entity) will not be beneficially owned within the meaning of the Investment Company Act by any U.S. person; and

(i) the fees, costs and expenses of the Trustee (including any reasonable legal fees and expenses) associated with the matters addressed in this Section 7.10 shall have been paid by the Merging Entity (or, if applicable, the Successor Entity) or otherwise provided for to the satisfaction of the Trustee.

Section 7.11 Successor Substituted. Upon any consolidation or merger, or transfer or conveyance of all or substantially all of the assets of the Issuer or the Co-Issuer in accordance with Section 7.10 in which the Merging Entity is not the surviving corporation, the Successor Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Merging Entity under this Indenture with the same effect as if such Person had been named as the Issuer or the Co-Issuer, as the case may be, herein. In the event of any such consolidation, merger, transfer or conveyance, the Person named as the "Issuer" or the "Co-Issuer" in the first paragraph of this Indenture or any successor which shall theretofore have become such in the manner prescribed in this Article VII may be dissolved, wound up and liquidated at any time thereafter, and

such Person thereafter shall be released from its liabilities as obligor and maker on all the Notes and from its obligations under this Indenture.

Section 7.12 No Other Business. The Issuer shall not have any employees and shall not engage in any business or activity other than issuing, co-issuing, paying and redeeming the Notes issued or co-issued pursuant to this Indenture, acquiring, holding, selling, exchanging, redeeming and pledging, solely for its own account, the Assets and other incidental activities, including entering into the Transaction Documents to which it is a party. The Co-Issuer shall not engage in any business or activity other than issuing and selling the Secured Notes issued pursuant to this Indenture and other incidental activities. The Issuer and the Co-Issuer may amend, or permit the amendment of, their Memorandum and Articles of Association and certificate of formation and operating agreement, respectively, only if such amendment would satisfy the Rating Agency Condition.

Section 7.13 [Reserved].

Section 7.14 Annual Rating Review. (a) So long as any of the Secured Notes of any Class remain Outstanding, on or before the anniversary of the Closing Date in each calendar year commencing in the calendar year after the calendar year of the Closing Date, the Applicable Issuers shall obtain and pay for an annual review of the rating of each such Class of Secured Notes from each Applicable Rating Agency. The Applicable Issuers shall promptly notify the Trustee and the Collateral Manager in writing (and the Trustee shall promptly provide the Holders with a copy of such notice) if at any time the then-current rating of any such Class of Secured Notes has been, or is known will be, changed or withdrawn.

(b) The Issuer, or the Collateral Manager on behalf of the Issuer, may (but shall not be obligated to) obtain and pay for an annual review of (i) any DIP Collateral Obligation and (ii) any Collateral Obligation which has a derived rating or with respect to which the Issuer, or the Collateral Manager on behalf of the Issuer, has otherwise obtained a credit estimate.

Section 7.15 Reporting. At any time when the Co-Issuers are not subject to Section 13 or 15(d) of the Exchange Act and are not exempt from reporting pursuant to Rule 12g3 - 2(b) under the Exchange Act, upon the request of a Holder or beneficial owner of a Note, the Co-Issuers shall promptly furnish or cause to be furnished Rule 144A Information to such Holder or beneficial owner, to a prospective purchaser of such Note designated by such Holder or beneficial owner, or to the Trustee for delivery upon an Issuer Order to such Holder or beneficial owner or a prospective purchaser designated by such Holder or beneficial owner, as the case may be, in order to permit compliance by such Holder or beneficial owner with Rule 144A under the Securities Act in connection with the resale of such Note. "**Rule 144A Information**" shall be such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

Section 7.16 Calculation Agent. (a) The Issuer hereby agrees that for so long as any Secured Notes remain Outstanding there will at all times be an agent appointed (which does not control or is not controlled or under common control with the Issuer, the Collateral Manager or their respective Affiliates, and is not a fund or account managed by the Collateral Manager or Affiliates of the Collateral Manager) to calculate LIBOR in respect of each Interest Accrual Period in accordance with the terms of Schedule 7 hereto (the "**Calculation Agent**"). The Issuer hereby appoints the Trustee as Calculation Agent. The Calculation Agent may be removed by the Issuer or the Collateral Manager, on behalf of the Issuer, at any time. If the Calculation Agent is unable or unwilling to act as such or is removed by the Issuer or the Collateral Manager, on behalf of the Issuer, the Issuer or the Collateral Manager, on behalf of the Issuer, will promptly appoint a replacement Calculation Agent which does not control and is not controlled by or under common control

with (x) the Issuer or its Affiliates, (y) the Collateral Manager or its Affiliates or (z) funds or accounts managed by the Collateral Manager or Affiliates of the Collateral Manager. The Calculation Agent may not resign its duties or be removed without a successor having been duly appointed.

(b) The Calculation Agent shall be required to agree (and the Trustee as Calculation Agent does hereby agree) that, as soon as possible after 11:00 a.m. London time on each Interest Determination Date, but in no event later than 11:00 a.m. New York time on the London Banking Day immediately following each Interest Determination Date, the Calculation Agent will calculate LIBOR for the related Interest Accrual Period and the Interest Rate applicable to each Class of Floating Rate Notes for the related Interest Accrual Period and the Note Interest Amount (in each case, rounded to the nearest cent, with half a cent being rounded upward) payable on the related Payment Date in respect of such Class of Secured Notes in respect of the related Interest Accrual Period. At such time, the Calculation Agent will communicate such rates and amounts to the Co-Issuers, the Trustee, each Paying Agent, Euroclear, Clearstream and the Collateral Manager. The Calculation Agent will also specify to the Co-Issuers the source or quotations upon which LIBOR, as used in the Interest Rate for each Class of Floating Rate Notes, is based, and in any event the Calculation Agent shall notify the Co-Issuers before 5:00 p.m. (New York time) on every Interest Determination Date if it has not determined and is not in the process of determining LIBOR or any such Interest Rate or Note Interest Amount, together with its reasons therefor. The Calculation Agent's determination of the foregoing rates and amounts for any Interest Accrual Period will (in the absence of manifest error) be final and binding upon all parties.

Section 7.17 Certain Tax Matters. (a) For so long as the Subordinated Notes and any other interest that is treated as equity in the Issuer is held by a single owner for U.S. federal income tax purposes, the Issuer shall treat itself as disregarded as separate from such owner for such purposes, and in all other situations the Issuer shall treat itself as a foreign partnership (other than a publicly traded partnership taxable as a corporation), and the Issuer shall not take or permit any action that is inconsistent with the foregoing treatments.

(b) The Issuer will treat each purchase of Collateral Obligations as a "purchase" for tax accounting and reporting purposes.

(c) The Issuer and the Co-Issuer shall file, or cause to be filed, any tax returns, including information tax returns, required by any governmental authority.

(d) If the Issuer is aware that it has purchased an interest in a "reportable transaction" within the meaning of Section 6011 of the Code, and a Holder or beneficial owner of a Subordinated Note (or any other Note that is required to be treated as equity for U.S. federal income tax purposes) requests in writing information about any such transactions in which the Issuer is an investor, the Issuer (or the Collateral Manager acting on behalf of the Issuer) shall provide, or cause its Independent accountants to provide, such information it has reasonably available that is required to be obtained by such Holder or beneficial owner under the Code as soon as practicable after such request.

(e) Notwithstanding anything herein to the contrary, the Collateral Manager, the Co-Issuers, the Trustee, the Collateral Administrator, the Initial Purchaser, the Holders and beneficial owners of the Notes and each employee, representative or other agent of those Persons, may disclose to any and all Persons, without limitation of any kind, the U.S. tax treatment and tax structure of the transactions contemplated by this Indenture and all materials of any kind, including opinions or other tax analyses, that are provided to those Persons. This authorization to disclose the U.S. tax treatment and tax structure does not permit disclosure of information identifying the Collateral Manager, the Co-Issuers, the Trustee, the Collateral Administrator, the Initial Purchaser or any other party to the transactions contemplated by this Indenture, the Offering or the pricing (except to the extent such information is relevant to U.S. tax structure or tax treatment of such transactions).

(f) Upon the Issuer's receipt of a request of a Holder or beneficial owner of a Secured Note that has been issued with more than de minimis "original issue discount" (as defined in Section 1273 of the Code) or written request of a Person certifying that it is an owner of a beneficial interest in a Secured Note that has been issued with more than de minimis "original issue discount" for the information described in Treasury Regulations Section 1.1275-3(b)(1)(i) that is applicable to such Note, the Issuer will cause its Independent accountants to provide promptly to the Trustee and such requesting Holder or owner of a beneficial interest in such a Note all of such information.

(g) Upon written request by a holder or beneficial owner of a Subordinated Note certifying that it is a holder of a beneficial interest in a Subordinated Note (or any other Note that is required to be treated as equity for U.S. federal income tax purposes), the Issuer shall provide, or cause the Independent accountants to provide, within 90 days after the end of the Issuer's tax year, to such holder or beneficial owner of the Subordinated Notes (or any other Note that is required to be treated as equity for U.S. federal income tax purposes) all information reasonably available to the Issuer (i) to comply with its U.S. federal, state or local tax and information returns and reporting obligations and (ii) to comply with filing requirements that arise as a result of the Issuer being classified as a partnership for U.S. federal income tax purposes.

(h) [Reserved].

(i) [Reserved].

(j) The Issuer shall use commercially reasonable efforts to qualify as, and comply with any obligations or requirements imposed on, a "participating FFI" or a "deemed-compliant FFI" within the meaning of the Code or any Treasury Regulations promulgated thereunder. In furtherance of the preceding sentence the Issuer shall use commercially reasonable efforts to comply with the provisions of FATCA and the IGA entered into by the Cayman Islands government and the United States in respect of FATCA (including the provisions of Cayman Islands legislation enacted, or other official guidance issued, in connection therewith, including the Cayman FATCA Legislation). In the event that the Issuer is unable to comply with such IGA (or such compliance will not preclude FATCA withholding on payments to it), it will use commercially reasonable efforts to enter into an agreement with the IRS described in Section 1471(b)(1) of the Code. The Issuer shall promptly obtain a Global Intermediary Identification Number from the IRS and shall use commercially reasonable efforts to comply with any requirements necessary to establish and maintain its status as a "Reporting Model 1 FFI" within the meaning of Treasury Regulations. The Issuer shall also use commercially reasonable efforts to make any amendments to this Indenture reasonably necessary to enable the Issuer to comply with FATCA and to cause the holders to provide the Holder FATCA Information.

(k) If a Holder fails to provide or update, or cause to be provided or updated, any Holder FATCA Information or to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer or an Intermediary to comply with FATCA, and the Issuer determines, in its reasonable discretion, that it is required under FATCA to close out such Holder, the Issuer shall compel any such Holder to sell all or a portion of its interest in such Note. Each Holder and beneficial owner of Notes acknowledges that any transfer of Notes under this Section 7.17(l) may be for less than the fair market value of such Notes. Each Holder and beneficial owner of the Notes also acknowledges that the failure to provide the Holder FATCA Information may cause the Issuer to withhold on payments to such Holder. Any amounts withheld under this Section 7.17(l) will be deemed to have been paid in respect of the relevant Notes. For these purposes, the Issuer may compel a sale of a Holder's or beneficial owner's entire interest in the Notes notwithstanding that the sale of only a portion of such an interest would permit the Issuer to comply with FATCA.

(l) For each taxable year (or portion thereof) that the Issuer is treated as a partnership for U.S. federal income tax purposes, the following provisions shall apply:

(i) Each Holder or beneficial owner of an interest in Subordinated Notes or any other Class of Notes that is treated as equity in the Issuer for U.S. federal income tax purposes (each such Holder or beneficial owner, a "**Partner**" and each such interest, a "**Partnership Interest**") agrees to treat the Issuer as a partnership and this Indenture as part of the Issuer's partnership agreement for purposes of Subchapter K and any related provisions of the Code and any Treasury Regulations promulgated thereunder.

(ii) The Partnership Representative shall establish and maintain or cause to be established and maintained on the books and records of the Issuer an individual capital account for each Partner in accordance with Section 704(b) of the Code and Treasury Regulations Section 1.704-1(b)(2)(iv).

(iii) For capital account purposes, all items of income, gain, loss and deduction shall be allocated among the Partners in a manner such that, if the Issuer were dissolved, its affairs wound up, its assets sold for their respective "book values" (within the meaning of Treasury Regulations Section 1.704-1(b)(2)(iv)) and its liabilities satisfied in full (except that nonrecourse liabilities with respect to an asset shall be satisfied only to the extent that such nonrecourse liabilities do not exceed the book value of such asset) and its assets distributed to the Partners in accordance with their respective capital account balances immediately after making such allocation, such distributions would, as nearly as possible, be equal to the distributions that would be made pursuant to the provisions of this Indenture. Any special allocations provided for in Section 7.17(l)(v)-(viii) shall be taken into account for capital account purposes. For U.S. federal, state and local income tax purposes, items of income, gain, loss, deduction and credit shall be allocated to the Partners in accordance with the allocations of the corresponding items for capital account purposes under this Section 7.17(l), except that items with respect to which there is a difference between tax and book basis will be allocated in accordance with Section 704(c) of the Code and Treasury Regulations Section 1.704-1(b)(4)(i).

(iv) The provisions of this Section 7.17(l) relating to the maintenance of capital accounts are intended to comply with Treasury Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such regulations. The Partnership Representative shall be authorized to make appropriate amendments to the allocations of items pursuant to this Section 7.17(l) if necessary in order to comply with Section 704 of the Code or applicable Treasury Regulations thereunder.

(v) Notwithstanding any other provision set forth in this Section 7.17(l), no item of deduction or loss shall be allocated to a Partner to the extent the allocation would cause a negative balance in the Partner's capital account (after taking into account the adjustments, allocations and distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6)) that exceeds the amount that such Partner would be required to reimburse the Issuer pursuant to this Indenture or under applicable law. In the event some but not all of the Partners would have such excess capital account deficits as a consequence of such an allocation of loss or deduction, the limitation set forth in this Section 7.17(l)(v) shall be applied on a Partner by Partner basis so as to allocate the maximum permissible deduction or loss to each such Partner under Treasury Regulations Section

1.704-1(b)(2)(ii)(d). In the event any loss or deduction is specially allocated to a Partner pursuant to either of the two preceding sentences, an equal amount of income of the Issuer shall be specially allocated to such Partner prior to any allocation pursuant to Section 7.17(l)(iii).

(vi) In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6), items of Issuer income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate as quickly as possible any deficit balance in its capital account in excess of that permitted under Section 7.17(l)(v) created by such adjustments, allocations or distributions. Any special allocations of items of income or gain pursuant to this Section 7.17(l)(vi) shall be taken into account in computing subsequent allocations pursuant to this Section 7.17(l)(vi) so that the net amount of any items so allocated and all other items allocated to each Partner pursuant to this Section 7.17(l)(vi) shall, to the extent possible, be equal to the net amount that would have been allocated to each such Partner pursuant to the provisions of this Section 7.17(l) if such unexpected adjustments, allocations or distributions had not occurred.

(vii) In the event the Issuer incurs any nonrecourse liabilities, income and gain shall be allocated in accordance with the "minimum gain chargeback" provisions of Treasury Regulations Sections 1.704-1(b)(4)(iv) and 1.704-2.

(viii) The capital accounts of the Partners shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f) to reflect the fair market value of Issuer property whenever a Partnership Interest is relinquished to the Issuer, whenever an additional Person becomes a Partner as permitted under this Indenture, upon any termination of the Issuer within the meaning of Section 708 of the Code and when the Issuer is liquidated as permitted under this Indenture, and shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(e) in the case of a distribution of any property (other than cash).

(m) For any taxable year (or portion thereof) that the Issuer is treated as a partnership for U.S. federal income tax purposes, the Partnership Representative, in its sole discretion, may cause the Issuer to make an election under Section 754 of the Code.

(n) For each taxable year (or portion thereof) that the Issuer is treated as a partnership for U.S. federal income tax purposes, the Collateral Manager will be the initial "partnership representative" (as defined in Section 6223 of the Code) (the "**Partnership Representative**") and may designate the Partnership Representative from time to time from among any willing Holder of Subordinated Notes or itself and any of its Affiliates with respect to any taxable year of the Issuer during which the Collateral Manager or any of its Affiliates holds or has held any Subordinated Notes (and if such designee is not eligible under the Code to be the Partnership Representative, it shall be the agent and attorney-in-fact of the Partnership Representative); *provided*, that during any other period or if the Collateral Manager declines to so designate a Partnership Representative, the Issuer (after consultation with the Collateral Manager) shall designate the Partnership Representative from among any Holder of Subordinated Notes (excluding the Collateral Manager and its Affiliates) (and if such designee is not eligible under the Code to be the Partnership Representative, it shall be the agent and attorney-in-fact of the Partnership Representative). The Partnership Representative (or, if applicable, its agent and attorney-in-fact) shall sign the Issuer's tax returns and is authorized to make tax elections on behalf of the Issuer in its reasonable discretion, to determine the amount and characterization of any allocations or tax items described in this Section 7.17 in its reasonable discretion, and to take all actions and do such things as required or as it shall deem

appropriate under the Code, at the Issuer's sole expense, including representing the Issuer before taxing authorities and courts in tax matters affecting the Issuer and the Partners. Any action taken by the Partnership Representative in connection with audits of the Issuer under the Code will, to the extent permitted by law, be binding upon the Partners. Each such Partner agrees that it will treat any Issuer item on such Partner's income tax returns consistently with the treatment of the item on the Issuer's tax return and that such Partner will not independently act with respect to tax audits or tax litigation affecting the Issuer, unless previously authorized to do so in writing by the Partnership Representative (or, if applicable, its agent and attorney-in-fact), which authorization may be withheld in the complete discretion of the Partnership Representative (or, if applicable, its agent and attorney-in fact). The Issuer will, to the fullest extent permitted by law, reimburse and indemnify the Partnership Representative and any agent and attorney-in-fact of such Partnership Representative in connection with any expenses reasonably incurred in connection with its performance of its duties as or on behalf of the Partnership Representative. For the avoidance of doubt, any indemnity or reimbursement provided pursuant to the immediately foregoing sentence shall be treated as an Administrative Expense pursuant to the definition thereof.

(o) If the IRS, in connection with an audit governed by the tax audit rules set forth in Sections 6221 through 6241 of the Code (the "**Partnership Tax Audit Rules** "), proposes an adjustment greater than $25,000 in the amount of any item of income, gain, loss, deduction or credit of the Issuer, or any Partner's distributive share thereof, and such adjustment results in an "imputed underpayment" as described in Section 6225(b) of the Code together with any guidance issued thereunder or successor provisions (a "**Covered Audit Adjustment** "), the Partnership Representative will use commercially reasonable efforts (taking into account whether the Partnership Representative has received any needed information on a timely basis from the Partners) to apply the alternative method provided by Section 6226 of the Code together with any guidance issued thereunder or successor provisions (the "**Alternative Method**"). In the event the proposed adjustment is equal to or less than $25,000, the Partnership Representative may in its sole discretion elect to have the Issuer pay such adjustment. To the extent that the Partnership Representative does not (or is unable to or such Alternative Method is not eligible to be used by the Issuer including due to a change in law) elect the Alternative Method with respect to a Covered Audit Adjustment and such Covered Audit Adjustment is material as to the Issuer (determined in the Partnership Representative's sole discretion), the Partnership Representative shall use commercially reasonable efforts (i) to the extent not economically or administratively burdensome or onerous, to make reasonable modifications available under Sections 6225(c)(3), (4) and (5) of the Code together with any guidance issued thereunder or successor provisions, to the extent that such modifications are available (taking into account whether the Partnership Representative has received any needed information on a timely basis from the Partners) and would reduce any taxes payable by the Issuer with respect to the Covered Audit Adjustment and (ii) if reasonably requested by a Partner, to provide to such Partner available information allowing such Partner to file an amended U.S. federal income tax return, as described in Section 6225(c)(2) of the Code together with any guidance issued thereunder or successor provisions, to the extent that such amended return and payment of any related U.S. federal income taxes would reduce any taxes payable by the Issuer with respect to the Covered Audit Adjustment (after taking into account any modifications described in clause (i)). Similar procedures shall be followed in connection with any state or local income tax audit governed by the Partnership Tax Audit Rules. Any U.S. federal income taxes (and any related interest and penalties) paid by the Issuer (or any diminution in distributable proceeds resulting from an adjustment under the Partnership Tax Audit Rules) may be allocated in the reasonable discretion of the Issuer to those Partners to whom such amounts are specifically attributable (whether as a result of their status, actions, inactions or otherwise) as determined in the reasonable discretion of the Issuer. Each Partner agrees to (a) provide tax information or certifications (including evidence of filing or payment of tax) as reasonably requested by the Partnership Representative in connection with a Covered Audit Adjustment; (b) comply with the Partnership Representative's reasonable request to file accurate and

timely amended returns to reflect a Covered Audit Adjustment and (c) be liable for and economically bear (and indemnify and hold the Issuer and each other Partner harmless from), all taxes and related interest, penalties and other liabilities including reasonable administrative costs resulting from or otherwise attributable to the Partner's allocable share of the tax items affected by the audit adjustment. This clause shall survive the transfer or termination of a Partnership Interest, as well as the termination, dissolution, liquidation and winding up of the Issuer.

(p) For each taxable year of the Issuer, the Issuer shall appoint an individual selected by the Partnership Representative as the "designated individual" within the meaning of Treasury Regulations section 301.6223-1, and the Issuer shall revoke such appointment if and only if instructed to do so by the Partnership Representative.

Section 7.18 Representations Relating to Security Interests in the Assets . (a) The Issuer hereby represents and warrants that, as of the Closing Date (which representations and warranties shall survive the execution of this Indenture and be deemed to be repeated on each date on which an Asset is Granted to the Trustee hereunder):

(i) The Issuer owns such Asset free and clear of any lien, claim or encumbrance of any person, other than such as are created under, or permitted by, this Indenture and other Permitted Liens.

(ii) Other than the security interest Granted to the Trustee pursuant to this Indenture, except as permitted by this Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Assets. The Issuer has not authorized the filing of and is not aware of any Financing Statements against the Issuer that include a description of collateral covering the Assets other than any Financing Statement relating to the security interest granted to the Trustee hereunder or that has been terminated; the Issuer is not aware of any judgment, PBGC liens or tax lien filings against the Issuer.

(iii) All Assets constitute Cash, accounts (as defined in Section 9-102(a)(2) of the UCC), Instruments, general intangibles (as defined in Section 9-102(a)(42) of the UCC), uncertificated securities (as defined in Section 8-102(a)(18) of the UCC), Certificated Securities or security entitlements to financial assets resulting from the crediting of financial assets to a "securities account" (as defined in Section 8-501(a) of the UCC).

(iv) All Accounts constitute "securities accounts" under Section 8-501(a) of the UCC or related "deposit accounts."

(v) This Indenture creates a valid and continuing security interest (as defined in Section 1-201(37) of the UCC) in such Assets in favor of the Trustee, for the benefit and security of the Secured Parties, which security interest is prior to all other liens, claims and encumbrances (except as permitted otherwise in this Indenture), and is enforceable as such against creditors of and purchasers from the Issuer.

(b) The Issuer hereby represents and warrants that, as of the Closing Date (which representations and warranties shall survive the execution of this Indenture and be deemed to be repeated on each date on which an Asset is Granted to the Trustee hereunder), with respect to Assets that constitute Instruments:

(i) Either (x) the Issuer has caused or will have caused, within ten days after the Closing Date, the filing of all appropriate Financing Statements in the proper office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Instruments granted to the Trustee, for the benefit and security of the Secured Parties or (y) (A) all original executed

copies of each promissory note or mortgage note that constitutes or evidences the Instruments have been delivered to the Trustee or the Issuer has received written acknowledgement from a custodian that such custodian is holding the mortgage notes or promissory notes that constitute evidence of the Instruments solely on behalf of the Trustee and for the benefit of the Secured Parties and (B) none of the Instruments that constitute or evidence the Assets has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Trustee, for the benefit of the Secured Parties.

(ii) The Issuer has received all consents and approvals required by the terms of the Assets to the pledge hereunder to the Trustee of its interest and rights in the Assets.

(c) The Issuer hereby represents and warrants that, as of the Closing Date (which representations and warranties shall survive the execution of this Indenture and be deemed to be repeated on each date on which an Asset is Granted to the Trustee hereunder), with respect to the Assets that constitute Security Entitlements:

(i) All of such Assets have been and will have been credited to one of the Accounts which are securities accounts within the meaning of Section 8-501(a) of the UCC. The Securities Intermediary for each Account has agreed to treat all assets credited to such Accounts as "financial assets" within the meaning of Section 8-102(a)(9) of the UCC.

(ii) The Issuer has received all consents and approvals required by the terms of the Assets to the pledge hereunder to the Trustee of its interest and rights in the Assets.

(iii) (x) The Issuer has caused or will have caused, within ten days after the Closing Date, the filing of all appropriate Financing Statements in the proper office in the appropriate jurisdictions under applicable law in order to perfect the security interest granted to the Trustee, for the benefit and security of the Secured Parties, hereunder and (y) (A) the Issuer has delivered to the Trustee a fully executed Account Control Agreement pursuant to which the Custodian has agreed to comply with all instructions originated by the Trustee relating to the Accounts without further consent by the Issuer or (B) the Issuer has taken all steps necessary to cause the Custodian to identify in its records the Trustee as the person having a security entitlement against the Custodian in each of the Accounts.

(iv) The Accounts are not in the name of any person other than the Issuer or the Trustee. The Issuer has not consented to the Custodian to comply with the entitlement order of any Person other than the Trustee (and the Issuer prior to a notice of exclusive control being provided by the Trustee).

(d) The Issuer hereby represents and warrants that, as of the Closing Date (which representations and warranties shall survive the execution of this Indenture and be deemed to be repeated on each date on which an Asset is Granted to the Trustee hereunder), with respect to Assets that constitute general intangibles:

(i) The Issuer has caused or will have caused, within ten days after the Closing Date, the filing of all appropriate Financing Statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Assets granted to the Trustee, for the benefit and security of the Secured Parties, hereunder.

(ii) The Issuer has received, or will receive, all consents and approvals required by the terms of the Assets to the pledge hereunder to the Trustee of its interest and rights in the Assets.

The Co-Issuers agree to notify the Collateral Manager and each Applicable Rating Agency (if then rating a Class of Secured Notes) promptly if they become aware of the breach of any of the representations and warranties contained in this Section 7.18 and shall not, without satisfaction of the Rating Agency Condition, waive any of the representations and warranties in this Section 7.18 or any breach thereof.

Section 7.19 Acknowledgement of Collateral Manager Standard of Care. The Co-Issuers acknowledge that they shall be responsible for their own compliance with the covenants set forth in this Article VII and that, to the extent the Co-Issuers have engaged the Collateral Manager to take certain actions on their behalf in order to comply with such covenants, the Collateral Manager shall only be required to perform such actions in accordance with the standard of care set forth in Section 2 of the Collateral Management Agreement. The Co-Issuers further acknowledge and agree that, to the extent the Co-Issuers have engaged the Collateral Manager to take certain actions on their behalf in order to comply with the covenants set forth in this Article VII, the Collateral Manager shall have no obligation to take any action to cure any breach of any such covenant set forth in this Article VII until such time as an Authorized Officer of the Collateral Manager has actual knowledge of such breach.

Section 7.20 Listing; Notice Requirements.

So long as any Notes remain Outstanding, the Issuer shall use all reasonable efforts to maintain such listing (and/or any other listing obtained in respect of the Notes).

So long as any Notes are listed on the Cayman Islands Stock Exchange (and the guidelines of such exchange so require), all notices delivered to Holders pursuant to the terms of this Indenture shall also be delivered to the Cayman Islands Stock Exchange.

Upon the cancellation of any Notes in accordance with the provisions of Article II, the Trustee shall arrange for notice of such cancellation to be delivered to the Cayman Islands Stock Exchange, so long as any Notes are listed thereon and the guidelines of such exchange so require.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 8.1 Supplemental Indentures Without Consent of Holders of Notes. Without the consent of the Holders of any Notes (except as expressly set forth below) but with the written consent of the Collateral Manager, the Co-Issuers, when authorized by Board Resolutions, and the Trustee, at any time and from time to time subject to Section 8.3, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(i) to evidence the succession of another Person to the Issuer or the Co-Issuer and the assumption by any such successor Person of the covenants of the Issuer or the Co-Issuer herein and in the Notes;

(ii) to add to the covenants of the Co-Issuers or the Trustee for the benefit of the Secured Parties;

(iii) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee or add to the conditions, limitations or restrictions on the authorized amount, terms and purposes of the issue, authentication and delivery of the Notes;

(iv) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Sections 6.9, 6.10 and 6.12 hereof;

(v) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations, whether pursuant to Section 7.5 or otherwise) or to subject to the lien of this Indenture any additional property;

(vi) to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) or to enable the Co-Issuers to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required thereunder, including, without limitation, by reducing the Minimum Denomination of any Class of Notes;

(vii) to make such changes (including the removal and appointment of any listing agent, transfer agent, paying agent or additional registrar) as shall be necessary or advisable in order for the Notes to be or remain listed on an exchange, and otherwise to amend this Indenture to incorporate any changes required or requested by governmental authority, stock exchange authority, listing agent, transfer agent, paying agent or additional registrar for the Notes in connection therewith;

(viii) to correct or supplement any inconsistent or defective provisions in this Indenture or to cure any ambiguity, omission or errors in this Indenture; *provided* that, notwithstanding anything herein to the contrary and without regard to any other consent requirement specified herein, any supplemental indenture to be entered into pursuant to this clause (viii) may also provide for any corrective measures or ancillary amendments to this Indenture to give effect to such supplemental indenture as if it had been effective as of the Closing Date;

(ix) to conform the provisions of this Indenture to the Offering Circular; *provided* that, notwithstanding anything herein to the contrary and without regard to any other consent requirement specified herein, any supplemental indenture to be entered into pursuant to this clause (ix) may also provide for any corrective measures or ancillary amendments to this Indenture to give effect to such supplemental indenture as if it had been effective as of the Closing Date;

(x) to take any action necessary or helpful (A) to prevent the Issuer or the Trustee from becoming subject to any withholding or other taxes, fees or assessments, (B) to prevent the Issuer from being subject to U.S. federal, state or local income tax on a net income basis or (C) to reduce the risk that the Issuer may be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes or subject to tax liability under Section 1446 of the Code;

(xi) to make such changes as shall be necessary to permit the Co-Issuers to issue or co-issue, as applicable, replacement securities in connection with a Refinancing, and to make such other changes as shall be necessary to facilitate a Refinancing, in each case in accordance with this Indenture, including Sections 9.2 and 9.4; *provided* that such supplemental indenture may not amend the requirements described under Sections 9.2 and 9.4;

(xii) to amend the name of the Issuer or the Co-Issuer;

(xiii) to make any modifications that are determined by the Collateral Manager to be necessary (A) for a Refinancing not to be subject to the U.S. Risk Retention Rules or (B) to prevent any Sponsor of the Issuer from failing to comply with the U.S. Risk Retention Rules; *provided* that no amendment or modification under this clause (xiii) may modify the conditions necessary to effect a Refinancing in accordance with Sections 9.2 and 9.4;

(xiv) to facilitate the issuance of participation notes, combination notes, composite securities, and other similar securities by the Applicable Issuers; *provided* that such participation notes, combination notes, composite securities or similar securities shall be comprised of Classes of Notes issued on the Closing Date;

(xv) to modify any provision to facilitate an exchange of one obligation for another obligation of the same Obligor that has substantially identical terms except transfer restrictions;

(xvi) to evidence any waiver or modification by the Applicable Rating Agency as to any requirement or condition, as applicable, of the Applicable Rating Agency set forth herein;

(xvii) to modify the terms hereof in order that it may be consistent with the requirements of the Applicable Rating Agency, including to address any change in the rating methodology employed by the Applicable Rating Agency;

(xviii) to take any action necessary or advisable (1) to allow the Issuer to comply with FATCA (including providing for remedies against, or imposing penalties upon, Holders who fail to deliver the Holder FATCA Information) or (2) for any Bankruptcy Subordination Agreement; and to (A) issue a new Note or Notes in respect of, or issue one or more new sub-classes of, any Class of Notes, in each case with new identifiers (including CUSIPs, ISINs and Common Codes, as applicable), to the extent that the Issuer or the Trustee determines that one or more beneficial owners of the Notes of such Class are Recalcitrant Holders or in connection with any Bankruptcy Subordination Agreement; *provided* that any sub-class of a Class of Notes issued pursuant to this clause shall be issued on identical terms as, and rank pari passu in all respects with, the existing Notes of such Class and (B) provide for procedures under which beneficial owners of such Class that are not Recalcitrant Holders (or subject to a Bankruptcy Subordination Agreement, as the case may be) may take an interest in such new Note(s) or sub-class(es);

(xix) to make such other changes as the Co-Issuers deem appropriate and that do not materially and adversely affect the interests of any holder of the Notes as evidenced by an Opinion of Counsel delivered to the Trustee (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering the opinion) or a certificate of an Officer of the Collateral Manager;

(xx) to modify the procedures herein relating to compliance with Rule 17g-5;

(xxi) to amend, modify, enter into or accommodate the execution of any Hedge Agreement upon terms satisfactory to the Collateral Manager; *provided* that no such supplemental indenture may amend the requirements set forth in Section 16.1 or the related requirements in this Indenture;

(xxii) to facilitate any necessary filings, exemptions or registrations with the CFTC;

(xxiii) to make any modification or amendment determined by the Issuer or the Collateral Manager (in consultation with legal counsel of national reputation experienced in such matters) as necessary or advisable for the Issuer to not otherwise be considered a "covered fund" as defined for purposes of the Volcker Rule, so long as any such modification or amendment would not have a material adverse effect on any Class of Notes; *provided* that the consent of a Majority of the Controlling Class shall be obtained prior to any modification to this Indenture pursuant to this clause (xxiii);

(xxiv) to amend, modify or otherwise accommodate changes to this Indenture to comply with any rule or regulation enacted or modified by any regulatory agency of the United States federal government after the Closing Date that is applicable to any Class of Notes;

(xxv) to change the base rate in respect of the Floating Rate Notes from LIBOR to an alternative base rate (such rate, the "**Alternate Base Rate**"), to replace references to "LIBOR" and "London interbank offered rate" with the Alternate Base Rate or another alternative base rate or add references to the Alternate Base Rate or another alternative base rate, as applicable, when used with respect to a floating rate Collateral Obligation and make such other amendments as are necessary or advisable in the reasonable judgment of the Collateral Manager to facilitate the foregoing changes; *provided* that (A) a Majority of the Controlling Class and a Majority of the Subordinated Notes consents to such supplemental indenture and (B) such amendments and modifications are being undertaken due to (x) a material disruption to LIBOR, (y) a change in the methodology of calculating LIBOR or (z) LIBOR ceasing to exist (or the reasonable expectation of the Collateral Manager that any of the events specified in clause (x), (y) or (z) will occur within six months) (any such amendment pursuant to this clause (xxv), a "**Base Rate Amendment**"); *provided* that, the foregoing supplemental indenture may be adopted without the consent of any holder if the Collateral Manager directs, in its commercially reasonable discretion, that the Alternate Base Rate to replace LIBOR pursuant to such Base Rate Amendment shall be the Designated Reference Rate;

(xxvi) to reduce the permitted Minimum Denomination of the Notes;

(xxvii) to change the date on which, but not the frequency with which, reports are required to be delivered under this Indenture; and

(xxviii) to make any modification or amendment determined by the Issuer or the Collateral Manager (in consultation with legal counsel of national reputation experienced in such matters) as necessary or advisable (A) for any Class of Secured Notes to not be considered an "ownership interest" as defined for purposes of the Volcker Rule or (B) for the Issuer to not otherwise be considered a "covered fund" as defined for purposes of the Volcker Rule, in each case so long as any such modification or amendment would not have a material adverse effect on any Class of Notes, as evidenced by an opinion of counsel (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of the counsel delivering the opinion).

Section 8.2 Supplemental Indentures With Consent of Holders of Notes. With the written consent of the Collateral Manager, a Majority of each Class of Notes materially and adversely affected thereby, if any, and any Hedge Counterparty materially and adversely affected thereby, the Trustee and the Co-Issuers may, subject to Section 8.3, execute one or more indentures supplemental hereto to add any provisions to, or change in any manner or eliminate any of the provisions of, this Indenture or modify in any manner the rights of the Holders of the Notes of any Class under this Indenture; *provided* that notwithstanding anything in this Indenture to the contrary, no such supplemental indenture shall, without the consent of each Holder of each Outstanding Note of each Class materially and adversely affected thereby:

(i) change the Stated Maturity of the principal of or the due date of any installment of interest on any Secured Note, reduce the principal amount thereof or, other than in a Base Rate Amendment, the rate of interest thereon or the Redemption Price with respect to any Note, or change the earliest date on which Notes of any Class may be redeemed, change the provisions of this Indenture relating to the application of proceeds of any Assets to the payment of principal of or interest on the Secured Notes or distributions on the Subordinated Notes or change any place where, or the coin or currency in which, Notes or the principal thereof or interest or any distribution thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the applicable Redemption Date);

(ii) reduce the percentage of the Aggregate Outstanding Amount of Holders of each Class whose consent is required for the authorization of any such supplemental indenture or for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder or their consequences provided for in this Indenture;

(iii) materially impair or materially adversely affect the Assets except as otherwise permitted in this Indenture;

(iv) except as otherwise permitted by this Indenture, permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any part of the Assets or terminate such lien on any property at any time subject hereto or deprive the Holder of any Secured Note of the security afforded by the lien of this Indenture;

(v) reduce the percentage of the Aggregate Outstanding Amount of Holders of any Class of Secured Notes whose consent is required to request the Trustee to preserve the Assets or rescind the Trustee's election to preserve the Assets pursuant to Section 5.5 or to sell or liquidate the Assets pursuant to Section 5.4 or 5.5;

(vi) modify any of the provisions of (x) this Section 8.2, except to increase the percentage of Outstanding Notes the consent of the Holders of which is required for any such action or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Note Outstanding and affected thereby or (y) Section 8.1 or Section 8.3;

(vii) modify the definition of the term "Outstanding" or the Priority of Payments; or

(viii) other than in a Base Rate Amendment, modify any of the provisions of this Indenture in such a manner as to affect the calculation of the amount of any payment of interest or principal on any Secured Note or any amount available for distribution to the Subordinated Notes, or to affect the rights of the Holders of any Secured Notes to the benefit of any provisions for the redemption of such Secured Notes contained herein.

Section 8.3 Execution of Supplemental Indentures. (a) The Trustee shall join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

(b) With respect to any supplemental indenture permitted by Section 8.1 or 8.2 the consent to which is expressly required pursuant to such Section from all or a Majority of Holders of each Class materially and adversely affected thereby, the Trustee shall be entitled to receive and conclusively rely upon an Opinion of Counsel (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such Opinion of Counsel) or an Officer's certificate of the Collateral Manager (as applicable) as to (i) whether or not the Holders of any Class of Notes would be materially and adversely affected by such supplemental indenture and (ii) whether or not a Hedge Counterparty would be materially and adversely affected by such supplemental indenture. Such determination shall, in each such case, be conclusive and binding on all present and future Holders. In executing or accepting the additional trusts created by any supplemental indenture permitted by this Article VIII or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Sections 6.1 and 6.3) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and that all conditions precedent thereto have been satisfied. The Trustee shall not be liable for any reliance made in good faith upon such an Opinion of Counsel.

(c) At the cost of the Co-Issuers, for so long as any Notes shall remain Outstanding, not later than 10 Business Days prior to the execution of any proposed supplemental indenture pursuant to Section 8.1 or Section 8.2, the Trustee shall deliver to the Collateral Manager, the Collateral Administrator, each Hedge Counterparty and the Holders a copy of such supplemental indenture. At the cost of the Issuer, for so long as any Class of Secured Notes shall remain Outstanding and such Class is rated by the Applicable Rating Agency, the Issuer shall provide to each Applicable Rating Agency (if then rating a Class of Secured Notes) a copy of any proposed supplemental indenture at least 10 Business Days prior to the execution thereof by the Trustee. At the cost of the Co-Issuers, the Trustee shall provide to each Applicable Rating Agency (if then rating a Class of Secured Notes) and the Holders (in the manner described in Section 14.4) a copy of the executed supplemental indenture after its execution together with a copy of any confirmation from the Applicable Rating Agency that were received in connection with the supplemental indenture. Any failure of the Trustee to publish or deliver such notice, or any defect therein, shall not in any way impair or affect the validity of any such supplemental indenture. Notwithstanding anything to the contrary in this paragraph, notice of a supplemental indenture shall not be required to be given to Holders of any Notes that will be redeemed in connection with such supplemental indenture.

(d) In the case of a supplemental indenture to be entered into pursuant to clause (xi) of Section 8.1, the notice periods set forth in clause (c) of this Section 8.3 shall not apply and a copy of the proposed supplemental indenture shall be included in the notice of Optional Redemption given to each holder of Notes and each Applicable Rating Agency (if then rating a Class of Secured Notes) in accordance with Section 9.4(a); and, upon execution of the supplemental indenture, a copy thereof shall be delivered to the Applicable Rating Agencies, the Collateral Manager, the Collateral Administrator, each Hedge Counterparty and the Holders.

(e) It shall not be necessary for any Act of Holders to approve the particular form of any proposed supplemental indenture, but it shall be sufficient, if the consent of any Holders to such proposed supplemental indenture is required, that such Act shall approve the substance thereof.

(f) The Collateral Manager shall not be bound to follow any amendment or supplement to this Indenture unless it has consented thereto. The Trustee shall not be obligated to enter into any supplemental indenture which affects the Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise. The Collateral Administrator shall not be obligated to enter into any supplemental indenture which affects the Collateral Administrator's own rights, duties, liabilities or immunities under this Indenture or otherwise.

Section 8.4 Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article VIII, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore and thereafter authenticated and delivered hereunder shall be bound thereby.

Section 8.5 Reference in Notes to Supplemental Indentures. Notes authenticated and delivered as part of a transfer, exchange or replacement pursuant to Article II of Notes originally issued hereunder after the execution of any supplemental indenture pursuant to this Article VIII may, and if required by the Issuer shall, bear a notice in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Applicable Issuers shall so determine, new Notes, so modified as to conform in the opinion of the Co-Issuers to any such supplemental indenture, may be prepared and executed by the Applicable Issuers and authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE IX

REDEMPTION OF NOTES

Section 9.1 Mandatory Redemption. If a Coverage Test is not met on any Determination Date on which such Coverage Test is applicable, the Issuer shall apply available amounts in the Payment Account to make payments on the Secured Notes pursuant to the Priority of Payments (a "**Mandatory Redemption**").

Section 9.2 Optional Redemption. (a) The Secured Notes shall be redeemable by the Applicable Issuers upon the receipt of the Required Redemption Direction (i) in whole (with respect to all Classes of Secured Notes) but not in part on any Business Day after the end of the Non-Call Period from Sale Proceeds and/or Refinancing Proceeds or (ii) in part by Class from Refinancing Proceeds on any Business Day after the end of the Non-Call Period as long as each Class of Secured Notes to be redeemed represents not less than the entire Class of such Class of Secured Notes. In connection with any such redemption, the Secured Notes to be redeemed shall be redeemed at the applicable Redemption Prices and the Required Redemption Direction shall be received by the Issuer and the Trustee not later than 30 days (or such shorter period of time as the Trustee and the Collateral Manager find reasonably acceptable) prior to the Business Day on which such redemption is to be made; *provided* that all Secured Notes to be redeemed must be redeemed simultaneously.

(b) The Subordinated Notes may be redeemed, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Secured Notes upon receipt by the Issuer of the Required Redemption Direction.

(c) In addition to (or in lieu of) a sale of Collateral Obligations and/or Eligible Investments in the manner provided in Section 9.2(a)(i), the Secured Notes may be redeemed in whole from Refinancing Proceeds and/or Sale Proceeds as provided in Section 9.2(a)(i) or in part by Class from Refinancing Proceeds as provided in Section 9.2(a)(ii) by a Refinancing; *provided* that the terms of such Refinancing and any financial institutions acting as lenders thereunder or purchasers thereof must be acceptable to the Collateral Manager and a Majority of the Subordinated Notes and such Refinancing otherwise satisfies the conditions described below.

(d) In the case of a Refinancing upon a redemption of the Secured Notes in whole but not in part pursuant to Section 9.2(a)(i), such Refinancing will be effective only if (i) the Refinancing Proceeds, all Sale Proceeds from the sale of Collateral Obligations and Eligible Investments in accordance with the procedures set forth herein, and all other available funds will be at least sufficient to redeem simultaneously the Secured Notes, in whole but not in part, and to pay the other amounts included in the aggregate Redemption Prices, all accrued and unpaid Administrative Expenses (regardless of the Administrative Expense Cap), including the reasonable fees, costs, charges and expenses incurred by the Trustee and the Collateral Administrator (including reasonable attorneys' fees and expenses) in connection with such Refinancing, any amounts due to the Hedge Counterparties and all accrued and unpaid Servicing Fees, (ii) the Sale Proceeds, Refinancing Proceeds and other available funds are used (to the extent necessary) to make such redemption, (iii) the agreements relating to the Refinancing contain limited recourse and non-petition provisions equivalent (*mutatis mutandis*) to those contained in Section 5.4(d) and Section 2.7(i) and (iv) (A) neither the Issuer nor any Sponsor of the Issuer will fail to be in compliance with the U.S. Risk Retention Rules as a result of such Refinancing and (B) unless it consents to do so (in its sole discretion), none of the Collateral Manager, any Affiliate of the Collateral Manager, the Retention Holder or any Sponsor of the Issuer shall be required to purchase any obligations of the Issuer in connection with such Refinancing.

(e) In the case of a Refinancing upon a redemption of the Secured Notes in part by Class pursuant to Section 9.2(a)(ii), such Refinancing will be effective only if: (i) the Applicable Rating Agencies have been notified with respect to any Secured Notes that were not the subject of the Refinancing, (ii) the Refinancing Proceeds and Partial Redemption Interest Proceeds will be at least sufficient to pay in full the aggregate Redemption Prices of the entire Class or Classes of Secured Notes subject to Refinancing, (iii) the Refinancing Proceeds and Partial Redemption Interest Proceeds are used (to the extent necessary) to make such redemption, (iv) the agreements relating to the Refinancing contain limited recourse and non-petition provisions equivalent (mutatis mutandis) to those contained in Section 5.4(d) and Section 2.7(i), (v) the aggregate principal amount of any obligations providing the Refinancing is equal to the Aggregate Outstanding Amount of the Secured Notes being redeemed with the proceeds of such obligations, (vi) the stated maturity of each class of obligations providing the Refinancing is no earlier than the corresponding Stated Maturity of each Class of Secured Notes being refinanced, (vii) the reasonable fees, costs, charges and expenses incurred in connection with such Refinancing have been paid or will be adequately provided for from the Refinancing Proceeds and Partial Redemption Interest Proceeds (except for expenses owed to persons that the Collateral Manager informs the Trustee will be paid solely as Administrative Expenses payable on the subsequent Payment Date prior to distributions to the Holders of the Subordinated Notes in accordance with the Priority of Payments), (viii) the spread over LIBOR of any obligations providing the Refinancing is equal to, or lower than, the spread over LIBOR of the Floating Rate Notes subject to such Refinancing, (ix) the obligations providing the Refinancing are subject to the Priority of Payments and do not rank higher in priority pursuant to the Priority of Payments than the Class of Secured Notes being refinanced, (x) the voting rights, consent rights, redemption rights and all other rights of the obligations providing the Refinancing are the same as the rights of the corresponding Class of Secured Notes being refinanced (except that the Issuer may agree that the obligations providing the Refinancing shall not be further refinanced), (xi) (A) neither the Issuer nor any Sponsor of the Issuer will fail to be in compliance with the U.S. Risk Retention Rules as a result of such Refinancing in part by Class and (B) unless it consents

to do so (in its sole discretion), none of the Collateral Manager, any Affiliate of the Collateral Manager, the Retention Holder or any Sponsor of the Issuer shall be required to purchase any obligations of the Issuer in connection with such Refinancing in part by Class and (xii) the Issuer shall have obtained an opinion of tax counsel of nationally recognized standing in the United States that is experienced in such matters to the effect that such Refinancing will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation or to be subject to withholding tax liability under Section 1446.

(f) The Holders of the Subordinated Notes will not have any cause of action against any of the Co-Issuers, the Collateral Manager, the Retention Holder, the Collateral Administrator or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements specified above as certified by the Collateral Manager, the Issuer and the Trustee shall amend this Indenture to the extent necessary to reflect the terms of the Refinancing and no further consent for such amendments shall be required from the Holders of Notes other than Holders of the Subordinated Notes directing the redemption. The Trustee shall not be obligated to enter into any amendment that, in its view, adversely affects its duties, obligations, liabilities or protections hereunder, and the Trustee shall be entitled to conclusively rely upon an Officer's certificate or Opinion of Counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such Opinion of Counsel) provided by the Issuer to the effect that such amendment meets the requirements specified above and is permitted under this Indenture without the consent of the Holders of the Notes (except that such Officer or counsel shall have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds or the application thereof).

(g) In the event of any redemption pursuant to this Section 9.2, the Issuer shall, at least 30 days (or such shorter period as the Trustee finds reasonably acceptable) prior to the Redemption Date, notify the Trustee in writing of such Redemption Date, the applicable Record Date, the principal amount of Notes to be redeemed on such Redemption Date and the applicable Redemption Prices; *provided* that failure to effect any Optional Redemption which is withdrawn by the Co-Issuers in accordance with this Indenture or with respect to which a Refinancing fails to occur shall not constitute an Event of Default.

Section 9.3 Tax Redemption. (a) The Notes shall be redeemed in whole but not in part (any such redemption, a "**Tax Redemption**") at their applicable Redemption Prices upon receipt by the Issuer of the Required Redemption Direction following the occurrence and continuation of a Tax Event; *provided that*, if the Tax Event that has occurred is with respect to any tax arising under or as a result of FATCA, then Holders that have not provided the Holder FATCA Information (to the extent that the failure to provide such Holder FATCA Information was, in the reasonable judgment of the Collateral Manager, a cause of the tax arising under FATCA) shall not be considered in determining whether the Required Redemption Direction has been received.

(b) In connection with any Tax Redemption, Holders of 100% of the Aggregate Outstanding Amount of any Class of Secured Notes by notifying the Trustee in writing prior to the Redemption Date may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the Holders of such Class of Secured Notes.

(c) Upon its receipt of such written direction directing a Tax Redemption, the Trustee shall promptly notify the Collateral Manager, the Holders and the Issuer (which shall notify each Applicable Rating Agency, if then rating a Class of Secured Notes) thereof.

(d) If an Officer of the Collateral Manager obtains actual knowledge of the occurrence of a Tax Event, the Collateral Manager shall promptly notify the Issuer (which shall notify each Applicable Rating Agency, if then rating a Class of Secured Notes), the Collateral Administrator and the Trustee thereof, and

upon receipt of such notice the Trustee shall promptly notify the Holders of the Notes. Until notified by the Collateral Manager or until a Trust Officer of the Trustee obtains actual knowledge of the occurrence of a Tax Event, the Trustee shall not be deemed to have any notice or knowledge of the occurrence of such Tax Event

Section 9.4 Redemption Procedures. (a) In the event of any redemption pursuant to Section 9.2 or 9.3, the Required Redemption Direction shall be provided to the Issuer, the Trustee and the Collateral Manager not later than 30 days (or such shorter period of time as the Trustee and the Collateral Manager find reasonably acceptable) prior to the Business Day on which such redemption is to be made (which date shall be designated in such notice). In the case of a Required Redemption Direction provided by the Collateral Manager, the Trustee shall provide notice of such direction to the Holders of the Subordinated Notes promptly after receipt thereof. In the event of any redemption pursuant to Section 9.2 or 9.3, a notice of redemption shall be given by first class mail, postage prepaid, mailed not later than five Business Days prior to the applicable Redemption Date to each Holder of Notes at such Holder's address in the Register and each Applicable Rating Agency (if then rating a Class of Secured Notes). Failure to give notice of redemption, or any defect therein, to any Holder or beneficial owner of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Notes.

(b) All notices of redemption delivered pursuant to Section 9.4(a) shall state:

(i) the applicable Redemption Date;

(ii) the Redemption Prices of the Notes to be redeemed;

(iii) all of the Secured Notes that are to be redeemed are to be redeemed in full and that interest on such Secured Notes shall cease to accrue on the Business Day specified in the notice;

(iv) the place or places where Notes are to be surrendered for payment of the Redemption Prices which shall be the office or agency of the Co-Issuers to be maintained as provided in Section 7.2 ; and

(v) if all Secured Notes are being redeemed in full, whether the Subordinated Notes are to be redeemed in full on such Redemption Date and, if so, the place or places where the Subordinated Notes are to be surrendered for payment of the Redemption Prices, which shall be the office or agency of the Co-Issuers to be maintained as provided in Section 7.2.

(c) The Co-Issuers may withdraw any such notice of redemption delivered pursuant to Section 9.2 or Section 9.3 on any day up to and including the later of (x) the day on which the Collateral Manager is required to deliver to the Trustee the sale agreement or agreements or certifications as described in Section 9.4(f), by written notice to the Trustee that the Collateral Manager will be unable to deliver the sale agreement or agreements or certifications described in Section 9.4(f) and (y) the day that is one Business Day prior to the scheduled Redemption Date, by written notice to the Trustee and the Collateral Manager. The Issuer (or the Collateral Manager on its behalf) shall notify the Applicable Rating Agencies of any withdrawal of any such notice of redemption.

(d) Notice of redemption pursuant to Section 9.2 or 9.3 shall be given by the Co-Issuers or, upon an Issuer Order, by the Trustee in the name and at the expense of the Co-Issuers. Failure to give notice of redemption, or any defect therein, to any Holder of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Notes.

(e) Upon receipt of a notice of redemption of the Secured Notes pursuant to Section 9.2(a) (unless such Optional Redemption is being effected solely through a Refinancing) or Section 9.3, the Collateral Manager in its sole discretion shall direct the sale (and the manner thereof) of all or part of the Collateral Obligations and other Assets in an amount sufficient such that the proceeds from such sale and all other funds available for such purpose in the Collection Account and the Payment Account will be at least sufficient to pay the Redemption Prices of the Secured Notes to be redeemed (subject, in the case of a Tax Redemption, to Section 9.3(b) above) and to pay all Administrative Expenses (without regard to the Administrative Expense Cap), any amounts due to any Hedge Counterparties and Servicing Fees due and payable under the Priority of Payments, as more particularly set forth in Section 9.4(f) below. If such proceeds of such sale and all other funds available for such purpose in the Collection Account and the Payment Account would not be sufficient to redeem all Secured Notes then required to be redeemed and to pay such fees and expenses, the Secured Notes may not be redeemed. The Collateral Manager, in its sole discretion, may effect the sale of all or any part of the Collateral Obligations or other Assets through the direct sale of such Collateral Obligations or other Assets or by participation or other arrangement.

(f) Unless Refinancing Proceeds are being used to redeem the Secured Notes in whole or in part, in the event of any redemption pursuant to Section 9.2 or 9.3, no Secured Notes may be optionally redeemed unless (i) at least one Business Day before the scheduled Redemption Date the Collateral Manager shall have furnished to the Trustee evidence in a form reasonably satisfactory to the Trustee that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions active in the market for assets of the nature of the Collateral Obligations to purchase (directly or by participation or other arrangement), not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Assets and/or the Hedge Agreements at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to pay all Administrative Expenses (regardless of the Administrative Expense Cap), any amounts due to any Hedge Counterparties and Servicing Fees payable in accordance with the Priority of Payments and redeem all of the Secured Notes on the scheduled Redemption Date at the applicable Redemption Prices (or in the case of any Class of Secured Notes, such other amount that the Holders of such Class have elected to receive, in the case of a Tax Redemption where Holders of such Class have elected to receive less than 100% of the Redemption Price that would otherwise be payable to the Holders of such Class), or (ii) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager shall certify to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments, and (B) for each Collateral Obligation, the product of its Principal Balance and its Market Value (expressed as a percentage of the par amount of such Collateral Obligation), shall exceed the sum of (x) the aggregate Redemption Prices (or in the case of any Class of Secured Notes, such other amount that the Holders of such Class have elected to receive, in the case of a Tax Redemption where Holders of such Class have elected to receive less than 100% of the Redemption Price that would otherwise be payable to the Holders of such Class) of the Outstanding Secured Notes, (y) all Administrative Expenses (without regard to the Administrative Expense Cap) payable under the Priority of Payments and any amounts due to any Hedge Counterparties and (z) all accrued and unpaid Servicing Fees payable under the Priority of Payments. Any certification delivered by the Collateral Manager pursuant to this Section 9.4(f) shall include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Obligations, Eligible Investments and/or Hedge Agreements and (2) all calculations required by this Section 9.4(f). Any Holder of Notes, the Collateral Manager or any of the Collateral Manager's Affiliates or accounts managed by it shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Assets to be sold as part of an Optional Redemption or Tax Redemption.

Section 9.5 Notes Payable on Redemption Date. (a) Notice of redemption pursuant to Section 9.4 having been given as aforesaid, the Notes to be redeemed shall, on the Redemption Date, subject

to Section 9.4(f) and the Co-Issuers' right to withdraw any notice of redemption pursuant to Section 9.4(c) or the failure of any Refinancing to occur, become due and payable at the Redemption Prices therein specified, and from and after the Redemption Date (unless the Issuer shall default in the payment of the Redemption Prices and accrued interest) all such Secured Notes shall cease to bear interest on the Redemption Date. Upon final payment on a Note to be so redeemed, the Holder shall present and surrender such Note at the place specified in the notice of redemption on or prior to such Redemption Date. Payments of interest on Secured Notes so to be redeemed which are payable on or prior to the Redemption Date shall be payable to the Holders of such Secured Notes, or one or more predecessor Notes, registered as such at the close of business on the relevant Record Date according to the terms and provisions of Section 2.7(e).

(b) If any Secured Note called for redemption shall not be paid upon surrender thereof for redemption, the principal thereof subject to redemption shall, until paid, bear interest from the Redemption Date at the applicable Interest Rate for each successive Interest Accrual Period such Secured Note remains Outstanding; *provided* that the reason for such non-payment is not the fault of such Noteholder.

ARTICLE X

ACCOUNTS, ACCOUNTINGS AND RELEASES

Section 10.1 Collection of Money. Except as otherwise expressly provided herein, the Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all Money and other property payable to or receivable by the Trustee pursuant to this Indenture, including all payments due on the Assets, in accordance with the terms and conditions of such Assets. The Trustee shall segregate and hold all such Money and property received by it in trust for the Holders of the Notes and shall apply it as provided in this Indenture. Each Account shall be established and maintained (a) with a federal or state-chartered depository institution that satisfies the Fitch Eligible Counterparty Ratings or (b) in segregated trust accounts with the corporate trust department of a federal or state-chartered deposit institution that satisfies the Fitch Eligible Counterparty Ratings and is subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the Code of Federal Regulation Section 9.10(b), and, in each case, if such institution no longer has such ratings, the assets held in such Account shall be moved within 30 calendar days to another institution that has the applicable ratings specified above. Such institution shall have a combined capital and surplus of at least U.S.$200,000,000. All Cash deposited in the Accounts shall be invested only in Eligible Investments or Collateral Obligations in accordance with the terms of this Indenture. To avoid the consolidation of the Assets of the Issuer with the general assets of the Bank under any circumstances, the Trustee shall comply, and shall cause the Custodian to comply, with all law applicable to it as a Massachusetts trust company holding segregated trust assets in a fiduciary capacity. The Accounts established pursuant to this Article X may include any number of subaccounts deemed necessary by the Trustee for convenience of administration of the Assets. Each Account (including any subaccount) shall be a segregated, non-interest bearing trust account established with State Street Bank and Trust Company, in the name of the Issuer, subject to the lien of the Trustee and shall be maintained by the Custodian in accordance with the Account Control Agreement.

Section 10.2 Collection Account. (a) In accordance with this Indenture and the Account Control Agreement, the Trustee shall, prior to the Closing Date, establish at the Custodian two segregated trust accounts, one of which shall be designated the "**Interest Collection Subaccount**" and one of which shall be designated the "**Principal Collection Subaccount**" (and which together will comprise the "**Collection Account**"). The Trustee shall from time to time deposit into the Interest Collection Subaccount, in addition to the deposits required pursuant to Section 10.5(a), immediately upon receipt thereof or upon transfer from the Expense Reserve Account or Payment Account, all Interest Proceeds. In addition, the Issuer shall direct

the Trustee to deposit the amounts specified in Section 3.1(a)(xi)(A) in the Interest Collection Subaccount and the Principal Collection Subaccount on the Closing Date. The Trustee shall deposit immediately upon receipt thereof or upon transfer from the Expense Reserve Account or Revolver Funding Account all other amounts remitted to the Collection Account into the Principal Collection Subaccount, including in addition to the deposits required pursuant to Section 10.5(a), (i) any funds designated as Principal Proceeds by the Collateral Manager in accordance with this Indenture and (ii) all other Principal Proceeds (unless simultaneously reinvested in Eligible Investments).

(b) The Trustee, within one Business Day after receipt of any distribution or other proceeds in respect of the Assets which are not Cash, shall so notify the Issuer and the Issuer (or the Collateral Manager on behalf of the Issuer) shall use its commercially reasonable efforts to, within five Business Days after receipt of such notice from the Trustee (or as soon as practicable thereafter), sell such distribution or other proceeds for Cash in an arm's length transaction and deposit the proceeds thereof in the Collection Account; *provided* that the Issuer (i) need not sell such distributions or other proceeds if it delivers an Issuer Order or an Officer's certificate to the Trustee certifying that such distributions or other proceeds constitute Collateral Obligations, Eligible Investments, Defaulted Obligations or Equity Securities or (ii) may otherwise retain such distribution or other proceeds for up to two years from the date of receipt thereof if it delivers an Officer's certificate to the Trustee certifying that (x) it will sell such distribution within such two-year period and (y) retaining such distribution is not otherwise prohibited by this Indenture.

(c) At any time, the Collateral Manager on behalf of the Issuer may by Issuer Order direct the Trustee to, and upon receipt of such Issuer Order the Trustee shall, withdraw funds on deposit in the Principal Collection Subaccount representing Principal Proceeds and deposit such funds in the Revolver Funding Account to meet funding requirements on Delayed Drawdown Collateral Obligations or Revolving Collateral Obligations.

(d) The Collateral Manager on behalf of the Issuer may by Issuer Order direct the Trustee to, and upon receipt of such Issuer Order the Trustee shall, pay from amounts on deposit in the Collection Account on any Business Day during any Interest Accrual Period (i) any amount required to acquire securities held in the Assets in accordance with the requirements of Article XII and such Issuer Order, and (ii) from Interest Proceeds only, any Administrative Expenses (such payments to be counted against the Administrative Expense Cap for the applicable period and to be subject to the order of priority as stated in the definition of Administrative Expenses); *provided* that the aggregate Administrative Expenses paid pursuant to this Section 10.2(d) during any Collection Period shall not exceed the Administrative Expense Cap for the related Payment Date; *provided*, *further*, that the Trustee shall be entitled (but not required) without liability on its part, to refrain from making any such payment of an Administrative Expense pursuant to this Section 10.2 on any day other than a Payment Date if, in its reasonable determination, the payment of such amount is likely to leave insufficient funds available to pay in full each of the items described in clause (A) of the Priority of Interest Payments as reasonably anticipated to be or become due and payable on the next Payment Date, taking into account the Administrative Expense Cap.

(e) The Trustee shall transfer to the Payment Account, from the Collection Account for application pursuant to the Priority of Payments, on the Business Day immediately preceding each Payment Date, the amount set forth to be so transferred in the Distribution Report for such Payment Date. Notwithstanding the foregoing, the Trustee shall retain the amount deposited into the Interest Collection Subaccount on the Closing Date pursuant to Section 3.1(a)(xi)(A) for a period up to the Business Day prior to the second Payment Date and shall distribute such amount as Interest Proceeds and/or Principal Proceeds as directed by the Collateral Manager on any date during such period.

Section 10.3 Transaction Accounts. (a) Payment Account. In accordance with this Indenture and the Account Control Agreement, the Trustee shall, prior to the Closing Date, establish at the Custodian a single, segregated trust account designated as the "**Payment Account**." Except as provided in the Priority of Payments, the only permitted withdrawal from or application of funds on deposit in, or otherwise to the credit of, the Payment Account shall be to pay amounts due and payable on the Notes in accordance with their terms and the provisions of this Indenture and, upon Issuer Order, to pay Administrative Expenses, Servicing Fees and other amounts specified herein, each in accordance with the Priority of Payments. The Co-Issuers shall not have any legal, equitable or beneficial interest in the Payment Account other than in accordance with this Indenture and the Account Control Agreement. Amounts in the Payment Account shall remain uninvested.

(b) Custodial Account. In accordance with this Indenture and the Account Control Agreement, the Trustee shall, prior to the Closing Date, establish at the Custodian a single, segregated trust account designated as the "**Custodial Account**." All Collateral Obligations shall be credited to the Custodial Account. The only permitted withdrawals from the Custodial Account shall be in accordance with the provisions of this Indenture. The Trustee agrees to give the Co-Issuers immediate notice if (to the actual knowledge of a Trust Officer of the Trustee) the Custodial Account or any assets or securities on deposit therein, or otherwise to the credit of the Custodial Account, shall become subject to any writ, order, judgment, warrant of attachment, execution or similar process. The Co-Issuers shall not have any legal, equitable or beneficial interest in the Custodial Account other than in accordance with this Indenture and the Account Control Agreement. Cash amounts credited to the Custodial Account shall remain uninvested, and shall be transferred to the Collection Account upon receipt thereof.

(c) Expense Reserve Account. In accordance with this Indenture and the Account Control Agreement, the Trustee shall, prior to the Closing Date, establish at the Custodian a single, segregated trust account designated as the "**Expense Reserve Account**." The Issuer shall direct the Trustee to deposit the amount specified in Section 3.1(a)(xi)(B) to the Expense Reserve Account. On any Business Day from the Closing Date to and including the Determination Date relating to the first Payment Date following the Closing Date, the Trustee shall apply funds from the Expense Reserve Account, as directed by the Collateral Manager, to pay expenses of the Co-Issuers incurred in connection with the establishment of the Co-Issuers, the structuring and consummation of the Offering and the issuance of the Notes or to the Collection Account as Interest Proceeds and/or Principal Proceeds (in the respective amounts directed by the Collateral Manager in its sole discretion). By the Determination Date relating to the first Payment Date following the Closing Date, all funds in the Expense Reserve Account (after deducting any expenses paid on such Determination Date) will be deposited in the Collection Account as Interest Proceeds and/or Principal Proceeds (in the respective amounts directed by the Collateral Manager in its sole discretion) and the Expense Reserve Account will be closed. Any income earned on amounts deposited in the Expense Reserve Account will be deposited in the Interest Collection Subaccount as Interest Proceeds as it is received.

(d) Hedge Counterparty Collateral Accounts. If and to the extent that any Hedge Agreement requires the Hedge Counterparty to post collateral with respect to such Hedge Agreement, the Issuer shall (at the direction of the Collateral Manager), on or prior to the date such Hedge Agreement is entered into, direct the Trustee to establish at the Custodian a segregated trust account designated as a "**Hedge Counterparty Collateral Account**," and shall be maintained upon terms determined by the Collateral Manager and acceptable to the Trustee and Bank as securities intermediary or depository bank (in each case, solely with regard to their respective duties, liabilities and protections thereunder), and in accordance with the related Hedge Agreement, as determined by the Collateral Manager. The Trustee (as directed by the Collateral Manager on behalf of the Issuer) will deposit into each Hedge Counterparty Collateral Account all collateral received by it from the related Hedge Counterparty for posting to such account and all other

funds and property received by it from or on behalf of the related Hedge Counterparty and identified or instructed by the Collateral Manager to be deposited into the Hedge Counterparty Collateral Account in accordance with the terms of the related Hedge Agreement. The only permitted withdrawals from or application of funds or property on deposit in the Hedge Counterparty Collateral Account will be in accordance with the written instructions of the Collateral Manager.

(e) Permitted Use Account. In accordance with this Indenture and the Account Control Agreement, the Trustee shall, prior to the Closing Date, establish at the Custodian a single, segregated trust account designated as the "**Permitted Use Account**." Contributions accepted by the Collateral Manager and received by the Issuer shall be deposited by the Trustee into the Permitted Use Account and transferred for application to a Permitted Use at the written direction of the Collateral Manager to the Trustee. Amounts transferred in accordance with the immediately preceding sentence shall be applied to the Permitted Use designated by the Collateral Manager in the written direction of the Collateral Manager. Any income earned on amounts deposited in the Permitted Use Account will be deposited in the Interest Collection Subaccount.

Section 10.4 The Revolver Funding Account. On the Closing Date, funds in an amount equal to the undrawn portion of Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation shall be withdrawn from the Principal Collection Subaccount and deposited by the Trustee in a single, segregated trust account established at the Custodian designated as the "**Revolver Funding Account**." Funds deposited in the Revolver Funding Account in respect of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation will be treated as part of the purchase price therefor. Amounts on deposit in the Revolver Funding Account will be invested in overnight funds that are Eligible Investments selected by the Collateral Manager pursuant to Section 10.5 and earnings from all such investments will be deposited in the Interest Collection Subaccount as Interest Proceeds.

The Issuer shall at all times maintain sufficient funds on deposit in the Revolver Funding Account such that the sum of the amount of funds on deposit in the Revolver Funding Account shall be equal to or greater than the sum of the unfunded funding obligations under all such Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations then included in the Assets. Funds shall be deposited in the Revolver Funding Account upon the receipt by the Issuer of any Principal Proceeds with respect to a Revolving Collateral Obligation as directed by the Collateral Manager on behalf of the Issuer. In the event of any shortfall in the Revolver Funding Account, the Collateral Manager (on behalf of the Issuer) may direct the Trustee to, and the Trustee thereafter shall, transfer funds in an amount equal to such shortfall from the Principal Collection Subaccount to the Revolver Funding Account.

Any funds in the Revolver Funding Account (other than earnings from Eligible Investments therein) will be available solely to cover any drawdowns on the Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations; *provided* that any excess of (A) the amounts on deposit in the Revolver Funding Account over (B) the sum of the unfunded funding obligations under all Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations included in the Assets may be transferred by the Trustee (at the written direction of the Collateral Manager on behalf of the Issuer) from time to time as Principal Proceeds to the Principal Collection Subaccount. The Trustee shall not be responsible at any time for determining whether the funds in such Revolver Funding Account are insufficient.

Section 10.5 Reinvestment of Funds in Accounts; Reports by Trustee.

(a) By Issuer Order (which may be in the form of standing instructions), the Issuer (or the Collateral Manager on behalf of the Issuer) shall at all times direct the Trustee to, and, upon receipt of such Issuer Order, the Trustee shall, invest all funds on deposit in the Collection Account, the Revolver Funding

Account and the Expense Reserve Account, as so directed in Eligible Investments having stated maturities no later than the Business Day preceding the next Payment Date unless issued by the Bank in accordance with the definition of the term "Eligible Investment" (or such shorter maturities expressly provided herein). If prior to the occurrence of an Event of Default, the Issuer shall not have given any such investment directions, the Trustee shall seek instructions from the Collateral Manager within three Business Days after transfer of any funds to such accounts. If the Trustee does not thereafter receive written instructions from the Collateral Manager within five Business Days after transfer of such funds to such accounts, such amounts shall remain uninvested until the Trustee is otherwise directed by the Collateral Manager to invest such amounts in Eligible Investments. If after the occurrence of an Event of Default, the Issuer shall not have given such investment directions to the Trustee for three consecutive days, such amounts shall remain uninvested unless and until the Trustee receives investment instructions from the Issuer or the Collateral Manager on behalf of the Issuer. Except to the extent expressly provided otherwise herein, all interest and other income from such investments shall be deposited in the Interest Collection Subaccount, any gain realized from such investments shall be credited to the Principal Collection Subaccount upon receipt, and any loss resulting from such investments shall be charged to the Principal Collection Subaccount. The Trustee shall not in any way be held liable by reason of any insufficiency of such accounts which results from any loss relating to any such investment, *provided* that nothing herein shall relieve the Bank of (i) its obligations or liabilities under any security or obligation issued by the Bank or any Affiliate thereof or (ii) liability for any loss resulting from gross negligence, willful misconduct or fraud on the part of the Bank or any Affiliate thereof. Except as otherwise expressly provided herein, the Trustee shall not otherwise be under any duty to invest (or pay interest on) amounts held hereunder from time to time.

(b) The Trustee agrees to give the Issuer immediate notice if a Trust Officer of the Trustee has actual knowledge that any Account or any funds on deposit in any Account, or otherwise to the credit of an Account, shall become subject to any writ, order, judgment, warrant of attachment, execution or similar process.

(c) The Trustee shall supply, in a timely fashion, to the Co-Issuers (and the Issuer shall supply to each Applicable Rating Agency, if then rating a Class of Secured Notes) and the Collateral Manager any information regularly maintained by the Trustee that the Co-Issuers, each Applicable Rating Agency (if then rating a Class of Secured Notes) or the Collateral Manager may from time to time reasonably request with respect to the Assets, the Accounts and the other Assets and provide any other requested information reasonably available to the Trustee by reason of its acting as Trustee hereunder and required to be provided by Section 10.6 or to permit the Collateral Manager to perform its obligations under the Collateral Management Agreement or the Issuer's obligations hereunder that have been delegated to the Collateral Manager. The Trustee shall promptly forward to the Collateral Manager copies of notices and other writings received by it from the issuer of any Collateral Obligation or from any Clearing Agency with respect to any Collateral Obligation which notices or writings advise the holders of such Collateral Obligation of any rights that the holders might have with respect thereto (including, without limitation, requests to vote with respect to amendments or waivers and notices of prepayments and redemptions) as well as all periodic financial reports received from such issuer and Clearing Agencies with respect to such issuer.

(d) Notwithstanding anything in this Indenture to the contrary, the Collateral Manager shall give the Trustee and the Collateral Administrator prompt written notice should any Collateral Obligation become a Defaulted Obligation.

Section 10.6 Accountings. (a) Monthly. The Issuer shall compile (or cause to be compiled) a Monthly Report, determined as of the Monthly Report Determination Date, and shall make available such Monthly Report to each Applicable Rating Agency (if then rating a Class of Secured Notes), the Trustee, the

Collateral Manager, the Initial Purchaser and, upon written request therefor, to any Holder shown on the Register and, upon written notice to the Trustee in the form of Exhibit C, any beneficial owner of a Note, as set forth in Schedule 8.

Upon receipt of each Monthly Report, the Trustee shall compare the information contained in such Monthly Report to the information contained in its records with respect to the Assets and shall, within three Business Days after receipt of such Monthly Report, notify the Issuer (and the Issuer shall notify each Applicable Rating Agency, if then rating a Class of Secured Notes), the Collateral Administrator and the Collateral Manager if the information contained in the Monthly Report does not conform to the information maintained by the Trustee with respect to the Assets. If any discrepancy exists, the Collateral Administrator and the Issuer, or the Collateral Manager on behalf of the Issuer, shall attempt to resolve the discrepancy. If such discrepancy cannot be promptly resolved, the Trustee shall within five Business Days notify the Collateral Manager who shall, on behalf of the Issuer, request that the Independent certified public accountants appointed by the Issuer pursuant to Section 10.8 recalculate such Monthly Report and the Trustee's records to assist the Trustee in determining the cause of such discrepancy. If such recalculations reveal an error in the Monthly Report or the Trustee's records, the Monthly Report or the Trustee's records shall be revised accordingly and, as so revised, shall be utilized in making all calculations pursuant to this Indenture and notice of any error in the Monthly Report shall be sent as soon as practicable by the Issuer to all recipients of such report which may be accomplished by making a notation of such error in the subsequent Monthly Report.

(b) Payment Date Accounting. The Issuer shall render (or cause to be rendered) the Distribution Report, determined as of the close of business on each Determination Date preceding a Payment Date, and shall make (or cause to be made) available such Distribution Report to the Trustee, the Collateral Manager, each Applicable Rating Agency (if then rating a Class of Secured Notes), the Initial Purchaser and, upon written request therefor, any Holder shown on the Register and, upon written notice to the Trustee in the form of Exhibit C, any beneficial owner of a Note not later than the Business Day preceding the related Payment Date, as set forth in Schedule 9.

Each Distribution Report shall constitute instructions to the Trustee to withdraw funds from the Payment Account and pay or transfer such amounts set forth in such Distribution Report in the manner specified and in accordance with the priorities established in the Priority of Payments and Article XIII.

(c) Interest Rate Notice. The Trustee shall include in the Monthly Report a notice setting forth the Interest Rate for each Class of Secured Notes for the Interest Accrual Period preceding the next Payment Date.

(d) Failure to Provide Accounting. If the Trustee shall not have received any accounting provided for in this Section 10.6 on the first Business Day after the date on which such accounting is due to the Trustee, the Trustee shall notify the Collateral Manager who shall use all reasonable efforts to obtain such accounting by the applicable Payment Date. To the extent the Collateral Manager is required to provide any information or reports pursuant to this Section 10.6 as a result of the failure of the Issuer to provide such information or reports, the Collateral Manager shall be entitled to retain an Independent certified public accountant in connection therewith and the reasonable costs incurred by the Collateral Manager for such Independent certified public accountant shall be paid by the Issuer.

(e) Initial Purchaser Information. The Issuer and the Initial Purchaser, or any successor to the Initial Purchaser, may post the information contained in a Monthly Report or Distribution Report to a password-protected internet site accessible only to the Holders of the Notes and to the Collateral Manager.

(f) Distribution of Reports. The Trustee will make the Monthly Report, the Distribution Report and the Transaction Documents (including any amendments thereto) and any notices or communications required to be delivered to the Holders in accordance with this Indenture available via its internet website. The Trustee's internet website shall initially be located at http://www.mystatestreet.com (the "**Trustee's Website**"). Parties that are unable to use the above distribution option are entitled to have a paper copy mailed to them via first-class mail by calling the customer service desk and indicating as such. The Trustee may change the way such statements and Transaction Documents are distributed. As a condition to access to the Trustee's internet website, the Trustee may require registration and the acceptance of a disclaimer. The Trustee shall be entitled to rely on but shall not be responsible for the content or accuracy of any information provided in the Monthly Report and the Distribution Report which the Trustee disseminates in accordance with this Indenture and may affix thereto any disclaimer it deems appropriate in its reasonable discretion. The Trustee may cause an electronic copy of the information from the Monthly Report and the Distribution Report to be delivered to Intex Solutions, Inc. by granting it access to the Trustee's Website.

Section 10.7 Release of Collateral. (a) Subject to Article XII, the Issuer may, by Issuer Order executed by an Authorized Officer of the Collateral Manager, delivered to the Trustee at least one Business Day prior to the settlement date for any sale of an Asset certifying that the sale of such Asset is being made in accordance with Section 12.1 hereof and such sale complies with all applicable requirements of Section 12.1, direct the Trustee to release or cause to be released such Asset from the lien of this Indenture and, upon receipt of such Issuer Order, the Trustee shall deliver any such Asset, if in physical form, duly endorsed to the broker or purchaser designated in such Issuer Order or, if such Asset is a Clearing Corporation Security, cause an appropriate transfer thereof to be made, in each case against receipt of the sales price therefor as specified by the Collateral Manager in such Issuer Order; *provided* that the Trustee may deliver any such Asset in physical form for examination in accordance with street delivery custom.

(b) Subject to the terms of this Indenture, the Trustee shall upon an Issuer Order (i) deliver any Asset, and release or cause to be released such Asset from the lien of this Indenture, which is set for any mandatory call or redemption or payment in full to the appropriate paying agent on or before the date set for such call, redemption or payment, in each case against receipt of the call or redemption price or payment in full thereof and (ii) provide notice thereof to the Collateral Manager.

(c) Upon receiving actual notice of any tender offer, voluntary redemption, exchange offer, conversion or other similar action (an "**Offer**") or any request for a waiver, consent, amendment or other modification or action with respect to any Asset, the Trustee on behalf of the Issuer shall notify the Collateral Manager of such Offer or such request. Unless the Notes have been accelerated following an Event of Default, the Collateral Manager may direct (x) the Trustee to accept or participate in or decline or refuse to participate in such Offer and, in the case of acceptance or participation, to release from the lien of this Indenture such Asset in accordance with the terms of the Offer against receipt of payment therefor, or (y) the Issuer or the Trustee to agree to or otherwise act with respect to such consent, waiver, amendment, modification or action; *provided* that in the absence of any such direction, the Trustee shall not respond or react to such Offer or request.

(d) As provided in Section 10.2(a), the Trustee shall deposit any proceeds received by it from the disposition of an Asset in the applicable subaccount of the Collection Account, unless simultaneously applied to the purchase of Eligible Investments as permitted under and in accordance with the requirements of this Article X and Article XII.

(e) The Trustee shall, upon receipt of an Issuer Order at such time as there are no Secured Notes Outstanding and all obligations of the Co-Issuers hereunder have been satisfied, release any remaining Assets from the lien of this Indenture.

(f) Any security, Collateral Obligation or amounts that are released pursuant to Section 10.7(a), (b) or (c) shall be released from the lien of this Indenture.

(g) Any amounts paid from the Payment Account to the Holders of the Subordinated Notes in accordance with the Priority of Payments shall be released from the lien of this Indenture.

Section 10.8 Reports by Independent Accountants. (a) At the Closing Date, the Issuer shall appoint one or more firms of Independent certified public accountants of recognized international reputation for purposes of recalculating and delivering the reports of such accountants required by this Indenture, which may be the firm of Independent certified public accountants that performs accounting services for the Issuer or the Collateral Manager. The Issuer may remove any firm of Independent certified public accountants at any time without the consent of any Holder of Notes. Upon any resignation by such firm or removal of such firm by the Issuer, the Issuer (or the Collateral Manager on behalf of the Issuer) shall promptly appoint by Issuer Order delivered to the Trustee and each Applicable Rating Agency (if then rating a Class of Secured Notes) a successor thereto that shall also be a firm of Independent certified public accountants of recognized international reputation, which may be a firm of Independent certified public accountants that performs accounting services for the Issuer or the Collateral Manager. If the Issuer shall fail to appoint a successor to a firm of Independent certified public accountants which has resigned within 30 days after such resignation, the Issuer shall promptly notify the Trustee of such failure in writing. If the Issuer shall not have appointed a successor within ten days thereafter, the Trustee shall promptly notify the Collateral Manager, who shall appoint a successor firm of Independent certified public accountants of recognized international reputation. The fees of such Independent certified public accountants and its successor shall be payable by the Issuer.

(b) On or before the anniversary of the Closing Date in each calendar year commencing in the calendar year after the calendar year of the Closing Date, the Issuer shall cause to be delivered to the Trustee an Accountants' Report from a firm of Independent certified public accountants for each Distribution Report received since the last statement (i) indicating that the calculations within those Distribution Reports have been recalculated and compared to the information provided by the Issuer in accordance with the applicable provisions of this Indenture and (ii) listing the Aggregate Principal Balance of the Assets and the Aggregate Principal Balance of the Collateral Obligations securing the Secured Notes as of the immediately preceding Determination Dates; *provided* that in the event of a conflict between such firm of Independent certified public accountants and the Issuer with respect to any matter in this Section 10.8, the determination by such firm of Independent public accountants shall be conclusive. To the extent a beneficial owner or Holder of a Note requests the yield to maturity in respect of the relevant Note in order to determine any "original issue discount" in respect thereof, the Trustee shall request that the firm of Independent certified public accountants appointed by the Issuer calculate such yield to maturity. The Trustee shall have no responsibility to calculate the yield to maturity nor to verify the accuracy of such Independent certified public accountants' calculation. If the firm of Independent certified public accountants fails to calculate such yield to maturity, the Trustee shall have no responsibility to provide such information to the beneficial owner or Holder of a Note. In the event such firm requires the Trustee or the Collateral Administrator to agree to the procedures performed by such firm, the Issuer hereby directs the Trustee and the Collateral Administrator to so agree to the terms and conditions requested by such accountants as a condition to receiving documentation required by this Indenture; it being understood and agreed that (i) the Trustee and the Collateral Administrator will deliver such letter of agreement in conclusive reliance on the foregoing direction of the Issuer, (ii) the Trustee shall make no inquiry or investigation as to, and shall have no obligation in respect of, the sufficiency, validity or

correctness of such procedures, (iii) such acknowledgment or agreement may include (x) restrictions or prohibitions on the disclosure of information or documents provided to it by such firm of Independent accountants (including to the Holders), (y) releases of claims or other liabilities by the Trustee and (z) such other terms and conditions that the Issuer has determined are necessary or desirable. Notwithstanding the foregoing, in no event shall either the Trustee or the Collateral Administrator be required to execute any agreement in respect of the Independent accountants if the Issuer has not provided direction pursuant to this clause or that the Trustee or the Collateral Administrator determines adversely affects it.

(c) Upon the written request of the Trustee, or any Holder of a Subordinated Note, the Issuer will cause the firm of Independent certified public accountants appointed pursuant to Section 10.8(a) to provide any Holder of Subordinated Notes with all of the information required to be provided by the Issuer pursuant to Section 7.17 or assist the Issuer in the preparation thereof.

Section 10.9 Reports to Applicable Rating Agencies and Additional Recipients. In addition to the information and reports specifically required to be provided to each Applicable Rating Agency (if then rating a Class of Secured Notes) pursuant to the terms of this Indenture, the Issuer shall provide the Collateral Manager and each Applicable Rating Agency (if then rating a Class of Secured Notes) with all information or reports delivered to the Trustee hereunder (excluding any Accountants' Reports) and the Trustee shall provide all such information to the Initial Purchaser upon the Initial Purchaser's written request, and, subject to Section 14.3(c), such additional information (excluding any Accountants' Reports) as each Applicable Rating Agency (if then rating a Class of Secured Notes) may from time to time reasonably request (including notification to the Applicable Rating Agencies of any Specified Event or any modification of any loan document relating to a DIP Collateral Obligation or any release of collateral thereunder not permitted by such loan documentation). Together with each Monthly Report and on each Payment Date, the Issuer shall provide to the Applicable Rating Agencies, via e-mail in accordance with Section 14.3(a), with respect to each Collateral Obligation, the name of each obligor thereon and the CUSIP number thereof (if applicable).

Section 10.10 Procedures Relating to the Establishment of Accounts Controlled by the Trustee. Notwithstanding anything else contained herein, the Trustee agrees that with respect to each of the Accounts, it will cause each Securities Intermediary establishing such accounts to enter into a securities account control agreement and, if the Securities Intermediary is the Bank, shall cause the Bank to comply with the provisions of such securities account control agreement. The Trustee shall have the right to open such subaccounts of any such Account as it deems necessary or appropriate for convenience of administration.

ARTICLE XI

APPLICATION OF MONIES

Section 11.1 Disbursements of Monies from Payment Account. (a) Notwithstanding any other provision in this Indenture, but subject to the other subsections of this Section 11.1 and to Section 13.1, on each Payment Date, the Trustee shall disburse amounts transferred from the Collection Account to the Payment Account for application in accordance with the Priority of Payments.

(b) If on any Payment Date the amount available in the Payment Account is insufficient to make the full amount of the disbursements required by the Distribution Report, the Trustee shall make the disbursements called for in the order and according to the priority set forth in the Priority of Payments, to the extent funds are available therefor.

(c) In connection with the application of funds to pay Administrative Expenses of the Issuer or the Co-Issuer, as the case may be, in accordance with the Priority of Payments, the Trustee shall remit such funds, to the extent available (and subject to the order of priority set forth in the definition of "Administrative Expenses"), as directed and designated in an Issuer Order (which may be in the form of standing instructions, including standing instructions to pay Administrative Expenses in such amounts and to such entities as indicated in the Distribution Report in respect of such Payment Date) delivered to the Trustee no later than the Business Day prior to each Payment Date.

(d) The Collateral Manager may, in its sole discretion, elect to irrevocably waive payment of any or all of any Servicing Fee otherwise due on any Payment Date by notice to the Issuer, the Collateral Administrator and the Trustee no later than the Determination Date immediately prior to such Payment Date in accordance with the terms of Section 8 of the Collateral Management Agreement. Any such Servicing Fee, once waived, shall not thereafter become due and payable and any claim of the Collateral Manager therein shall be extinguished.

(e) In the event that a Hedge Counterparty defaults in the payment of its obligations to the Issuer under any Hedge Agreement on the date on which any payment is due thereunder, the Collateral Manager shall make a demand on such Hedge Counterparty in accordance with Section 16.1(g). The Trustee shall forward a copy of a notice prepared by the Collateral Manager to the Holders of Notes and the Applicable Rating Agency if such Hedge Counterparty continues to fail to perform its obligations for two Business Days following a demand made by the Collateral Manager on such Hedge Counterparty, and the Collateral Manager shall take action with respect to such continuing failure.

(f) At any time, by notification to the Issuer, the Trustee and the Collateral Manager, a Contributor may make a Contribution as set forth in the Term Sheet.

ARTICLE XII

SALE OF COLLATERAL OBLIGATIONS

Section 12.1 Sales of Collateral Obligations. Subject to the satisfaction of the conditions specified in the Term Sheet, the Collateral Manager on behalf of the Issuer may direct the Trustee to sell and the Trustee shall sell on behalf of the Issuer in the manner directed by the Collateral Manager any Collateral Obligation or Equity Security. For purposes of this Section 12.1, the Sale Proceeds of a Collateral Obligation sold by the Issuer shall include any Principal Financed Accrued Interest received in respect of such sale.

Section 12.2 Conditions Applicable to All Transactions Effected under Article XII . (a) Any transaction effected under this Article XII shall be conducted on an arm's length basis and, if effected with a Person Affiliated with the Collateral Manager (or with an account or portfolio for which the Collateral Manager or any of its Affiliates serves as investment adviser), shall be effected in accordance with the requirements of Section 3 of the Collateral Management Agreement on terms no less favorable to the Issuer than would be the case if such Person were not so Affiliated; *provided* that at any time after the Closing Date, the Issuer may not sell Collateral Obligations to the Collateral Manager or any non-special purpose bankruptcy remote affiliate thereof in an aggregate amount exceeding 20% of the Aggregate Principal Balance of the Collateral Obligations as of the Closing Date; *provided further* that the Trustee shall have no responsibility to oversee compliance with this clause (a) by the other parties.

(b) Each Collateral Obligation sold after the Closing Date will be made pursuant to an Issuer Order, which Issuer Order will be deemed a certification by the Collateral Manager, upon which the Trustee

and the Collateral Administrator may conclusively rely, that such sale complies with this Article XII and the requirements of the Term Sheet.

ARTICLE XIII

NOTEHOLDERS' RELATIONS

Section 13.1 Subordination. (a) Anything in this Indenture or the Notes to the contrary notwithstanding, the Holders of each Class of Notes that constitute a Junior Class agree for the benefit of the Holders of the Notes of each Priority Class with respect to such Junior Class that such Junior Class shall be subordinate and junior to the Notes of each such Priority Class to the extent and in the manner set forth in this Indenture.

(b) If any Holder of Notes of any Junior Class shall have received any payment or distribution in respect of such Notes contrary to the provisions of this Indenture, then, unless and until each Priority Class with respect thereto shall have been paid in full in Cash or, to the extent the Holders of 100% of the Aggregate Outstanding Amount of such Priority Class consent, other than in Cash in accordance with this Indenture, such payment or distribution shall be received and held in trust for the benefit of, and shall forthwith be paid over and delivered to, the Trustee, which shall pay and deliver the same to the Holders of the applicable Priority Class(es) in accordance with this Indenture; *provided* that if any such payment or distribution is made other than in Cash, it shall be held by the Trustee as part of the Assets and subject in all respects to the provisions of this Indenture, including this Section 13.1.

(c) Each Holder of Notes of any Junior Class agrees with all Holders of the applicable Priority Classes that such Holder of Junior Class Notes shall not demand, accept, or receive any payment or distribution in respect of such Notes in violation of the provisions of this Indenture including, without limitation, this Section 13.1; *provided* that after a Priority Class has been paid in full, the Holders of the related Junior Class or Classes shall be fully subrogated to the rights of the Holders of such Priority Class. Nothing in this Section 13.1 shall affect the obligation of the Issuer to pay Holders of any Junior Class of Notes.

(d) The Holders of each Class of Notes and beneficial owners of each Class of Notes agree, for the benefit of all Holders of each Class of Notes and beneficial owners of each Class of Notes, to the provisions of Section 5.4(d).

Section 13.2 Standard of Conduct. In exercising any of its or their voting rights, rights to direct and consent or any other rights as a Holder under this Indenture, each Holder (a) does not owe any duty of care to any Person and is not obligated to act in a fiduciary or advisory capacity to any Person (including, but not limited to, any other Holder or beneficial owner of Secured Notes or Subordinated Notes, the Issuer, the Trustee, any holder of ordinary shares of the Issuer, the Co-Issuer or the Collateral Manager); (b) shall only consider the interests of itself and/or its Affiliates; and (c) will not be prohibited from engaging in activities that compete or conflict with those of any Person (including, but not limited to, any Holder or beneficial owner of Secured Notes or Subordinated Notes, the Issuer, the Trustee, any holder of ordinary shares of the Issuer, the Co-Issuer or the Collateral Manager), nor shall any such restrictions apply to any Affiliates of any Holder.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Officer of the Issuer, the Co-Issuer or the Collateral Manager may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel (*provided* that such counsel is a nationally or internationally recognized and reputable law firm, one or more of the partners of which are admitted to practice before the highest court of any State of the United States or the District of Columbia (or the Cayman Islands, in the case of an opinion relating to the laws of the Cayman Islands), which law firm may, except as otherwise expressly provided in this Indenture, be counsel for the Issuer or the Co-Issuer), unless such Officer knows, or should know that the certificate or opinion or representations with respect to the matters upon which such certificate or opinion is based are erroneous. Any such certificate of an Officer of the Issuer, the Co-Issuer or the Collateral Manager or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, the Issuer, the Co-Issuer, the Collateral Manager or any other Person (on which the Trustee shall also be entitled to conclusively rely), stating that the information with respect to such factual matters is in the possession of the Issuer, the Co-Issuer, the Collateral Manager or such other Person, unless such Officer of the Issuer, the Co-Issuer or the Collateral Manager or such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous. Any Opinion of Counsel may also be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an Officer of the Collateral Manager or the Issuer, stating that the information with respect to such matters is in the possession of the Collateral Manager, the Issuer or the Co-Issuer, unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture it is provided that the absence of the occurrence and continuation of a Default or Event of Default is a condition precedent to the taking of any action by the Trustee at the request or direction of the Applicable Issuers, then notwithstanding that the satisfaction of such condition is a condition precedent to the Applicable Issuer's right to make such request or direction, the Trustee shall be protected in acting in accordance with such request or direction if it does not have knowledge of the occurrence and continuation of such Default or Event of Default as provided in Section 6.1(d).

The Bank, in all of its capacities, agrees to accept and act upon instructions or directions pursuant to this Indenture or any document executed in connection herewith sent by unsecured email or other similar unsecured electronic methods, in each case, of an executed instruction or direction (which may be in the form of a .pdf file); *provided, however*, that any Person providing such instructions or directions shall provide to the Bank an incumbency certificate listing authorized persons designated to provide such instructions or directions, which incumbency certificate shall be amended whenever a person is added or deleted from the listing. If such person elects to give the Bank email instructions (or instructions by a similar electronic

method) and the Bank in its discretion elects to act upon such instructions, the Bank's reasonable understanding of such instructions shall be deemed controlling. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflicting with or being inconsistent with a subsequent written instruction. Any person providing such instructions or directions agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bank, including without limitation the risk of the Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties and acknowledges and agrees that there may be more secure methods of transmitting such instructions than the method(s) selected by it and agrees that the security procedures (if any) to be followed in connection with its transmission of such instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

Section 14.2 Acts of Holders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action or actions embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Co-Issuers, if made in the manner provided in this Section 14.2.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner which the Trustee deems sufficient.

(c) The principal amount or face amount, as the case may be, and registered numbers of Notes held by any Person, and the date of such Person's holding the same, shall be proved by the Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Notes shall bind the Holder (and any transferee thereof) of such Note and of every Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

Section 14.3 Notices, etc., to Trustee, the Co-Issuers, the Collateral Manager, the Initial Purchaser, the Collateral Administrator, the Paying Agent, each Hedge Counterparty and the Applicable Rating Agencies. (a) Any request, demand, authorization, direction, instruction, order, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this Indenture to be made upon, given, e-mailed or furnished to, or filed shall be provided to the applicable party as set forth in Schedule 10.

(b) If any provision in this Indenture calls for any notice or document to be delivered simultaneously to the Trustee and any other person or entity, the Trustee's receipt of such notice or document shall entitle the Trustee to assume that such notice or document was delivered to such other person or entity unless otherwise expressly specified herein.

(c) Notwithstanding any provision to the contrary contained herein or in any agreement or document related thereto, any request, demand, authorization, direction, instruction, order, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this Indenture to be sent to any

Applicable Rating Agency shall be sent by the Collateral Manager on behalf of the Issuer and, if pursuant to the terms of this Indenture, the Trustee is to send such request, demand, authorization, direction, instruction, order, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this Indenture to the Applicable Rating Agencies, it shall instead be sent to the Collateral Manager first for dissemination to the Applicable Rating Agencies.

(d) Notwithstanding any provision to the contrary contained herein or in any agreement or document related thereto, any report, statement or other information required to be provided by the Issuer or the Trustee may be provided by providing access to a website containing such information.

Section 14.4 Notices to Holders; Waiver. Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of any event,

(a) such notice shall be sufficiently given to Holders if in writing and mailed, first class postage prepaid (or, in the case of Holders of Global Notes, e-mailed to DTC), to each Holder affected by such event, at the address of such Holder as it appears in the Register, not earlier than the earliest date and not later than the latest date, prescribed for the giving of such notice; and

(b) such notice shall be in the English language.

Such notices will be deemed to have been given on the date of such mailing.

Notwithstanding clause (a) above, a Holder may give the Trustee a written notice that it is requesting that notices to it be given by electronic mail and stating the electronic mail address for such transmission. Thereafter, the Trustee shall give notices to such Holder by electronic mail, as so requested; *provided* that if such notice also requests that notices be given by mail, then such notice shall also be given by mail in accordance with clause (a) above. Notices for Holders may also be posted to the Trustee's internet website.

The Trustee will deliver to the Holders any information or notice relating to this Indenture requested to be so delivered by at least 25% of the Holders of any Class of Notes (by Aggregate Outstanding Amount), at the expense of the Issuer; *provided* that the Trustee may decline to send any such notice that it reasonably determines to be contrary to (i) any of the terms of this Indenture, (ii) any duty or obligation that the Trustee may have hereunder or (iii) applicable law. The Trustee may require the requesting Holders to comply with its standard verification policies in order to confirm Noteholder status.

Neither the failure to mail any notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. In case by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity or by reason of any other cause it shall be impracticable to give such notice by mail of any event to Holders when such notice is required to be given pursuant to any provision of this Indenture, then such notification to Holders as shall be made with the approval of the Trustee shall constitute a sufficient notification to such Holders for every purpose hereunder.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 14.5 Effect of Headings and Table of Contents. The Article and Section headings herein (including those used in cross-references herein) and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 14.6 Successors and Assigns. All covenants and agreements in this Indenture by the Co-Issuers shall bind their respective successors and assigns, whether so expressed or not.

Section 14.7 Severability. If any term, provision, covenant or condition of this Indenture or the Notes, or the application thereof to any party hereto or any circumstance, is held to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any relevant jurisdiction), the remaining terms, provisions, covenants and conditions of this Indenture or the Notes, modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity, or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms, provisions, covenants and conditions of this Indenture or the Notes, as the case may be, so long as this Indenture or the Notes, as the case may be, as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the deletion of such portion of this Indenture or the Notes, as the case may be, will not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties.

Section 14.8 Benefits of Indenture. Nothing in this Indenture or in the Notes, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the Collateral Manager, the Collateral Administrator, the Holders of the Notes and (to the extent provided herein) the Administrator (solely in its capacity as such) and the other Secured Parties any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 14.9 Legal Holidays. If the date of any Payment Date, Redemption Date or Stated Maturity shall not be a Business Day, then notwithstanding any other provision of the Notes or this Indenture, payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of any such Payment Date, Redemption Date or Stated Maturity date, as the case may be.

Section 14.10 Governing Law. This Indenture shall be construed in accordance with, and this Indenture and any matters arising out of or relating in any way whatsoever to this Indenture (whether in contract, tort or otherwise), shall be governed by, the law of the State of New York.

Section 14.11 Submission to Jurisdiction. With respect to any suit, action or proceedings relating to this Indenture or any matter between the parties arising under or in connection with this Indenture ("**Proceedings**"), each party irrevocably: (i) submits to the non-exclusive jurisdiction of the Supreme Court of the State of New York sitting in the Borough of Manhattan and the United States District Court for the Southern District of New York, and any appellate court from any thereof; and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. Nothing in this Indenture precludes any of the parties from bringing Proceedings in any other jurisdiction, nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

Section 14.12 WAIVER OF JURY TRIAL. **EACH OF THE ISSUER, THE CO-ISSUER, THE HOLDERS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST**

EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY. Each party hereby (i) certifies that no representative, agent or attorney of the other has represented, expressly or otherwise, that the other would not, in the event of a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Indenture by, among other things, the mutual waivers and certifications in this paragraph.

Section 14.13 Counterparts. This Indenture (and each amendment, modification and waiver in respect of it) and the Notes may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original, and all of which together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Indenture by e-mail (PDF) or telecopy shall be effective as delivery of a manually executed counterpart of this Indenture.

Section 14.14 Acts of Issuer. Any report, information, communication, request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or performed by the Issuer shall be effective if given or performed by the Issuer or by the Collateral Manager on the Issuer's behalf.

The Issuer agrees to coordinate with the Collateral Manager with respect to any communication to any Applicable Rating Agency and to comply with the provisions of this Section and Section 14.16, unless otherwise agreed to in writing by the Collateral Manager.

Section 14.15 Liability of Co-Issuers. Notwithstanding any other terms of this Indenture, the Notes or any other agreement entered into between, inter alia, the Co-Issuers or otherwise, none of the Co-Issuers (each, a "**Party**") shall have any liability whatsoever to any other Party under this Indenture, the Notes, any such agreement or otherwise and, without prejudice to the generality of the foregoing, none of the Parties shall be entitled to take any action to enforce, or bring any action or proceeding, in respect of this Indenture, the Notes, any such agreement or otherwise against any other Party. In particular, none of the Parties shall be entitled to petition or take any other steps for the winding up or bankruptcy of the other of any other Party or shall have any claim in respect to any assets of any other Party.

Section 14.16 Communications with Applicable Rating Agencies.

If the Issuer shall receive any written or oral communication from any Applicable Rating Agency (or any of their respective officers, directors or employees) with respect to the transactions contemplated hereby or under the Transaction Documents or in any way relating to the Notes, the Issuer agrees to refrain from communicating with such Applicable Rating Agency and to promptly (and, in any event, within one Business Day) notify the Collateral Manager of such communication. The Issuer agrees that in no event shall it engage in any oral or written communication with respect to the transactions contemplated hereby or under the Transaction Documents or in any way relating to the Notes with any Applicable Rating Agency (or any of their respective officers, directors or employees) without the participation of the Collateral Manager, unless otherwise agreed to in writing by the Collateral Manager. The Trustee agrees that in no event shall a Trust Officer engage in any oral or written communication with respect to the transactions contemplated hereby or under the Transaction Documents or in any way relating to the Notes with any Applicable Rating Agency without the prior written consent (which may be in the form of e-mail correspondence) or participation of the Collateral Manager, unless otherwise agreed to in writing by the Collateral Manager; provided that nothing in this Section 14.16 shall prohibit the Trustee from making available on its internet website the Monthly Reports, Distribution Reports and other notices or documentation relating to the Notes or this Indenture.

Section 14.17 17g-5 Information.

(a) The Issuer shall comply with its obligations under Rule 17g-5 promulgated under the Exchange Act (" **Rule 17g-5**"), by it or its agent's posting on the 17g-5 Website, no later than the time such information is provided to the Applicable Rating Agencies, all information that the Co-Issuers or other parties on their behalf, including the Trustee and the Collateral Manager, provide to the Applicable Rating Agencies for the purposes of determining the initial credit rating of the Secured Notes or undertaking credit rating surveillance of the Secured Notes. For the avoidance of doubt, except as provided below, such information shall not include any Accountants' Report.

(b) (i) To the extent that any Applicable Rating Agency makes an inquiry that is, or initiates communications with the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee that are relevant to such Applicable Rating Agency's credit rating surveillance of the Secured Notes, all responses to such inquiries or communications from such Applicable Rating Agency shall be formulated in writing by the responding party or its representative or advisor and shall be provided to the 17g-5 Information Agent who shall promptly post such written response to the 17g-5 Website in accordance with the procedures set forth in Section 14.17(b)(iv), and after the responding party or its representative or advisor receives written notification from the 17g-5 Information Agent (which the 17g-5 Information Agent agrees to provide on a reasonably prompt basis) (which may be in the form of email) that such response has been posted on the 17g-5 Website, such responding party or its representative or advisor may provide such response to such Applicable Rating Agency.

(ii) To the extent that any of the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee is required to provide any information to, or communicate with, any Applicable Rating Agency in accordance with its obligations under this Indenture or the Collateral Management Agreement, the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee, as applicable (or their respective representatives or advisors), shall provide such information or communication to the 17g-5 Information Agent by e-mail at statestreet_cdo_services@statestreet.com, specifically referencing "Barings BDC Static CLO 2019-I – 17g-5 Information" in the subject line, which the 17g-5 Information Agent shall promptly upload to the 17g-5 Website in accordance with the procedures set forth in Section 14.17(b)(iv), and after the applicable party has received written notification from the 17g-5 Information Agent (which the 17g-5 Information Agent agrees to provide on a reasonably prompt basis) (which may be in the form of email) that such information has been uploaded to the 17g-5 Website, the applicable party or its representative or advisor shall provide such information to the Applicable Rating Agencies.

(iii) The Issuer, the Collateral Manager, the Collateral Administrator and the Trustee (and their respective representatives and advisors) shall be permitted (but shall not be required) to orally communicate with the Applicable Rating Agencies regarding any Collateral Obligation or the Notes; *provided,* that such party summarizes the information provided to the Applicable Rating Agencies in such communication and provides the 17g-5 Information Agent with such summary in accordance with the procedures set forth in this Section 14.17(b) within one Business Day of such communication taking place. The 17g-5 Information Agent shall post such summary on the 17g-5 Website in accordance with the procedures set forth in Section 14.17(b)(iv).

(iv) All information to be made available to any Applicable Rating Agency pursuant to this Section 14.17(b) shall be made available by the 17g-5 Information Agent on the 17g-5 Website. Information will be posted on the same Business Day of receipt provided that such information is received by 12:00 p.m. (Eastern Time) or, if received after 12:00 p.m. (Eastern Time), on the next

Business Day. The 17g-5 Information Agent shall have no obligation or duty to verify, confirm or otherwise determine whether the information being delivered is accurate, complete, conforms to the transaction or otherwise is or is not anything other than what it purports to be. In the event that any information is delivered or posted in error, the 17g-5 Information Agent may remove it from the 17g-5 Website. None of the Issuer, the Trustee, the Collateral Manager, the Collateral Administrator and the 17g-5 Information Agent shall have obtained or shall be deemed to have obtained actual knowledge of any information solely due to receipt and posting to the 17g-5 Website. Access to the 17g-5 Website will be provided by the 17g-5 Information Agent to (A) any NRSRO upon receipt by the Issuer and the 17g-5 Information Agent of an NRSRO Certification from such NRSRO (which may be submitted electronically via the 17g-5 Website) and (B) to any Applicable Rating Agency, without submission of an NRSRO Certification. Questions regarding delivery of information to the 17g-5 Information Agent may be directed to (888) 855-9695.

(v) The 17g-5 Information Agent shall not be liable for unauthorized disclosure of any information that it disseminates in accordance with this Indenture and makes no representations or warranties as to the accuracy or completeness of information made available on the 17g-5 Website. The 17g-5 Information Agent shall not be liable for its failure to make any information available to any Applicable Rating Agency or NRSROs unless such information was delivered to the 17g-5 Information Agent at the email address set forth herein, with a subject heading of "Barings BDC Static CLO Ltd. 2019-I" and sufficient detail to indicate that such information is required to be posted on the 17g-5 Website.

(vi) Notwithstanding anything to the contrary in this Indenture, a breach of this Section 14.17 shall not constitute a Default or Event of Default.

ARTICLE XV

ASSIGNMENT OF COLLATERAL MANAGEMENT AGREEMENT

Section 15.1 Assignment of Collateral Management Agreement. (a) The Issuer hereby acknowledges that its Grant pursuant to the first Granting Clause hereof includes all of the Issuer's estate, right, title and interest in, to and under the Collateral Management Agreement, including (i) the right to give all notices, consents and releases thereunder, (ii) the right to give all notices of termination and to take any legal action upon the breach of an obligation of the Collateral Manager thereunder, including the commencement, conduct and consummation of Proceedings at law or in equity, (iii) the right to receive all notices, accountings, consents, releases and statements thereunder and (iv) the right to do any and all other things whatsoever that the Issuer is or may be entitled to do thereunder; *provided* that notwithstanding anything herein to the contrary, the Trustee shall not have the authority to exercise any of the rights set forth in (i) through (iv) above or that may otherwise arise as a result of the Grant until the occurrence of an Event of Default hereunder and such authority shall terminate at such time, if any, as such Event of Default is cured or waived.

(b) The assignment made hereby is executed as collateral security, and the execution and delivery hereby shall not in any way impair or diminish the obligations of the Issuer under the provisions of the Collateral Management Agreement, nor shall any of the obligations contained in the Collateral Management Agreement be imposed on the Trustee.

(c) Upon the retirement of the Notes, the payment of all amounts required to be paid pursuant to the Priority of Payments and the release of the Assets from the lien of this Indenture, this assignment and

all rights herein assigned to the Trustee for the benefit of the Secured Parties shall cease and terminate and all the estate, right, title and interest of the Trustee in, to and under the Collateral Management Agreement shall revert to the Issuer and no further instrument or act shall be necessary to evidence such termination and reversion.

(d) The Issuer represents that the Issuer has not executed any other assignment of the Collateral Management Agreement.

(e) The Issuer agrees that this assignment is irrevocable, and that it will not take any action which is inconsistent with this assignment or make any other assignment inconsistent herewith. The Issuer will, from time to time, execute all instruments of further assurance and all such supplemental instruments with respect to this assignment as may be necessary to continue and maintain the effectiveness of such assignment.

(f) The Issuer hereby agrees, and hereby undertakes to obtain the agreement and consent of the Collateral Manager in the Collateral Management Agreement, to the following:

(i) The Collateral Manager shall consent to the provisions of this assignment and agree to perform any provisions of this Indenture applicable to the Collateral Manager subject to the terms (including the standard of care set forth in the Collateral Management Agreement) of the Collateral Management Agreement;

(ii) The Collateral Manager shall acknowledge that the Issuer is assigning all of its right, title and interest in, to and under the Collateral Management Agreement to the Trustee as representative of the Secured Parties and the Collateral Manager shall agree that all of the representations, covenants and agreements made by the Collateral Manager in the Collateral Management Agreement are also for the benefit of the Trustee; and

(iii) The Collateral Manager shall deliver to the Trustee all copies of all notices, statements, communications and instruments delivered or required to be delivered by the Collateral Manager to the Issuer pursuant to the Collateral Management Agreement.

(g) The Co-Issuers and the Trustee agree that the Collateral Manager shall be a third party beneficiary of this Indenture, and shall be entitled to rely upon and enforce such provisions of this Indenture to the same extent as if it were a party hereto.

(h) Upon a Trust Officer of the Trustee receiving written notice from the Collateral Manager that an event constituting "Cause" as defined in the Collateral Management Agreement has occurred, the Trustee shall, not later than one Business Day thereafter, notify the Noteholders (as their names appear in the Register).

ARTICLE XVI

HEDGE AGREEMENTS

Section 16.1 Hedge Agreements.

(a) The Issuer (or the Collateral Manager on behalf of the Issuer) may enter into Hedge Agreements from time to time after the Closing Date solely for the purpose of managing interest rate risks in connection with the Issuer's issuance of, and making payments on, the Notes. The Issuer (or the Collateral Manager on behalf of the Issuer) shall promptly provide written notice of entry into any Hedge Agreement to the Trustee and the Collateral Administrator. Notwithstanding anything to the contrary contained in this

Indenture, the Issuer (or the Collateral Manager on behalf of the Issuer) shall not enter into any Hedge Agreement unless (i) the Rating Agency Condition has been satisfied with respect thereto, (ii) a Majority of the Controlling Class and a Majority of the Subordinated Notes have consented to such Hedge Agreement, (iii) the Issuer receives an Opinion of Counsel to the effect that the Issuer entering into such Hedge Agreement shall not, in and of itself, cause the Issuer to become a "covered fund" under the Volcker Rule, as amended, (iv) the Issuer obtains an Opinion of Counsel and a certification from the Collateral Manager to the effect that (A) the written terms of the Hedge Agreement directly relate to the Collateral Obligations and the Notes and (B) such Hedge Agreement reduces the interest rate and/or foreign exchange risks related to the Collateral Obligations and the Notes, (v) the Issuer obtains (with a copy to the Trustee and the Collateral Administrator) an Opinion of Counsel to the effect that (A) the Issuer entering into such Hedge Agreement will not cause it to be considered a "commodity pool" as defined in Section 1a(10) of the CEA, (B) the Issuer entering into such Hedge Agreement would fall within the scope of the exclusion from commodity pool regulation set forth in CFTC Letter No. 12-45 (Interpretation and No-Action) dated December 7, 2012 issued by the Division of Swap Dealer and Intermediary Oversight of the Commodity Futures Trading Commission or (C) if the Issuer would be a commodity pool, that (x) the Collateral Manager and no other party would be the "commodity pool operator" and "commodity trading adviser" thereof, and (y) with respect to the Issuer as a commodity pool, the Collateral Manager is eligible for an exemption from registration as a "commodity pool operator" and "commodity trading adviser" and all conditions precedent to obtaining such an exemption have been satisfied, and (vi) if the Issuer entering into such Hedge Agreement will cause it to be a commodity pool, the Collateral Manager agrees in writing that for so long as the Issuer is a commodity pool, the Collateral Manager shall take (or cause to be taken) all actions necessary to ensure ongoing compliance with the applicable exemption from registration as a "commodity pool operator" and "commodity trading adviser" with respect to the Issuer, and shall take (or cause to be taken) any other actions required as a "commodity pool operator" and "commodity trading adviser" with respect to the Issuer. The Issuer shall provide a copy of each Hedge Agreement to each Applicable Rating Agency (if then rating a Class of Secured Notes) and the Trustee.

(b) Each Hedge Agreement shall contain appropriate limited recourse and non-petition provisions equivalent (mutatis mutandis) to those contained in Section 5.4(d) and Section 2.7(i). Each Hedge Counterparty shall be required to have, at the time that any Hedge Agreement to which it is a party is entered into, the Required Hedge Counterparty Ratings unless the Rating Agency Condition is satisfied or credit support is provided as set forth in the Hedge Agreement. Payments with respect to Hedge Agreements shall be subject to Article XI. Each Hedge Agreement shall contain an acknowledgement by the Hedge Counterparty that the obligations of the Issuer to the Hedge Counterparty under the relevant Hedge Agreement shall be payable in accordance with Article XI.

(c) In the event of any early termination of a Hedge Agreement with respect to which the Hedge Counterparty is the sole "defaulting party" or "affected party" (each as defined in the Hedge Agreements), notwithstanding any term hereof to the contrary, (i) any termination payment paid by the Hedge Counterparty to the Issuer may be paid to a replacement Hedge Counterparty at the direction of the Collateral Manager and (ii) any payment received from a replacement Hedge Counterparty may be paid to the replaced Hedge Counterparty at the direction of the Collateral Manager under the terminated Hedge Agreement.

(d) The Issuer (or the Collateral Manager on its behalf) shall, upon receiving written notice of the exposure calculated under a credit support annex to any Hedge Agreement, if applicable, make a demand to the relevant Hedge Counterparty and its credit support provider, if applicable, for securities having a value under such credit support annex equal to the required credit support amount.

(e) Each Hedge Agreement will, at a minimum, (i) include requirements for collateralization by or replacement of the Hedge Counterparty (including timing requirements) that satisfy criteria of each

Applicable Rating Agency (if then rating a Class of Secured Notes) in effect at the time of execution of the Hedge Agreement and (ii) permit the Issuer to terminate such agreement (with the Hedge Counterparty bearing the costs of any replacement Hedge Agreement) for failure to satisfy such requirement.

(f) The Issuer shall give prompt notice to each Applicable Rating Agency (if then rating a Class of Secured Notes) of any termination of a Hedge Agreement or agreement to provide Hedge Counterparty credit support. Any collateral received from a Hedge Counterparty under a Hedge Agreement shall be deposited in the Hedge Counterparty Collateral Account.

(g) If a Hedge Counterparty has defaulted in the payment when due of its obligations to the Issuer under the Hedge Agreement, promptly after becoming aware thereof the Collateral Manager shall make a demand on the Hedge Counterparty (or its guarantor under the Hedge Agreement) with a copy to the Trustee, demanding payment thereunder.

(h) Each Hedge Agreement shall provide that it may not be terminated due to the occurrence of an Event of Default until liquidation of the Assets has commenced.

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LIST OF COLLATERAL OBLIGATIONS

Schedule 2

Moody's Industry Classification Group List

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Schedule 3
S&P Industry Classifications

Asset Type Code	Asset Type Description
1020000	Energy Equipment & Services
1030000	Oil, Gas & Consumable Fuels
2020000	Chemicals
2030000	Construction Materials
2040000	Containers & Packaging
2050000	Metals & Mining
2060000	Paper & Forest Products
3020000	Aerospace & Defense
3030000	Building Products
3040000	Construction & Engineering
3050000	Electrical Equipment
3060000	Industrial Conglomerates
3070000	Machinery
3080000	Trading Companies & Distributors
3110000	Commercial Services & Supplies
3210000	Air Freight & Logistics
3220000	Airlines
3230000	Marine
3240000	Road & Rail
3250000	Transportation Infrastructure
4011000	Auto Components
4020000	Automobiles
4110000	Household Durables
4120000	Leisure Products
4130000	Textiles, Apparel & Luxury Goods
4210000	Hotels, Restaurants & Leisure
4300001	Entertainment
4300002	Interactive Media and Services
4310000	Media
4410000	Distributors
4420000	Internet and Catalog Retail
4430000	Multiline Retail
4440000	Specialty Retail
5020000	Food & Staples Retailing
5110000	Beverages
5120000	Food Products
5130000	Tobacco
5210000	Household Products
5220000	Personal Products
6020000	Health Care Equipment & Supplies
6030000	Health Care Providers & Services
6110000	Biotechnology
6120000	Pharmaceuticals
7011000	Banks
7020000	Thrifts & Mortgage Finance
7110000	Diversified Financial Services
7120000	Consumer Finance
7130000	Capital Markets

Asset Type Code	Asset Type Description
7210000	Insurance
7310000	Real Estate Management & Development
7311000	Real Estate Investment Trusts (REITs)
8030000	IT Services
8040000	Software
8110000	Communications Equipment
8120000	Technology Hardware, Storage & Peripherals
8130000	Electronic Equipment, Instruments & Components
8210000	Semiconductors & Semiconductor Equipment
9020000	Diversified Telecommunication Services
9030000	Wireless Telecommunication Services
9520000	Electric Utilities
9530000	Gas Utilities
9540000	Multi-Utilities
9550000	Water Utilities
9551701	Diversified Consumer Services
9551702	Independent Power and Renewable Electricity Producers
9551727	Life Sciences Tools & Services
9551729	Health Care Technology
9612010	Professional Services
PF1	Project Finance: Industrial Equipment
PF2	Project Finance: Leisure and Gaming
PF3	Project Finance: Natural Resources and Mining
PF4	Project Finance: Oil and Gas
PF5	Project Finance: Power
PF6	Project Finance: Public Finance and Real Estate
PF7	Project Finance: Telecommunications
PF8	Project Finance: Transport

Schedule 4

Diversity Score Calculation

"**Diversity Score**": A single number that indicates collateral concentration in terms of both issuer and industry concentration. A higher Diversity Score reflects a more diverse portfolio in terms of issuer and industry concentration. The Diversity Score is calculated as follows:

(a) An "**Issuer Par Amount**" is calculated for each issuer of a Collateral Obligation, and is equal to the Aggregate Principal Balance of all Collateral Obligations issued by that issuer and all affiliates.

(b) An "**Average Par Amount**" is calculated by summing the Issuer Par Amounts for all issuers, and dividing by the number of issuers.

(c) An "**Equivalent Unit Score**" is calculated for each issuer, and is equal to the lesser of (x) one and (y) the Issuer Par Amount for such issuer divided by the Average Par Amount.

(d) An "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the Moody's industry classification groups, shown on **Schedule 2**, and is equal to the sum of the Equivalent Unit Scores for each issuer in such industry classification group.

(e) An "**Industry Diversity Score**" is then established for each Moody's industry classification group, shown on **Schedule 2**, by reference to the following table for the related Aggregate Industry Equivalent Unit Score; *provided* that if any Aggregate Industry Equivalent Unit Score falls between any two such scores, the applicable Industry Diversity Score will be the lower of the two Industry Diversity Scores:

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

(f) The Diversity Score is then calculated by summing each of the Industry Diversity Scores for each Moody's industry classification group shown on Schedule 2.

(g) For purposes of calculating the Diversity Score, affiliated issuers in the same industry are deemed to be a single issuer except as otherwise agreed to by Moody's.

Schedule 5

MOODY'S DEFINITIONS

"**Assigned Moody's Rating**": The publicly available rating or the estimated rating expressly assigned to a debt obligation (or facility) by Moody's that addresses the full amount of the principal and interest promised.

"**Caa Collateral Obligation**": A Collateral Obligation (other than a Defaulted Obligation or a Deferring Obligation) with a Moody's Rating of "Caa1" or lower.

"**CFR**": With respect to an obligor of a Collateral Obligation, if such obligor has a corporate family rating by Moody's, then such corporate family rating; provided, that if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"**Moody's Default Probability Rating**": With respect to a Collateral Obligation, the Moody's Default Probability Rating will be:

(a) if the obligor of such Collateral Obligation has a CFR, then such CFR;

(b) if not determined pursuant to clause (a) above, if the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(c) if not determined pursuant to clause (a) or (b) above, if the obligor of such Collateral Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Collateral Manager in its sole discretion;

(d) if not determined pursuant to clause (a), (b) or (c) above, if a rating estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, then the Moody's Default Probability Rating is such rating estimate as long as such rating estimate or a renewal for such rating estimate has been issued or provided by Moody's in each case within the 15 month period preceding the date on which the Moody's Default Probability Rating is being determined; *provided* that if such rating estimate has been issued or provided by Moody's for a period (x) longer than 13 months but not beyond 15 months, the Moody's Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond 15 months, the Moody's Default Probability Rating will be deemed to be "Caa3;"

(e) if such Collateral Obligation is a DIP Collateral Obligation, the Moody's Derived Rating set forth in clause (a) in the definition thereof;

(f) if not determined pursuant to any of clauses (a) through (e) above and at the election of the Collateral Manager, the Moody's Derived Rating; and

(g) if not determined pursuant to any of clauses (a) through (f) above, "Caa3."

To the extent that the Issuer relies upon a credit estimate for purposes of the Moody's Default Probability Rating of any Collateral Obligation, the Collateral Manager (on behalf of the Issuer) will apply

for renewal of such credit estimate on an annual basis (and shall also obtain and pay for a review of such credit estimate upon the occurrence of a material amendment to the terms of the applicable Collateral Obligation so long as the Issuer still holds the Collateral Obligation at such time). For purposes of calculating the Moody's Rating Factor, the rating otherwise determined in accordance with the definition of Moody's Default Probability Rating shall be adjusted as follows: (i) for any Collateral Obligation that is placed on negative outlook, such rating shall be adjusted downward one notch, (ii) for any Collateral Obligation that is placed on review for possible downgrade, such rating shall be adjusted downward two notches and (iii) for any Collateral Obligation that is placed on review for possible upgrade, such rating shall be adjusted upward one notch.

"**Moody's Derived Rating**": With respect to a Collateral Obligation for which a Moody's Derived Rating is to be determined, such Moody's Derived Rating will be the rating determined as set forth below:

(a) With respect to any DIP Collateral Obligation, the Moody's Default Probability Rating of such Collateral Obligation shall be the rating which is one subcategory below the facility rating (whether public or private) of such DIP Collateral Obligation rated by Moody's.

(b) If not determined pursuant to clause (a) above, then by using any one of the methods provided below:

(A) pursuant to the table below:

Type of Collateral Obligation	S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Obligation	≥ "BBB-"	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	≤" BB+"	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

(B) in the event that the Collateral Obligation does not have an S&P rating, but another security or obligation of the obligor is publicly rated by S&P:

Obligation Category of Rated Obligation	Number of Subcategories Relative to Rated Obligation Rating
Senior secured obligation	-1
Unsecured obligation	0
Subordinated obligation	+1

or

(C)if such Collateral Obligation is a DIP Collateral Obligation, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency;

provided, that the Aggregate Principal Balance of the Collateral Obligations that may have a Moody's Rating derived from an S&P Rating as set forth in sub-clauses (A) or (B) of this clause (b) may not exceed 10% of the Collateral Principal Amount.

(c)If not determined pursuant to clauses (a) or (b) above and such Collateral Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Obligation for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (i) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Collateral Obligations determined pursuant to this clause (c)(i) and clause (a) above does not exceed 5% of the Collateral Principal Amount or (ii) otherwise, "Caa1."

"**Moody's Rating**": (a) With respect to a Collateral Obligation that is a Senior Secured Loan, the Moody's Rating will be:

(A) if such Collateral Obligation has an Assigned Moody's Rating, then such Assigned Moody's Rating;

(B) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(C) if neither clause (A) nor (B) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(D) if none of clauses (A) through (C) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(E) if none of clauses (A) through (D) above apply, "Caa3"; and

(b) with respect to a Collateral Obligation other than a Senior Secured Loan, the Moody's Rating will be:

(A) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(B) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(C) if neither clause (A) nor (B) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(D) if none of clauses (A), (B) or (C) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(E) if none of clauses (A) through (D) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(F) if none of clauses (A) through (E) above apply, "Caa3."

To the extent that the Issuer relies upon a credit estimate for purposes of the Moody's Rating of any Collateral Obligation, the Collateral Manager (on behalf of the Issuer) will apply for renewal of such credit estimate on an annual basis (and shall also obtain and pay for a review of such credit estimate upon the occurrence of a material amendment to the terms of the applicable Collateral Obligation so long as the Issuer still holds the Collateral Obligation at such time).

"**Moody's Rating Factor**": For each Collateral Obligation, the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

"**Weighted Average Moody's Rating Factor**": The number (rounded up to the nearest whole number) determined by:

(a) summing the products of (i) the Principal Balance of each Collateral Obligation (excluding Equity Securities) multiplied by (ii) the Moody's Rating Factor of such Collateral Obligation and

(b) dividing such sum by the outstanding Principal Balance of all such Collateral Obligations.

Schedule 6

S&P DEFINITIONS

"**CCC Collateral Obligation**": A Collateral Obligation (other than a Defaulted Obligation or a Deferring Obligation) with an S&P Rating of "CCC+" or lower.

"**Information**": S&P's "Credit Estimate Information Requirements" dated April 2011 and any other available information S&P reasonably requests in order to produce a credit estimate for a particular asset.

"**S&P Collateral Value**": With respect to any Defaulted Obligation or Deferring Obligation, the lesser of (i) the S&P Recovery Amount of such Defaulted Obligation or Deferring Obligation, respectively, as of the relevant date of determination and (ii) the Market Value of such Defaulted Obligation or Deferring Obligation, respectively, as of the relevant date of determination.

"**S&P Rating**": With respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(i) (a) if there is an issuer credit rating of the issuer of such Collateral Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Obligation pursuant to a form of guaranty approved by S&P for use in connection with this transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Obligations of such issuer held by the Issuer, *provided* that private ratings (that is, ratings provided at the request of the obligor) may be used for purposes of this definition if such private ratings are not point-in-time ratings and the obligor has consented to the use of such ratings) or (b) if there is no issuer credit rating of the issuer by S&P but (1) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category below such rating; (2) if clause (1) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Obligation shall equal such rating; and (3) if neither clause (1) nor clause (2) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category above such rating if such rating is higher than "BB+," and shall be two sub-categories above such rating if such rating is "BB+" or lower;

(ii) with respect to any Collateral Obligation that is a DIP Collateral Obligation, the S&P Rating thereof shall be the credit rating assigned to such issue by S&P (*provided* that if a point-in-time credit rating was assigned by S&P within the last 12 months from the date of determination, then the S&P Rating shall be such point-in-time credit rating, unless a Specified Event has occurred with respect to such DIP Collateral Obligation, in which case the S&P Rating thereof shall be determined in accordance with clause (iv) below);

(iii) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined pursuant to clauses (a) through (c) below:

(a) if an obligation of the issuer is not a DIP Collateral Obligation and is publicly rated by Moody's, then the S&P Rating will be determined in accordance with the methodologies for establishing the Moody's Rating set forth above except that the S&P Rating of such obligation will be (1) one sub-category below the S&P

equivalent of the Moody's Rating if such Moody's Rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's Rating if such Moody's Rating is "Ba1" or lower;

(b) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Obligation shall, prior to or within 30 days after the acquisition of such Collateral Obligation, apply (and concurrently submit all available Information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; *provided* that, if such Information is submitted within such 30-day period, then, pending receipt from S&P of such estimate, such Collateral Obligation shall have an S&P Rating as determined by the Collateral Manager in its sole discretion if the Collateral Manager certifies to the Trustee and the Collateral Administrator that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and will be at least equal to such rating; *provided*, *further*, that if such Information is not submitted within such 30-day period, then, pending receipt from S&P of such estimate, the Collateral Obligation shall have (1) the S&P Rating as determined by the Collateral Manager for a period of up to 90 days after the acquisition of such Collateral Obligation and (2) an S&P Rating of "CCC-" following such 90-day period; unless, during such 90-day period, the Collateral Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; *provided*, *further*, that if such 90-day period (or other extended period) elapses pending S&P's decision with respect to such application, the S&P Rating of such Collateral Obligation shall be "CCC-"; *provided further*, that if the Collateral Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Obligation, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; *provided*, *further*, that such credit estimate shall expire 12 months after the acquisition of such Collateral Obligation, following which such Collateral Obligation shall have an S&P Rating of "CCC-" unless, during such 12-month period, the Issuer applies for renewal thereof in accordance with Section 7.14(b), in which case such credit estimate shall continue to be the S&P Rating of such Collateral Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Obligation; *provided*, *further*, that such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the acquisition of such Collateral Obligation and (when renewed annually in accordance with Section 7.14(b)) on each 12-month anniversary thereafter; or

(c) with respect to a Collateral Obligation that is not a Defaulted Obligation, the S&P Rating of such Collateral Obligation will at the election of the Issuer (at the direction of the Collateral Manager) be "CCC-"; *provided* that (i) neither the issuer of such Collateral Obligation nor any of its Affiliates are subject to any bankruptcy or reorganization proceedings and (ii) the issuer has not defaulted on any payment obligation in respect of any debt security or other obligation of the issuer at any time within the two year period ending on such date of determination, all such debt

securities and other obligations of the issuer that are pari passu with or senior to the Collateral Obligation are current and the Collateral Manager reasonably expects them to remain current; or

(iv) with respect to a DIP Collateral Obligation that has no issue rating by S&P or a Current Pay Obligation that is rated "D" or "SD" by S&P, the S&P Rating of such DIP Collateral Obligation or Current Pay Obligation, as applicable, will be, at the election of the Issuer (at the direction of the Collateral Manager), "CCC-" or the S&P Rating determined pursuant to clause (iii)(b) above;

provided, that for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating and (y) if the applicable rating assigned by S&P to an obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating; *provided*, *further*, that, for purposes of any rating estimate or private or confidential rating by S&P, the Issuer (or the Collateral Manager on its behalf) must provide S&P with (i) notification of any Specified Event, which notice shall include a copy of such Specified Event and a brief description of such event and (ii) at least annually (if not sooner) any Information with respect to a Collateral Obligation the S&P Rating of which is determined pursuant to clause (iii)(b) above; *provided, further* that the Issuer (or the Collateral Manager on behalf of the Issuer) shall use commercially reasonable efforts to provide to S&P the same information regarding such Collateral Obligation the S&P Rating of which is determined pursuant to clause (iii)(c) as it would be required to provide to S&P if it were seeking to obtain or maintain a credit estimate for such Collateral Obligation.

"**S&P Recovery Amount**": With respect to any Collateral Obligation, an amount equal to: (a) the applicable S&P Recovery Rate; multiplied by (b) the Principal Balance of such Collateral Obligation.

"**S&P Recovery Rate**": With respect to a Collateral Obligation, the recovery rate set forth in this Schedule 6 using the Initial Rating of the most senior Class of Secured Notes Outstanding at the time of determination.

"**S&P Recovery Rating**": With respect to a Collateral Obligation for which an S&P Recovery Rate is being determined, the "Recovery Rating" assigned by S&P to such Collateral Obligation based upon the tables set forth in this Schedule 6.

"**Specified Event**": With respect to any Collateral Obligation that is a DIP Collateral Obligation or is the subject of a rating estimate or is a private or confidential rating by S&P, the occurrence of any of the following events:

(a) any failure of the Obligor thereunder to pay interest on or principal of such Collateral Obligation when due and payable;

(b) the rescheduling of the payment of principal of or interest on such Collateral Obligation or any other obligations for borrowed money of such Obligor;

(c) the restructuring of any of the debt thereunder (including proposed debt);

(d) any significant sales or acquisitions of assets by the Obligor;

(e) the breach of any covenant of such Collateral Obligation or the reasonable determination by the Collateral Manager that there is a greater than 50% chance that a covenant would be breached in the next six months;

(f) the operating profit or cash flows of the Obligor being more than 20% lower than the Obligor's expected results;

(g) the reduction or increase in the Cash interest rate payable by the Obligor thereunder (excluding any increase in an interest rate arising by operation of a default or penalty interest clause under a Collateral Obligation);

(h) the extension of the stated maturity date of such Collateral Obligation; or

(i) the addition of payment-in-kind terms.

"**Third Party Credit Exposure**": As of any date of determination, the Principal Balance of each Collateral Obligation that consists of a Participation Interest.

"**Third Party Credit Exposure Limits**": Limits that shall be satisfied if the Third Party Credit Exposure with counterparties having the ratings below from S&P do not exceed the percentage of the Collateral Principal Amount specified below:

S&P's credit rating of Selling Institution	Aggregate Percentage Limit	Individual Percentage Limit
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	5%
A	5%	5%
below A	0%	0%

provided that (x) a Selling Institution having an S&P credit rating of "A" must also have a short-term S&P rating of "A-1" otherwise its Aggregate Percentage Limit and Individual Percentage Limit shall be 0% and (y) the Third Party Credit Exposure Limits shall not apply to any Collateral Obligation acquired in the form of a Participation Interest from the Affiliated Transferors.

S&P Recovery Rate Tables

For purposes of this Schedule 6:

"Group A" means Australia, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Japan, Luxembourg, Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

"Group B" means Brazil, Dubai International Finance Centre, Italy, Mexico, South Africa, Turkey and the United Arab Emirates.

"Group C" means Kazakhstan, Russian Federation, Ukraine and others not included in Group A or Group B.

1. (a) If a Collateral Obligation has an S&P Asset Specific Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be the applicable percentage set forth in Table 1 below, based on such S&P Asset Specific Recovery Rating and the applicable Class of Note:

Table 1: S&P Recovery Rates for Collateral Obligations With S&P Asset Specific Recovery Ratings*

Asset Specific Recovery Ratings	Recovery Indicator from published reports	S&P Recovery Rate for Secured Notes with Liability Rating						
		"AAA"	"AA"	"A"	"BBB"	"BB"	"B"	"CCC"
1+	100	75.00%	85.00%	88.00%	90.00%	92.00%	95.00%	95.00%
1	95	70.00%	80.00%	84.00%	87.50%	91.00%	95.00%	95.00%
1	90	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	95.00%
2	85	62.50%	72.50%	77.50%	83.00%	88.00%	92.00%	92.00%
2	80	60.00%	70.00%	75.00%	81.00%	86.00%	89.00%	89.00%
2	75	55.00%	65.00%	70.50%	77.00%	82.50%	84.00%	84.00%
2	70	50.00%	60.00%	66.00%	73.00%	79.00%	79.00%	79.00%
3	65	45.00%	55.00%	61.00%	68.00%	73.00%	74.00%	74.00%
3	60	40.00%	50.00%	56.00%	63.00%	67.00%	69.00%	69.00%
3	55	35.00%	45.00%	51.00%	58.00%	63.00%	64.00%	64.00%
3	50	30.00%	40.00%	46.00%	53.00%	59.00%	59.00%	59.00%
4	45	28.50%	37.50%	44.00%	49.50%	53.50%	54.00%	54.00%
4	40	27.00%	35.00%	42.00%	46.00%	48.00%	49.00%	49.00%
4	35	23.50%	30.50%	37.50%	42.50%	43.50%	44.00%	44.00%
4	30	20.00%	26.00%	33.00%	39.00%	39.00%	39.00%	39.00%
5	25	17.50%	23.00%	28.50%	32.50%	33.50%	34.00%	34.00%
5	20	15.00%	20.00%	24.00%	26.00%	28.00%	29.00%	29.00%
5	15	10.00%	15.00%	19.50%	22.50%	23.50%	24.00%	24.00%
5	10	5.00%	10.00%	15.00%	19.00%	19.00%	19.00%	19.00%

Asset Specific Recovery Ratings		Recovery Indicator from published reports	S&P Recovery Rate for Secured Notes with Liability Rating						
	6	5	3.50%	7.00%	10.50%	13.50%	14.00%	14.00%	14.00%
	6	0	2.00%	4.00%	6.00%	8.00%	9.00%	9.00%	9.00%

* The S&P Recovery Rate shall be the applicable rate set forth above based on the applicable Class of Secured Notes and the rating thereof as of the Closing Date.

(b) If a Collateral Obligation is senior unsecured debt or subordinate debt and does not have an S&P Asset Specific Recovery Rating but the same issuer has other debt obligations that rank senior, the S&P Recovery Rate for such Collateral Obligation shall be the applicable percentage set forth in Tables 2 and 3 below:

Table 2: Recovery Rates for Senior Unsecured Assets Junior to Assets With Recovery Ratings*

For Collateral Obligations Domiciled in Group A

Senior Asset Recovery Rate	S&P Recovery Rate for Secured Notes with Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	18%	20%	23%	26%	29%	31%
1	18%	20%	23%	26%	29%	31%
2	18%	20%	23%	26%	29%	31%
3	12%	15%	18%	21%	22%	23%
4	5%	8%	11%	13%	14%	15%
5	2%	4%	6%	8%	9%	10%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group B

Senior Asset Recovery Rate	S&P Recovery Rate for Secured Notes with Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	13%	16%	18%	21%	23%	25%
1	13%	16%	18%	21%	23%	25%
2	13%	16%	18%	21%	23%	25%
3	8%	11%	13%	15%	16%	17%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group C

Senior Asset Recovery Rate	S&P Recovery Rate for Secured Notes with Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	10%	12%	14%	16%	18%	20%
1	10%	12%	14%	16%	18%	20%
2	10%	12%	14%	16%	18%	20%
3	5%	7%	9%	10%	11%	12%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

* The S&P Recovery Rate shall be the applicable rate set forth above based on the applicable Class of Secured Notes and the rating thereof as of the Closing Date.

Table 3: Recovery Rates for Subordinated Assets Junior to Assets With Recovery Ratings*

For Collateral Obligations Domiciled in Groups A and B

Senior Asset Recovery Rate	S&P Recovery Rate for Secured Notes with Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	8%	8%	8%	8%	8%	8%
1	8%	8%	8%	8%	8%	8%
2	8%	8%	8%	8%	8%	8%
3	5%	5%	5%	5%	5%	5%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group C

Senior Asset Recovery Rate	S&P Recovery Rate for Secured Notes with Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	5%	5%	5%	5%	5%	5%
1	5%	5%	5%	5%	5%	5%
2	5%	5%	5%	5%	5%	5%
3	2%	2%	2%	2%	2%	2%
4	-%	-%	-%	-%	-%	-%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

* The S&P Recovery Rate shall be the applicable rate set forth above based on the applicable Class of Secured Notes and the rating thereof as of the Closing Date.

2. (c) In all other cases, as applicable, based on the applicable Class of Notes, the S&P Recovery Rate for such Collateral Obligation shall be the applicable percentage set forth in Table 4 below:

Table 4: Tiered Corporate Recovery Rates (By Asset Class and Class of Notes)*

Priority Category	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Senior Secured Loans**						
Group A	50%	55%	59%	63%	75%	79%
Group B	39%	42%	46%	49%	60%	63%
Group C	17%	19%	27%	29%	31%	34%
Senior Secured Loans (Cov-Lite Loans)						
Group A	41%	46%	49%	53%	63%	67%
Group B	32%	35%	39%	41%	50%	53%
Group C	17%	19%	27%	29%	31%	34%
Mezzanine/ Second Lien Loans/ First-Lien Last-Out Loans/Senior Unsecured Loans***						
Group A	18%	20%	23%	26%	29%	31%
Group B	13%	16%	18%	21%	23%	25%
Group C	10%	12%	14%	16%	18%	20%
Subordinated loans						
Group A	8%	8%	8%	8%	8%	8%
Group B	8%	8%	8%	8%	8%	8%
Group C	5%	5%	5%	5%	5%	5%
	Recovery rate					

* The S&P Recovery Rate shall be the applicable rate set forth above based on the applicable Class of Secured Notes and the rating thereof as of the Closing Date.

** Solely for the purpose of determining the S&P Recovery Rate for such loan, no loan will constitute a "Senior Secured Loan" unless such loan (a) is secured by a valid first priority security interest in collateral, (b) in the Collateral Manager's commercially reasonable judgment (with such determination being made in good faith by the Collateral Manager at the time of such loan's purchase and based upon information reasonably available to the Collateral Manager at such time and without any requirement of additional investigation beyond the Collateral Manager's customary credit review procedures), is secured by specified collateral that has a value not less than an amount equal to the sum of (i) the aggregate principal balance of all loans senior or pari passu to such loans and (ii) the outstanding principal balance of such loan, which value may be derived from, among other things, the enterprise value (but may not be based solely on equity or goodwill) of the issuer of such loan; provided that the terms of this footnote may be amended or revised at any time by a written agreement of the Issuer, the Collateral Manager and the Trustee (without the consent of any holder of any Note), in order to conform to S&P then current criteria for such loans, (c) is not a First-Lien Last-Out Loan and (d) is not secured solely or primarily by common stock or other equity interests.

*** Solely for the purpose of determining the S&P Recovery Rate for such loan, the aggregate principal balance of all Senior Unsecured Loans and Second Lien Loans that, in the aggregate, represent up to 15% of the Collateral Principal Amount shall have the S&P Recovery Rate specified for Unsecured Loans and Second Lien Loans in the table above and the aggregate principal balance of all Unsecured Loans and Second

Lien Loans in excess of 15% of the Collateral Principal Amount shall have the S&P Recovery Rate specified for subordinated loans in the table above.

Schedule 7

CALCULATION OF LIBOR

"**LIBOR**" with respect to the Floating Rate Notes, for any Interest Accrual Period, means the greater of (I) (a) the rate appearing on the Reuters Screen for deposits with a term of three months (*provided* that LIBOR for the first Interest Accrual Period will equal the rate determined through the use of straight-line interpolation by reference to two rates appearing on the Reuters Screen, one of which will be determined as if the maturity of the U.S. dollar deposits referred to therein were the period of time for which rates are available next shorter than such Interest Accrual Period and the other of which will be determined as if such maturity were the period of time for which rates are available next longer than such Interest Accrual Period) or (b) if such rate is unavailable at the time LIBOR is to be determined, LIBOR shall be determined on the basis of the rates at which deposits in U.S. Dollars are offered by four major banks in the London market selected by the Calculation Agent after consultation with the Collateral Manager (the "**Reference Banks**") at approximately 11:00 a.m., London time, on the Interest Determination Date to prime banks in the London interbank market for a period approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the Aggregate Outstanding Amount of the Floating Rate Notes and (II) 0.00%. The Calculation Agent will request the principal London office of each Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR shall be the arithmetic mean of such quotations (rounded upward to the next higher 1/100). If fewer than two quotations are provided as requested, LIBOR with respect to such Interest Accrual Period will be the arithmetic mean of the rates quoted by three major banks in New York, New York selected by the Calculation Agent after consultation with the Collateral Manager at approximately 11:00 a.m., New York time, on such Interest Determination Date for loans in U.S. Dollars to leading European banks for a term approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the Floating Rate Notes. Subject to the last paragraph of this definition, if the Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures described above, LIBOR will be LIBOR as determined on the previous Interest Determination Date. "**LIBOR**", when used with respect to a Collateral Obligation, means the "libor" rate determined in accordance with the terms of such Collateral Obligation.

Notwithstanding anything in the first paragraph of this definition to the contrary, if at any time while any Secured Notes are outstanding (i) LIBOR ceases to exist or be reported on the Reuters Screen or (ii) at least 50% (by par amount) of (A) quarterly pay Floating Rate Obligations or (B) the floating rate securities issued in the new-issue collateralized loan obligation market at such time rely on reference rates other than LIBOR, in either case as determined by the Collateral Manager, the Collateral Manager (on behalf of the Issuer) may select (with notice to the Trustee, the Calculation Agent and the Collateral Administrator) an alternative reference rate, including any applicable spread adjustments thereto, that in its commercially reasonable judgment is acceptable as a successor to LIBOR and all references herein to "LIBOR" will mean such alternative reference rate selected by the Collateral Manager without the need for a supplemental indenture; *provided* that (A) if a proposed alternative reference rate is not a Designated Reference Rate, then the Trustee shall provide notice of such proposed alternative reference rate to the Holders of the Class A-1 Notes so long as the Class A-1 Notes are Outstanding no later than the tenth Business Day prior to the effectiveness of such alternative reference rate and the alternative reference rate will not be effective if a Majority of the Class A-1 Notes provides written notice objecting to such alternative reference rate no later than the third Business Day after receiving such notice; and (B) the alternative reference rate will be subject to a minimum of 0.0%; *provided further* that the Issuer shall have obtained written advice of Dechert LLP or an opinion of tax counsel of nationally recognized standing that is experienced in such matters to the effect that such selection will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes.

"**Reuters Screen**" means Reuters Page LIBOR01 (or such other page that may replace that page on such service for the purpose of displaying comparable rates) as reported by Bloomberg Financial Markets Commodities News as of 11:00 a.m., London time, on the Interest Determination Date.

Schedule 8

CONTENT OF MONTHLY REPORT

Each Monthly Report will contain the following information, determined as of the eighth Business Day prior to the 15th day of each calendar month commencing in July 2019 (other than a month in which a Payment Date occurs), or if any such date is not a Business Day, then the next succeeding Business Day (the "**Monthly Report Determination Date**") and shall be delivered as described in Section 10.6(a) no later than five Business Days after the Monthly Report Determination Date:

(i) The Aggregate Principal Balance of Collateral Obligations and Eligible Investments representing Principal Proceeds.

(ii) The Adjusted Collateral Principal Amount of Collateral Obligations.

(iii) The Collateral Principal Amount of Collateral Obligations.

(iv) A list of Collateral Obligations, including, with respect to each such Collateral Obligation, the following information:

(A) the Obligor thereon (including the issuer ticker, if any);

(B) the CUSIP or security identifier thereof and, if a LoanX identifier is available, the LoanX identifier;

(C) the Principal Balance thereof (other than any accrued interest that was purchased with Principal Proceeds (but excluding any capitalized interest));

(D) the percentage of the aggregate Collateral Principal Amount represented by such Collateral Obligation;

(E) (x) the related interest rate or spread (in the case of a LIBOR Floor Obligation, calculated both with and without regard to the applicable specified "floor" rate per annum) and (y) the identity of any Collateral Obligation that is not a LIBOR Floor Obligation and for which interest is calculated with respect to an index other than LIBOR;

(F) the stated maturity thereof;

(G) the related S&P Industry Classification;

(H) the Market Value;

(I) the S&P Rating, unless such rating is based on a credit estimate or is a private or confidential rating from S&P, in which case no rating shall be specified in respect of S&P;

(J) the country or countries of Domicile (and, if clause (c) of the definition of Domicile is applicable, whether such Domicile is determined by reference to a guarantor's Domicile);

(K) an indication as to whether each such Collateral Obligation is (1) a Senior Secured Loan, (2) a Defaulted Obligation, (3) a Delayed Drawdown Collateral Obligation, (4) a Revolving Collateral Obligation, (5) a Participation Interest (indicating the related Selling Institution and its

ratings by the Applicable Rating Agency), (6) a Deferrable Obligation, (7) a Second Lien Loan, (8) a Senior Unsecured Loan, (9) a Fixed Rate Obligation, (10) a Current Pay Obligation, (11) a DIP Collateral Obligation, (12) a Discount Obligation, (13) a Cov-Lite Loan, (14) a First-Lien Last-Out Loan or (15) a Permitted Deferrable Obligation;

(L) with respect to each Asset that is a bond, note or other security, a notation with respect thereto as to whether such security is a Permitted Exchange Security;

(M) the Aggregate Principal Balance of all Cov-Lite Loans;

(N) the identity of any Collateral Obligation that is deemed not to be a Cov-Lite Loan solely because of the proviso to the definition of the term "Cov-Lite Loan"; and

(O) whether the information relating to such Collateral Obligation is given on a settlement basis or a trade date basis.

(v) The calculation of each of the following:

(A) each Interest Coverage Ratio (and setting forth the percentage required to satisfy each Interest Coverage Test); and

(B) each Overcollateralization Ratio (and setting forth the percentage required to satisfy each Overcollateralization Ratio Test).

(vi) The calculation specified in Section 5.1(g).

(vii) For each Account, a schedule showing the beginning balance, each credit or debit specifying the nature, source and amount, and the ending balance.

(viii) A schedule showing for each of the following the beginning balance, the amount of Interest Proceeds received from the preceding Monthly Report Determination Date, and the ending balance for the current Measurement Date:

(A) Interest Proceeds from Collateral Obligations; and

(B) Interest Proceeds from Eligible Investments.

(ix) The identity, Principal Balance (other than any accrued interest that was purchased with Principal Proceeds (but excluding any capitalized interest)), Principal Proceeds and Interest Proceeds received, and date for (X) each Collateral Obligation that was released for sale or disposition pursuant to Section 12.1 since the last Monthly Report Determination Date and (Y) for each prepayment or redemption of a Collateral Obligation, and in the case of (X), whether such Collateral Obligation was a Credit Risk Obligation.

(x) The identity of each Defaulted Obligation, the Defaulted Collateral Value and the Market Value of each such Defaulted Obligation and date of default thereof.

(xi) The identity of each Collateral Obligation with an S&P Rating of "CCC+" or below and the Market Value of each such Collateral Obligation.

(xii) The identity of each Deferring Obligation, the Defaulted Collateral Value and Market Value of each Deferring Obligation, and the date on which interest was last paid in full in Cash thereon.

(xiii) The identity of each Current Pay Obligation, the Market Value of each such Current Pay Obligation, and the percentage of the Collateral Principal Amount comprised of Current Pay Obligations.

(xiv) The Weighted Average Moody's Rating Factor and the Diversity Score.

(xv) Such other information as the Applicable Rating Agency (if then rating a Class of Secured Notes) or the Collateral Manager may reasonably request to be added to the Monthly Report.

(xvi) The nature, source and amount of any proceeds in the Collection Account, and the identity of all Eligible Investments credited to each Account.

(xvii) The identity of the federal or state-chartered deposit institution where the accounts established pursuant to Section 10.2 and Section 10.3 are held and the then-current ratings of such institution.

Schedule 9

CONTENT OF DISTRIBUTION REPORT

The Distribution Report will contain the following information and shall be delivered as described in Section 10.6(b) no later than the Business Day preceding the related Payment Date:

(i) the information required to be in the Monthly Report pursuant to Section 10.6(a);

(ii) (a) the Aggregate Outstanding Amount of the Secured Notes of each Class at the beginning of the Interest Accrual Period and such amount as a percentage of the original Aggregate Outstanding Amount of the Secured Notes of such Class, (b) the amount of principal payments to be made on the Secured Notes of each Class on the next Payment Date and the Aggregate Outstanding Amount of the Secured Notes of each Class after giving effect to the principal payments, if any, on the next Payment Date and such amount as a percentage of the original Aggregate Outstanding Amount of the Secured Notes of such Class and (c) the Aggregate Outstanding Amount of the Subordinated Notes at the beginning of the Interest Accrual Period and such amount as a percentage of the original Aggregate Outstanding Amount of the Subordinated Notes, the amount of payments to be made on the Subordinated Notes in respect of Subordinated Note Redemption Prices on the next Payment Date, and the Aggregate Outstanding Amount of the Subordinated Notes after giving effect to such payments, if any, on the next Payment Date and such amount as a percentage of the original Aggregate Outstanding Amount of the Subordinated Notes;

(iii) the Interest Rate and accrued interest for each applicable Class of Secured Notes for such Payment Date;

(iv) the amounts payable pursuant to each clause of the Priority of Interest Payments and each clause of the Priority of Principal Payments or each clause of the Acceleration Waterfall, as applicable, on the related Payment Date;

(v) for the Collection Account:

(A) the Balance on deposit in the Collection Account at the end of the related Collection Period (or, with respect to the Interest Collection Subaccount, the next Business Day);

(B) the amounts payable from the Collection Account to the Payment Account, in order to make payments pursuant to the Priority of Interest Payments, the Priority of Principal Payments and the Acceleration Waterfall on the next Payment Date; and

(C) the Balance remaining in the Collection Account immediately after all payments and deposits to be made on such Payment Date; and

(vi) such other information as the Collateral Manager may reasonably request.

Schedule 10

NOTICE ADDRESSES

Any request, demand, authorization, direction, instruction, order, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this Indenture to be made upon, given, e-mailed or furnished to, or filed to:

(i) the Trustee shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to and mailed, by certified mail, return receipt requested, hand delivered, sent by overnight courier service guaranteeing next day delivery, or by electronic mail to the Trustee addressed to it at the Corporate Trust Office, or at any other address previously furnished in writing to the other parties hereto by the Trustee, and executed by an Authorized Officer of the entity sending such request, demand, authorization, direction, instruction, order, notice, consent, waiver or other document, *provided* that any demand, authorization, direction, instruction, order, notice, consent, waiver or other document sent to State Street Bank and Trust Company (in any capacity hereunder) will be deemed effective only upon receipt thereof by State Street Bank and Trust Company;

(ii) the Co-Issuers shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, hand delivered, sent by overnight courier service or by facsimile in legible form, to the Issuer addressed to it at c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman KY1-1102, Cayman Islands, Attention: The Directors, facsimile No. (345) 945-7100, email: cayman@maples.com or to the Co-Issuer addressed to it at c/o Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware 19711 or at any other address previously furnished in writing to the other parties hereto by the Issuer or the Co-Issuer, as the case may be, with a copy to the Collateral Manager at its address below;

(iii) the Collateral Manager shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, hand delivered, sent by overnight courier service or by facsimile in legible form, to the Collateral Manager addressed to it at 300 South Tryon Street, Suite 2500, Charlotte, North Carolina 28202, Attention: Rob Shelton, facsimile No. (413) 226-2854 or by email to rob.shelton@barings.com and/or to the attention of such other officers, authorized persons or employees of the Collateral Manager set forth on the list provided by the Collateral Manager to the Issuer and the Trustee, which list shall include any collateral manager having day-to-day responsibility for the performance of the Collateral Manager under the Collateral Management Agreement, as such list may be amended from time to time (such persons, "**Responsible Officers**"), or at any other address previously furnished in writing to the parties hereto;

(iv) the Initial Purchaser shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, hand delivered, sent by overnight courier service or by telecopy in legible form, addressed to Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Bryant Park, 3rd Floor, New York, New York 10036, Attention: Global Loans & Special Situations or at any other address previously furnished in writing to the Issuer and the Trustee by the Initial Purchaser;

(v) the Collateral Administrator shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, hand delivered, sent by overnight courier service or by facsimile in legible form, to the Corporate Trust Office, or at any other address previously furnished in writing to the parties hereto;

(vi) subject to Section 14.3(c) of this Indenture, the Applicable Rating Agency shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first class

postage prepaid, hand delivered, sent by overnight courier service to the Applicable Rating Agency addressed to it at Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004, Attention: CDO Surveillance or by e-mail to cdo.surveillance@fitchratings.com;

(vii) the Administrator shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to and mailed, by certified mail, return receipt requested, hand delivered, sent by overnight courier service guaranteeing next day delivery or by facsimile in legible form, to the Administrator addressed to it at MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman KY1-1102, Cayman Islands, Attention: Barings BDC Static CLO Ltd. 2019-I, facsimile No. +1 (345) 945-7100, email: cayman@maples.com; and

(viii) to any Hedge Counterparty, shall be provided in accordance with the notice provisions of the related Hedge Agreement.

As used herein, "**Corporate Trust Office**" means the designated corporate trust office of the Trustee, currently located at 1 Iron Street, Boston Massachusetts 02210, Attention: Structured Trust and Analytics, or such other address as the Trustee may designate from time to time by notice to the Holders, the Collateral Manager and the Issuer, or the principal corporate trust office of any successor Trustee.

EXHIBIT A-1

FORM OF SECURED NOTE

CLASS [A-1][A-2] SENIOR SECURED FLOATING RATE NOTE DUE 2027

Certificate No. [●]

Type of Note *(check applicable)*:

☐Rule 144A Global Secured Note with an initial principal amount of $_____

☐ Regulation S Global Secured Note with an initial principal amount of $_____

☐ Certificated Secured Note with a principal amount of $_____

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO A PERSON THAT IS (I) EITHER (1) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH RULE THAT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE DEALER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(D) OR (a)(1)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN OR (2) SOLELY IN THE CASE OF SECURED NOTES ISSUED AS CERTIFICATED SECURED NOTES, AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "IAI") AND (II) A QUALIFIED PURCHASER OR AN ENTITY OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS OR (B) TO A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY APPLICABLE JURISDICTION.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT IS A U.S. PERSON AND IS NOT (I) A QUALIFIED INSTITUTIONAL BUYER OR AN IAI AND (II) A QUALIFIED PURCHASER OR AN ENTITY OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF

OF SUCH OWNER. TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) OR THE FAILURE TO PROVIDE OR UPDATE ITS HOLDER FATCA INFORMATION OR TO TAKE ANY OTHER ACTION REASONABLY NECESSARY (IN THE DETERMINATION OF THE ISSUER, THE COLLATERAL MANAGER OR THEIR RESPECTIVE AGENTS OR AFFILIATES) TO ENABLE THE ISSUER OR AN INTERMEDIARY TO COMPLY WITH FATCA MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE AGREES TO (I) PROVIDE THE ISSUER OR AUTHORIZED AGENT ACTING ON ITS BEHALF (AND ANY APPLICABLE INTERMEDIARY) WITH THE HOLDER FATCA INFORMATION AND TO TAKE ANY OTHER ACTION REASONABLY NECESSARY (IN THE DETERMINATION OF THE ISSUER, THE COLLATERAL MANAGER OR THEIR RESPECTIVE AGENTS OR AFFILIATES) TO ENABLE THE ISSUER OR AN INTERMEDIARY TO COMPLY WITH FATCA AND (II) PERMIT THE ISSUER, THE COLLATERAL MANAGER, ANY APPLICABLE INTERMEDIARY AND TRUSTEE (ON BEHALF OF THE ISSUER), TO (X) SHARE SUCH INFORMATION WITH THE IRS AND ANY OTHER TAXING AUTHORITY, (Y) COMPEL OR EFFECT NOTES HELD BY ANY SUCH HOLDER THAT FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS OR IF SUCH HOLDER'S OWNERSHIP WOULD PREVENT THE ISSUER FROM QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" OR A "DEEMED COMPLIANT FFI" WITHIN THE MEANING OF THE CODE OR ANY TREASURY REGULATIONS PROMULGATED THEREUNDER, OR OTHERWISE PREVENTS THE ISSUER FROM COMPLYING WITH FATCA (FOR THESE PURPOSES, THE ISSUER MAY SELL A BENEFICIAL OWNER'S INTEREST IN A NOTE IN ITS ENTIRETY NOTWITHSTANDING THAT THE SALE OF A PORTION OF SUCH AN INTEREST WOULD PERMIT THE ISSUER TO

COMPLY WITH FATCA) AND (Z) MAKE OTHER AMENDMENTS TO THE INDENTURE TO ENABLE THE ISSUER TO COMPLY WITH FATCA.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS NOTE, BY ACQUIRING THIS NOTE OR ITS INTEREST IN THIS NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, THIS NOTE AS DEBT OF THE ISSUER FOR U.S. FEDERAL INCOME TAX PURPOSES, SHALL REPORT ALL INCOME (OR LOSS) IN ACCORDANCE WITH SUCH TREATMENT AND SHALL TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY ANY RELEVANT TAXING AUTHORITY.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE THAT IS NOT A U.S. TAX PERSON REPRESENTS THAT EITHER (A) IT IS NOT (I) A BANK (OR AN ENTITY AFFILIATED WITH A BANK) EXTENDING CREDIT PURSUANT TO A LOAN AGREEMENT ENTERED INTO IN THE ORDINARY COURSE OF ITS TRADE OR BUSINESS (WITHIN THE MEANING OF SECTION 881(c)(3)(A) OF THE CODE), (II) A "10 PERCENT SHAREHOLDER" WITH RESPECT TO THE ISSUER WITHIN THE MEANING OF SECTION 871(H)(3) OR SECTION 881(c)(3)(D) OF THE CODE OR (III) A "CONTROLLED FOREIGN CORPORATION" THAT IS RELATED TO THE ISSUER WITHIN THE MEANING OF SECTION 881(c)(3)(C) OF THE CODE; (B) IT IS A PERSON THAT IS ELIGIBLE FOR BENEFITS UNDER AN INCOME TAX TREATY WITH THE UNITED STATES THAT ELIMINATES U.S. FEDERAL INCOME TAXATION OF U.S. SOURCE INTEREST NOT ATTRIBUTABLE TO A PERMANENT ESTABLISHMENT IN THE UNITED STATES OR (C) IT HAS PROVIDED AN IRS FORM W-8ECI REPRESENTING THAT ALL PAYMENTS RECEIVED OR TO BE RECEIVED BY IT ON THE NOTES ARE EFFECTIVELY CONNECTED WITH THE CONDUCT OF A TRADE OR BUSINESS IN THE UNITED STATES.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE THAT IS NOT A U.S. TAX PERSON REPRESENTS THAT IT IS NOT AND WILL NOT BECOME A MEMBER OF AN "EXPANDED GROUP" (WITHIN THE MEANING OF THE REGULATIONS ISSUED UNDER SECTION 385 OF THE CODE) THAT INCLUDES A DOMESTIC CORPORATION (AS DETERMINED FOR U.S. FEDERAL INCOME TAX PURPOSES) IF SUCH DOMESTIC CORPORATION DIRECTLY OR INDIRECTLY (THROUGH ONE OR MORE ENTITIES THAT ARE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES AS PARTNERSHIPS, DISREGARDED ENTITIES OR GRANTOR TRUSTS) OWNS ANY EQUITY INTERESTS IN THE ISSUER.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY HOLDER OR BENEFICIAL OWNER OF THIS NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO

SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (ANY SUCH LAW OR REGULATION, AN "OTHER PLAN LAW"), ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SUCH OTHER PLAN LAW. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY.

IF THIS NOTE IS A GLOBAL NOTE, THE FOLLOWING LEGEND SHALL APPLY:

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, TO THE CO-ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.

NOTE DETAILS

This Note is one of a duly authorized issue of Notes issued under the Indenture (as defined below) having the applicable class designation and other details specifically indicated below (the "**Note Details**"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Co-Issuers, the Trustee and the Holders and the terms upon which the Notes are, and are to be, authenticated and delivered. In the event of any inconsistency between this Note (including the Note Details) and the terms of the Indenture, the terms of the Indenture shall govern.

Issuer:	Barings BDC Static CLO Ltd. 2019-I
Co-Issuer:	Barings BDC Static CLO 2019-I, LLC
Note issued by Co-Issuer:	☐Yes ☐ No
Trustee:	State Street Bank and Trust Company
Indenture:	Indenture, dated as of May 9, 2019, among the Issuer, the Co-Issuer and the Trustee, as amended, modified or supplemented from time to time
Registered Holder (check applicable):	☐ CEDE & ☐ CO. _____ (insert name)
Stated Maturity:	The Payment Date in April 2027
Payment Dates:	The 15th day of January, April, July and October of each year (or, if such day is not a Business Day, the next succeeding Business Day), commencing in July 2019 and each Redemption Date with respect to all Classes of Secured Notes, except that (x) "Payment Date" shall include each date fixed by the Trustee on which payments are made in accordance with Section 5.7 of the Indenture and (y) the final Payment Date (subject to any earlier redemption or payment of the Notes) shall be the Stated Maturity (or, if such day is not a Business Day, the next succeeding Business Day).
Class designation and Interest Rate (check applicable):	☐ Class A-1 LIBOR + 1.02% ☐ Class A-2 LIBOR + 1.65%

Principal amount (if Global Note, check applicable "up to" principal amount):	☐ Class A-1 $296,750,000 ☐ Class A-2 $51,500,000
Principal amount (if Certificated Note):	As set forth on the first page above
Minimum Denominations:	$250,000 and integral multiples of $1.00 in excess thereof

NOTE DETAILS (continued)

Note identifying numbers: As indicated in the applicable table below for the type of Note and applicable Class indicated on the first page above.

Rule 144A Global Secured Notes

Designation	CUSIP	ISIN
Class A-1	06761QAA6	US06761QAA67
Class A-2	06761QAC2	US06761QAC24

Regulation S Global Secured Notes

Designation	CUSIP	ISIN	Common Code
Class A-1	G41484AA7	USG41484AA74	199397737
Class A-2	G41484AB5	USG41484AB57	199397745

Certificated Secured Notes

Designation	CUSIP	ISIN
Class A-1	06761QAB4	US06761QAB41
Class A-2	06761QAD0	US06761QAD07

The Issuer and the Co-Issuer, for value received, hereby promise to pay to the registered Holder of this Note or its registered assigns or nominees, upon presentation and surrender of this Note (except as otherwise permitted by the Indenture), the principal sum identified as the principal amount of this Note set forth in the Note Details (or, if this Note is identified as a Global Note in the Note Details, such lesser principal amount shown on the books and records of the Trustee) on the Stated Maturity set forth in the Note Details, except as provided below and in the Indenture.

The Issuer and the Co-Issuer promise to pay, in accordance with the Priority of Payments, interest on the Aggregate Outstanding Amount of this Note on each Payment Date and each other date that interest is required to be paid on this Note upon earlier redemption or payment at a rate per annum equal to the interest rate for this Note in the Note Details set forth above in arrears. Interest shall be calculated on the day count basis for the relevant Interest Accrual Period for this Note as provided in the Indenture. To the extent lawful and enforceable, interest that is not paid when due and payable shall accrue interest at the applicable interest rate until paid as provided in the Indenture.

This Note will mature at par and be due and payable on the Stated Maturity unless such principal has been previously repaid or unless the unpaid principal of this Note becomes due and payable at an earlier date by acceleration, redemption or otherwise. The payment of principal on this Note may only occur in accordance with the Priority of Payments.

Interest will cease to accrue on this Note or, in the case of a partial repayment, on such repaid part, from the date of repayment.

Payments on this Note will be made in immediately available funds to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the relevant Record Date. Payments to the registered Holder will be made ratably among the Holders in the proportion that the Aggregate Outstanding Amount of this Note on such Record Date bears to the Aggregate Outstanding Amount of all Notes of the Class of Notes to which this Note forms a part on such Record Date.

If this is a Global Note as identified in the Note Details, increases and decreases in the principal amount of this Note as a result of exchanges and transfers of interests in this Note and principal payments shall be recorded in the records of the Trustee and DTC or its nominee. So long as DTC or its nominee is the registered owner of this Note, DTC or such nominee, as the case may be, will be considered the sole owner or Holder of this Note (represented hereby and beneficially owned by other persons) for all purposes under the Indenture.

All reductions in the principal amount of this Note (or one or more predecessor Notes) effected by payments made on any Payment Date or other date of redemption or other repayment shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer of this Note or in exchange therefor or in lieu thereof, whether or not such payment is noted on this Note. Subject to Article II of the Indenture, upon registration of transfer of this Note or in exchange for or in lieu of any other Note of the same Class, this Note will carry the rights to unpaid interest and principal (or other applicable amount) that were carried by such predecessor Note.

The terms of Section 2.7(i) and Section 5.4(d) of the Indenture shall apply to this Note *mutatis mutandis* as if fully set forth herein.

This Note shall be issued in the Minimum Denominations set forth in the Note Details.

This Note is subject to redemption in the manner and subject to the satisfaction of certain conditions set forth in the Indenture. The Redemption Price for this Note is set forth in the Indenture.

If an Event of Default occurs and is continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture. A declaration of acceleration of the maturity of this Note may be rescinded or annulled at any time before a judgment or decree for payment of the money due has been obtained, provided that certain conditions set forth in the Indenture are satisfied.

The Indenture permits, subject to certain conditions, the amendment thereof and the modification of the provisions of the Indenture and the rights of the Holders under the Indenture. Upon the execution of any supplemental indenture, the Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of the Indenture for all purposes, and every Holder of a Note theretofore and thereafter authenticated and delivered thereunder shall be bound thereby.

Title to this Note will pass by registration in the Register kept by the Registrar.

No service charge will be made to the Holder for any registration of transfer or exchange of this Note, but the Registrar, Transfer Agent or Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

This Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose, unless the Certificate of Authentication herein has been executed by either the Trustee or the Authenticating Agent by the manual signature of one of their Authorized Officers, and such certificate shall be conclusive evidence, and the only evidence, that this Note has been duly authenticated and delivered under the Indenture.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed.

Dated: _____,_____

BARINGS BDC STATIC CLO LTD. 2019-I

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Co-Issuer has caused this Note to be duly executed.

Dated: _____, ____

BARINGS BDC STATIC CLO 2019-I, LLC

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within-mentioned Indenture.

Dated: _____, ____

STATE STREET BANK AND TRUST COMPANY,
as Trustee

By: _____
Authorized Signatory

ASSIGNMENT FORM

For value received _____does hereby sell, assign and transfer unto _____

Social security or other identifying number of assignee:

Name and address, including zip code, of assignee:

the within Note and does hereby irrevocably constitute and appoint _____ Attorney to transfer the Note on the books of the Co-Issuers with full power of substitution in the premises.

Date: _____ Your Signature:

_____
(Sign exactly as your name appears on the Note)

* NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular without alteration, enlargement or any change whatsoever. *Such signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.*

EXHIBIT A-2

FORM OF SUBORDINATED NOTE

SUBORDINATED NOTE DUE 2027

Certificate No. [●]

Type of Note *(check applicable)*:

☐ Rule 144A Global Subordinated Note with an initial principal amount of $_____

☐ Certificated Subordinated Note with a principal amount of $_____

THIS SUBORDINATED NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A PERSON THAT IS (I) EITHER (1) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH RULE THAT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE DEALER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(D) OR (a)(1)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN OR (2) AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "IAI") AND (II) A QUALIFIED PURCHASER OR AN ENTITY OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS, AND IN EACH CASE IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY APPLICABLE JURISDICTION.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY HOLDER OR BENEFICIAL OWNER OF AN INTEREST IN A SUBORDINATED NOTE THAT IS A U.S. PERSON AND IS NOT (I) A QUALIFIED INSTITUTIONAL BUYER OR AN INSTITUTIONAL ACCREDITED INVESTOR AND (II) A QUALIFIED PURCHASER OR AN ENTITY OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.

DISTRIBUTIONS OF PRINCIPAL PROCEEDS AND INTEREST PROCEEDS TO THE HOLDER OF THE SUBORDINATED NOTES REPRESENTED HEREBY ARE SUBORDINATED TO THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM)), OR THE FAILURE TO PROVIDE OR UPDATE ITS HOLDER FATCA INFORMATION OR TO TAKE ANY OTHER ACTION REASONABLY NECESSARY (IN THE DETERMINATION OF THE ISSUER, THE COLLATERAL MANAGER OR THEIR RESPECTIVE AGENTS OR AFFILIATES) TO ENABLE THE ISSUER OR AN INTERMEDIARY TO COMPLY WITH FATCA MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE AGREES TO (I) PROVIDE THE ISSUER OR AUTHORIZED AGENT ACTING ON ITS BEHALF (AND ANY APPLICABLE INTERMEDIARY) WITH THE HOLDER FATCA INFORMATION AND TO TAKE ANY OTHER ACTION REASONABLY NECESSARY (IN THE DETERMINATION OF THE ISSUER, THE COLLATERAL MANAGER OR THEIR RESPECTIVE AGENTS OR AFFILIATES) TO ENABLE THE ISSUER OR AN INTERMEDIARY TO COMPLY WITH FATCA AND (II) PERMIT THE ISSUER, THE COLLATERAL MANAGER, ANY APPLICABLE INTERMEDIARY AND THE TRUSTEE (ON BEHALF OF THE ISSUER), TO (X) SHARE SUCH INFORMATION WITH THE IRS AND ANY OTHER TAXING AUTHORITY, (Y) COMPEL OR EFFECT THE SALE OF NOTES HELD BY ANY SUCH HOLDER THAT FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS OR IF SUCH HOLDER'S OWNERSHIP WOULD PREVENT THE ISSUER FROM QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" OR A "DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF THE CODE OR ANY TREASURY REGULATIONS PROMULGATED THEREUNDER, OR OTHERWISE PREVENTS THE ISSUER FROM COMPLYING WITH FATCA (FOR THESE PURPOSES, THE ISSUER MAY SELL A BENEFICIAL OWNER'S INTEREST IN A NOTE IN ITS ENTIRETY NOTWITHSTANDING THAT THE SALE OF A PORTION OF SUCH AN INTEREST WOULD PERMIT THE ISSUER TO COMPLY WITH FATCA) AND (Z) MAKE OTHER AMENDMENTS TO THE INDENTURE TO ENABLE THE ISSUER TO COMPLY WITH FATCA.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE AGREES THAT WITH RESPECT TO ANY PERIOD DURING WHICH SUCH HOLDER OR BENEFICIAL OWNER OWNS MORE THAN 50% (BUT LESS THAN 100%) OF THE SUBORDINATED NOTES BY VALUE OR IS OTHERWISE TREATED AS A MEMBER

OF THE ISSUER'S "EXPANDED AFFILIATED GROUP" (AS DEFINED IN TREASURY REGULATIONS SECTION 1.1471-5(I) (OR ANY SUCCESSOR PROVISION)), SUCH HOLDER OR BENEFICIAL OWNER COVENANTS THAT IT WILL (I) CONFIRM THAT ANY MEMBER OF SUCH EXPANDED AFFILIATED GROUP (ASSUMING THAT THE ISSUER IS A "REGISTERED DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF TREASURY REGULATIONS SECTION 1.1471-1(B) (111) (OR ANY SUCCESSOR PROVISION)) THAT IS TREATED AS A "FOREIGN FINANCIAL INSTITUTION" WITHIN THE MEANING OF SECTION 1471(D)(4) OF THE CODE AND ANY TREASURY REGULATIONS PROMULGATED THEREUNDER TO BE A "PARTICIPATING FFI," A "DEEMED-COMPLIANT FFI" OR AN "EXEMPT BENEFICIAL OWNER" WITHIN THE MEANING OF TREASURY REGULATIONS SECTION 1.1471-4(E) (OR ANY SUCCESSOR PROVISION), AND (II) PROMPTLY NOTIFY THE ISSUER IN THE EVENT THAT ANY MEMBER OF SUCH EXPANDED AFFILIATED GROUP THAT IS TREATED AS A "FOREIGN FINANCIAL INSTITUTION" WITHIN THE MEANING OF SECTION 1471(D)(4) OF THE CODE AND ANY TREASURY REGULATIONS PROMULGATED THEREUNDER IS NOT A "PARTICIPATING FFI," A "DEEMED-COMPLIANT FFI" OR AN "EXEMPT BENEFICIAL OWNER" WITHIN THE MEANING OF TREASURY REGULATIONS SECTION 1.1471-4(E) (OR ANY SUCCESSOR PROVISION), IN EACH CASE EXCEPT TO THE EXTENT THAT THE ISSUER OR ITS AGENTS HAVE PROVIDED THE HOLDER WITH AN EXPRESS WAIVER OF THIS PROVISION.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE AGREES THAT (I) IT WILL NOT TRANSFER ANY SUBORDINATED NOTE TO ANOTHER PERSON UNLESS SUCH BENEFICIAL OWNER HAS OBTAINED WRITTEN ADVICE OF DECHERT LLP OR PAUL HASTINGS LLP OR AN OPINION OF TAX COUNSEL OF NATIONALLY RECOGNIZED STANDING IN THE UNITED STATES THAT IS EXPERIENCED IN SUCH MATTERS TO THE EFFECT THAT SUCH TRANSFER WILL NOT CAUSE THE ISSUER TO BE TREATED AS A PUBLICLY TRADED PARTNERSHIP TAXABLE AS A CORPORATION FOR U.S. FEDERAL INCOME TAX PURPOSES AND (II) IT WILL NOT ACQUIRE ANY SUBORDINATED NOTES FROM ANOTHER PERSON (OTHER THAN THE INITIAL ACQUISITION ON THE CLOSING DATE) IF SUCH ACQUISITION WOULD CAUSE THE BENEFICIAL OWNER TO OWN 100% OF THE SUBORDINATED NOTES.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE AGREES SUCH NOTE (OR ANY INTERESTS THEREIN) MAY NOT BE ACQUIRED OR OWNED BY ANY PERSON THAT IS CLASSIFIED FOR U.S. FEDERAL INCOME TAX PURPOSES AS A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST UNLESS (I) (A) NONE OF THE DIRECT OR INDIRECT BENEFICIAL OWNERS OF ANY INTEREST IN SUCH PERSON HAVE OR EVER WILL HAVE MORE THAN 40% OF THE VALUE OF ITS INTEREST IN SUCH PERSON ATTRIBUTABLE TO THE AGGREGATE INTEREST OF SUCH PERSON IN THE COMBINED VALUE OF THE SUBORDINATED NOTES (AND ANY OTHER INTEREST TREATED AS EQUITY IN THE ISSUER FOR U.S. FEDERAL INCOME TAX PURPOSES) AND (B) IT IS NOT AND WILL NOT BE A PRINCIPAL PURPOSE OF THE ARRANGEMENT INVOLVING THE

INVESTMENT OF SUCH PERSON IN ANY SUBORDINATED NOTES AND ANY OTHER EQUITY INTERESTS OF THE ISSUER TO PERMIT ANY PARTNERSHIP TO SATISFY THE 100 PARTNER LIMITATION OF TREASURY REGULATIONS SECTION 1.7704-1(H)(1)(II) OR (II) SUCH PERSON OBTAINS WRITTEN ADVICE OF DECHERT LLP OR AN OPINION OF NATIONALLY RECOGNIZED U.S. TAX COUNSEL REASONABLY ACCEPTABLE TO THE ISSUER THAT SUCH TRANSFER WILL NOT CAUSE THE ISSUER TO BE TREATED AS A PUBLICLY TRADED PARTNERSHIP TAXABLE AS A CORPORATION FOR U.S. FEDERAL INCOME TAX PURPOSES.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE AGREES IT WILL NOT PARTICIPATE IN THE CREATION OR OTHER TRANSFER OF ANY FINANCIAL INSTRUMENT OR CONTRACT THE VALUE OF WHICH IS DETERMINED IN WHOLE OR IN PART BY REFERENCE TO THE ISSUER (INCLUDING THE AMOUNT OF DISTRIBUTIONS BY THE ISSUER, THE VALUE OF THE ISSUER'S ASSETS OR THE RESULTS OF THE ISSUER'S OPERATIONS) OR THE SUBORDINATED NOTES.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE AGREES IT WILL NOT ACQUIRE, OR SELL, TRANSFER, ASSIGN, PARTICIPATE, PLEDGE OR OTHERWISE DISPOSE OF THE SUBORDINATED NOTE (OR ANY INTEREST THEREIN) OR CAUSE THE SUBORDINATED NOTE (OR ANY INTEREST THEREIN) TO BE MARKETED (I) ON OR THROUGH AN "ESTABLISHED SECURITIES MARKET" WITHIN THE MEANING OF SECTION 7704(B)(1) OF THE CODE AND TREASURY REGULATIONS SECTION 1.7704-1(B), INCLUDING WITHOUT LIMITATION, AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS OR (II) IF SUCH ACQUISITION, SALE, TRANSFER, ASSIGNMENT, PARTICIPATION, PLEDGE OR OTHER DISPOSITION WOULD CAUSE THE COMBINED NUMBER OF HOLDERS OF THE SUBORDINATED NOTES AND ANY OTHER EQUITY INTERESTS IN THE ISSUER TO BE MORE THAN 90.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE ACKNOWLEDGES AND AGREES THAT ANY SALE, TRANSFER, ASSIGNMENT, PARTICIPATION, PLEDGE OR OTHER DISPOSITION OF THE SUBORDINATED NOTE (OR ANY INTEREST THEREIN) THAT WOULD VIOLATE ANY OF THE THREE PRECEDING PARAGRAPHS ABOVE OR OTHERWISE CAUSE THE ISSUER TO BE UNABLE TO RELY ON THE "PRIVATE PLACEMENT" SAFE HARBOR OF TREASURY REGULATIONS SECTION 1.7704-1(H) WILL BE VOID AND OF NO FORCE OR EFFECT, AND IT WILL NOT TRANSFER ANY INTEREST IN THE SUBORDINATED NOTE TO ANY PERSON THAT DOES NOT AGREE TO BE BOUND BY THE THREE PRECEDING PARAGRAPHS ABOVE OR BY THIS PARAGRAPH.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE, BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, THIS

SUBORDINATED NOTE AS EQUITY IN THE ISSUER FOR U.S. FEDERAL INCOME PURPOSES, SHALL REPORT ALL INCOME (OR LOSS) IN ACCORDANCE WITH SUCH TREATMENT AND SHALL TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY ANY RELEVANT TAXING AUTHORITY.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE REPRESENTS THAT IT IS A U.S. TAX PERSON AND AGREES TO PROVIDE THE ISSUER AND THE TRUSTEE (AND ANY OF THEIR AGENTS) WITH A CORRECT, COMPLETE AND PROPERLY EXECUTED IRS FORM W-9 (OR APPLICABLE SUCCESSOR FORM), AND ACKNOWLEDGES THAT IF IT FAILS TO PROVIDE THE ISSUER AND THE TRUSTEE (AND ANY OF THEIR AGENTS) WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS SPECIFIED ABOVE, THE ACQUISITION OF ITS INTEREST IN SUCH SUBORDINATED NOTE SHALL BE VOID AB INITIO.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE AGREES TO DELIVER TO THE TRANSFEREE, WITH A COPY TO THE TRUSTEE, PRIOR TO THE TRANSFER OF SUCH SUBORDINATED NOTE, A PROPERLY COMPLETED CERTIFICATE, IN A FORM REASONABLY ACCEPTABLE TO THE TRANSFEREE AND THE TRUSTEE, STATING, UNDER PENALTY OF PERJURY, THE TRANSFEROR'S UNITED STATES TAXPAYER IDENTIFICATION NUMBER AND THAT THE TRANSFEROR IS NOT A FOREIGN PERSON WITHIN THE MEANING OF SECTION 1446(F)(2) OF THE CODE. SUCH HOLDER OR BENEFICIAL OWNER FURTHER ACKNOWLEDGES THAT THE FAILURE TO PROVIDE A NON-FOREIGN STATUS CERTIFICATE TO THE TRANSFEREE MAY RESULT IN WITHHOLDING ON THE AMOUNT REALIZED ON ITS DISPOSITION OF SUCH SUBORDINATED NOTE.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY HOLDER OR BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

NO TRANSFER OF A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25% OR MORE OF THE TOTAL VALUE OF THE SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS.

IF THIS NOTE IS A RULE 144A GLOBAL SUBORDINATED NOTE, THE FOLLOWING LEGEND SHALL APPLY:

(1) EACH PERSON WHO PURCHASES AN INTEREST IN THIS NOTE FROM THE ISSUER AS PART OF THE INITIAL OFFERING ON THE CLOSING DATE WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS OR WILL BECOME (OR OTHERWISE ACTS ON BEHALF OF) A BENEFIT PLAN INVESTOR ON ANY DAY FROM THE DATE ON WHICH IT ACQUIRES ITS INTEREST IN SUCH SUBORDINATED NOTES THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF SUCH INTEREST IN SUCH SUBORDINATED NOTES, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS OR WILL BECOME (OR OTHERWISE ACTS ON BEHALF OF) A CONTROLLING PERSON ON ANY DAY FROM THE DATE ON WHICH IT ACQUIRES ITS INTEREST IN SUCH SUBORDINATED NOTES THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF ITS INTEREST IN SUCH SUBORDINATED NOTES AND (C) THAT (I) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND (II) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (X) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") AND (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("OTHER PLAN LAW") AND (2) EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF AN INTEREST IN THIS NOTE FROM PERSONS OTHER THAN FROM THE ISSUER AS PART OF THE INITIAL OFFERING ON THE CLOSING DATE, ON EACH DAY FROM THE DATE ON WHICH SUCH BENEFICIAL OWNER ACQUIRES ITS INTEREST IN SUCH SUBORDINATED NOTES THROUGH AND INCLUDING THE DATE ON

WHICH SUCH BENEFICIAL OWNER DISPOSES OF ITS INTEREST IN SUCH SUBORDINATED NOTES, WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (X) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES OR INTEREST THEREIN WILL NOT BE, SUBJECT TO SIMILAR LAW AND (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON.

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.

IF THIS NOTE IS IN THE FORM OF A CERTIFICATED SUBORDINATED NOTE, THE FOLLOWING LEGEND SHALL APPLY:

EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED TO (I) REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (1) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS OR WILL BECOME (OR OTHERWISE ACTS ON BEHALF OF) A BENEFIT PLAN INVESTOR ON ANY DAY FROM THE DATE ON WHICH IT ACQUIRES SUCH INTEREST IN SUCH SUBORDINATED NOTES THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF SUCH INTEREST IN SUCH SUBORDINATED NOTES, (2) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS OR WILL BECOME (OR OTHERWISE ACTS ON BEHALF OF) A CONTROLLING PERSON ON ANY DAY FROM THE DATE ON WHICH IT ACQUIRES ITS INTEREST IN SUCH SUBORDINATED NOTES THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF ITS INTEREST IN SUCH SUBORDINATED NOTES AND (3) THAT (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE. EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF SUBORDINATED NOTES IN THE FORM OF A CERTIFICATED NOTE WILL BE REQUIRED TO COMPLETE A BENEFIT PLAN INVESTOR CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN

SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON.

NOTE DETAILS

This Note is one of a duly authorized issue of Notes issued under the Indenture (as defined below) having the applicable class designation and other details specifically indicated below (the "**Note Details**"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Co-Issuers, the Trustee and the Holders and the terms upon which the Notes are, and are to be, authenticated and delivered. In the event of any inconsistency between this Note (including the Note Details) and the terms of the Indenture, the terms of the Indenture shall govern.

Issuer:	Barings BDC Static CLO Ltd. 2019-I
Trustee:	State Street Bank and Trust Company
Indenture:	Indenture, dated as of May 9, 2019, among the Issuer, the Co-Issuer and the Trustee, as amended, modified or supplemented from time to time
Registered Holder (check applicable):	☐ CEDE & ☐ CO. _____ (insert name)
Stated Maturity:	The Payment Date in April 2027
Payment Dates:	The 15th day of January, April, July and October of each year (or, if such day is not a Business Day, the next succeeding Business Day), commencing in July 2019 and each Redemption Date with respect to all Classes of Secured Notes, except that (x) "Payment Date" shall include each date fixed by the Trustee on which payments are made in accordance with Section 5.7 of the Indenture and (y) the final Payment Date (subject to any earlier redemption or payment of the Notes) shall be the Stated Maturity (or, if such day is not a Business Day, the next succeeding Business Day); *provided* that, following the redemption or repayment in full of the Secured Notes, Holders of Subordinated Notes may receive payments (including in respect of an Optional Redemption of Subordinated Notes) on any Business Day designated by the Collateral Manager (which Business Days may or may not be the dates stated above) upon five Business Days' prior written notice to the Trustee and the Collateral Administrator (which notice the Trustee will promptly forward to the Holders of the Subordinated Notes) and such Business Days shall constitute Payment Dates.
Principal amount ("up to" amount, if Global Note):	$101,000,000
Principal amount (if Certificated Note):	As set forth on the first page above
Global Note with "up to" principal amount:	☐ Yes ☐ No
Minimum Denominations:	$2,000,000 and integral multiples of $1.00 in excess thereof

NOTE DETAILS (continued)

Note identifying numbers: As indicated in the applicable table below for the type of Subordinated Note indicated on the first page above.

Rule 144A Global Subordinated Notes

Designation	**CUSIP**	**ISIN**
Subordinated	06761GAA8	US06761GAA85

Certificated Subordinated Notes

Designation	**CUSIP**	**ISIN**
Subordinated	06761GAB6	US06761GAB68

The Issuer, for value received, hereby promises to pay to the registered Holder of this Note or its registered assigns or nominees, upon presentation and surrender of this Note (except as otherwise permitted by the Indenture), the principal sum identified as the principal amount of this Note set forth in the Note Details (or, if this Note is identified as a Global Note in the Note Details, such lesser principal amount shown on the books and records of the Trustee) on the Stated Maturity set forth in the Note Details, except as provided below and in the Indenture. References to the "principal amount" of this Note shall mean amounts distributable to Holders of Subordinated Notes from Principal Proceeds in accordance with the Priority of Payments and references to "interest" on this Note shall mean that portion of Interest Proceeds distributable to Holders of Subordinated Notes pursuant to the Priority of Payments.

The Issuer promises to pay, in accordance with the Priority of Payments, an amount equal to the Holder's pro rata share of Interest Proceeds and Principal Proceeds payable to all Holders of Subordinated Notes, if any, subject to the Priority of Payments set forth in the Indenture.

This Note will mature on the Stated Maturity, unless such principal has been previously repaid or unless the unpaid principal of this Note becomes due and payable at an earlier date by redemption or otherwise and the final payments of principal, if any, will occur on that date. The payment of principal on this Note (x) may only occur after the Secured Notes are no longer Outstanding and (y) is subordinated to the payment on each Payment Date of the principal and interest due and payable on the Secured Notes and other amounts in accordance with the Priority of Payments; and any payment of principal of this Note that is not paid, in accordance with the Priority of Payments, on any Payment Date, shall not be considered "due and payable" for purposes of the Indenture.

Payments on this Note will be made in immediately available funds to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the relevant Record Date. Payments to the registered Holder will be made ratably among the Holders in the proportion that the Aggregate Outstanding Amount of this Note on such Record Date bears to the Aggregate Outstanding Amount of all Subordinated Notes on such Record Date.

If this is a Global Note as identified in the Note Details, increases and decreases in the principal amount of this Note as a result of exchanges and transfers of interests in this Note and principal payments shall be recorded in the records of the Trustee and DTC or its nominee. So long as DTC or its nominee is the registered owner of this Note, DTC or such nominee, as the case may be, will be considered the sole owner or Holder of this Note (represented hereby and beneficially owned by other persons) for all purposes under the Indenture.

All reductions in the principal amount of this Note (or one or more predecessor Notes) effected by payments made on any Payment Date or other date of redemption or other repayment shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer of this Note or in exchange therefor or in lieu thereof, whether or not such payment is noted on this Note. Subject to Article II of the Indenture, upon registration of transfer of this Note or in exchange for or in lieu of any other Note of the same Class, this Note will carry the rights to unpaid interest and principal (or other applicable amount) that were carried by such predecessor Note.

The terms of Section 2.7(i) and Section 5.4(d) of the Indenture shall apply to this Note *mutatis mutandis* as if fully set forth herein.

This Note shall be issued in the Minimum Denominations set forth in the Note Details.

This Note is subject to redemption in the manner and subject to the satisfaction of certain conditions set forth in the Indenture. The Redemption Price for this Note is set forth in the Indenture.

If an Event of Default occurs and is continuing, the Secured Notes may become or be declared due and payable in the manner and with the effect provided in the Indenture. A declaration of acceleration of the maturity of the Secured Notes may be rescinded or annulled at any time before a judgment or decree for payment of the money due has been obtained, provided that certain conditions set forth in the Indenture are satisfied.

The Indenture permits, subject to certain conditions, the amendment thereof and the modification of the provisions of the Indenture and the rights of the Holders under the Indenture. Upon the execution of any supplemental indenture, the Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of the Indenture for all purposes, and every Holder of a Note theretofore and thereafter authenticated and delivered thereunder shall be bound thereby.

Title to this Note will pass by registration in the Register kept by the Registrar.

No service charge will be made to the Holder for any registration of transfer or exchange of this Note, but the Registrar, Transfer Agent or Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

This Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose, unless the Certificate of Authentication herein has been executed by either the Trustee or the Authenticating Agent by the manual signature of one of their Authorized Officers, and such certificate shall be conclusive evidence, and the only evidence, that this Note has been duly authenticated and delivered under the Indenture.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed.

Dated: _____,_____

BARINGS BDC STATIC CLO LTD. 2019-I

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within-mentioned Indenture.

Dated: _____, ____

STATE STREET BANK AND TRUST COMPANY,
as Trustee

By: _____
Authorized Signatory

ASSIGNMENT FORM

For value received _____does hereby sell, assign and transfer unto _____

Social security or other identifying number of assignee:

Name and address, including zip code, of assignee:

the within Note and does hereby irrevocably constitute and appoint _____ Attorney to transfer the Note on the books of the Issuer with full power of substitution in the premises.

Date: _____ Your Signature:

_____
(Sign exactly as your name appears on the Note)

* NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular without alteration, enlargement or any change whatsoever. *Such signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.*

EXHIBIT B-1

FORM OF TRANSFEROR CERTIFICATE FOR TRANSFER TO REGULATION S GLOBAL SECURED NOTE

State Street Bank and Trust Company, as Trustee
1 Iron Street
Boston, MA 02210
Attention: Structured Trust and Analytics

Re: Barings BDC Static CLO Ltd. 2019-I (the "Issuer"), Barings BDC Static CLO 2019-I, LLC (the "Co-Issuer" and together with the Issuer, the "Co-Issuers"); Class [A-1][A-2] Notes due 2027 (the "Notes")

Reference is hereby made to the Indenture dated as of May 9, 2019 (as amended from time to time, the "Indenture") among Co-Issuers and State Street Bank and Trust Company, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to U.S. $_____ Aggregate Outstanding Amount of Notes which are held in the form of a [Rule 144A Global Note representing Class [A-1][A-2] Notes with DTC] [Certificated Class [A-1][A-2] Notes] in the name of _____ (the "Transferor") to effect the transfer of the Notes in exchange for an equivalent beneficial interest in a Regulation S Global [Class] [A-1][A-2] Note.

In connection with such transfer, and in respect of such Notes, the Transferor does hereby certify that such Notes are being transferred to _____ (the "Transferee") in accordance with Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") and the transfer restrictions set forth in the Indenture and the Offering Circular defined in the Indenture relating to such Notes and that:

a. the offer of the Notes was not made to a person in the United States;

b. at the time the buy order was originated, the Transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the Transferee was outside the United States;

c. no directed selling efforts have been made in contravention of the requirements of Rule 903 or 904 of Regulation S, as applicable;

d. the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

e. the Transferee is not a U.S. person.

The Transferor understands that the Co-Issuers, the Trustee and their counsel will rely upon the accuracy and truth of the foregoing representations, and the Transferor hereby consents to such reliance.

(Name of Transferor)

By:
Name:
Title:

Dated: _____, _____

cc: Barings BDC Static CLO Ltd. 2019-I
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman KY1-1102
Cayman Islands
Attention: The Directors
Facsimile No. (345) 945-7100

Barings BDC Static CLO 2019-I, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711

EXHIBIT B-2

FORM OF PURCHASER REPRESENTATION LETTER FOR CERTIFICATED NOTES

[DATE]

State Street Bank and Trust Company, as Trustee
1 Iron Street
Boston, MA 02210
Attention: Structured Trust and Analytics

Re: Barings BDC Static CLO Ltd. 2019-I (the "Issuer"), Barings BDC Static CLO 2019-I, LLC (the "Co-Issuer", and together with the Issuer, the "Co-Issuers"); [Class] [A-1][A-2] [Subordinated] Notes

Reference is hereby made to the Indenture, dated as of May 9, 2019, among the Issuer, the Co-Issuer and State Street Bank and Trust Company, as Trustee (as amended from time to time, the "Indenture"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Indenture.

This letter relates to U.S.$_____ Aggregate Outstanding Amount of [Class] [A-1][A-2] [Subordinated] Notes (the "Notes"), in the form of one or more Certificated Notes to effect the transfer of the Notes to _____ (the "Transferee").

In connection with such request, and in respect of such Notes, the Transferee does hereby certify that the Notes are being transferred (i) in accordance with the transfer restrictions set forth in the Indenture and (ii) pursuant to an exemption from registration under the United States Securities Act of 1933, as amended (the "Securities Act") and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In addition, the Transferee hereby represents, warrants and covenants for the benefit of the Co-Issuers and their counsel that it is:

(a) (PLEASE CHECK ONLY ONE)

_____ both (A) a "qualified institutional buyer" (as defined under Rule 144A under the Securities Act) that is not a broker-dealer which owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of issuers that are not affiliated persons of the dealer and is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A under the Securities Act or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A under the Securities Act that holds the assets of such a plan, if investment decisions with respect to the plan are made by beneficiaries of the plan and (B) a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act or an entity owned exclusively by "qualified purchasers"; or

_____ an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act and a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act or an entity owned exclusively by "qualified purchasers"; or

_____ solely in the case of Secured Notes, a person that is not a "U.S. person" as defined in Regulation S under the Securities Act, and is acquiring the Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from Securities Act registration provided by Regulation S; and

(b) acquiring the Notes for its own account (and not for the account of any other Person) in the applicable Minimum Denomination.

The Transferee further represents, warrants and agrees as follows:

1. In connection with its purchase of the Notes: (A) none of the Transaction Parties or any of their respective Affiliates is acting as a fiduciary or financial or investment advisor for it; (B) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Transaction Parties or any of their respective Affiliates other than any statements in the final Offering Circular for such Notes, and it has read and understands such final Offering Circular; (C) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Transaction Parties or any of their respective Affiliates; (D) it is acquiring its interest in such Notes for its own account; (E) it was not formed for the purpose of investing in such Notes; (F) it understands that the Issuer may receive a list of participants holding interests in the Notes from one or more book-entry depositories; (G) it will hold and transfer at least the Minimum Denomination of such Notes; (H) it is a sophisticated investor and is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof, and is capable of and willing to assume those risks; (I) it will provide notice of the relevant transfer restrictions to subsequent transferees and (J) if it is not a U.S. person, it is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income tax; provided that any purchaser or transferee of Notes, which purchaser or transferee is any of (I) the Collateral Manager, (II) an Affiliate of the Collateral Manager or (III) a fund or account managed by the Collateral Manager (or any of its Affiliates) as to which the Collateral Manager (or such Affiliate) has discretionary voting authority, in each case shall not be required or deemed to make the representations set forth in clauses (A), (B) and (C) above with respect to the Collateral Manager.

2. (x) With respect to any purchase or acquisition of a Secured Note, or any interest therein (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such interest does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (b) if it is a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any such Other Plan Law.

(y) With respect to any acquisition of Subordinated Notes, it provided the Issuer with a duly executed ERISA Certificate in the form of Exhibit B-4 to the Indenture.

It further agrees and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of such Note who has made or has been deemed to make a prohibited transaction or Other Plan Law representation that is subsequently shown to be false or misleading to sell its interest in such Note, or may sell such interest on behalf of such owner.

3. It understands that such Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Notes have not been and will not be registered under the Securities Act, and, if in the future it decides to offer, resell, pledge or otherwise transfer such Notes, such Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legend on such Notes. It further acknowledges that no representation has been made as to the availability of any exemption under the Securities Act or any state securities laws for resale of such Notes. It understands that neither of the Co-Issuers has been registered under the Investment

Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act.

4. It is aware that, except as otherwise provided in the Indenture, any Secured Notes being sold to it in reliance on Regulation S will be represented by one or more Regulation S Global Secured Notes and that beneficial interests therein may be held only through DTC for the respective accounts of Euroclear or Clearstream.

5. It will provide notice to each Person to whom it proposes to transfer any interest in the Notes of the transfer restrictions and representations set forth in the Indenture.

6. With respect to any purchase or acquisition of Subordinated Notes, it agrees that with respect to any period during which a holder owns more than 50% (but less than 100%) of the Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury Regulations Section 1.1471-5(i) (or any successor provision)), it covenants that it will (i) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "registered deemed-compliant FFI" within the meaning of Treasury Regulations Section 1.1471-1(b)(111) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury Regulations promulgated thereunder to be a "participating FFI," a "deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury Regulations Section 1.1471-4(e) (or any successor provision), and (ii) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury Regulations promulgated thereunder is not a "participating FFI," a "deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury Regulations Section 1.1471-4(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided the holder with an express waiver of this provision.

7. It agrees that it will not cause the filing of a petition in bankruptcy against the Issuer or the Co-Issuer prior to the day which is one year (or, if longer, the applicable preference period then in effect) plus one day after payment in full of all Notes.

8. It understands and agrees that the Notes are limited recourse obligations of the Issuer (and the Co-Issuer, as applicable) payable solely from the proceeds of the Assets and following realization of the Assets, and all application of the proceeds thereof in accordance with the Indenture, all obligations of and any claims against the Issuer (and the Co-Issuer, as applicable) thereunder or in connection therewith shall be extinguished and shall not thereafter revive.

9. It agrees to be subject to the Bankruptcy Subordination Agreement.

10. It is not a member of the public in the Cayman Islands.

11. It will provide the Issuer or its agents with such information and documentation that may be required for the Issuer to achieve AML Compliance and shall update or replace such information or documentation, as may be necessary.

12. With respect to any purchase or acquisition of Subordinated Notes, it is a U.S. Tax Person and agrees to provide the Issuer and the Trustee (and any of their agents) with a correct, complete and properly executed IRS Form W-9 (or applicable successor form), and acknowledges that if it fails to provide the Issuer and the Trustee (and any of their agents) with the properly completed and signed tax certifications specified above, the acquisition of its interest in such Subordinated Note shall be void ab initio.

13. With respect to any purchase or acquisition of a Subordinated Note, it agrees to deliver to the transferee, with a copy to the Trustee, prior to the transfer of such Subordinated Note, a properly completed certificate, in a form reasonably acceptable to the transferee and the Trustee, stating, under penalty of perjury, the transferor's United States taxpayer identification number and that the transferor is not a foreign person within the meaning of Section 1446(f)(2) of the Code (such certificate, a "Non-Foreign Status Certificate"). It further acknowledges that the failure to provide a Non-Foreign Status Certificate to the transferee may result in withholding on the amount realized on its disposition of such Subordinated Note.

14. It will timely furnish the Issuer, the Trustee or any agent of the Issuer (including any Paying Agent) with any U.S. federal income tax forms or certifications (including applicable IRS Forms W-8 and W-9, or any successors to such IRS forms) that the Issuer or its agents (including any Paying Agent) may reasonably request, and any documentation, agreements, information or certifications that are reasonably requested by the Issuer or its agents (including any Paying Agent) (A) to permit the Issuer or its agents to make payments to it without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments and (C) to enable the Issuer or its agents to satisfy reporting and other obligations, and shall update or replace such documentation, agreements, information or certifications as appropriate or in accordance with their terms or subsequent amendments, and acknowledges that the failure to provide, update or replace any such documentation, agreements, information or certifications may result in the imposition of withholding or back-up withholding upon payments to such Holder. Amounts withheld pursuant to applicable tax laws will be treated as having been paid to the Holder by the Issuer.

15. By acceptance of such Note or an interest in such Note, it shall be deemed (i) to have agreed to provide the Issuer or an authorized agent acting on its behalf (and any applicable Intermediary) with the Holder FATCA Information upon request and update any such Holder FATCA Information promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required and to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer to comply with FATCA; (ii) to acknowledge that the Issuer may provide such information and any other information concerning its investment in the Notes to the Cayman Islands Tax Information Authority, the IRS and any other relevant taxing authority; (iii) to acknowledge that the Issuer has the right, hereunder, to compel any beneficial owner of an interest in a Note that fails to comply with the foregoing requirements or whose holding of the Notes prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "participating FFI" or a "deemed-compliant FFI" within the meaning of the Code or any Treasury Regulations promulgated thereunder or otherwise complying with FATCA to sell its interest in such Note, or to sell such interest on behalf of such owner following the procedures and timeframe relating to Non-Permitted Holders specified in the Indenture (for these purposes, the Issuer may sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such interest would permit the Issuer to comply with FATCA) and to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer to comply with FATCA; and (iv) to understand and acknowledge that the Issuer has the right, hereunder, to withhold on any beneficial owner of an interest in a Note that fails to comply with the foregoing requirements and to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer to comply with FATCA.

16. With respect to any purchase or acquisition of a Secured Note, if it is not a U.S. Tax Person, it represents that either (a) it is not (i) a bank (or an entity affiliated with a bank) extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business (within the meaning of Section 881(c)(3)(A) of the Code), (ii) a "10 percent shareholder" with respect to the Issuer within the meaning of

Section 871(h)(3) or Section 881(c)(3)(D) of the Code or (iii) a "controlled foreign corporation" that is related to the Issuer within the meaning of Section 881(c)(3)(C) of the Code; (b) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States or (c) it has provided an IRS Form W-8ECI representing that all payments received or to be received by it on the Notes are effectively connected with the conduct of a trade or business in the United States.

17. With respect to any purchase or acquisition of Subordinated Notes, it agrees that (i) it will not transfer any Subordinated Note to another person unless it has obtained written advice of Dechert LLP or Paul Hastings LLP or an opinion of tax counsel of nationally recognized standing in the United States that is experienced in such matters to the effect that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes and (ii) it will not acquire any Subordinated Notes from another person (other than the initial acquisition on the Closing Date) if such acquisition would cause it to own 100% of the Subordinated Notes.

18. With respect to any purchase or acquisition of Subordinated Notes, it represents, acknowledges and agrees that:

(A) such Subordinated Note (or any interests therein) may not be acquired or owned by any person that is classified for U.S. federal income tax purposes as a partnership, Subchapter S corporation or grantor trust unless (i) (a) none of the direct or indirect beneficial owners of any interest in such person have or ever will have more than 40% of the value of its interest in such person attributable to the aggregate interest of such person in the combined value of the Subordinated Notes (and any other interest treated as equity in the Issuer for U.S. federal income tax purposes) and (b) it is not and will not be a principal purpose of the arrangement involving the investment of such person in any Subordinated Notes and any other equity interests of the Issuer to permit any partnership to satisfy the 100 partner limitation of Treasury Regulations Section 1.7704-1(h)(1)(ii) or (ii) such person obtains written advice of Dechert LLP or an opinion of nationally recognized U.S. tax counsel reasonably acceptable to the Issuer that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes;

(B) it will not participate in the creation or other transfer of any financial instrument or contract the value of which is determined in whole or in part by reference to the Issuer (including the amount of distributions by the Issuer, the value of the Issuer's assets or the results of the Issuer's operations) or the Subordinated Notes;

(C) it will not acquire, or sell, transfer, assign, participate, pledge or otherwise dispose of the Subordinated Note (or any interest therein) or cause the Subordinated Note (or any interest therein) to be marketed (i) on or through an "established securities market" within the meaning of Section 7704(b)(1) of the Code and Treasury Regulations Section 1.7704-1(b), including without limitation, an interdealer quotation system that regularly disseminates firm buy or sell quotations or (ii) if such acquisition, sale, transfer, assignment, participation, pledge or other disposition would cause the combined number of holders of the Subordinated Notes and any other equity interests in the Issuer to be more than 90; and

(D) it acknowledges and agrees that any sale, transfer, assignment, participation, pledge or other disposition of the Subordinated Note (or any interest therein) that would violate any of the three preceding paragraphs above or otherwise cause the Issuer to be unable to rely on the "private placement" safe harbor of Treasury Regulations Section 1.7704-1(h) will be void and of no force or

effect, and it will not transfer any interest in the Subordinated Note to any Person that does not agree to be bound by the three preceding paragraphs above or by this paragraph.

19. With respect to any purchase or acquisition of a Secured Note, if it is not a U.S. Tax Person, it is not and will not become a member of an "expanded group" (within the meaning of the regulations issued under Section 385 of the Code) that includes a domestic corporation (as determined for U.S. federal income tax purposes) if such domestic corporation directly or indirectly (through one or more entities that are treated for U.S. federal income tax purposes as partnerships, disregarded entities or grantor trusts) owns any equity interests in the Issuer.

20. With respect to any purchase or acquisition of a Secured Note, it will treat the Secured Notes as debt for U.S. federal, state and local income and franchise tax purposes, except as otherwise required by applicable law.

21. With respect to any purchase or acquisition of Subordinated Notes, it will treat the Subordinated Notes as equity in the Issuer for U.S. federal, state and local income and franchise tax purposes, except as otherwise required by applicable law.

22. It understands that the Co-Issuers, the Trustee, the Collateral Manager and the Initial Purchaser and their respective counsel will rely upon the accuracy and truth of the foregoing representations, and it hereby consents to such reliance.

Name of Purchaser:
Dated:

_____

By:
Name:
Title:

Outstanding principal amount of [Class] [A-1][A-2] [Subordinated] Notes: U.S.$_____

Taxpayer identification number:

Address for notices: Wire transfer information for payments:

Bank:

Address:

Bank ABA#:

Account #:

Telephone: FAO:

Facsimile: Attention:

Attention:

Denominations of certificates (if more than one):

Registered name:

cc: Barings BDC Static CLO Ltd. 2019-I
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman KY1-1102
Cayman Islands
Attention: The Directors
Facsimile No. (345) 945-7100

[Barings BDC Static CLO 2019-I, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711]

EXHIBIT B-3

FORM OF TRANSFEROR CERTIFICATE FOR TRANSFER TO RULE 144A GLOBAL NOTE

State Street Bank and Trust Company, as Trustee
1 Iron Street
Boston, MA 02210
Attention: Structured Trust and Analytics

Re: Barings BDC Static CLO Ltd. 2019-I (the "Issuer"), Barings BDC Static CLO 2019-I, LLC (the "Co-Issuer" and together with the Issuer, the "Co-Issuers"); [Class] [A-1][A-2] [Subordinated] Notes due 2027 (the "Notes")

Reference is hereby made to the Indenture dated as of May 9, 2019 (as amended from time to time, the "Indenture") among the Co-Issuers and State Street Bank and Trust Company, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to U.S. $_____ Aggregate Outstanding Amount of Notes which are held in the form of a [Regulation S Global Secured Note representing [Class] [A-1][A-2] Notes with DTC] [Certificated [Class] [A-1][A-2] [Subordinated] Note] in the name of _____ (the "Transferor") to effect the transfer of the Notes in exchange for an equivalent beneficial interest in a Rule 144A Global [Class] [A-1][A-2] [Subordinated] Note.

In connection with such transfer, and in respect of such Notes, the Transferor does hereby certify that such Notes are being transferred to _____ (the "Transferee") in accordance with (i) the transfer restrictions set forth in the Indenture and the Offering Circular relating to such Notes and (ii) Rule 144A under the United States Securities Act of 1933, as amended, and it reasonably believes that the Transferee is purchasing the Notes for its own account, is a Qualified Institutional Buyer and a Qualified Purchaser (or an entity owned exclusively by Qualified Purchasers) and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

The Transferor understands that the Co-Issuers, the Trustee and their respective counsel will rely upon the accuracy and truth of the foregoing representations, and the Transferor hereby consents to such reliance.

(Name of Transferor)

By:
Name:
Title:

Dated: _____, _____

cc: Barings BDC Static CLO Ltd. 2019-I
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman KY1-1102
Cayman Islands
Attention: The Directors
Facsimile No. (345) 945-7100

[Barings BDC Static CLO 2019-I, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711]

EXHIBIT B-4

FORM OF ERISA CERTIFICATE

The purpose of this certificate (this "Certificate") is, among other things, to (i) endeavor to ensure that less than 25% of the value of the Subordinated Notes issued by Barings BDC Static CLO Ltd. 2019-I (the "Issuer") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (b) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "Benefit Plan Investors"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding or disposition of the Subordinated Notes. **By signing this Certificate, you agree to be bound by its terms.**

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the Indenture.

Please review the information in this Certificate and check the box(es) that are applicable to you.

If a box is not checked, you are agreeing that the applicable Section does not, and will not, apply to you.

1. ☐ **Employee Benefit Plans Subject to ERISA or the Code**. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

   Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ **Entity Holding Plan Assets**. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

   Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25% or more of the value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: _____%.

An entity or fund that cannot provide the foregoing percentage hereby acknowledges that for purposes of determining whether Benefit Plan Investors own less than 25% of the value of the Subordinated Notes issued by the Issuer, 100% of the assets of the entity or fund will be treated as "plan assets."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any question regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ **Insurance Company General Account**. We, or the entity on whose behalf we are acting, are an insurance company purchasing the Subordinated Notes with funds from our or their general account (*i.e.*, the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" under Section 401(a) of ERISA for purposes of 29. C.F.R Section 2510.3-101 as modified by Section 3(42) of ERISA (the "Plan Asset Regulations").

   If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" under Section 401(a) of ERISA for purposes of conducting the 25% test under the Plan Asset Regulations: ____%. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100% IN THE BLANK SPACE.

4. ☐ **None of Sections (1) Through (3) Above Apply**. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer and the Trustee of such change.

5. **No Prohibited Transaction**. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the Subordinated Notes do not and will not constitute or give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

6. **Not Subject to Similar Law and No Violation of Other Plan Law**. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer and the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the Subordinated Notes do not and will not constitute or give rise to a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

7. ☐ **Controlling Person**. We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Collateral Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "Controlling Person."

   Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25% of the value of the Subordinated Notes, the value of any Subordinated Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8. **Compelled Disposition**. We acknowledge and agree that:

   (i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25% Limitation, the Issuer shall, promptly after such discovery (or upon notice from the Trustee if the Trustee makes the discovery (who, in each case, agree to notify the Issuer of such discovery, if any)), send notice to us demanding that

we transfer our interest to a person that is not a Non-Permitted ERISA Holder within 14 days after the date of such notice;

(ii) if we fail to transfer our Subordinated Notes, as applicable, the Issuer shall have the right, without further notice to us, to sell our Notes or our interest in the Notes, to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Subordinated Notes and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in the Subordinated Notes, we agree to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

9. **Required Notification and Agreement**. We hereby agree that we (a) will inform the Trustee of any proposed transfer by us of all or a specified portion of the Subordinated Notes and (b) will not initiate any such transfer after we have been informed by the Issuer or the Transfer Agent in writing that such transfer would cause the 25% Limitation to be exceeded. We hereby agree and acknowledge that after the Trustee effects any permitted transfer of Subordinated Notes owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Trustee shall include such Notes in future calculations of the 25% Limitation made pursuant hereto unless subsequently notified that such Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

10. **Continuing Representation; Reliance**. We acknowledge and agree that the representations contained in this Certificate shall be deemed made on each day from the date we make such representations through and including the date on which we dispose of our interests in the Subordinated Notes. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer and the Trustee to determine that (i) Benefit Plan Investors own or hold less than 25% of the value of the Subordinated Notes upon any subsequent transfer of such Subordinated Notes in accordance with the Indenture and (ii) no Benefit Plan Investor owns or holds any Rule 144A Global Subordinated Notes.

11. **Further Acknowledgement and Agreement**. We acknowledge and agree that (i) all of the assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, the Initial Purchaser and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, the Initial Purchaser, the Collateral Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of the Subordinated Notes by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

12. **Future Transfer Requirements**.

Transferee Letter and its Delivery. We acknowledge and agree that we may not transfer any Subordinated Notes in the form of a Certificated Note to any person unless the Trustee has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Trustee is as follows:

State Street Bank and Trust Company, as Trustee
1 Iron Street
Boston, MA 02210
Attention: Structured Trust and Analytics

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]

By:

Name:

Title:

Dated:

This Certificate relates to U.S.$_____ of Subordinated Notes

EXHIBIT B-5

FORM OF TRANSFEREE CERTIFICATE OF GLOBAL NOTE

State Street Bank and Trust Company, as Trustee
1 Iron Street
Boston, MA 02210
Attention: Structured Trust and Analytics

Re: Barings BDC Static CLO Ltd. 2019-I (the "Issuer"), Barings BDC Static CLO 2019-I, LLC (the "Co-Issuer" and, together with the Issuer, the "Co-Issuers"); [Class] [A-1][A-2] [Subordinated] Notes due 2027

Reference is hereby made to the Indenture, dated as of May 9, 2019 (as amended from time to time, the "Indenture") among the Co-Issuers and State Street Bank and Trust Company, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to U.S.$_____ Aggregate Outstanding Amount of [Class] [A-1][A-2] [Subordinated] Notes (the "Notes"), which are to be transferred to the undersigned transferee (the "Transferee") in the form of a [Rule 144A Global Note][Regulation S Global Secured Note] of such Class pursuant to Section 2.5(f) of the Indenture.

In connection with such request, and in respect of such Notes, the Transferee does hereby certify that the Notes are being transferred (i) in accordance with the transfer restrictions set forth in the Indenture and (ii) pursuant to an exemption from registration under the United States Securities Act of 1933, as amended (the "Securities Act") and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In addition, the Transferee hereby represents, warrants and covenants for the benefit of the Co-Issuers and their counsel that it is [a "qualified institutional buyer" as defined in Rule 144A under the Securities Act, and is acquiring the Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder] [a person that is not a "U.S. person" as defined in Regulation S under the Securities Act, and is acquiring the Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from Securities Act registration provided by Regulation S].

The Transferee further represents, warrants and agrees as follows:

1. In connection with its purchase of the Notes: (A) none of the Transaction Parties or any of their respective Affiliates is acting as a fiduciary or financial or investment advisor for it; (B) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Transaction Parties or any of their respective Affiliates other than any statements in the final Offering Circular for such Notes, and it has read and understands such final Offering Circular; (C) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Transaction Parties or any of their respective Affiliates; (D) it is acquiring its interest in such Notes for its own account; (E) it was not formed for the purpose of investing in such Notes; (F) it understands that the Issuer may receive a list of participants holding interests in the Notes from one or more book-entry depositories; (G) it will hold

and transfer at least the Minimum Denomination of such Notes; (H) it is a sophisticated investor and is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof, and is capable of and willing to assume those risks; (I) it will provide notice of the relevant transfer restrictions to subsequent transferees and (J) if it is not a U.S. person, it is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income tax; provided that any purchaser or transferee of Notes, which purchaser or transferee is any of (I) the Collateral Manager, (II) an Affiliate of the Collateral Manager or (III) a fund or account managed by the Collateral Manager (or any of its Affiliates) as to which the Collateral Manager (or such Affiliate) has discretionary voting authority, in each case shall not be required or deemed to make the representations set forth in clauses (A), (B) and (C) above with respect to the Collateral Manager.

2. (x) With respect to any purchase or acquisition of a Secured Note, or any interest therein (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such interest does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (b) if it is a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any such Other Plan Law.

(y) With respect to any acquisition of Subordinated Notes, on each day from the date on which it acquires its interest in such Notes through and including the date on which it disposes of its interest in such Notes, it will be deemed to have represented and agreed that (a) it is not, and is not acting on behalf of, a Benefit Plan Investor or a Controlling Person and (b) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Notes or interest therein will not be, subject to Similar Law and (y) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law.

It further agrees and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of such Note who has made or has been deemed to make a prohibited transaction or Other Plan Law representation that is subsequently shown to be false or misleading to sell its interest in such Note, or may sell such interest on behalf of such owner.

3. It understands that such Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Notes have not been and will not be registered under the Securities Act, and, if in the future it decides to offer, resell, pledge or otherwise transfer such Notes, such Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legend on such Notes. It further acknowledges that no representation has been made as to the availability of any exemption under the Securities Act or any state securities laws for resale of such Notes. It understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act.

4. It is aware that, except as otherwise provided in the Indenture, any Secured Notes being sold to it in reliance on Regulation S will be represented by one or more Regulation S Global Secured Notes and that beneficial interests therein may be held only through DTC for the respective accounts of Euroclear or Clearstream.

5. It will provide notice to each Person to whom it proposes to transfer any interest in the Notes of the transfer restrictions and representations set forth in the Indenture.

6. With respect to any purchase or acquisition of Subordinated Notes, it agrees that with respect to any period during which a holder owns more than 50% (but less than 100%) of the Subordinated Notes by value

or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury Regulations Section 1.1471-5(i) (or any successor provision)), it covenants that it will (i) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "registered deemed-compliant FFI" within the meaning of Treasury Regulations Section 1.1471-1(b)(111) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury Regulations promulgated thereunder to be a "participating FFI," a "deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury Regulations Section 1.1471-4(e) (or any successor provision), and (ii) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury Regulations promulgated thereunder is not a "participating FFI," a "deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury Regulations Section 1.1471-4(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided the holder with an express waiver of this provision.

7. It agrees that it will not cause the filing of a petition in bankruptcy against the Issuer or the Co-Issuer prior to the day which is one year (or, if longer, the applicable preference period then in effect) plus one day after payment in full of all Notes.

8. It understands and agrees that the Notes are limited recourse obligations of the Issuer (and the Co-Issuer, as applicable) payable solely from the proceeds of the Assets and following realization of the Assets, and all application of the proceeds thereof in accordance with the Indenture, all obligations of and any claims against the Issuer (and the Co-Issuer, as applicable) thereunder or in connection therewith shall be extinguished and shall not thereafter revive.

9. It agrees to be subject to the Bankruptcy Subordination Agreement.

10. It is not a member of the public in the Cayman Islands.

11. It will provide the Issuer or its agents with such information and documentation that may be required for the Issuer to achieve AML Compliance and shall update or replace such information or documentation, as may be necessary.

12. With respect to any purchase or acquisition of Subordinated Notes, it is a U.S. Tax Person and agrees to provide the Issuer and the Trustee (and any of their agents) with a correct, complete and properly executed IRS Form W-9 (or applicable successor form), and acknowledges that if it fails to provide the Issuer and the Trustee (and any of their agents) with the properly completed and signed tax certifications specified above, the acquisition of its interest in such Subordinated Note shall be void ab initio.

13. With respect to any purchase or acquisition of a Subordinated Note, it agrees to deliver to the transferee, with a copy to the Trustee, prior to the transfer of such Subordinated Note, a properly completed certificate, in a form reasonably acceptable to the transferee and the Trustee, stating, under penalty of perjury, the transferor's United States taxpayer identification number and that the transferor is not a foreign person within the meaning of Section 1446(f)(2) of the Code (such certificate, a "Non-Foreign Status Certificate"). It further acknowledges that the failure to provide a Non-Foreign Status Certificate to the transferee may result in withholding on the amount realized on its disposition of such Subordinated Note.

14. It will timely furnish the Issuer, the Trustee or any agent of the Issuer (including any Paying Agent) with any U.S. federal income tax forms or certifications (including applicable IRS Forms W-8 and W-9, or any successors to such IRS forms) that the Issuer or its agents (including any Paying Agent) may reasonably request, and any documentation, agreements, information or certifications that are reasonably requested by

the Issuer or its agents (including any Paying Agent) (A) to permit the Issuer or its agents to make payments to it without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments and (C) to enable the Issuer or its agents to satisfy reporting and other obligations, and shall update or replace such documentation, agreements, information or certifications as appropriate or in accordance with their terms or subsequent amendments, and acknowledges that the failure to provide, update or replace any such documentation, agreements, information or certifications may result in the imposition of withholding or back-up withholding upon payments to such Holder. Amounts withheld pursuant to applicable tax laws will be treated as having been paid to the Holder by the Issuer.

15. By acceptance of such Note or an interest in such Note, it shall be deemed (i) to have agreed to provide the Issuer or an authorized agent acting on its behalf (and any applicable Intermediary) with the Holder FATCA Information upon request and update any such Holder FATCA Information promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required and to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer to comply with FATCA; (ii) to acknowledge that the Issuer may provide such information and any other information concerning its investment in the Notes to the Cayman Islands Tax Information Authority, the IRS and any other relevant taxing authority; (iii) to acknowledge that the Issuer has the right, hereunder, to compel any beneficial owner of an interest in a Note that fails to comply with the foregoing requirements or whose holding of the Notes prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "participating FFI" or a "deemed-compliant FFI" within the meaning of the Code or any Treasury Regulations promulgated thereunder or otherwise complying with FATCA to sell its interest in such Note, or to sell such interest on behalf of such owner following the procedures and timeframe relating to Non-Permitted Holders specified in the Indenture (for these purposes, the Issuer may sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such interest would permit the Issuer to comply with FATCA) and to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer to comply with FATCA; and (iv) to understand and acknowledge that the Issuer has the right, hereunder, to withhold on any beneficial owner of an interest in a Note that fails to comply with the foregoing requirements and to take any other action reasonably necessary (in the determination of the Issuer, the Collateral Manager or their respective agents or Affiliates) to enable the Issuer to comply with FATCA.

16. With respect to any purchase or acquisition of a Secured Note, if it is not a U.S. Tax Person, it represents that either (a) it is not (i) a bank (or an entity affiliated with a bank) extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business (within the meaning of Section 881(c)(3)(A) of the Code), (ii) a "10 percent shareholder" with respect to the Issuer within the meaning of Section 871(h)(3) or Section 881(c)(3)(D) of the Code or (iii) a "controlled foreign corporation" that is related to the Issuer within the meaning of Section 881(c)(3)(C) of the Code; (b) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States or (c) it has provided an IRS Form W-8ECI representing that all payments received or to be received by it on the Notes are effectively connected with the conduct of a trade or business in the United States.

17. With respect to any purchase or acquisition of Subordinated Notes, it agrees that (i) it will not transfer any Subordinated Note to another person unless it has obtained written advice of Dechert LLP or Paul Hastings LLP or an opinion of tax counsel of nationally recognized standing in the United States that is experienced in such matters to the effect that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes and (ii) it will not acquire

any Subordinated Notes from another person (other than the initial acquisition on the Closing Date) if such acquisition would cause it to own 100% of the Subordinated Notes.

18. With respect to any purchase or acquisition of Subordinated Notes, it represents, acknowledges and agrees that:

(A) such Subordinated Note (or any interests therein) may not be acquired or owned by any person that is classified for U.S. federal income tax purposes as a partnership, Subchapter S corporation or grantor trust unless (i) (a) none of the direct or indirect beneficial owners of any interest in such person have or ever will have more than 40% of the value of its interest in such person attributable to the aggregate interest of such person in the combined value of the Subordinated Notes (and any other interest treated as equity in the Issuer for U.S. federal income tax purposes) and (b) it is not and will not be a principal purpose of the arrangement involving the investment of such person in any Subordinated Notes and any other equity interests of the Issuer to permit any partnership to satisfy the 100 partner limitation of Treasury Regulations Section 1.7704-1(h)(1)(ii) or (ii) such person obtains written advice of Dechert LLP or an opinion of nationally recognized U.S. tax counsel reasonably acceptable to the Issuer that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes;

(B) it will not participate in the creation or other transfer of any financial instrument or contract the value of which is determined in whole or in part by reference to the Issuer (including the amount of distributions by the Issuer, the value of the Issuer's assets or the results of the Issuer's operations) or the Subordinated Notes;

(C) it will not acquire, or sell, transfer, assign, participate, pledge or otherwise dispose of the Subordinated Note (or any interest therein) or cause the Subordinated Note (or any interest therein) to be marketed (i) on or through an "established securities market" within the meaning of Section 7704(b)(1) of the Code and Treasury Regulations Section 1.7704-1(b), including without limitation, an interdealer quotation system that regularly disseminates firm buy or sell quotations or (ii) if such acquisition, sale, transfer, assignment, participation, pledge or other disposition would cause the combined number of holders of the Subordinated Notes and any other equity interests in the Issuer to be more than 90; and

(D) it acknowledges and agrees that any sale, transfer, assignment, participation, pledge or other disposition of the Subordinated Note (or any interest therein) that would violate any of the three preceding paragraphs above or otherwise cause the Issuer to be unable to rely on the "private placement" safe harbor of Treasury Regulations Section 1.7704-1(h) will be void and of no force or effect, and it will not transfer any interest in the Subordinated Note to any Person that does not agree to be bound by the three preceding paragraphs above or by this paragraph.

19. With respect to any purchase or acquisition of a Secured Note, if it is not a U.S. Tax Person, it is not and will not become a member of an "expanded group" (within the meaning of the regulations issued under Section 385 of the Code) that includes a domestic corporation (as determined for U.S. federal income tax purposes) if such domestic corporation directly or indirectly (through one or more entities that are treated for U.S. federal income tax purposes as partnerships, disregarded entities or grantor trusts) owns any equity interests in the Issuer.

20. With respect to any purchase or acquisition of a Secured Note, it will treat the Secured Notes as debt for U.S. federal, state and local income and franchise tax purposes, except as otherwise required by applicable law.

21. With respect to any purchase or acquisition of Subordinated Notes, it will treat the Subordinated Notes as equity in the Issuer for U.S. federal, state and local income and franchise tax purposes, except as otherwise required by applicable law.

22. It understands that the Co-Issuers, the Trustee, the Collateral Manager and the Initial Purchaser and their respective counsel will rely upon the accuracy and truth of the foregoing representations, and it hereby consents to such reliance.

Name of Purchaser:
Dated:

_____
By:
Name:
Title:

Aggregate Outstanding Amount of [Class] [A-1][A-2] [Subordinated] Notes: U.S.$_____

cc: Barings BDC Static CLO Ltd. 2019-I
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman KY1-1102
Cayman Islands
Attention: The Directors
Facsimile No. (345) 945-7100

[Barings BDC Static CLO 2019-I, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711]

EXHIBIT C

FORM OF NOTE OWNER CERTIFICATE

State Street Bank and Trust Company, as Trustee
1 Iron Street
Boston, MA 02210
Attention: Structured Trust and Analytics

Barings BDC Static CLO Ltd. 2019-I
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman KY1-1102
Cayman Islands
Attention: The Directors

Barings BDC Static CLO 2019-I, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711

Re: Reports prepared pursuant to the Indenture, dated as of May 9, 2019, among Barings BDC Static CLO Ltd. 2019-I, Barings BDC Static CLO 2019-I, LLC and State Street Bank and Trust Company (as amended from time to time, the "Indenture").

Ladies and Gentlemen:

The undersigned hereby certifies that it is the beneficial owner of U.S.$_____ in principal amount of the [Class [A-1][A-2] Senior Secured Floating Rate Notes due 2027 of Barings BDC Static CLO Ltd. 2019-I and Barings BDC Static CLO 2019-I, LLC] [Subordinated Notes due 2027 of Barings BDC Static CLO Ltd. 2019-I] and hereby requests the Trustee grant it access, via a protected password, to Trustee's Website in order to view postings of the [information specified in Section 7.17(d) of the Indenture] [and/or the] [information specified in Section 7.17(f) of the Indenture] [and/or the] [information specified in Section 7.17(g) of the Indenture] [and/or the] [Monthly Report specified in Section 10.6(a) of the Indenture] [and/or the] [Distribution Report specified in Section 10.6(b) of the Indenture].

In consideration of the electronic signature hereof by the beneficial owner, the Co-Issuers, the Trustee, the Collateral Administrator, the Collateral Manager, or their respective agents may from time to time communicate or transmit to the beneficial owner (a) information upon the request of the beneficial owner pursuant to the Indenture and (b) other information or communications marked or otherwise identified as confidential (collectively, "Confidential Information"). Confidential Information relating to the Issuer shall not include, however, any information that (i) through no fault or action by the beneficial owner or any of its affiliates is a matter of general public knowledge or has been or is hereafter published in any source generally available to the public or (ii) has been or is hereafter received by the beneficial owner or any of its affiliates from a third party that is not prohibited from disclosing such information by a contractual, legal or fiduciary obligation to the Co-Issuers, the Trustee, the Collateral Administrator or the Collateral Manager.

The beneficial owner agrees that the beneficial owner (a) will not use Confidential Information for any purpose other than to monitor and administer the financial condition of either of the Co-Issuers and to appropriately treat or report the transactions, (b) will keep confidential all Confidential Information and will not communicate or transmit any Confidential Information to any person other than officers or employees

of the beneficial owner or their agents, auditors or affiliates who need to know the same in order to monitor and administer the financial condition of either of the Co-Issuers and to appropriately treat or report the transactions and (c) will use reasonable efforts to maintain procedures to ensure that no Confidential Information is used by directors, officers or employees of the beneficial owner or any of its affiliates (other than those in a supervisory or operational capacity) who are trading, in each case with trading strategies substantially the same as either of the Co-Issuers, with respect to Collateral Obligations of the type owned by the Issuer; except that Confidential Information may be disclosed by the beneficial owner (i) by reason of the exercise of any supervisory or examining authority of any governmental agency having jurisdiction over the beneficial owner, (ii) to the extent required by laws or regulations applicable to the beneficial owner or pursuant to any subpoena or similar legal process served on the beneficial owner, (iii) to provide to a credit protection provider or prospective transferee, (iv) in connection with any suit, action or proceeding brought by the beneficial owner to enforce any of its rights under the Indenture or under the applicable note purchase agreement or the Notes while an Event of Default has occurred and is continuing or (v) with the consent of the Issuer or the Collateral Manager.

Submission of this certificate bearing the beneficial owner's electronic signature shall constitute effective delivery hereof. This certificate shall be construed in accordance with, and this certificate and all matters arising out of or relating in any way whatsoever (whether in contract, tort or otherwise) to this certificate shall be governed by, the law of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be duly executed this ____ day of _____, _____.

[NAME OF BENEFICIAL OWNER]

By:
Name:
Title: Authorized
Signatory

Tel.: _____
Fax: _____

EXHIBIT D

NRSRO CERTIFICATION

[Date]

Barings BDC Static CLO Ltd. 2019-I
c/o MaplesFS Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

State Street Bank and Trust Company, as Trustee
1 Iron Street
Boston, MA 02210
Attention: Structured Trust and Analytics

Attention: Barings BDC Static CLO Ltd. 2019-I and Barings BDC Static CLO 2019-I, LLC

In accordance with the requirements for obtaining certain information pursuant to the Indenture, dated as of May 9, 2019 (as amended from time to time, the "Indenture"), by and among Barings BDC Static CLO Ltd. 2019-I (the " Issuer"), as Issuer, Barings BDC Static CLO 2019-I, LLC, as Co-Issuer, and State Street Bank and Trust Company (the "Trustee"), as Trustee, the undersigned hereby certifies and agrees as follows:

1. The undersigned, a Nationally Recognized Statistical Rating Organization, has provided the Issuer with the appropriate certifications under Rule 17g-5(e) as promulgated under the Exchange Act.

2. The undersigned has access to the 17g-5 Website.

3. The undersigned shall be deemed to have recertified to the provisions herein each time it accesses the 17g-5 Website.

Capitalized terms used but not defined herein shall have the respective meanings assigned thereto in the Indenture.

IN WITNESS WHEREOF, the undersigned has caused its name to be signed hereto by its duly authorized signatory, as of the day and year written above.

Nationally Recognized Statistical Rating Organization

_____

Name:
Title:

Company:
Phone:
Email:

EXECUTION VERSION
Exhibit 10.2

MASTER LOAN SALE AGREEMENT

by and among

BARINGS BDC, INC.,
as the Seller,

and

BARINGS BDC STATIC CLO LTD. 2019-I,
as the Buyer.

Dated as of May 9, 2019

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SCHEDULE

MASTER LOAN SALE AGREEMENT

THIS MASTER LOAN SALE AGREEMENT, dated as of May 9, 2019 (as amended, modified, supplemented or restated from time to time, this "Agreement"), is among BARINGS BDC, INC., a Maryland corporation (in its capacity as seller hereunder, together with its successors and assigns, the "Seller") and BARINGS BDC STATIC CLO LTD. 2019-I, an exempted company incorporated in the Cayman Islands (together with its successors and assigns, the "Buyer").

WHEREAS, in the regular course of its business, the Seller originates and/or otherwise acquires Collateral Obligations; and

WHEREAS, contemporaneously on the Closing Date, the Seller desires to acquire certain of the Closing Date Participations (as defined below) from Barings BDC Senior Funding I, LLC (the "Financing Subsidiary") and the Buyer desires to acquire from the Seller the Collateral Obligations listed on Schedule 1 hereto (including the Closing Date Participations), together with certain related property as more fully described herein and included as part of the "Assets" in the Indenture, dated as of May 9, 2019 (as amended, modified, restated or supplemented from time to time, the "Indenture"), among the Buyer, as issuer, Barings BDC Static CLO 2019-I, LLC, as co-issuer, and State Street Bank and Trust Company, as trustee (together with its successors and assigns in such capacity, the "Trustee").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 **Definitions**.

Capitalized terms used but not defined in this Agreement shall have the meanings attributed to such terms in the Indenture, unless the context otherwise requires. As used herein, the following defined terms shall have the following meanings:

"Agreement" has the meaning provided in the first paragraph of this Agreement.

"Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, public body, administrative tribunal, central bank, public office, court, arbitration or mediation panel, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of government, including the FINRA, the SEC, the stock exchanges, any Federal, state, territorial, county, municipal or other government or governmental agency, arbitrator, board, body, branch, bureau, commission, court, department, instrumentality, master, mediator, panel, referee, system or other political unit or subdivision or other entity of any of the foregoing, whether domestic or foreign.

"Authorized Officer" means, with respect to the Seller, any Person who is authorized to act for the Seller in matters relating thereto, and binding thereupon, in connection with the transactions contemplated by this Agreement and the other Transaction Documents to which such Person is a party.

"Buyer" has the meaning provided in the first paragraph of this Agreement.

"Closing Date Participation" has the meaning set forth in Section 2.01(b).

"Collateral" has the meaning provided in Section 2.01.

"Dodd-Frank" means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"Elevation" means, with respect to each Closing Date Participation, such Closing Date Participation is elevated to an assignment.

"Elevation Date" means, with respect to each Closing Date Participation, the date of its Elevation.

"Excluded Amounts" means (a) any amount received by, on or with respect to any Collateral Obligation in the Collateral, which amount is attributable to the payment of any tax, fee or other charge imposed by any Authority on such Collateral Obligation, (b) any amount representing escrows relating to taxes, insurance and other amounts in connection with any Collateral Obligation which is held in an escrow account for the benefit of the related Obligor and the secured party [(other than the Seller in its capacity as lender with respect to such Collateral Obligation)] pursuant to escrow arrangements, (c) any Retained Fee retained by the Person(s) entitled thereto in connection

with the origination of any Collateral Obligation, (d) any accrued and unpaid interest on any Collateral Obligation with respect to the period of time prior to and excluding the Closing Date and (e) any Equity Security related to any Collateral Obligation that the Seller determines will not be transferred by the Seller in connection with the sale of any related Collateral Obligation hereunder.

"Financing Subsidiary" has the meaning provided in the Preamble to this Agreement.

"Governmental Authorizations" means all franchises, permits, licenses, approvals, consents, orders and other authorizations of all Authorities.

"Governmental Filings" means all filings, including franchise and similar tax filings, and the payment of all fees, assessments, interests and penalties associated with such fillings with all Authorities.

"Income Collections" has the meaning set forth in Section 2.01(b).

"Indenture" has the meaning provided in the Preamble to this Agreement.

"Lien" means any grant of a security interest in, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing (including any UCC financing statement or any similar instrument filed against a Person's assets or properties).

"Loan List" means the list of Collateral Obligations set forth on Schedule 1, as such list may be amended, supplemented or modified from time to time in accordance with this Agreement.

"Material Adverse Effect" means, with respect to the Person making the related representation and warranty or agreeing to the related covenant, any event that has, or could reasonably be expected to have, a material adverse effect on (a) the business, assets, financial condition or operations of such Person (b) the ability of such Person to perform its obligations under the Transaction Documents to which it is a party or (c) the rights, interests, remedies or benefits (taken as a whole) available to the Trustee under the Transaction Documents.

"Participation Agreement" means the master participation and assignment agreement, dated as of the Closing Date, by and between the Financing Subsidiary and the Buyer and acknowledged by the Seller.

"Payment in Full" means payment in full of the Notes and of all other obligations then due and payable by the Buyer pursuant to and in accordance with the Indenture.

"Payment in Full Date" means the date on which a Payment in Full occurs or the Indenture is otherwise satisfied and discharged in accordance with its terms.

"Permitted Liens" means, with respect to the interest of the Seller and the Buyer in the Collateral Obligations, as applicable: (i) security interests, liens and other encumbrances in favor

of the Buyer pursuant to this Agreement, (ii) security interests, liens and other encumbrances in favor of the Trustee created pursuant to the Indenture and/or this Agreement, (iii) with respect to agented Collateral Obligations, security interests, liens and other encumbrances in favor of the lead agent, the collateral agent or the paying agent on behalf of all holders of indebtedness of such Obligor under the related facility, (iv) with respect to any Equity Security, any security interests, liens and other encumbrances granted on such Equity Security to secure indebtedness of the related Obligor and/or any security interests, liens and other rights or encumbrances granted under any governing documents or other agreement between or among or binding upon the Buyer as the holder of equity in such Obligor and (v) security interests, liens and other encumbrances for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded (*provided* that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor).

"Purchase" means the purchase or other acquisition of Collateral by the Buyer from the Seller pursuant to Section 2.01.

"Purchase Price" has the meaning provided in Section 2.02.

"Related Contracts" means all credit agreements, indentures, notes, security agreements, leases, financing statements, guaranties, and other contracts, agreements, instruments and other papers evidencing, securing, guaranteeing or otherwise relating to any Collateral Obligation or Eligible Investment or other investment with respect to any Collateral or proceeds thereof (including the related Underlying Instruments), together with all of the Seller's right, title and interest in, to and under all property or assets securing or otherwise relating to any Collateral Obligation or Eligible Investment or other investment with respect to any Collateral or proceeds thereof or of any Related Contract.

"Retained Fee" means any reasonable origination, structuring or similar closing fee charged by the Person originating a loan on behalf of its lenders for services it has performed in connection with such origination, which is not customarily made available to the lenders as part of their return with respect to such loan, and provided such Person is entitled to retain the same in accordance with applicable law.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provisions shall be deemed to be a reference to any successor statutory or regulatory provision.

"Seller" has the meaning provided in the first paragraph of this Agreement.

"Trustee" has the meaning provided in the Preamble to this Agreement.

"Volcker Rule" means Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations thereunder, in each case, as amended from time to time.

Section 1.02 **Other Terms**.

All accounting terms used but not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States. The symbol "$" shall mean the lawful currency of the United States of America. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

Section 1.03 **Computation of Time Periods**.

Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding".

Section 1.04 **Interpretation**.

In this Agreement, unless a contrary intention appears:

(i) the singular number includes the plural number and *vice versa*;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Transaction Documents;

(iii) references to "including" means "including, without limitation";

(iv) reference to day or days without further qualification means calendar days;

(v) unless otherwise stated, reference to any time means New York, New York time;

(vi) references to "writing" include printing, typing, lithography, electronic or other means of reproducing words in a visible form;

(vii) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, modified, supplemented, replaced, restated, waived or extended and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefore;

(viii) reference to any applicable law means such applicable law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any Section or other provision of any applicable law means that provision of such applicable law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such Section or other provision; and

(ix) reference to any gender includes each other gender.

Section 1.05 **References**.

All section references (including references to the preamble), unless otherwise indicated, shall be to Sections (and the preamble) in this Agreement.

Section 1.06 **Calculations**.

Except as otherwise provided herein, all interest rate and basis point calculations hereunder will be made on the basis of a 360-day year and the actual days elapsed in the relevant period and will be carried out to at least three decimal places.

ARTICLE II

TRANSFER OF LOAN ASSETS

Section 2.01 **Sale, Transfer and Assignment**.

(a) Transfer from the Seller to the Buyer on the Closing Date. Subject to and upon the terms and conditions set forth in this Agreement (including the conditions to purchase set forth in Article III), on the Closing Date (or, in the case of each Closing Date Participation, the Elevation Date), the Seller hereby sells, transfers, assigns, sets over and otherwise conveys to the Buyer and the Buyer hereby purchases and takes from the Seller all right, title and interest (whether now owned or hereafter acquired or arising and wherever located) of the Seller (including all obligations of the Seller as lender to fund any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation conveyed by the Seller to the Buyer hereunder which obligations the Buyer hereby assumes) in the property identified in clauses (i)-(v) below and all accounts, cash and currency, chattel paper, tangible chattel paper, electronic chattel paper, copyrights, copyright licenses, equipment, fixtures, general intangibles, instruments, commercial tort claims, deposit accounts, inventory, investment property, letter-of-credit rights, accessions, proceeds and other property consisting of, arising out of, or related to any of the following (in each case excluding the Excluded Amounts) (collectively, the "Collateral"):

(i) the Collateral Obligations listed on each Loan List delivered on the Closing Date by the Seller to the Buyer (as set forth on Schedule 1) and all monies due, to become due or paid in respect of such Collateral Obligations on and after the Closing Date, including but not limited to all collections on such Collateral Obligations and other recoveries thereon, in each case as they arise after the Closing Date;

(ii) all Liens with respect to the Collateral Obligations referred to in clause (i) above;

(iii) all Related Contracts with respect to the Collateral Obligations referred to in clause (i) above;

(iv) all collateral security granted under any Related Contracts; and

(v) all income and proceeds of the foregoing.

(b) Closing Date Participations. It is understood and agreed by the parties hereto that certain of the Collateral Obligations being transferred hereunder from the Seller to the Buyer are not expected to settle on the Closing Date. Therefore, in order to grant the economic benefits associated with such Collateral Obligations to the Buyer on the Closing Date, (i) the Seller agrees to sell, transfer, assign, set over and otherwise convey to the Buyer, without recourse except to the extent specifically provided herein, and the Buyer agrees to purchase from the Seller, a 100% undivided participation interest in Seller's (and, with respect to the Collateral Obligations held by the Financing Subsidiary on the Closing Date, the Financing Subsidiary's) interests in each Collateral Obligation listed on Schedule 1 and identified as a "participation" (each such Collateral Obligation, a "Closing Date Participation"), which interest shall be understood to include all the Seller's (and, with respect to the Collateral Obligations held by the Financing Subsidiary on the Closing Date, the Financing Subsidiary's) right, title, benefit and interest in and to any interest accruing from and after the Closing Date, any payments, proceeds or other period distributions to the extent provided in Section 2.04 (the "Income Collections"), the legal title to which is held by the Seller (or, with respect to the Collateral Obligations held by the Financing Subsidiary on the Closing Date, the Financing Subsidiary), and (ii) the Buyer hereby acquires the Closing Date Participations and assumes and agrees to perform and comply with all assumed obligations of the Seller with respect thereto. The parties hereby agree to treat the transfer of the Closing Date Participations by the Seller to the Buyer as a sale and purchase on all of their respective relevant books and records. For administrative convenience, the Closing Date Participations held by the Financing Subsidiary on the Closing Date will be transferred directly from the Financing Subsidiary to the Buyer pursuant the Participation Agreement, but such Closing Date Participations shall be deemed to have been distributed (through an intermediate entity) by the Financing Subsidiary to the Seller and sold by the Seller to the Buyer hereunder.

(c) From and after the Closing Date, the Collateral listed on the relevant Loan List shall be deemed to be Collateral hereunder.

(d) On the Closing Date with respect to the Collateral to be acquired by the Buyer on that date, the Seller shall be deemed to, and hereby does, certify to the Buyer and to the Trustee, on behalf of the Secured Parties, as of the Closing Date, that each of the representations and warranties in Section 4.02 is true and correct in all material respects as of the Closing Date.

(e) Except as specifically provided in this Agreement, the sale and purchase of Collateral under this Agreement shall be without recourse to the Seller; it being understood that the Seller shall be liable to the Buyer for all representations and warranties made by the Seller pursuant to the terms of this Agreement, all of which obligations are limited so as not to constitute recourse to the Seller for the credit risk of the Obligors.

(f) In connection with each Purchase of Collateral from the Seller to the Buyer on the Closing Date as contemplated by this Agreement, the Buyer hereby directs the Seller to, and the Seller agrees that it will, Deliver in accordance with the Indenture, or cause to be Delivered in accordance with the Indenture (on behalf of the Buyer), to the Custodian (with a copy to the Trustee),

each Collateral Obligation being transferred to the Buyer on the Closing Date in accordance with the applicable provisions of the Indenture.

(g) The Seller shall take such action requested by the Buyer, from time to time hereafter, that may be necessary or appropriate to ensure that the Buyer has an enforceable ownership interest and its assigns under the Indenture have an enforceable and perfected security interest in the Collateral purchased by the Buyer as contemplated by this Agreement.

(h) In connection with the Purchase by the Buyer of the Collateral as contemplated by this Agreement, with respect to the Collateral Purchased on the Closing Date in accordance with this Agreement, the Seller agrees that it will, at its own expense, indicate clearly and unambiguously in its computer files on and after the Closing Date that such Collateral has been purchased by the Buyer and the Seller agrees that it will indicate clearly and unambiguously on and after the Closing Date in its financial statements that such Collateral is owned by the Buyer and is not available to pay creditors of the Seller.

(i) The Seller agrees to deliver to the Buyer on or before the Closing Date a computer file containing a true, complete and correct Loan List (which shall contain the related Principal Balance, outstanding principal balance, loan number and Obligor name for each Collateral Obligation) as of the Closing Date. Such file or list shall be marked as Schedule 1 to this Agreement, shall be delivered to the Buyer, as confidential and proprietary, and is hereby incorporated into and made a part of this Agreement, as such Schedule 1 may be supplemented and amended from time to time.

(j) In a series of contemporaneous transactions on the Closing Date, (i) the Financing Subsidiary shall, subject to the terms of the applicable credit facility, sell and/or distribute the Closing Date Participations owned by the Financing Subsidiary to the Seller (with respect to any distribution, in its capacity as sole member of the Financing Subsidiary), (ii) the Seller shall transfer the Collateral Obligations listed on Schedule 1 to the Buyer and (iii) as consideration for its acquisition of the Collateral Obligations listed on Schedule 1 from the Seller, the Buyer shall issue to the Seller all of its Subordinated Notes and pay cash to the Seller.

(k) For administrative convenience, (i) Collateral Obligations (including certain of the Closing Date Participations) being transferred first from the Financing Subsidiary to the Seller and second from the Seller to the Buyer, may settle directly from the Financing Subsidiary to the Buyer pursuant to the Participation Agreement and (ii) any of the steps or transfers of cash or assets pursuant to this Agreement and the Participation Agreement may be made on a net basis (any amounts owing by one party may be offset by amounts owed to such party, and vice versa).

(l) It is the intention of the parties hereto that the conveyance of all right, title and interest in and to the Collateral to the Buyer by the Seller on the Closing Date as provided in this Section 2.01 is intended and shall, in each and every case, constitute an absolute sale, assignment, conveyance and transfer of ownership of such Collateral conveying good title, free and clear of any Lien (other than Permitted Liens) and that the Collateral shall not be part of the Seller's bankruptcy estate in the event of any bankruptcy or insolvency proceedings with respect to the Seller.

Furthermore, it is not intended that any such conveyance be deemed a pledge of the Collateral Obligations and the other Collateral to the Buyer to secure a debt or other obligation of the Seller.

(m) If, however, notwithstanding the intention of the parties set forth in Section 2.01(l), any of the conveyances provided for in this Section 2.01 by the Seller are determined to be a transfer to secure indebtedness, then this Agreement shall also be deemed to be, and hereby is, a "security agreement" within the meaning of Article 9 of the UCC. With respect to the Collateral related to Schedule 1 transferred on the Closing Date hereunder, (A) the Seller hereby grants to the to the Buyer a duly perfected, first priority "security interest" within the meaning of Article 9 of the UCC in all of its right, title and interest in and to such Collateral, now existing and hereafter created, to secure the prompt and complete payment of a loan deemed to have been made in an amount equal to the aggregate Purchase Price of such Collateral, (B) the Buyer, as assignee secured party, shall have, in addition to the rights and remedies which it may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC and other applicable law with respect thereto, which rights and remedies shall be cumulative, and (C) the Seller authorizes the Buyer, and, so long as the Payment in Full Date has not occurred, the Trustee on behalf of the Secured Parties, to file UCC financing statements and amendments, as necessary, naming the Seller as "debtor", the Buyer as "assignor secured party" or "assignee secured party" and the Trustee as "assignee secured party," or similar applicable designations, describing such Collateral, in each jurisdiction that the Buyer deems necessary in order to protect the security interests in the Collateral granted under this Section 2.01(m).

(n) The Seller and the Buyer hereby acknowledge and agree that (i) the conveyance of the Closing Date Participations is being effectuated pursuant to this Agreement and the Participation Agreement instead of an assignment of the Seller's (and, with respect to the Collateral Obligations held by the Financing Subsidiary on the Closing Date, the Financing Subsidiary's) legal interest in and title to each of the Closing Date Participations (the transfer of which to the Buyer will not be effective until the individual assignments of each Closing Date Participation become effective) because the conditions precedent under the related Underlying Instruments to the transfer, assignment and conveyance of the Seller's (and, with respect to the Collateral Obligations held by the Financing Subsidiary on the Closing Date, the Financing Subsidiary's) legal interest in and title to the Closing Date Participations may otherwise not be fully satisfied as of the Closing Date and (ii) the conveyance of the Closing Date Participations hereunder shall have the consequence that the Seller does not have an equitable interest in the Closing Date Participations and the Buyer holds 100% of the equitable interest in the Closing Date Participations. The Buyer has prepared, or will prepare on or following the Closing Date, individual assignments consistent with the requirements of the related Underlying Instruments and provided them to the Persons required under such Underlying Instruments, which assignments will become effective in accordance with such Underlying Instruments upon obtaining certain consents thereto or upon the passage of time or both. Upon receipt by the Seller or the Buyer of the effective assignment of any Closing Date Participation participated pursuant to this Section 2.01, the Seller, for value received, hereby sells to the Buyer, and the Buyer hereby purchases from the Seller all of the Seller's (and, with respect to the Collateral Obligations held by the Financing Subsidiary on the Closing Date, the Financing Subsidiary's) right, title and interest in, to and under such Closing Date Participation.

Section 2.02 **Purchase Price**.

The purchase price for each Collateral Obligation sold pursuant to this Master Loan Sale Agreement shall be a dollar amount equal to the fair market value thereof as determined by the Seller and the Buyer and shall be on terms no less favorable to the buyer than such buyer would then obtain in a comparable arm's length transaction with a person that is not an Affiliate (in each case, the "Purchase Price").

Section 2.03 **Payment of Purchase Price**.

(a) The Purchase Price for any Collateral related to Schedule 1 acquired by the Buyer from the Seller on the Closing Date pursuant to this Agreement shall be paid by issuance of the Subordinated Notes by the Buyer to the Seller and cash paid by the Buyer to the Seller.

(b) The Seller, in connection with each Purchase hereunder relating to any Collateral, shall be deemed to have certified, and hereby does certify, with respect to the Collateral to be purchased by the Buyer on such day, that its representations and warranties contained in Article IV are true and correct in all material respects on and as of such day, with the same effect as though made on and as of such day.

(c) Upon the payment of the Purchase Price for any Purchase, title to the Collateral included in such Purchase shall vest in the Buyer as provided herein, whether or not the conditions precedent to such Purchase and the other covenants and agreements contained herein were in fact satisfied; *provided* that the Buyer shall not be deemed to have waived any claim it may have under this Agreement for the failure by the Seller in fact to satisfy any such condition precedent, covenant or agreement.

(d) Collateral Obligations may be purchased or acquired by the Buyer from the Seller or any of its Affiliates hereunder only if (i) the terms and conditions thereof are no less favorable to the Buyer than the terms it would obtain in a comparable, timely purchase or acquisition with a non-Affiliate and (ii) the transactions are effected in accordance with all applicable laws.

Section 2.04 **Income Collections on Closing Date Participations**.

(a) With respect to each Closing Date Participation, the Buyer shall acquire all rights to Income Collections, which, for the avoidance of doubt, shall not include any Excluded Amounts.

(b) If at any time after the Closing Date, the Seller receives any Income Collections, the Seller shall deliver such Income Collection promptly to the Buyer. If at any time after the Closing Date the Seller receives any other payment (including principal, interest (to the extent relating to the period from and after the Closing Date) or any other amount) with respect to a Closing Date Participation, the Seller shall deliver such payment promptly to the Buyer, and in the case of any such payment of interest, the Seller shall provide a written notice to the Buyer at the time of such delivery setting forth calculations and certifying as to the portion of any interest received that relates to the period from and after the Closing Date.

(c) Without limiting the foregoing, the Seller agrees (and pursuant to the Participation Agreement the Financing Subsidiary has agreed) (i) until the Elevation of each Closing Date Participation has been completed, to maintain its existing custodial arrangements and bank accounts established to receive proceeds of such Closing Date Participation and (ii) to remit to the Buyer, promptly (but not more than three Business Days) after receipt of such payment and identification thereof, each payment received in connection with each Closing Date Participation to which the Buyer is entitled in accordance with Section 2.01 (which, for the avoidance of doubt, shall not include any Excluded Amounts). The Seller acknowledges that from and after the Closing Date it shall have no equitable or beneficial interest in any payment received by it with respect to any Closing Date Participation (other than any accrued and unpaid interest with respect to the period of time prior to and excluding the Closing Date). If the Seller modifies or amends (or directs the Financing Subsidiary to modify or amend) the standing instructions delivered to the Seller's (or the Financing Subsidiary's) custodian on the date hereof in connection with this clause (c), the Seller shall notify the Buyer of such modification or amendment.

Section 2.05 **Elevation of the Closing Date Participations**.

(a) Subject to the terms and provisions of the applicable Closing Date Participation and of applicable law, the Seller shall use commercially reasonable efforts to effect an Elevation, as soon as reasonably practicable, with respect to each such Closing Date Participation and take such action (including the execution and delivery of an assignment agreement) as shall be mutually agreeable in connection therewith and in accordance with the terms and conditions of each such Closing Date Participation and consistent with the terms of this Agreement. The Seller shall pay any transfer fees and other expenses payable in connection with an Elevation and the Buyer will reimburse the Seller for half of such fees and expenses after receipt of an invoice therefor from the Seller detailing such amounts. The Buyer shall be responsible for any expenses of administering each Closing Date Participation prior to its Elevation. At Elevation, the Seller shall deliver such assignment and the credit documentation with respect to the related Closing Date Participation in its possession to or as directed by the Buyer.

(b) If the Seller has not effected an Elevation of a Closing Date Participation on or before the day that is 120 days from the Closing Date for whatever reason or if at any time prior thereto the Seller is dissolved prior to effecting an Elevation, the Seller and the Buyer agree that the Participation Interests in each of the Closing Date Participations shall elevate automatically and immediately to an assignment and all of the Seller's (or, with respect to the Collateral Obligations held by the Financing Subsidiary on the Closing Date, the Financing Subsidiary's) rights, title, interests and ownership of such Closing Date Participations shall vest in Buyer. The Seller shall be deemed to have consented and agreed to Elevation for each of the Closing Date Participations upon the execution of this Agreement. The Seller agrees that, following any such date, the Buyer shall be permitted to take any and all action necessary to effectuate an Elevation and/or finalize an assignment of any of the Closing Date Participations, and in furtherance of the foregoing, effective immediately upon such date, the Seller hereby makes, constitutes and appoints the Buyer, with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority

in its name, place and stead, to sign, execute, certify, swear to, acknowledge, deliver, file, receive and record any and all documents that the Buyer reasonably deems appropriate or necessary in connection with any Elevation or finalization of an assignment of any of the Closing Date Participations. In addition, the Seller, effective as of the date hereof, hereby makes, constitutes and appoints the Buyer, with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to sign, execute, certify, swear to, acknowledge, deliver, file, receive and record any and all documents that the Buyer reasonably deems appropriate or necessary to direct the obligor or agent bank with respect to any Closing Date Participations to deposit Income Collections directly into an account chosen by the Buyer. The foregoing powers of attorney are hereby declared to be irrevocable and a power coupled with an interest, and shall survive and not be affected by the bankruptcy or insolvency or dissolution of the Seller.

Section 2.06 **Limitation on Sales to Seller and Affiliates**.

At any time after the Closing Date, the Buyer may sell any Collateral Obligation to the Seller or any affiliate thereof; *provided* that such transaction is conducted in an arm's length transaction in the ordinary course of business and the value of any such transferred Collateral Obligation shall be the mid-point between the "bid" and "ask" prices provided by a nationally recognized independent pricing service or, if unavailable or determined by the Collateral Manager to be unreliable, the fair market value of such Collateral Obligation as reasonably determined by the Collateral Manager, and such Affiliate shall acquire such Collateral Obligation for a price equal to the value so determined.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.01 **Conditions Precedent**

This Agreement is subject to the conditions precedent that on or prior to the Closing Date each of the conditions precedent to the execution, delivery and effectiveness of each other Transaction Document (other than a condition precedent in any such other Transaction Document relating to the effectiveness of this Agreement) shall have been fulfilled, and:

(a) Counterparts of this Agreement shall have been executed and delivered by or on behalf of the Seller and the Buyer; and

(b) The Seller shall have delivered to the Buyer filed UCC-1 financing statements as required by Section 2.01(m) describing the applicable Collateral and meeting the requirements of the laws of each jurisdiction in which it is necessary or reasonably desirable, or in which the Seller is required by applicable law, and in such manner as is necessary or reasonably desirable, to perfect the back-up security interest granted under Section 2.01(m).

Section 3.02 **Conditions Precedent to all Purchases**.

(a) The obligation of the Buyer to purchase the Collateral from the Seller on the Closing Date shall be subject to the satisfaction of the following conditions precedent that:

(i) all representations and warranties of the Seller contained in Sections 4.01 and 4.02 shall be true and correct in all material respects on and as the Closing Date (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date); and

(ii) the Seller shall have delivered to the Buyer a duly completed Loan List that is true, accurate and complete in all respects as of the Closing Date, which list is made a part of this Agreement.

Section 3.03 **Release of Excluded Amounts**.

The parties acknowledge and agree that the Buyer has no interest in the Excluded Amounts. Promptly upon the receipt by or release to the Buyer of any Excluded Amounts, the Buyer hereby irrevocably agrees to deliver and release to (or as directed by) the Seller such Excluded Amounts, which release shall be automatic and shall require no further act by the Buyer; *provided* that the Buyer agrees that it will execute and deliver such instruments of release and assignment or other documents, or otherwise confirm the foregoing release of such Excluded Amounts, as may be reasonably requested by the Seller in writing.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01 **Representations and Warranties Regarding the Seller**.

The Seller makes the following representations and warranties, on which the Buyer relies in acquiring the Collateral purchased hereunder and each of the Secured Parties relies upon in entering into the Indenture or purchasing the Notes. As of the Closing Date (unless a specific date is specified below), the Seller represents and warrants to the Buyer for the benefit of the Buyer and its successors and assigns that:

(a) Organization and Good Standing. The Seller has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Maryland, with all requisite corporate power and authority to own or lease its properties and to conduct its business as such business is presently conducted, and had at all relevant times, and now has, all necessary power, authority and legal right to acquire and own each Collateral Obligation and to sell or contribute such Collateral Obligation to the Buyer hereunder.

(b) Due Qualification. The Seller is duly qualified to do business and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of its property or the conduct of its business requires such qualification, licenses and/or approvals as required in

each jurisdiction in which the failure to be so qualified or obtain such license or approval, is likely to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization; Execution and Delivery. The Seller (i) has all necessary corporate power, authority and legal right to (a) execute and deliver this Agreement and (b) carry out the terms of this Agreement and (ii) has duly authorized by all necessary corporate action the execution, delivery and performance of this Agreement and the sale and assignment of an ownership interest in each Collateral Obligation on the terms and conditions herein provided. This Agreement has been duly executed and delivered by the Seller.

(d) Valid Conveyance; Binding Obligations. This Agreement will be duly executed and delivered by the Seller, and this Agreement, other than for accounting and tax purposes, shall effect valid sales of each Collateral Obligation, enforceable against the Seller and creditors of and purchasers from the Seller, and this Agreement shall constitute legal, valid and binding obligations of the Seller enforceable against the Seller in accordance with their respective terms, except as enforceability may be limited by the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally and general principles of equity (whether such enforceability is considered in a suit at law or in equity).

(e) No Violation. The execution, delivery and performance of this Agreement and all other agreements and instruments executed and delivered or to be executed and delivered by the Seller pursuant hereto or thereto in connection with the sale of any Collateral Obligation will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Seller's organizational documentation or any contractual obligation of the Seller, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the Seller's properties pursuant to the terms of any such contractual obligation, other than this Agreement, or (iii) violate any applicable law in any material respect.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Seller, threatened against the Seller, before any Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

(g) All Consents Required. All approvals, authorizations, consents, orders, licenses or other actions of any Person or of any Authority (if any) required for the due execution, delivery, performance, validity or enforceability of this Agreement to which the Seller is a party have been obtained.

(h) State of Organization, Etc. The Seller has not changed its name since its incorporation. Except as permitted hereunder, the chief executive office of the Seller (and the location of the Seller's records regarding the Collateral Obligations (other than those delivered to the Custodian)) is at the address of the Seller set forth in Section 5.02. The Seller's only jurisdiction

of incorporation is Maryland, and, except as permitted hereunder, the Seller has not changed its jurisdiction of incorporation.

(i) Solvency. The Seller is not the subject of any bankruptcy proceedings. The Seller is solvent and will not become insolvent after giving effect to the transactions contemplated by this Agreement and the other Transaction Documents. The Seller, after giving effect to the transactions contemplated by this Agreement and the other Transaction Documents, will have an adequate amount of capital to conduct its business.

(j) Taxes. The Seller has filed or caused to be filed all tax returns that are required to be filed by it (subject to any extensions to file properly obtained by the same). The Seller has paid or made adequate provisions for the payment of all Taxes and all assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Seller), and no tax lien has been filed and, to the Seller's knowledge, no claim is being asserted, with respect to any such Tax, assessment or other charge.

(k) No Liens, Etc. Each Collateral Obligation or participation interest therein to be acquired by the Buyer hereunder is owned by the Seller free and clear of any Lien, security interest, charge or encumbrance (subject only to Permitted Liens), and the Seller has the full right, corporate power and lawful authority to sell the same and interests therein and, upon the sale thereof hereunder, the Buyer will have acquired good and marketable title to and a valid and perfected ownership interest in such Collateral Obligation or participation interests therein, free and clear of any Lien, security interest, charge or encumbrance (subject only to Permitted Liens).

(l) Information True and Correct. All written information (other than projections, other forward-looking information, information of a general economic or general industry nature and pro forma financial information) heretofore (as of each date when this representation and warranty is made) furnished by or on behalf of the Seller to the Buyer, as applicable, or any assignee thereof in connection with this Agreement or any transaction contemplated hereby is true and accurate in all material respects (to the best knowledge of the Seller, in the case of information obtained by the Seller from Obligors or other unaffiliated third parties), and, taken as a whole, contained as of the date of delivery thereof no untrue statement of a material fact (to the best knowledge of the Seller, in the case of information obtained by the Seller from Obligors or other unaffiliated third parties) and did not omit to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which such information was furnished (to the best knowledge of the Seller, in the case of information obtained by the Seller from Obligors or other unaffiliated third parties) as of the date such information was furnished. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Seller to be reasonable at the time made, it being recognized by the Seller and the Buyer that such projections and pro forma financial information as it relates to future events are not to be viewed as fact and that actual results during the period or periods covered by such projections and pro forma financial information may differ from the projected and pro forma results set forth therein by a material amount.

(m) Intent of the Seller. The Seller has not sold, contributed, transferred, assigned or otherwise conveyed any interest in any Collateral Obligation or participation interest therein to the Buyer with any intent to hinder, delay or defraud any of the Seller's creditors.

(n) Value Given. The Seller has received reasonably equivalent value from the Buyer in exchange for the sale of such Collateral Obligations sold hereunder. No such sale has been made for or on account of an antecedent debt owed by the Seller and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

Section 4.02 **Representations and Warranties of the Seller Relating to the Agreement and the Collateral**

The Seller makes the following representations and warranties, on which the Buyer relies in acquiring each Collateral Obligation purchased hereunder and each of the Secured Parties relies upon in entering into the Indenture or purchasing the Notes. As of the Closing Date, the Seller represents and warrants to the Buyer for the benefit of the Buyer and each of their successors and assigns that:

(a) Valid Transfer and Security Interest. This Agreement constitutes a valid transfer to the Buyer of all right, title and interest in, to and under each Collateral Obligation, free and clear of any Lien of any Person claiming through or under the Seller or its Affiliates, except for Permitted Liens. If the conveyances contemplated by this Agreement are determined to be a transfer for security, then this Agreement constitutes a grant of a security interest in each Collateral Obligation to the Buyer which upon the delivery of the Collateral Obligation, in accordance with the definition of "Deliver" under the Indenture, to the Buyer (or to the Custodian on behalf of the Trustee, for the benefit of the Secured Parties) and the filing of the financing statements shall be a first priority perfected security interest in each such Collateral Obligation, subject only to Permitted Liens.

(b) Eligibility of Sale Portfolio. (i) Schedule 1 is an accurate and complete listing of each Collateral Obligation transferred to the Buyer as of the Closing Date and the information contained therein with respect to the identity of such Collateral Obligations and the amounts owing thereunder is true and correct as of the Closing Date and (ii) with respect to each Collateral Obligation, all consents, licenses, approvals or authorizations of or registrations or declarations of any governmental authority or any Person required to be obtained, effected or given by the Seller in connection with the transfer of an ownership interest or security interest in each Collateral Obligation to the Buyer have been duly obtained, effected or given and are in full force and effect.

It is understood and agreed that the representations and warranties provided in this Section 4.02 shall survive (x) the sale of the Collateral Obligations to the Buyer, (y) the grant of a first priority perfected security interest in, to and under each Collateral Obligation pursuant to the Indenture by the Buyer and (z) the termination of this Agreement and the Indenture. Upon discovery by the Seller or the Buyer of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice thereof to the other and to the Trustee immediately upon obtaining knowledge of such breach.

Section 4.03 **Representations and Warranties Regarding the Buyer**.

By its execution of this Agreement, the Buyer represents and warrants to the Seller that:

(a) Due Organization. The Buyer is an exempted company duly formed and validly existing under the laws of the Cayman Islands, with full power and authority to own and operate its assets and properties, conduct the business in which it is now engaged and to execute and deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party.

(b) Due Qualification and Good Standing. The Buyer is in good standing under the laws of the Cayman Islands. The Buyer is duly qualified to do business and, to the extent applicable, is in good standing and has obtained or will obtain all material governmental licenses and approval in the Cayman Islands and in each other jurisdiction in which the nature of its business, assets and properties, including the performance of its obligations under this Agreement and the other Transaction Documents to which it is a party requires such qualification, except where the failure to be so qualified, maintain good standing or obtain such license or approval would not reasonably be expected to have a Material Adverse Effect.

(c) Due Authorization; Execution and Delivery; Legal, Valid and Binding; Enforceability. The execution and delivery by the Buyer of, and the performance of its obligations under this Agreement, the other Transaction Documents to which it is a party and the other instruments, certificates and agreements contemplated hereby or thereby are within its powers and have been duly authorized by all requisite action by it and have been duly executed and delivered by it and constitute its legal, valid and binding obligations enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(d) Non-Contravention. None of the execution and delivery by the Buyer of this Agreement or the other Transaction Documents to which it is a party, the consummation of the transactions herein or therein contemplated, or performance and compliance by it with the terms, conditions and provisions hereof or thereof, will (i) contravene in any material respect or result in any breach of, any of the terms and provisions of, its articles of incorporation and memorandum of association, (ii) conflict with or contravene (A) any applicable law, (B) any indenture, agreement or other contractual restriction binding on or affecting it or any of its assets, including any Related Contract, or (C) any order, writ, judgment, award, injunction or decree binding on or affecting it or any of its assets or properties or (iii) result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of the giving of notice or the passage of time (or both) would constitute such a conflict with, breach or violation of, or default under, or permit any such acceleration in, any contractual obligation or any agreement or document to which it is a party or by which it or any of its assets are bound (or to which any such obligation, agreement or document relates), in each case under this clause (d) which would have a Material Adverse Effect.

(e) Governmental Authorizations; Private Authorizations; Governmental Filings. No order, consent, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required in connection with the execution, delivery and performance of any Transaction Documents to which the Buyer is a party or the consummation of any of the transactions contemplated thereby other than those that have already been duly made or obtained and remain in full force and effect or those recordings and filings in connection with the Liens granted to the Trustee under the Transaction Documents, except for any order, consent, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption, that, if not obtained, would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(f) Sale Treatment. Other than for accounting and tax purposes, the Buyer has treated the transfer of Collateral Obligations hereunder to the Buyer for all purposes as a sale by the Seller and purchase by the Buyer on all of its relevant books and records and other applicable documents.

ARTICLE V

MISCELLANEOUS

Section 5.01 **Amendments and Waivers**.

(a) This Agreement may be amended or waived from time to time by the parties hereto by written agreement, with prior written notice to the Trustee; *provided* that no such amendment or waiver shall reduce the amount of, or delay the timing of, any amounts received on Collateral Obligations which are required to be distributed with respect to any Class of Notes without the consent of the Holders of each Class materially and adversely affected thereby, or change the rights or obligations of any other party hereto without the consent of such party. Failure to object within ten Business Days of notice being given of any proposed amendment shall constitute consent for all purposes hereunder. Notwithstanding the foregoing, the Loan Lists may be amended and modified by the Seller at any time in accordance with this Agreement by providing updated Loan Lists to the Buyer and the Trustee.

(b) Prior to the execution of any such amendment or waiver, the Buyer shall furnish to the Trustee (and the Trustee shall furnish to each Rating Agency and each Holder) written notification of the substance of such proposed amendment or waiver, together with a copy thereof.

(c) Promptly after the execution of any such amendment or waiver, the Buyer shall furnish (or cause the Trustee to furnish) a copy of such amendment or waiver to each Rating Agency and to each Holder. It shall not be necessary for the consent of any Holders pursuant to Section 5.01(a) to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof.

(d) Prior to the execution of any amendment to this Agreement, the Buyer and the Trustee shall be entitled to receive and rely upon an Opinion of Counsel (which Opinion of Counsel may rely upon one or more certificates from an Authorized Officer of the Seller and/or the Buyer with

respect to factual matters and of the Buyer and/or the Collateral Manager with respect to the effect of any such amendment or waiver on the economic interests of the Buyer or the Holders) stating that the execution of such amendment is authorized or permitted by this Agreement.

Section 5.02 **Notices, Etc**.

All demands, notices and other communications hereunder shall, unless otherwise stated herein, be in writing (which shall include facsimile communication and communication by e-mail in portable document format (.pdf)) and faxed, e-mailed or delivered, to each party hereto, at its address set forth below or at such other address as shall be designated by such party in a written notice to the other parties hereto, and to the Trustee or each Rating Agency, at its address set forth in the Indenture or at such other address as shall be designated by such Person in a written notice to the other parties hereto. Notices and communications by facsimile and e-mail shall be effective when sent (and shall be followed by hard copy sent by regular mail), and notices and communications sent by other means shall be effective when received. Notices and other communications relating to this Agreement to be delivered by the Buyer (or the Trustee on its behalf) to any Holder shall be delivered as provided in the Indenture.

The address for the Seller is the following:

Barings BDC, Inc.
300 South Tryon Street, Suite 2500
Charlotte, North Carolina 28202
Attention: Rob Shelton
E-mail: rob.shelton@barings.com
Facsimile No.: 413 266 2854

The address for the Buyer is the following:

Barings BDC Static CLO Ltd. 2019-I
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman, KY1-1102
Cayman Islands
Attention: The Directors
E-mail: cayman@maples.com
Facsimile No.: +1 345 945 7100

Section 5.03 **Severability of Provisions**.

If any one or more of the covenants, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, provisions or terms shall be deemed severable from the remaining covenants, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 5.04 **GOVERNING LAW; JURY WAIVER**.

THIS AGREEMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING DIRECTLY OR INDIRECTLY OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER.

Section 5.05 **Counterparts**. For the purpose of facilitating the execution of this Agreement and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or e-mail in portable document format (.pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 5.06 **Bankruptcy Non-Petition and Limited Recourse; Claims**.

Each of the parties hereto hereby agrees that it will not institute against, or join any other Person in instituting against, the other party hereto any bankruptcy proceeding so long as there shall not have elapsed one year and one day (or such longer preference period as shall then be in effect and one day) after payment in full of all Notes. In addition, none of the parties hereto shall have any recourse for any amounts payable or any other obligations arising under this Agreement against any officer, member, director, employee, partner, Affiliate or security holder of the other party or any of its successors or assigns. The terms of Section 5.06 shall survive termination of this Agreement.

Section 5.07 **Binding Effect; Assignability**.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No third party (other than the Trustee and the other Secured Parties) shall be third-party beneficiaries of this Agreement.

Section 5.08 **Headings and Exhibits**.

The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof. The schedules and exhibits attached hereto and referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

[Remainder of Page Intentionally Left Blank.]

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

BARINGS BDC, INC.,
as the Seller

By: /s/ Jonathan Bock
Name: Jonathan Bock
Title: CFO

BARINGS BDC STATIC CLO LTD. 2019-I,
as the Buyer

By:
/s/YunName: Yun Sheng
Sheng Title: Director

Schedule 1

Collateral Obligations

Loan List

EXECUTION VERSION
Exhibit 10.3

MASTER PARTICIPATION AGREEMENT

Master Participation and Assignment Agreement (as amended from time to time, this "Agreement"), dated as of May 9, 2019, between Barings BDC Senior Funding I, LLC, a Delaware limited liability company (the "Financing Subsidiary"), and Barings BDC Static CLO Ltd. 2019-I, an exempted company incorporated in the Cayman Islands (the "Issuer").

RECITALS

WHEREAS, the Financing Subsidiary owns certain loans (the "Collateral Obligations") and the Issuer desires to purchase certain of such Collateral Obligations and/or portions thereof as set forth on Annex A hereto;

WHEREAS, the Transferor has made or will make, on or prior to the date hereof, a capital contribution to the Financing Subsidiary, and the Financing Subsidiary intends to distribute the Transferred Assets to Barings BDC, Inc. (the "Transferor") as an equity distribution in the form of a dividend (through an intermediate entity) (the "Dividend"), in each case pursuant to (i) that certain amended and restated credit agreement, dated as of December 13, 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Financing Subsidiary, as borrower, Bank of America Merrill Lynch, in its capacities as sole lead arranger and sole book manager, Bank of America, N.A., as the administrative agent (in such capacity, the "Administrative Agent") and the lenders from time to time party thereto (the "Lenders") and (ii) the Request for Waiver and Consent to Lien Release Dividend, dated as of May 9, 2019 (the "Lien Release Dividend"), consented to by the Administrative Agent, the Lenders, Barings BDC Finance I, LLC, and Barings BDC, Inc., and acknowledged and agreed to by State Street Bank and Trust Company, as collateral administrator;

WHEREAS, the Issuer and the Transferor have entered into a master loan sale agreement (as amended from time to time, the "Loan Sale Agreement"), dated as of May 9, 2019, pursuant to which the Transferor has agreed to sell certain loans, including the Transferred Assets, to the Issuer, subject to the conditions precedent to each such sale set forth in the Loan Sale Agreement and, with respect to the Transferred Assets that will be Closing Date Participation Interests until elevated to assignments, as set forth herein and subject to the terms of the Indenture;

WHEREAS, the settlement of the acquisition of the Transferred Assets by the Transferor from the Financing Subsidiary and by the Issuer from the Transferor shall occur, solely for administrative convenience, pursuant to and in accordance with this Agreement whereby the Financing Subsidiary will (i) grant a participation interest in each Transferred Asset directly to the Issuer pursuant to Section 2.01 and (ii) thereafter cause an assignment of each such Transferred Asset to be delivered to the Issuer so that the Issuer becomes the record owner of such Transferred Asset pursuant to Section 2.05;

WHEREAS, such grant by the Financing Subsidiary and acquisition by the Issuer of such participation interest in each Transferred Asset is referred to herein as the "Transfer" of such Transferred Asset; and

WHEREAS, with respect to any Transferred Asset, the Financing Subsidiary and the Issuer will cause the relevant participation to be elevated to an assignment as soon as practicable, pursuant to the provisions of Section 2.05, after the Settlement Date. Such elevation is referred to herein as the "Elevation" with respect to any Transferred Asset, and the date of any Elevation of such Transferred Asset is referred to herein as the related "Elevation Date".

AGREEMENT

Accordingly, in consideration of the mutual agreements set forth herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows.

ARTICLE I
Definitions

SECTION 1.01 Certain Definitions; Interpretation.

(a) Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Loan Sale Agreement or, if not defined therein, in the Indenture. In addition, as used herein, the following defined terms, unless the context otherwise requires, shall have the following meanings (to the extent not otherwise defined herein):

"Administrative Agent" has the meaning specified in the *Recitals*.

"Agreement" has the meaning specified in the *Preamble*.

"Business Day" has the meaning specified in the Indenture.

"Collateral Agent" has the meaning specified in the *Recitals.*

"Collateral Manager" means Barings BDC, Inc., in its capacity as collateral manager under the Collateral Management Agreement, dated as of May 9, 2019, by and between the Issuer and the Collateral Manager.

"Collateral Obligations" has the meaning specified in the *Recitals.*

"Commitment" means, with respect to any Participation Interest, the commitment or obligation under the related Underlying Instruments to advance funds in connection with the related Collateral Obligation.

"Credit Agreement" has the meaning specified in the *Recitals*.

"Dividend" has the meaning specified in the *Recitals*.

"Elevation" has the meaning specified in the *Recitals.*

"Elevation Date" has the meaning specified in the *Recitals*.

"Excluded Amounts" means (a) any amount received by, on or with respect to any Collateral Obligation, which amount is attributable to the payment of any tax, fee or other charge imposed by any Authority on such Collateral Obligation, (b) any amount representing escrows relating to taxes, insurance and other amounts in connection with any Collateral Obligation which is held in an escrow account for the benefit of the related Obligor and the secured party (other than the Financing Subsidiary in its capacity as lender with respect to such Collateral Obligation) pursuant to escrow arrangements, (c) any Retained Fee retained by the Person(s) entitled thereto in connection with the origination of any Collateral Obligation, (d) any accrued and unpaid interest on any Collateral Obligation with respect to the period of time prior to and excluding the Closing Date and (e) any Equity Security related to any Collateral Obligation that the Financing Subsidiary determines will not be transferred by the Financing Subsidiary in connection with the sale of any related Collateral Obligation hereunder.

"Financing Subsidiary" has the meaning specified in the *Preamble*.

"Funding Advance" has the meaning specified in Section 2.06.

"Funding Date" has the meaning specified in Section 2.06.

"Funding Notice" has the meaning specified in Section 2.06.

"Indenture" means the Indenture, dated as of May 9, 2019 (as amended, modified, restated or supplemented from time to time), between the Issuer, Barings BDC Static CLO 2019-I, LLC, as co-issuer and State Street Bank and Trust Company, as trustee (together with its successors and assigns in such capacity, the "Trustee").

"Issuer" has the meaning specified in the *Preamble*.

"Lenders" has the meaning specified in the *Recitals*.

"Lien Release Dividend" has the meaning specified in the *Recitals*.

"Loan Sale Agreement" has the meaning specified in the *Recitals*.

"Participation Interest" and "Participation Interests" have the meanings specified in Section 2.01.

"Participation Percentage" means, with respect to each Collateral Obligation, the percentage set forth on Annex A hereto representing the percentage portion of such Collateral Obligation conveyed to the Issuer by the Financing Subsidiary pursuant to the terms of this Agreement.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding thereof.

"Pro Rata Share" means, with respect to any amount, as of any date of determination, the product obtained by *multiplying* such amount by the applicable Participation Percentage.

"Representing Party" has the meaning specified in Section 3.01.

"Settlement Date" means May 9, 2019.

"Transfer" has the meaning specified in the *Recitals*.

"Transferor" has the meaning specified in the *Recitals.*

"Transferred Assets" means the Collateral Obligations (excluding any Excluded Amounts) or portions thereof (if less than 100%) equal to the applicable Participation Percentage of each such Collateral Obligation conveyed by the Financing Subsidiary to the Issuer hereunder, in each case as set forth on Annex A hereto.

(b) In this Agreement, unless a contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Transaction Documents;

(iii) reference to any gender includes each other gender;

(iv) reference to day or days without further qualification means calendar days;

(v) unless otherwise stated, reference to any time means New York, New York time;

(vi) references to "writing" include printing, typing, lithography, electronic or other means of reproducing words in a visible form;

(vii) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, modified, supplemented, replaced, restated, waived or extended and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor;

(viii) reference to any requirement of law means such requirement of law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any Section or other provision of any requirement of law means that provision of such requirement of law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such Section or other provision; and

(ix) references to "including" means "including, without limitation".

(c) The titles of Articles and Sections hereof are for convenience only, and they neither form a part of this Agreement nor are to be used in the construction or interpretation hereof.

ARTICLE II
Transfer

SECTION 2.01 Transfer. Upon the terms and subject to the conditions hereof on the Settlement Date, the Financing Subsidiary hereby irrevocably grants to the Issuer, and the Issuer hereby acquires from the Financing Subsidiary, an undivided participation interest in each Transferred Asset, which interest shall be understood to include all of the Financing Subsidiary's right, title, benefit and interest in and to the Pro Rata Share of any interest accruing from and after the Settlement Date, any Interest Proceeds and Principal Proceeds to the extent provided in Section 2.02 and, to the extent permitted to be transferred under applicable law and under the applicable transfer document or assignment agreement (or, in the case of any Underlying Instrument that is in the form of a note, any chain of endorsement) executed and delivered in connection with a Transferred Asset, all claims, causes of action and any other right of the Financing Subsidiary (in its capacity as a lender under such documentation), whether known or unknown, against any Obligor or any of its affiliates, agents, representatives, contractors, advisors or other Person arising under or in connection with such documentation or that is in any way based on or related to any of the foregoing or the loan transactions governed thereby, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and purchased pursuant to this Agreement (each, a "Participation Interest" and, collectively, the "Participation Interests"), upon the terms and subject to the conditions set forth in this Agreement. The Issuer hereby assumes all obligations and liabilities of the Financing Subsidiary as lender with respect to or in connection with each related Participation Interest arising or occurring on or after the Settlement Date. The consideration for the transfer of the Participation Interests from the Financing Subsidiary to the Issuer shall consist of cash paid to the Financing Subsidiary by the Issuer. The purchase price for each Collateral Obligation sold pursuant to this Agreement shall be a dollar amount equal to the fair market value thereof (calculated as described in the Lien Release Dividend) as determined by the Financing Subsidiary and the Issuer and shall be on terms no less favorable to the Issuer than the Issuer would then obtain in a comparable arm's length transaction with a person that is not an Affiliate. The parties hereto agree that, solely for administrative convenience, any amount paid in cash by the Issuer to the Financing Subsidiary pursuant to this Agreement on account of its purchase of a Participation Interest to be conveyed hereunder shall be treated for all purposes hereunder and under the Loan Sale Agreement as if such amount had been paid by the Issuer to the Transferor, in partial or full satisfaction of its obligations to pay the purchase price of such initial Transferred Assets under the Loan Sale Agreement and/or a capital contribution (through an intermediate entity) by the Transferor to the Financing Subsidiary and the corresponding Dividend by the Financing Subsidiary to the Transferor; *provided* that the Issuer, the Financing Subsidiary and the Transferor may agree to net certain amounts payable hereunder with other amounts paid in connection with the closing of the notes issued under the Indenture and the distribution of the proceeds thereof. The Participation Interests are certain of the "Closing Date Participation Interests" referred to in the Loan Sale Agreement and in the Indenture.

SECTION 2.02 Interest Proceeds and Principal Proceeds; Payments of Interest Proceeds and Principal Proceeds and Other Payments Received After the Settlement Date.

(a) With respect to each Transferred Asset, the Issuer shall acquire its Pro Rata Share of all rights to Interest Proceeds and Principal Proceeds that, as of the Settlement Date, are accrued but unpaid with respect to the period from and after the Settlement Date (which, for the avoidance of doubt, shall not include any Excluded Amounts).

(b) If at any time after the Settlement Date the Financing Subsidiary receives any Interest Proceeds or Principal Proceeds (in each case, other than any Excluded Amounts) in respect of the Transferred Assets, the Financing Subsidiary shall deliver (or cause to be delivered) promptly to the Issuer its Pro Rata Share of such Interest Proceeds and Principal Proceeds. If at any time after the Settlement Date the Financing Subsidiary receives any other payment (including principal, interest (to the extent relating to the period from and after the Settlement Date) or any other amount) with respect to a Transferred Asset, the Financing Subsidiary shall deliver (or cause to be delivered) promptly to the Issuer its Pro Rata Share of such payment, and in the case of any such payment of interest, the Financing Subsidiary shall provide (or cause to be provided) a written notice to the Issuer at the time of such delivery setting forth calculations and certifying as to the portion of any interest received that relates to the period from and after the Settlement Date.

(c) Without limiting the foregoing, the Financing Subsidiary agrees (a) until the Elevation of each Transferred Asset has been completed, to maintain its existing custodial arrangements and bank accounts established to receive proceeds of such Transferred Asset and (b) to remit (or cause to be remitted) to the Issuer, promptly (but not more than two Business Days) after receipt of such payment and identification thereof, the Issuer's Pro Rata Share of each payment received in connection with each Transferred Asset to which the Issuer is entitled in accordance with Section 2.01. The Financing Subsidiary acknowledges that from and after the Settlement Date it shall have no equitable or beneficial interest in the Pro Rata Share of any payment received by it with respect to any Transferred Asset (other than any Excluded Amounts). If the Financing Subsidiary modifies or amends the standing instructions delivered to the Financing Subsidiary's custodian under the Credit Agreement on the date hereof in connection with this clause (c), the Financing Subsidiary shall notify the Issuer of such modification or amendment.

SECTION 2.03 Treatment of Transfer; Backup Grant of Security Interest.

(a) Each party hereto (i) agrees that each Transfer shall be a sale or contribution of a participation interest in the relevant Transferred Asset for all relevant purposes (other than tax and accounting purposes) and (ii) intends, and has as its business objective, that each Transfer be an absolute transfer and not be a transfer as security for a loan. The relationship between the Financing Subsidiary and the Issuer shall be that of seller and buyer. Neither party is a trustee or agent for the other party, nor does either party have any fiduciary obligations to the other party.

This Agreement shall not be construed to create a partnership or joint venture between the parties hereto.

(b) If, notwithstanding such intention, any Transfer is characterized by a court of competent jurisdiction as a transfer as security for a loan rather than a sale of a participation interest in the relevant Transferred Asset, or any Transfer shall for any reason be ineffective to transfer to the Issuer all of the Financing Subsidiary's right, title and interest in any Transferred Asset (including the Interest Proceeds and Principal Proceeds by it with respect to such Transferred Asset), then the Financing Subsidiary shall be deemed to have granted to the Issuer, and the Financing Subsidiary hereby grants to the Issuer, a security interest in and lien on all the Financing Subsidiary's right, title and interest in and to such Transferred Asset (including the Issuer's Pro Rata Share of any Interest Proceeds and Principal Proceeds received by the Financing Subsidiary with respect to such Transferred Asset), whether now existing or hereafter acquired, in order to secure such loan and all other obligations of the Financing Subsidiary hereunder.

(c) After the Settlement Date, the Financing Subsidiary shall record in the Financing Subsidiary's books and records the fact that the Financing Subsidiary is no longer the beneficial owner of the Transferred Assets conveyed to the Issuer hereunder and, after the relevant Elevation Date with respect to any Transferred Asset, the Financing Subsidiary shall record in the Financing Subsidiary's books and records the fact that the Financing Subsidiary is no longer the record owner or beneficial owner of such Transferred Asset. After the Settlement Date, the Issuer shall record in the Issuer's books and records that fact that the Issuer is the beneficial owner of the Transferred Assets and, after the relevant Elevation Date with respect to any Transferred Asset, the Issuer shall record in the Issuer's books and records the fact that the Issuer is the record owner and beneficial owner of such Transferred Asset.

SECTION 2.04 Documents; Exercise of Rights and Remedies; Indemnification.

(a) Prior to Elevation, the Financing Subsidiary shall furnish to the Issuer (or its collateral administrator) copies of any Underlying Instruments and applicable credit documentation in its possession in respect of a Transferred Asset and, as and when available to the Financing Subsidiary (without prejudice to Section 2.05(b)), a copy of each transfer document or assignment agreement (or, in the case of any Underlying Instrument that is in the form of a note, any chain of endorsement), amendment, consent or waiver in connection with any such documentation, provided that the Financing Subsidiary is not prohibited from doing so under the related Underlying Instruments or applicable credit documentation after taking into account the next sentence. The Issuer agrees that it shall maintain the confidentiality of any such documents to the extent required therein and to the same extent as if it were a party thereto and shall, upon the Financing Subsidiary's request, provide to the Financing Subsidiary a confidentiality undertaking to such effect in accordance with the terms of the such documentation prior to the delivery thereof.

(b) From and after the Settlement Date, the Financing Subsidiary agrees to promptly forward to the Issuer and the Collateral Manager all notices, requests, reports and communications of any nature received from any Person with respect to each Transferred Asset. Unless restricted or prohibited under applicable law, rule, order or the relevant Underlying Instruments and/or credit documentation, the Financing Subsidiary will not exercise any voting,

consent or other right or remedy, or take or refrain from taking any action, in each case with respect to any Transferred Asset, except as directed by the Issuer; *provided* that the consent of the Financing Subsidiary shall be required (which consent shall be subject to the terms and conditions set forth in the Credit Agreement, including terms requiring consent of Lenders or Administrative Agent thereunder) in connection with any such action that (1) increases the funding obligations of the Financing Subsidiary with respect to such Transferred Asset or (2) would subject the Financing Subsidiary, the Lenders or the Administrative Agent under the Credit Agreement to additional liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements. With respect to the exercise of any such voting, consent or other right or remedy, or the taking or refraining from taking any action with respect to any Transferred Asset, pursuant to the sentences in this clause (b) not directed by the Collateral Manager on behalf of the Issuer, the Financing Subsidiary will consult with the Issuer with respect thereto and the Financing Subsidiary will take such action or refrain from taking such action as the Financing Subsidiary would take if such Transferred Asset were beneficially owned by the Financing Subsidiary for its own account (but subject to the terms and conditions set forth in the Credit Agreement, including terms requiring consent of Lenders or Administrative Agent thereunder).

(c) Provided that the Collateral Manager on behalf of the Issuer has directed the Financing Subsidiary to take such action and the Financing Subsidiary does so, the Issuer shall reimburse the Financing Subsidiary for any and all liabilities, obligations, actual losses, actual damages, penalties, actions, judgments, suits, costs, expenses, and disbursements, including legal fees, which may be incurred or made by the Financing Subsidiary in connection with any such action so taken by the Financing Subsidiary for which the Financing Subsidiary is not reimbursed at any time by or on behalf of any Obligor under any applicable Underlying Instruments or credit documentation (other than any amounts thereof resulting from the Financing Subsidiary's gross negligence or willful misconduct). In no event will the Issuer reimburse the Financing Subsidiary for any special, indirect, consequential or punitive damages in respect to any claim hereunder, whether or not known or suspected, unless any such special, indirect, consequential or punitive damages are actually incurred by or are payable by the Financing Subsidiary. In no event will the Financing Subsidiary reimburse the Issuer for any special, indirect, consequential or punitive damages in respect to any claim hereunder, whether or not known or suspected, unless any such special, indirect, consequential or punitive damages are actually incurred by or are payable by the Issuer.

SECTION 2.05 Elevation.

(a) Subject to the terms and provisions of the applicable Transferred Assets and of applicable law, the Financing Subsidiary shall use commercially reasonable efforts to effect an Elevation, as soon as reasonably practicable, with respect to each such Transferred Asset and take such action (including the execution and delivery of any transfer document or assignment agreement (or, in the case of any Underlying Instrument that is in the form of a note, any chain of endorsement)) as shall be reasonably necessary in connection therewith and in accordance with the terms and conditions of each such Transferred Asset and consistent with the terms of this Agreement. The Financing Subsidiary has prepared, or will prepare on or following the Closing Date, individual assignments (or a master assignment) consistent with the requirements of the related Underlying

Instruments and provided them to the Persons required under such Underlying Instruments, which assignments will become effective in accordance with such Underlying Instruments upon obtaining certain consents thereto or upon the passage of time or both. The Financing Subsidiary shall pay any transfer fees and other expenses payable in connection with an Elevation and the Issuer will reimburse the Financing Subsidiary for half of such fees and expenses after receipt of an invoice therefor from the Financing Subsidiary detailing such amounts. The Issuer shall be responsible for any expenses of administering each Transferred Asset prior to its Elevation. At Elevation, the Financing Subsidiary shall deliver such assignment and the credit documentation with respect to the related Transferred Asset in its possession to or as directed by the Issuer. The Issuer and the Financing Subsidiary acknowledge and agree that, solely for administrative convenience, any transfer document or assignment agreement (or, in the case of any Underlying Instrument that is in the form of a note, any chain of endorsement) required to be executed and delivered in connection with the transfer of a Transferred Asset in accordance with the terms of any related Underlying Instruments may reflect that (i) the Financing Subsidiary is assigning such Transferred Asset directly to the Issuer or (ii) the Issuer is acquiring such Transferred Asset at the closing of such Transferred Asset. Nothing in any such transfer document or assignment agreement (or, in the case of any Underlying Instrument that is in the form of a note, nothing in such chain of endorsement) shall be deemed to impair the transfers of the Transferred Assets by the Financing Subsidiary to the Issuer in accordance with the terms of this Agreement.

(b) The Financing Subsidiary shall (so far as the same is within its power and control) maintain its existence as a Delaware limited liability company until an Elevation has been effected with respect to each Transferred Asset. If the Financing Subsidiary has not effected an Elevation of a Transferred Asset on or before the day that is 120 days from the Settlement Date for whatever reason or if at any time prior thereto the Financing Subsidiary is dissolved prior to effecting an Elevation, the Financing Subsidiary and the Issuer agree that the Participation Interests in each of the Transferred Assets shall elevate automatically and immediately to an assignment and all of Financing Subsidiary's rights, title, interests and ownership of such Transferred Assets shall vest in the Issuer. Upon the execution of this Agreement, the Financing Subsidiary shall be deemed to have consented and agreed to the Elevation with respect to each of the Transferred Assets. The Financing Subsidiary agrees that, following any such date, the Issuer shall be permitted to take any and all action necessary to effectuate an Elevation and/or finalize an assignment of any of the Transferred Assets, and in furtherance of the foregoing, effective immediately upon such date, the Financing Subsidiary hereby makes, constitutes and appoints the Issuer, with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to sign, execute, certify, swear to, acknowledge, deliver, file, receive and record any and all documents that the Issuer reasonably deems appropriate or necessary in connection with any Elevation or finalization of an assignment of any of the Transferred Assets. In addition, the Financing Subsidiary, effective as of the Settlement Date, hereby makes, constitutes and appoints the Issuer, with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to sign, execute, certify, swear to, acknowledge, deliver, file, receive and record any and all documents that the Issuer reasonably deems appropriate or necessary to direct the applicable Obligor or agent bank with respect to any Transferred Asset to deposit directly into the Collection Account the Issuer's Pro Rata Share of Interest Proceeds and Principal Proceeds in respect of any Transferred Asset. The foregoing powers of attorney are hereby

declared to be irrevocable and a power coupled with an interest, and shall survive and not be affected by the bankruptcy or insolvency or dissolution of the Financing Subsidiary.

SECTION 2.06 Release of Excluded Amounts. The parties acknowledge and agree that the Issuer has no interest in the Excluded Amounts. Promptly upon the receipt by or release to the Issuer of any Excluded Amounts, the Issuer hereby irrevocably agrees to deliver and release to (or as directed by) the Financing Subsidiary such Excluded Amounts, which release shall be automatic and shall require no further act by the Issuer; *provided* that the Issuer agrees that it will execute and deliver such instruments of release and assignment or other documents, or otherwise confirm the foregoing release of such Excluded Amounts, as may be reasonably requested by the Financning Subsidiary in writing.

SECTION 2.07 Conduct of Business. The Financing Subsidiary represents, warrants and agrees that, from and after the Settlement Date, it will not engage in any activities with respect to the Transferred Assets other than holding record ownership of the Transferred Assets, receiving payments in respect of the Transferred Assets and remitting (or causing to be remitted) to the Issuer its Pro Rata Share of such payments as required hereunder, effecting Elevations with respect to the Transferred Assets and performing its other agreements hereunder with respect to such Transferred Assets. The Financing Subsidiary represents, warrants and agrees that, from and after the date hereof, it shall not sell, grant a security interest in or lien on, or otherwise pledge, mortgage, hypothecate or encumber (or permit such to occur or suffer such to exist other than any security interest therein which will be released contemporaneously with the Transfer of such Transferred Asset hereunder and the grant of the security interest therein granted by the Financing Subsidiary to the Issuer hereunder), any part of the Transferred Assets except for (i) the transfer to the Transferor (by way of Dividend) and (ii) the grant of the Participation Interests to the Issuer as provided herein.

SECTION 2.08 Further Assurances. Each party agrees to execute and deliver all such further documents as may be reasonably requested by the other party in order to effect each Transfer and each Elevation as contemplated hereby.

ARTICLE III
Representations and Warranties

SECTION 3.01 Representations and Warranties of Each Party. Each party hereto (each, the "Representing Party") represents and warrants to the other party as follows:

(i) the Representing Party is duly incorporated or formed, as applicable, and validly existing as an entity and is in good standing under the laws of its jurisdiction of incorporation;

(ii) the Representing Party has the requisite power and authority to enter into and perform this Agreement;

(iii) this Agreement has been duly authorized by all necessary action on the part of the Representing Party, has been duly executed by the Representing Party

and is the valid and binding agreement of the Representing Party enforceable against such party in accordance with its terms;

(iv) the Representing Party is adequately capitalized in light of its contemplated business or activities;

(v) no Transfer will be a transfer of property in connection with any preexisting indebtedness owed by the Financing Subsidiary to the Issuer;

(vi) there are no agreements or understandings between the Representing Parties (other than this Agreement) relating to or affecting the Transfer or the Transferred Assets and the proceeds thereof;

(vii) the Representing Party conducts its business or activities solely in its own name;

(viii) the Representing Party provides for the payment of its expenses and liabilities from its own funds;

(ix) the Representing Party has not guaranteed and is not otherwise contractually liable for the payment of any liability of the other party;

(x) neither the assets nor the creditworthiness of the Representing Party is generally held out as being available for the payment of any liability of the other party;

(xi) the Representing Party maintains an arm's-length relationship with the other party;

(xii) the Representing Party maintains separate financial records that enable its assets to be readily ascertained as separate and apart from those of the other party;

(xiii) the Representing Party's funds are not commingled with those of the other party; and

(xiv) none of the execution, delivery and performance of this Agreement by the Representing Party will:

(A) conflict with, result in any breach of or constitute a default (or an event which, with the giving of notice or passage of time, or both, would constitute a default) under, any term or provision of the organizational documents of the Representing Party or any indenture, agreement, order, decree or other instrument to which the Representing Party is a party or by which the Representing Party is bound, which conflict,

breach or default would have a material adverse effect with respect to the Representing Party; or

(B) violate any provision of any law, rule or regulation applicable to the Representing Party of any regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Representing Party or its properties, which violation would have a material adverse effect with respect to the Representing Party.

SECTION 3.02 Representations and Warranties of the Financing Subsidiary. The Financing Subsidiary represents and warrants to the Issuer as follows:

(i) Upon the Elevation on the relevant Elevation Date with respect to any Transferred Asset, the Issuer will receive good and marketable title to such Transferred Asset, free and clear of any pledge, lien, investment interest, charge, claim, equity or encumbrance of any kind created by the Financing Subsidiary or any Person claiming through the Financing Subsidiary. The participation in each Transferred Asset granted hereunder will be granted by the Financing Subsidiary to the Issuer free and clear of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest (other than any security interest therein which will be released contemporaneously with the Transfer of such Transferred Asset hereunder, the security interest granted hereunder by the Financing Subsidiary to the Issuer and Financing Subsidiary's record ownership of the related Transferred Asset which, from and after the Settlement Date to and including the Elevation Date with respect thereto will be and remain free and clear of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest). There is no funding obligation in respect of the Transferred Assets that the Issuer is or shall be required to pay or otherwise perform that the Financing Subsidiary has not paid or otherwise performed in full.

(ii) None of the execution, delivery and performance by the Financing Subsidiary of this Agreement will adversely affect the nature of the title to any Transferred Asset received by the Issuer as provided in Section 3.02(i).

(iii) No consent, license, approval or authorization from, or registration or qualification with, any governmental body, agency or authority, nor any consent, approval, waiver or notification of any creditor or lessor is required in connection with the execution, delivery and performance by the Financing Subsidiary of this Agreement, except (A) such as have been obtained and are in full force and effect or (B) those with respect to which the failure to obtain them would not have a material adverse effect with respect to the Financing Subsidiary.

(iv) The Financing Subsidiary has valid business reasons for transferring the Transferred Assets to the Issuer rather than obtaining a secured loan with the Transferred Assets as collateral. The Financing Subsidiary is not effecting any

Transfer in contemplation of the Financing Subsidiary's insolvency or with any actual intent to hinder, delay or defraud any of its creditors.

(v) All corporate actions of the Financing Subsidiary, with respect to the transactions contemplated hereby, have been and will continue to be reflected in any minutes of the Financing Subsidiary. This Agreement is and will continue to be an official record of the Financing Subsidiary.

(vi) The Financing Subsidiary has been solvent at all relevant times before each Transfer and will not be rendered insolvent by any Transfer. Before the date hereof, the Financing Subsidiary did not engage in or have plans to engage in any business or transaction as a result of which the total assets remaining with the Financing Subsidiary would constitute an unreasonably small amount of capital. The Financing Subsidiary has not incurred and does not intend to incur, debts that would be beyond its ability to pay as they mature.

SECTION 3.03 No Liability. The Financing Subsidiary makes no representation or warranty, express or implied, and assumes no responsibility, with respect to the genuineness, authorization, execution, delivery, validity, legality, value, sufficiency, perfection, priority, enforceability or collectability of any Underlying Instruments or credit documentation executed and delivered in connection with a Transferred Asset. The Financing Subsidiary assumes no responsibility for (except as otherwise expressly provided herein) (a) any representation or warranty made by, or the accuracy, completeness, correctness or sufficiency of any information (or the validity, completeness or adequate disclosure of assumptions underlying any estimates, forecasts or projections contained in such information) provided directly or indirectly by, any obligor in respect of a Transferred Asset or any Underlying Instruments or credit documentation thereof or by any other Person, (b) the performance or observance by any obligor of any of the provisions of any Underlying Instruments or credit documentation in respect of a Transferred Asset (whether on, before or after the Settlement Date), (c) the filing, recording, or taking of any action with respect to any Underlying Instruments or credit documentation in respect of a Transferred Asset, (d) the financial condition of any obligor in respect of a Transferred Asset or of any other Person or (e) any other matter whatsoever relating to any obligor in respect of a Transferred Asset, any other Person or the Transferred Assets.

In making, managing, handling and transferring the Transferred Assets, the Financing Subsidiary shall exercise the same care as it normally exercises with respect to loans held for its own account, but the Financing Subsidiary shall have no further responsibility to the Issuer except as expressly provided herein and except for its own gross negligence or willful misconduct which results in actual loss to the Issuer.

ARTICLE IV
Miscellaneous

SECTION 4.01 Amendments. This Agreement may not be amended, altered, supplemented or otherwise modified, except by the execution and delivery of a written agreement by each of the parties hereto and the Administrative Agent.

SECTION 4.02 Communications. Except as may be otherwise agreed between the parties, all communications hereunder shall be made in writing to the relevant party by personal delivery or by courier or first-class mail by facsimile or email transmission as follows:

To the Financing Subsidiary:

Barings BDC Senior Funding I, LLC
300 South Tryon Street, Suite 2500
Charlotte, North Carolina 28202
Email: chris.cary@barings
Attention: Barings BDC Static CLO 2019-I, Attn: Chris Cary

To the Issuer:

Barings BDC Static CLO Ltd. 2019-I
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman, KY1-1102
Cayman Islands
Email: cayman@maples.com
Attention: The Directors

or to such other address, telephone number or facsimile number as either party may notify to the other party in accordance with the terms hereof from time to time. Any communications hereunder shall be effective upon receipt.

SECTION 4.03 Governing Law; Waiver of Trial by Jury; Jurisdiction.

(a) This Agreement shall be construed in accordance with the law of the State of New York, and this Agreement, and all matters arising out of or relating in any way whatsoever to this Agreement (whether in contract, tort or otherwise), shall be governed by such law without reference to its conflicts of laws provisions (other than Section 5-1401 of the New York General Obligations Law).

(b) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. Each party hereto (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 4.03(b).

(c) Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in the Borough of Manhattan in The City of New York in any action or proceeding arising out of or relating this Agreement, and hereby

irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State or Federal court. Each party hereto hereby irrevocably waives, to the fullest extent that it may legally do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Each party hereto irrevocably consents to the service of any and all process in any action or proceeding by the mailing or delivery of copies of such process to it the address set forth in Section 4.02. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

SECTION 4.04 Non-Petition; Limited Recourse.

(a) Notwithstanding any other provision of this Agreement, the Financing Subsidiary agrees that it may not, prior to the date which is one year and one day (or if longer, any applicable preference period then in effect plus one day) after the payment in full of all Notes and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer, institute against, or join any other Person in instituting against, the Issuer any bankruptcy, reorganization, arrangement, insolvency, winding-up, moratorium or liquidation Proceedings, or other Proceedings under U.S. federal or state bankruptcy or similar laws. Nothing in this Section 4.04(a) shall preclude, or be deemed to stop, the Financing Subsidiary:

(i) from taking any action prior to the expiration of the aforementioned period in (A) any case or Proceeding voluntarily filed or commenced by the Issuer or (B) any involuntary insolvency Proceeding filed or commenced by a Person other than the Issuer; or

(ii) from commencing against the Issuer or any of its properties any legal action which is not a bankruptcy, reorganization, arrangement, insolvency, winding-up, moratorium or liquidation Proceeding.

(b) Notwithstanding any other provision of this Agreement, the Issuer agrees that it may not, prior to the date which is one year and one day (or if longer, any applicable preference period then in effect plus one day) after the payment in full of all "Obligations" (as defined in the Credit Agreement) of the Financing Subsidiary under the Credit Agreement, institute against, or join any other Person in instituting against, the Financing Subsidiary any bankruptcy, reorganization, arrangement, insolvency, winding-up, moratorium or liquidation Proceedings, or other Proceedings under U.S. federal or state bankruptcy or similar laws. Nothing in this Section 4.04(b) shall preclude, or be deemed to stop, the Issuer:

(i) from taking any action prior to the expiration of the aforementioned period in (A) any case or Proceeding voluntarily filed or commenced by the Financing Subsidiary or (B) any involuntary insolvency Proceeding filed or commenced by a Person other than the Financing Subsidiary; or

(ii) from commencing against the Financing Subsidiary or any of its properties any legal action which is not a bankruptcy, reorganization, arrangement, insolvency, winding-up, moratorium or liquidation Proceeding.

(c) Notwithstanding any other provision of this Agreement:

(i) The obligations of the parties under this Agreement are at all times limited recourse obligations of such party payable solely from such party's assets available at such time, and, following realization of such assets and application of the proceeds thereof (including, in the case of the Issuer, in accordance with the applicable priority of payments under the Indenture and, in the case of the Financing Subsidiary, in accordance with the applicable priority of payments under the Credit Agreement), all obligations of and any claims against such party hereunder or in connection herewith after such realization shall be extinguished and shall not thereafter revive.

(ii) No recourse shall be had against any officer, director, employee, shareholder, member, manager, beneficial owner, trustee, authorized person or incorporator of either party or its manager or their respective affiliates, successors or assigns for any amounts payable under this Agreement.

(iii) The foregoing provisions of this Section 4.04(c) shall not:

(A) prevent recourse to such party's assets for the sums due or to become due under any security, instrument or agreement that is part of such assets;

(B) constitute a waiver, release or discharge of any indebtedness or obligation evidenced by this Agreement until all such assets have been realized; or

(C) limit the right of either party to name the other party as a party defendant in any Proceeding or in the exercise of any other remedy under this Agreement, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against any Person referred to in Section 4.04(c)(ii).

(d) This Section 4.04 shall survive the termination of this Agreement and the issuance of the Notes pursuant to the Indenture and the payment in full of all "Obligations" (as defined in the Credit Agreement) of the Financing Subsidiary under the Credit Agreement.

SECTION 4.05 Parties Benefited.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any right or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) or delegated by either party without the prior written consent of the other party, except that (i) a party may make a transfer of all (but not less than all) of its rights and obligations under this

Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity, and (ii) the Issuer may assign and transfer its rights hereunder to the Trustee under the Indenture. Any purported transfer that is not in compliance with this provision will be void.

(b) Except for the Trustee, the Lenders, the Administrative Agent and the Collateral Agent (each of whom is an express third party beneficiary hereof), no Person shall be a third party beneficiary of this Agreement.

SECTION 4.06 Severability. If any term, provision, covenant or condition of this Agreement, or the application thereof to the Financing Subsidiary or the Issuer or any circumstance, is held to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any relevant jurisdiction), the remaining terms, provisions, covenants and conditions of this Agreement, modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity, or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms, provisions, covenants and conditions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the Financing Subsidiary and the Issuer as to the subject matter hereof and the deletion of such portion of this Agreement will not substantially impair the respective expectations of the Financing Subsidiary and the Issuer or the practical realization of the benefits hereof that would otherwise be conferred upon the Financing Subsidiary and the Issuer. The Financing Subsidiary and the Issuer will endeavor in good faith to replace the prohibited or unenforceable provision with a valid provision, the economic effect of which comes as close as possible to that of the prohibited or unenforceable provision.

SECTION 4.07 Counterparts. This Agreement (and each amendment, modification and waiver in respect of it) may be executed in any number of counterparts (including by facsimile transmission or other form of electronic transmission), each of which shall be an original, but all of which together shall constitute one and the same agreement. Delivery of an executed counterpart signature page of this Agreement by facsimile transmission or by electronic transmission (.pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as a deed as of the date first written above.

BARINGS BDC SENIOR FUNDING I, LLC,
as Financing Subsidiary

By: /s/ Jonathan Bock
Name: Jonathan Bock
Title: Managing Director

BARINGS BDC STATIC CLO LTD. 2019-I,
as Issuer

By: /s/ Yun Zheng
Name: Yun Zheng
Title: Director

ACKNOWLEDGED:

BARINGS BDC, INC.,
as Transferor

By: /s/ Jonathan Bock
Name: Jonathan Bock
Title: CFO

ANNEX A

SCHEDULE OF TRANSFERRED ASSETS

[Attached]

EXECUTION VERSION
Exhibit 10.4

COLLATERAL MANAGEMENT AGREEMENT

dated as of May 9, 2019

by and between

BARINGS BDC STATIC CLO LTD. 2019-I,
as Issuer

and

BARINGS BDC, INC.,
as Collateral Manager

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COLLATERAL MANAGEMENT AGREEMENT

This Collateral Management Agreement (as amended from time to time, this "Agreement"), dated as of May 9, 2019, is entered into by and between BARINGS BDC STATIC CLO LTD. 2019-I, an exempted company incorporated with limited liability under the laws of the Cayman Islands, with its registered office located at the offices of MaplesFS Limited, PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands (the "Issuer"), and BARINGS BDC, INC., a Maryland corporation, located at 300 South Tryon Street, Suite 2500, Charlotte, NC 28202, U.S.A., as collateral manager ("Barings BDC" and the "Collateral Manager").

WITNESSETH:

WHEREAS, the Secured Notes and the Subordinated Notes (each as defined in the Indenture) will be issued pursuant to an Indenture (the "Indenture") to be dated as of May 9, 2019 (the "Closing Date"), between the Issuer, Barings BDC Static CLO 2019-I, LLC, a limited liability company organized under the laws of the State of Delaware (the "Co-Issuer" and, together with the Issuer, the "Co-Issuers") and State Street Bank and Trust Company, as trustee (the "Trustee");

WHEREAS, the Issuer intends to pledge all Collateral Obligations and the other Assets, all as set forth in the Indenture, to the Trustee as security for the Secured Notes and certain other obligations of the Issuer under the Indenture;

WHEREAS, the Issuer desires to appoint Barings BDC as the Collateral Manager to provide the services described herein and Barings BDC desires to accept such appointment;

WHEREAS, the Indenture authorizes the Issuer to enter into this Agreement, pursuant to which the Collateral Manager agrees to perform, on behalf of the Issuer, certain investment management duties with respect to the administration and disposition of Assets in the manner and on the terms set forth herein and to perform such additional duties as are consistent with the terms of this Agreement and the Indenture as the Issuer may from time to time reasonably request; and

WHEREAS, the Collateral Manager has the capacity to provide the services required hereby and is prepared to perform such services upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the parties hereto agree as follows:

Section 1. Definitions.

(a) As used in this Agreement:

"17(d) Order" shall have the meaning set forth in Section 5(b).

"Actions" shall mean any claim, action, proceeding or investigation with respect to any pending or threatened litigation.

"Advisers Act" shall mean the U.S. Investment Advisers Act of 1940, as amended.

"Agreement" shall have the meaning set forth in the preamble.

"Barings BDC" shall have the meaning set forth in the preamble.

"Board of Directors" shall mean the board of directors of the Issuer.

"Cause" shall have the meaning set forth in Section 14.

"Change-in-Control" shall mean the entity or entities with the power to direct or cause the direction of the management or policies of the Collateral Manager as of the Closing Date, whether through the ownership of voting securities, by contract or otherwise, cease to have such power, unless there is no material change to the principal investment professionals which manage non-investment grade loans of the Collateral Manager and such investment professionals remain actively involved in the selection and management of the Issuer's Assets.

"Co-Issuer" shall have the meaning set forth in the recitals hereto.

"Collateral Administrator" shall mean State Street Bank and Trust Company in its capacity as such.

"Collateral Manager" shall have the meaning set forth in the preamble.

"Collateral Manager Breaches" shall have the meaning set forth in Section 10(a).

"Collateral Manager Information" shall mean the information in the Final Offering Circular set forth under the headings "*Base Offering Circular—Risk Factors—Relating to the Collateral Manager*" (including the subsections thereunder) and "*Term Sheet—Certain Transaction Parties—The Collateral Manager*".

"Collateral Manager Parties" shall have the meaning set forth in Section 10(a).

"Collateral Manager Standard" shall have the meaning set forth in Section 2(a).

"Cumulative Deferred Senior Servicing Fee" shall have the meaning set forth in Section 8(e).

"Cumulative Deferred Subordinated Servicing Fee" shall have the meaning set forth in Section 8(e).

"Current Deferred Senior Servicing Fee" shall have the meaning set forth in Section 8(e).

"Current Deferred Servicing Fees" shall have the meaning set forth in Section 8(e).

"Current Deferred Subordinated Servicing Fee" shall have the meaning set forth in Section 8(e).

"Expenses" shall mean losses, claims, damages, judgments, assessments, costs or other liabilities, together with reasonable fees and expenses (including reasonable fees and expenses of counsel).

"Final Offering Circular" shall mean the offering circular, dated May 7, 2019, with respect to the Notes.

"Indemnified Party" shall have the meaning set forth in Section 10(c).

"Indemnifying Party" shall have the meaning set forth in Section 10(c).

"Indenture" shall have the meaning set forth in the recitals hereto.

"Instrument of Acceptance" shall have the meaning set forth in Section 12(c).

"Issuer" shall have the meaning set forth in the preamble.

"MassMutual" shall mean Massachusetts Mutual Life Insurance Company.

"Organizational Instruments" shall mean the memorandum and articles of association or certificate of incorporation and bylaws (or the comparable documents for the applicable jurisdiction), in the case of a corporation, or the partnership agreement, in the case of a partnership, or the certificate of formation and limited liability company agreement (or the comparable documents for the applicable jurisdiction), in the case of a limited liability company.

"Private Placement" shall have the meaning set forth in Section 5(b).

"Proceedings" shall have the meaning set forth in Section 22.

"Qualifying Affiliate" shall mean an Affiliate of the Collateral Manager that: (i) employs principal investment professionals which manage non-investment grade loans and that are actively involved in the servicing of the Issuer's Assets and (ii) has other comparable personnel and expertise to the Collateral Manager.

"Registered Funds" shall have the meaning set forth in Section 5(b).

"Section 28(e)" shall have the meaning set forth in Section 3(b).

"Supermajority" shall mean, with respect to any Class of Notes, the holders of at least 66-2/3% of the Aggregate Outstanding Amount of the Notes of such Class.

"Transaction" shall mean any action taken by the Collateral Manager on behalf of the Issuer with respect to the Assets, including, without limitation, (i) selecting the Collateral Obligations and Eligible Investments to be disposed of by the Issuer and (ii) monitoring the Collateral Obligations and providing the Issuer and the Trustee certain information with respect to the composition and characteristics of the Collateral Obligations, any disposition or tender of a Collateral Obligation and the reinvestment of the proceeds of any such disposition in Eligible Investments.

"Trustee" shall have the meaning set forth in the recitals hereto.

(b) Capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Indenture. Unless the context requires otherwise, references to "Section" mean a section of this Agreement.

Section 2. General Duties and Authority of the Collateral Manager.

(a) Barings BDC is hereby appointed as Collateral Manager of the Issuer for the purpose of performing certain investment management functions including, without limitation, directing the sale of the Collateral Obligations and the investment, reinvestment and sale of Eligible Investments and performing certain administrative functions on behalf of the Issuer in accordance with the applicable provisions of the Indenture, and Barings BDC hereby accepts such appointment. The Collateral Manager will perform its obligations hereunder and under the Indenture with reasonable care and in good faith (i) using a degree of skill and attention no less than that which the Collateral Manager exercises with respect to comparable assets that it manages for itself and others having similar investment objectives and restrictions, and (ii) in accordance with its existing practices and procedures and in a manner reasonably consistent with practices and procedures followed by reasonable and prudent institutional managers of assets of the nature and character of the Assets, except as expressly provided otherwise herein or pursuant to the terms of the Indenture that are applicable to the duties to be performed by the Collateral Manager on behalf of the Issuer (the standard of care set forth in clauses (i) and (ii) of this section 2(a), the "Collateral Manager Standard"). In no event shall the Collateral Manager be (i) liable or responsible for the performance of the Collateral Obligations contained in the Assets, (ii) obligated to perform any other duties other than as specified in this Agreement or in the Indenture as to be performed by the Collateral Manager or (iii) obligated to pursue any particular investment strategy or opportunity with respect to Collateral Obligations. To the extent consistent with the foregoing, the Collateral Manager may follow its customary standards, policies and procedures in performing its duties hereunder.

(b) Subject to Section 2(d) and Section 10 hereof and to the applicable provisions of the Indenture, the Collateral Manager will, and is hereby authorized to:

(i) select the Collateral Obligations and Eligible Investments to be disposed of by the Issuer;

(ii) monitor the Collateral Obligations and provide the Issuer and the Trustee certain information with respect to the composition and characteristics of the Collateral Obligations, any disposition or tender of a Collateral Obligation and the reinvestment of the proceeds of any such disposition in Eligible Investments;

(iii) select assets that are to be sold in accordance with Section 12.1 of the Indenture; and

(iv) perform all other tasks and take all other actions that the Indenture, the Collateral Administration Agreement or this Agreement specify are to be taken by the Collateral Manager.

The Collateral Manager shall, and is hereby authorized to, perform its obligations hereunder and under the Indenture in a manner which is consistent with the terms hereof and of the Indenture. In performing its obligations, the Collateral Manager shall take into consideration, among other things, the payment obligations of the Issuer on each Payment Date and (if applicable) the conditions or terms of any optional redemption of the Notes (based in part upon information furnished to it by (A) the Collateral Administrator with respect to amounts payable on the Notes, expenses of the Issuer, and amounts on deposit in various Accounts, and (B) the Trustee in its capacity as Calculation Agent with respect to the determination of the amount of interest payable on the Secured Notes), and the Priority of Payments, with one of the primary objectives being that expected distributions on the Assets will permit timely performance by the Issuer of such payment obligations. The Collateral Manager will not be bound to comply with any amendment or supplement to the Indenture unless it has consented thereto.

(c) Subject to the provisions concerning its general duties and obligations as set forth in paragraphs (a) and (b) above, the Collateral Manager shall provide, and is hereby authorized to provide, the following services to the Issuer:

(i) The Collateral Manager shall perform, on behalf of the Issuer, those investment-related duties and functions (including, without limitation, the furnishing of Issuer Orders and Officer's certificates) as are required under the Indenture with regard to acquisitions, sales or other dispositions of Collateral Obligations, Equity Securities, Eligible Investments and other securities permitted to be acquired or disposed of under, and subject to, the Indenture and shall comply with the requirements in the Indenture (and the Collateral Manager shall have no obligation to perform any other duties other than as specified herein or in the Indenture). The Issuer hereby irrevocably (except as provided below) appoints the Collateral Manager as its true and lawful agent and attorney-in-fact (with full power of substitution) in its name, place and stead and at its expense, in connection with the performance of its duties provided for in this Agreement, including, without limitation, the following powers: (A) to give any necessary receipts or acquittance for amounts collected or received hereunder, (B) to make all necessary transfers of the Collateral Obligations, Equity Securities and Eligible Investments in connection with any sale or other disposition made pursuant hereto and the Indenture, (C) to execute (under hand, under seal or as a deed) and deliver on behalf of the Issuer all necessary or appropriate bills of sale, assignments, agreements and other instruments in connection with any such sale or other disposition and

(D) to execute (under hand, under seal or as a deed) and deliver on behalf of the Issuer any agreements, instruments, orders or other documents in connection with or pursuant to this Agreement and relating to any Collateral Obligation, Equity Security or Eligible Investment. The Issuer hereby ratifies and confirms what such attorney-in-fact (or any substitute) shall lawfully do hereunder and pursuant hereto. Nevertheless, if so requested by the Collateral Manager or by a purchaser of any Collateral Obligation or Eligible Investment, the Issuer shall ratify and confirm any such sale or other disposition by executing and delivering to the Collateral Manager or such purchaser all proper bills of sale, assignments, releases and other instruments as may reasonably be designated in any such request. The appointment herein of the Collateral Manager as the Issuer's agent and attorney-in-fact shall automatically cease and terminate upon any termination of this Agreement, the resignation of the Collateral Manager pursuant to Section 12 hereof or any removal of the Collateral Manager pursuant to Section 14 hereof.

(ii) The Collateral Manager shall facilitate the delivery of Collateral Obligations by the Issuer.

(iii) The Collateral Manager shall monitor the Assets on behalf of the Issuer on an ongoing basis and shall provide to the Issuer all reports, schedules and other data that the Issuer is required to prepare and deliver under the Indenture, in such forms and containing such information required thereby, in sufficient time for such required reports, schedules and data to be reviewed and delivered by or on behalf of the Issuer to the parties entitled thereto under the Indenture.

(iv) The Collateral Manager, on behalf of the Issuer, shall be responsible for obtaining, to the extent reasonably practicable and to the extent such information, with respect to a Collateral Obligation held by the Issuer, is available to it, any information concerning whether a Collateral Obligation has become a Defaulted Obligation or Credit Risk Obligation. If the Issuer requests an Applicable Rating Agency to provide an estimate in connection with the impact of particular Transactions (A) on the rating of any Secured Notes or (B) on the rating of any Collateral Obligation or Eligible Investment, the Collateral Manager, on behalf of the Issuer, shall, upon request of an Applicable Rating Agency, provide such Applicable Rating Agency with any information reasonably requested by and necessary for such Applicable Rating Agency to provide such estimate to the extent the Collateral Manager has or can, with reasonable efforts, obtain such information without undue burden, cost or expense.

(v) The Collateral Manager may, subject to and in accordance with the Indenture, as agent of the Issuer, direct the Trustee to take any of the following actions with respect to a Collateral Obligation, Equity Security or Eligible Investment:

(A) purchase or otherwise acquire such Eligible Investment;

(B) retain such Collateral Obligation, Equity Security or Eligible Investment;

(C) sell or otherwise dispose of such Collateral Obligation, Equity Security or Eligible Investment in the open market or otherwise;

(D) if applicable, tender such Collateral Obligation, Equity Security or Eligible Investment pursuant to an Offer;

(E) if applicable, consent to or refuse to consent to any proposed amendment, modification or waiver pursuant to an Offer or in connection with any Collateral Obligation, Equity Security or Eligible Investment;

(F) retain or dispose of any securities or other property (if other than cash) received pursuant to an Offer or in connection with any Collateral Obligation, Equity Security or Eligible Investment;

(G) waive or elect not to exercise remedies in respect of any default with respect to any Defaulted Obligation;

(H) vote to accelerate the maturity of any Defaulted Obligation;

(I) participate in a committee or group formed by creditors of an issuer or a borrower under a Collateral Obligation, Equity Security or Eligible Investment; and

(J) exercise any other rights or remedies with respect to such Collateral Obligation, Equity Security or Eligible Investment as provided in the Underlying Instruments of the obligor under such Assets or the other documents governing the terms of such Assets or take any other action consistent with the terms of the Indenture which the Collateral Manager reasonably and in good faith believes to be in the best interests of the Issuer and otherwise consistent with this Agreement.

(d) In providing services hereunder, the Collateral Manager may employ third parties, including its Affiliates to perform any of its duties hereunder; *provided*, *however*, that (x) the Collateral Manager shall not be relieved of any of its duties hereunder as a result of such delegation to or employment of third parties and will be liable for acts and omissions of such third parties to the same extent (including the Collateral Manager Standard) as if such acts and omissions were acts or omissions of the Collateral Manager and (y) the Collateral Manager will be solely responsible for the fees and expenses payable to any such third party except to the extent such expenses are payable by the Issuer hereunder. The Collateral Manager shall notify the Applicable Rating Agencies of any such delegation of its duties.

(e) At any time after the Closing Date, the Issuer may not sell Collateral Obligations to the Collateral Manager or any non-special purpose bankruptcy remote affiliate thereof in an aggregate amount exceeding 20% of the Aggregate Principal Balance of the Collateral Obligations as of the Closing Date.

Section 3. Purchase and Sale Transactions; Brokerage.

(a) The Collateral Manager, subject to and in accordance with the Indenture, hereby agrees that it shall cause any Transaction to be conducted on terms and conditions negotiated on an arm's-length basis. Except as expressly permitted under the Indenture, no Eligible Investment shall be purchased if such Asset may give rise to any obligation or liability on the Issuer's part to take any action (other than in connection with the elevation of participations to assignments) or make any payment other than at the Issuer's option.

(b) The Collateral Manager will use all commercially reasonable efforts to obtain the best execution (but shall have no obligation to obtain the lowest price available) for all orders placed with respect to each Transaction, considering all relevant circumstances. Subject to the objective of obtaining best execution, the Collateral Manager may, in the allocation of business, select brokers and/or dealers with whom to effect trades on behalf of the Issuer and open cash trading accounts with such brokers and dealers (*provided* that none of the Assets may be credited to, held in or subject to the lien of the broker or dealer with respect to any such account). In addition, subject to the objective of obtaining best execution the Collateral Manager may, in the allocation of business, take into consideration research and other brokerage services furnished to the Collateral Manager or its Affiliates by brokers and dealers which are not Affiliates of the Collateral Manager; *provided* that the Collateral Manager in good faith believes that the compensation for such services rendered by such brokers and dealers complies with the requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"), or in the case of principal or fixed income Transactions for which the "safe harbor" of Section 28(e) is not available, the amount of the spread charged is reasonable in relation to the value of the research and other brokerage services provided. Such services may be used by the Collateral Manager in connection with its other advisory activities or investment operations. The Collateral Manager may also consider any factors it deems relevant in its sole discretion, including but not limited to the size of the Transaction, difficulty of execution, the operation facilities and reliability of the firm involved, the firm's promptness of execution, adequacy of the firm's trading infrastructure, technology and capital, quality of service rendered to the Collateral Manager in other transactions, confidentiality considerations, the firm's financial stability and reputation, special execution capability, access to underwritten offerings, secondary markets and other investment opportunities, and the firm's ability to accommodate any special execution or order handling requirements that may surround a particular Transaction. The Collateral Manager need not solicit competitive bids. The Collateral Manager may (but is not obligated to) aggregate sales and purchase orders placed with respect to the Assets with similar orders being made simultaneously for other accounts managed by the Collateral Manager or with accounts of the Affiliates of the Collateral Manager, if in the Collateral Manager's reasonable judgment (as determined at the time of such aggregation) such aggregation shall result in an overall benefit to the Issuer over time, taking into consideration all circumstances considered relevant by the Collateral Manager. When a Transaction occurs as part of any aggregate sales or purchase orders, the objective of the Collateral Manager (and any of its Affiliates involved in such Transactions) will be to allocate the executions among the accounts in an equitable manner over time.

Section 4. Additional Activities of the Collateral Manager.

Nothing herein shall prevent the Collateral Manager or any of its Affiliates from engaging, to the extent permitted by law and not prohibited hereby or by the Indenture, in other businesses, or from rendering services of any kind to the Issuer and its Affiliates, the Trustee, the Holders or any other Person or entity. Without prejudice to the generality of the foregoing, directors, officers, employees and agents of the Collateral Manager, Affiliates of the Collateral Manager, and the Collateral Manager may, subject to the Indenture and applicable law, among other things:

(a) serve as directors (whether supervisory or managing), officers, employees, partners, agents, nominees or signatories for the Issuer or any Affiliate thereof, or for any obligor or issuer in respect of any of the Collateral Obligations, Equity Securities or Eligible Investments or any Affiliate thereof, to the extent permitted by their respective Organizational Instruments and Underlying Instruments, as from time to time amended, or by any resolutions duly adopted by the Issuer, its Affiliates or any obligor or issuer in respect of any of the Collateral Obligations, Eligible Investments or Equity Securities (or any Affiliate thereof) pursuant to their respective Organizational Instruments on an arm's-length basis; *provided* that such activity will, in the reasonable belief of the Collateral Manager, have no material adverse effect on the Assets (including the enforceability thereof);

(b) receive fees for services of whatever nature rendered to the obligor or issuer in respect of any of the Collateral Obligations, Eligible Investments or Equity Securities or any Affiliate thereof; *provided* that such activity, in the reasonable belief of the Collateral Manager, shall have no material adverse effect on the Assets;

(c) be retained to provide services unrelated to this Agreement to the Issuer or its Affiliates and be paid therefor, on an arm's-length basis;

(d) be a secured or unsecured creditor of, or hold a debt obligation of or equity interest in the Issuer or any Affiliate thereof or any obligor or issuer of any Collateral Obligation, Eligible Investment or Equity Security or any Affiliate thereof; *provided* that the Collateral Manager may not hold any such interest if the existence of such interest would require registration of the Issuer as an "investment company" under the Investment Company Act or violate the Indenture;

(e) subject to Section 3(b) and Section 5 hereof, dispose of any Collateral Obligation or Eligible Investment to, or acquire any Collateral Obligation or Equity Security from, the Issuer while acting in the capacity of principal or agent;

i. underwrite, arrange, structure, originate, syndicate, act as a distributor of or make a market in any Collateral Obligation, Equity Security or Eligible Investment;

ii. serve as a member of any "creditors' board," "creditors' committee" or similar creditor group with respect to any Collateral Obligation, Defaulted Obligation, Eligible Investment or Equity Security; or

iii. act as collateral manager, portfolio manager, investment manager and/or investment adviser or sub-adviser in collateralized bond obligation vehicles, collateralized loan obligation vehicles and other similar investment vehicles.

Section 5. Conflicts of Interest.

(a) The Issuer acknowledges that certain employees of the Collateral Manager and its Affiliates may possess information relating to particular obligors or issuers who have issued Collateral Obligations, Eligible Investments or Equity Securities, respectively, which information is not known to employees of the Collateral Manager who are responsible for monitoring the Assets, and performing the other obligations of the Collateral Manager under this Agreement. The Collateral Manager will be required to act hereunder with respect to any information within its possession only if such information was known to those employees of the Collateral Manager responsible for performing the obligations of the Collateral Manager hereunder and only if such information is not deemed by the Collateral Manager to be confidential or non-public or subject to other limitations on its use. The Collateral Manager is not otherwise obligated to share such information.

It is understood that the Collateral Manager and any of its Affiliates may engage in any other business and furnish investment management and advisory services to others, including Persons which may have investment policies similar to those followed by the Collateral Manager with respect to the Assets and which may own obligations of the same class, or of the same type, as the Collateral Obligations, Eligible Investments or Equity Securities or other securities of the issuers of Collateral Obligations, Eligible Investments or Equity Securities. The Collateral Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, which may be the same as or different from those it recommends that the Trustee effect with respect to the Assets.

(b) The external advisor to the Collateral Manager is an indirect, wholly-owned subsidiary of MassMutual. The external advisor to the Collateral Manager and MassMutual are parties to an order of the United States Securities and Exchange Commission granting exemptions from the limitations of Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder (the "17(d) Order") to the extent necessary to permit MassMutual, several registered funds (the "Registered Funds") and private investment funds for which MassMutual or the external advisor to the Collateral Manager or certain of their Affiliates serve as investment adviser to co-invest in securities acquired in private placements ("Private Placements"). Under the terms of the 17(d) Order, if MassMutual and its Affiliates, including the external advisor to the Collateral Manager, are required to offer to the Registered Funds an opportunity to co-invest in certain Private Placements, such co-investments must meet the conditions of the 17(d) Order. The 17(d) Order also provides that if any party to the 17(d) Order proposes to sell all or dispose of any portion of a Private Placement that is also owned by a Registered Fund, such Registered Fund must be offered the opportunity to dispose of a proportionate amount of such Private Placement securities on identical terms and conditions. A similar condition applies with respect to the exercise of warrants, conversion privileges and other rights in respect of Private Placements having equity features held by a Registered Fund. A Registered Fund has five Business Days from the date of notification within which to make an election to participate in such disposition or exercise.

The Issuer agrees to comply fully with the 17(d) Order and to take all steps necessary or desirable to permit the external advisor to the Collateral Manager and the other parties to the 17(d) Order to comply fully with the 17(d) Order, including causing any successor collateral manager to manage the Assets in a manner that will enable the external advisor to the Collateral Manager and other parties subject to the 17(d) Order to comply fully therewith.

Section 6. Records; Confidentiality.

The Collateral Manager shall maintain appropriate books of account and records relating to services performed hereunder, and such books of account and records shall be accessible for inspection by representatives of the Issuer, the Trustee and the Independent accountants selected by the Collateral Manager on behalf of the Issuer pursuant to Article 10 of the Indenture at any time during normal business hours and upon not less than three Business Days' prior notice. The Collateral Manager shall keep confidential any and all information obtained in connection with the services rendered hereunder and shall not disclose any such information to non-Affiliated third parties except (a) with the prior written consent of the Issuer, (b) such information as any Applicable Rating Agency shall reasonably request in connection with its rating of the Secured Notes, (c) in connection with establishing trading or investment accounts or otherwise in connection with effecting Transactions on behalf of the Issuer, (d) as required by (i) applicable law, regulation, court order, or a request by a governmental regulatory agency with jurisdiction over the Collateral Manager, (ii) the rules or regulations of any self-regulating organization, body or official having jurisdiction over the Collateral Manager or (iii) the rules and regulations of any stock exchange (including the Cayman Islands Stock Exchange) on which the Notes may be listed, (e) to its professional advisors (including, without limitation, legal, tax and accounting advisors) or (f) such information as shall have been publicly disclosed other than in violation of this Agreement or the provisions of the Indenture or shall have been obtained by the Collateral Manager on a non-confidential basis. Notwithstanding the foregoing, it is agreed that (I) the Collateral Manager may disclose (A) that it is serving as collateral manager of the Issuer, (B) the nature, aggregate principal amount and overall performance of the Issuer's assets, (C) the amount of earnings on the Issuer's assets and (D) such other information about the Issuer, the Issuer's assets and the Notes as is customarily disclosed by managers of collateralized loan obligations and (II) each party hereto (and each of their respective employees, representatives or other agents) may disclose to any and all Persons, without limitation of any kind, the U.S. federal income tax treatment and U.S. federal income tax structure of the transactions contemplated by the Indenture, this Agreement and the related documents and all materials of any kind (including opinions and other tax analyses) that are provided to them relating to such U.S. federal income tax treatment and U.S. income tax structure. For purposes of this Section 6, the Holders shall not be considered "non-Affiliated third parties."

Section 7. Obligations of Collateral Manager.

In accordance with the Collateral Manager Standard, the Collateral Manager shall not intentionally take any action which the Collateral Manager knows would (a) materially adversely affect the status of either of the Issuer or the Co-Issuer for purposes of the laws of the Cayman Islands, United States federal or state law, or other law applicable to either of them, (b) not be permitted by either of the Issuer's or the Co-Issuer's Organizational Instruments, (c) violate any

law, rule or regulation of any governmental body or agency having jurisdiction over either of the Issuer or the Co-Issuer, including, without limitation, any law of the Cayman Islands or United States federal, state or other applicable securities law, in each case the violation of which would have a material adverse effect on either of them, (d) require registration of either of the Issuer or the Co-Issuer or the pool of Assets as an "investment company" under the Investment Company Act or (e) cause either of the Issuer or the Co-Issuer to violate any material provision of the Indenture, the Purchase Agreement or any other Transaction Document. The Collateral Manager covenants that it shall comply with all laws and regulations applicable to it in connection with the performance of its duties under this Agreement and the Indenture to the extent failure to comply would have a material adverse effect on the Issuer or the Assets. Notwithstanding anything in this Agreement, the Collateral Manager shall not take any discretionary action that, in the reasonable belief of the Collateral Manager, would reasonably be expected to cause an Event of Default under the Indenture. If the Collateral Manager is ordered by the Board of Directors or the requisite Holders to take any action which would have any such consequences, the Collateral Manager shall promptly notify the Issuer, the Applicable Rating Agencies and the Trustee of the Collateral Manager's judgment that such action would have one or more of the consequences set forth above and need not take such action unless the Board of Directors then requests the Collateral Manager to do so. Notwithstanding any such request, the Collateral Manager need not take such action unless arrangements satisfactory to it are made to insure or indemnify the Collateral Manager, Affiliates of the Collateral Manager and members, managers, officers, agents or employees of the Collateral Manager or such Affiliates from any liability and expense it may incur as a result of such action. Neither the Collateral Manager nor its Affiliates, members, managers, officers, agents or employees shall be liable to the Issuer or any other Person, except as provided in Section 10. Notwithstanding anything contained in this Agreement to the contrary, any indemnification or insurance by the Issuer provided for in this Section or Section 10 shall be payable out of the Assets in accordance with the Priority of Payments. The Collateral Manager covenants for the benefit of the Issuer that, so long as the Secured Notes are Outstanding, it will retain 100% of the Outstanding Subordinated Notes and shall not transfer such Subordinated Notes unless it receives, in connection with any proposed transfer, written advice of counsel of nationally recognized standing in the United States that is experienced in such matters to the effect that such proposed transfer will not require the Collateral Manager to register as an investment adviser under the Advisers Act.

Section 8. Compensation.

(a) The Issuer shall pay to the Collateral Manager, for services rendered and performance of its obligations under this Agreement, the Servicing Fee. The Servicing Fee will be payable on each Payment Date to the extent of the funds available for such purpose in accordance with the Priority of Payments.

(b) The Senior Servicing Fee is payable on each Payment Date only to the extent that sufficient Interest Proceeds or Principal Proceeds are available. To the extent the Senior Servicing Fee is not paid on any Payment Date when due, the Senior Servicing Fee shall be deferred and shall be payable on subsequent Payment Dates in accordance with the Priority of Payments, without interest.

(c) If amounts distributable on any Payment Date in accordance with the Priority of Payments are insufficient to pay the Subordinated Servicing Fee in full (other than as a result of a waiver or deferral of such Subordinated Servicing Fee by the Collateral Manager), then a portion of the Subordinated Servicing Fee equal to the shortfall will be deferred and will accrue interest at a rate of LIBOR for the applicable period plus 3.00% per annum and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priority of Payments.

(d) Notwithstanding any other provision hereof, the Collateral Manager hereby irrevocably waives all Servicing Fees provided for in this Agreement.

(e) The Collateral Manager may elect to defer payment of any or all of its Senior Servicing Fee or Subordinated Servicing Fee that it would otherwise have received in accordance with the Priority of Payments on any Payment Date (respectively, the "Current Deferred Senior Servicing Fee" and the "Current Deferred Subordinated Servicing Fee" and, collectively, the "Current Deferred Servicing Fee"). Any Current Deferred Servicing Fee for such Payment Date will be distributed as Interest Proceeds or, at the option of the Collateral Manager, as Principal Proceeds. After such Payment Date, any Current Deferred Servicing Fee will be added to the cumulative amount of the Senior Servicing Fee or the Subordinated Servicing Fee, as applicable, which the Collateral Manager has elected to defer on prior Payment Dates and which has not been repaid (respectively, the "Cumulative Deferred Senior Servicing Fee" and the "Cumulative Deferred Subordinated Servicing Fee"). Any Cumulative Deferred Senior Servicing Fee or any Cumulative Deferred Subordinated Servicing Fee will be payable, without interest, on any subsequent Payment Date at the election of the Collateral Manager to the extent funds are available for such purpose in accordance with the Priority of Payments and, in the case of the Cumulative Deferred Senior Servicing Fee, subject to the additional requirement that the payment of such amount does not cause the non-payment or deferral of interest on any Class of Secured Notes. Any election to defer the Servicing Fee may also take the place of written standing instructions to the Trustee; *provided* that such standing instructions may be rescinded by the Collateral Manager at any time except during the period between a Determination Date and Payment Date.

(f) Except as otherwise set forth herein and in the Indenture, the Collateral Manager will continue to serve as Collateral Manager under this Agreement notwithstanding that the Collateral Manager will not have received amounts due it under this Agreement because sufficient funds were not then available hereunder to pay such amounts in accordance with the Priority of Payments.

(g) If this Agreement is terminated or Barings BDC has resigned or is removed as the Collateral Manager, each of the Senior Servicing Fee and the Subordinated Servicing Fee will be prorated for any partial period elapsing from the prior Payment Date to the date of such termination, resignation or removal and shall be due and payable on the first Payment Date following the date of termination, resignation or removal, subject to the Priority of Payments and, for the avoidance of doubt, to the extent that, by operation of the Priority of Payments on such Payment Date, there are insufficient funds available to pay such prorated amount in full, the unpaid portion of such prorated amount shall be payable on each subsequent Payment Date, subject to the Priority of Payments, until paid in full.

Section 9. Benefit of the Agreement.

The Collateral Manager shall perform its obligations hereunder in accordance with the terms of this Agreement and the terms of the Indenture applicable to it.

Section 10. Limits of Collateral Manager Responsibility and Liability.

(a) The Collateral Manager assumes no responsibility under this Agreement other than to render in good faith the services called for hereunder and under the terms of the Indenture applicable to the Collateral Manager in accordance with the Collateral Manager Standard and, subject to such standard of liability described in the next succeeding sentence, shall not be liable for any action of the Issuer or the Trustee in following or declining to follow any direction of the Collateral Manager, including as set forth in Section 7 hereof. The Collateral Manager, its Affiliates and their respective partners, members, stockholders, directors, managers, officers, employees or agents (collectively, the "Collateral Manager Parties") shall not be liable to the Issuer, the Trustee, the Holders or any other Person for any acts or omissions by the Collateral Manager Parties under or in connection with this Agreement or the terms of the Indenture, or for any decrease in the value of the Assets, or for any act or omission of the Issuer, the Trustee, the Holders or any other Person in following or declining to follow any advice, recommendation or direction of the Collateral Manager except that the Collateral Manager shall be liable to such persons solely for any losses incurred as a result of (i) acts or omissions determined in a final, non-appealable judgment by a court of competent jurisdiction to constitute bad faith, fraud, willful misconduct or gross negligence in the performance of the duties of the Collateral Manager hereunder and under the terms of the Indenture applicable to the duties to be performed by the Collateral Manager on behalf of the Issuer and (ii) any untrue statement or alleged untrue statement of a material fact contained in the Collateral Manager Information or any omission or alleged omission to state therein a material fact, in each case, necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in the Final Offering Circular as of its date or as of the Closing Date, including any amendment or supplement to such information approved by the Collateral Manager that is contained in any amendment or supplement to the Final Offering Circular. The matters described in clauses (i) and (ii) above are collectively referred to herein as "Collateral Manager Breaches." In addition, the Collateral Manager will not intentionally or knowingly take any action that would cause the Issuer to be treated as subject to U.S. income tax on a net basis.

(b) It is understood that certain provisions of this Agreement may serve to limit the potential liability of the Collateral Manager. The Issuer has had the opportunity to consult with the Collateral Manager as well as, if desired, its professional advisors and legal counsel as to the effect of these provisions. It is further understood that certain applicable laws, including applicable federal or state securities laws, may impose liability or allow for legal remedies even where the Collateral Manager has acted in good faith and the rights under those laws may be non-waivable. Nothing in this Agreement shall, in any way, constitute a waiver or limitation of any rights which may not be so limited or waived in accordance with applicable law.

(c) Subject to Section 17 hereof, the Issuer shall indemnify and hold harmless (the Issuer in such case, the "Indemnifying Party") the Collateral Manager Parties (each such party being, in such case, an "Indemnified Party"), from and against any and all Expenses incurred in investigating,

preparing, pursuing or defending any Actions, caused by, or arising out of or in connection with, and/or any action taken by, or any failure to act by, such Indemnified Party in connection with the issuance of the Notes, the transactions contemplated by the Final Offering Circular, the Indenture or this Agreement; *provided* that no such Indemnified Party shall be indemnified for any Expenses it incurs as a result of any acts or omissions by any such Indemnified Party constituting a Collateral Manager Breach. Notwithstanding anything contained herein to the contrary, the obligations of the Issuer under this Section 10 shall be payable solely out of the Assets in accordance with the Priority of Payments.

(d) An Indemnified Party shall (or, with respect to the members, managers, officers and employees and controlling persons of the Collateral Manager, the Collateral Manager shall cause such Indemnified Party to) promptly notify the Indemnifying Party if the Indemnified Party receives a complaint, claim, compulsory process or other notice of any loss, claim, damage or liability giving rise to a claim for indemnification under this Section 10, but failure so to notify the Indemnifying Party or to comply with paragraph (e) below shall not relieve such Indemnifying Party from its obligations under this Section 10 unless and to the extent that such Indemnifying Party did not otherwise learn of such action or proceeding and to the extent such failure results in the forfeiture by the Indemnifying Party of material rights and defenses or other material prejudice to the Indemnifying Party.

(e) With respect to any claim made or threatened against an Indemnified Party, or compulsory process or request served upon such Indemnified Party for which such Indemnified Party is or may be entitled to indemnification under this Section 10, such Indemnified Party shall (or the Collateral Manager shall cause such Indemnified Party to):

(i) at the Indemnifying Party's expense, provide the Indemnifying Party such information and cooperation with respect to such claim as the Indemnifying Party may reasonably require, including, but not limited to, making appropriate personnel available to the Indemnifying Party at such reasonable times as the Indemnifying Party may request;

(ii) at the Indemnifying Party's expense, cooperate and take all such steps as the Indemnifying Party may reasonably request to preserve and protect any defense to such claim;

(iii) in the event suit is brought with respect to such claim, upon reasonable prior notice, afford to the Indemnifying Party the right, which the Indemnifying Party may exercise in its sole discretion and at its expense, (A) to participate in the investigation, defense and settlement of such claim, and (B) to the extent that it shall wish, to assume the defense thereof, with counsel satisfactory to such Indemnified Party (who shall not, except with the consent of the Indemnified Party, be counsel to the Indemnifying Party), and, after notice from the Indemnifying Party to such Indemnified Party of its election so to assume the defense thereof, the Indemnifying Party shall not be liable to such Indemnified Party for any legal fees and expenses of other counsel or any other expenses, in each case subsequently incurred by such Indemnified Party, in connection with the defense thereof other than reasonable costs of investigation, except that, if such Indemnified Party reasonably determines that counsel selected by the Indemnifying Party has a conflict of interest, such

Indemnifying Party shall pay the reasonable fees and disbursements of one additional counsel selected by the Indemnified Party (in addition to any local counsel) separate from its own counsel for all Indemnified Parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances; and

(iv) neither incur any material expense to defend against nor make any admission with respect thereto (other than routine or incontestable admission or factual admissions the failure to make which could expose such Indemnified Party to (A) unindemnified liability, or (B) any liability in respect of which, in the good faith determination of such Indemnified Party made in a commercially reasonable manner, the Indemnifying Party is unlikely to have sufficient funds available to indemnify the Indemnified Party in full, taking into account the Priority of Payments), nor permit a default or consent to the entry of any judgment in respect thereof, in each case without the prior written consent of the Indemnifying Party; *provided* that the Indemnifying Party shall have advised such Indemnified Party that such Indemnified Party is entitled to be indemnified hereunder with respect to such claim.

(f) No Indemnified Party shall, without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, settle, release or compromise any claim giving rise to a claim for indemnity hereunder, or permit a default or consent to the entry of any judgment in respect thereof; *provided, however*, that such Indemnified Party shall not be required to seek or obtain such consent if it determines in good faith and in a commercially reasonable manner that the Indemnifying Party is unlikely to have sufficient funds available to indemnify it in full, taking into account the Priority of Payments.

(g) No Indemnifying Party shall, without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, settle or compromise or consent to the entry of any judgment with respect to any claim giving rise to a claim for indemnity hereunder if such settlement includes a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

(h) If any Indemnified Party waives its right to indemnification hereunder, the Indemnifying Party shall not be entitled to appoint counsel to represent such Indemnified Party nor shall the Indemnifying Party reimburse such Indemnified Party for any costs of counsel to such Indemnified Party.

(i) The compliance of the Collateral Manager's actions with the provisions of the Indenture and this Agreement shall be determined on the date of action only, based upon the prices and characteristics of the Assets on the date of such action (or on the most recent date practicable, in the case of Collateral Obligations not acquired or disposed of on such date); the provisions of the Indenture and this Agreement shall not be deemed breached as a result of changes in value or status of an investment following acquisition.

(j) The Assets shall be held by the Trustee appointed by the Issuer pursuant to the Indenture. The Collateral Manager and its Affiliates shall at no time have custody or physical control of the Assets. The Collateral Manager shall not be liable for any act or omission of the Trustee, the

Collateral Administrator, or any sub-custodian or prime broker appointed by the Issuer or the Trustee. Any compensation to the Trustee or the Collateral Administrator for their services to the Issuer shall be the obligation of the Issuer and not the Collateral Manager.

Section 11. No Joint Venture.

The Issuer and the Collateral Manager are not partners or joint venturers with each other and nothing herein shall be construed to make them such partners or joint venturers or impose any liability as such on either of them. The Collateral Manager shall be deemed, for all purposes herein, an independent contractor and shall, except as otherwise expressly provided herein or in the Indenture or authorized by the Issuer from time to time, have no authority to act for or represent the Issuer in any way or otherwise be deemed an agent of the Issuer.

Section 12. Term; Termination.

(a) This Agreement shall commence as of the date first set forth above and shall continue in force until the first of the following occurs: (i) the final liquidation of the Assets and the final distribution of the proceeds of such liquidation to the Holders, (ii) the payment in full of the Notes, and the satisfaction and discharge of the Indenture in accordance with its respective terms or (iii) the early termination of this Agreement in accordance with Section 12(b), (c) or (d) or Section 14 hereof (subject, in all cases, to Section 12(f)).

(b) Subject only to clause (c) below, the Collateral Manager may resign, upon 90 days' prior written notice (or such shorter notice as to which the Issuer agrees) to the Issuer, the Trustee and each Applicable Rating Agency; *provided, however*, that the Collateral Manager shall have the right to resign immediately upon the effectiveness of any material change in applicable law or regulation which renders the performance by the Collateral Manager of its duties hereunder or under the Indenture to be a violation of such law or regulation.

(c) Notwithstanding the provisions of clause (b) above, no resignation or removal of the Collateral Manager, for cause or without cause, shall be effective until the date as of which a successor Collateral Manager shall have been appointed and approved and has accepted all of the Collateral Manager's duties and obligations pursuant to this Agreement in writing (an "Instrument of Acceptance").

(d) Upon any resignation of the Collateral Manager or any removal under Section 14 that is to take place while any of the Notes are Outstanding, the Issuer at the direction of a Majority of the Subordinated Notes (or in the case of removal for Cause of the Collateral Manager, if all of the Subordinated Notes consist of Collateral Manager Notes, a Majority of the most senior Class of Notes that is not comprised entirely of Collateral Manager Notes) will, with notice to each Applicable Rating Agency (with a copy to the outgoing Collateral Manager), appoint as a replacement Collateral Manager an institution that (i) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager hereunder, (ii) is legally qualified and has the capacity to act as Collateral Manager hereunder, as successor to the Collateral Manager under this Agreement in the assumption of all of the responsibilities, duties and obligations of the Collateral Manager hereunder and under the applicable terms of the Indenture,

(iii) does not result in either of the Co-Issuers becoming, or require the pool of collateral to be registered as, an investment company under the Investment Company Act and (iv) does not cause the Issuer to be subject to U.S. federal income tax with respect to its net income. No compensation payable to such a successor from payments on the Assets shall be greater than that permitted to the Collateral Manager under this Agreement without the prior written consent of a Majority of each Class of Notes, voting separately by Class. Upon expiration of the applicable notice periods with respect to termination specified herein, all authority and power of the Collateral Manager hereunder, whether with respect to the Assets or otherwise, shall automatically and without action by any person or entity pass to and be vested in the successor institution upon the acceptance by such institution of its appointment hereunder. The Issuer, the Trustee, the outgoing Collateral Manager and the successor collateral manager shall take such action consistent with this Agreement and the terms of the Indenture as shall be necessary to effect any such succession. If no successor Collateral Manager is appointed within 90 days (or, in the event of a change in applicable law or regulation which renders the performance by the Collateral Manager of its duties under this Agreement or the Indenture to be a violation of any law or regulation, within 30 days) following the termination or resignation of the Collateral Manager, the Collateral Manager shall have the right to petition a court of competent jurisdiction to appoint a successor Collateral Manager, in either such case whose appointment shall become effective after such successor has accepted its appointment, notice of such appointment is provided to each Applicable Rating Agency and without the consent of any Holder.

(e) If this Agreement is terminated pursuant to this Section 12, such termination shall be without any further liability or obligation of either party to the other, except as provided in clause (g) below.

(f) If Barings BDC resigns or is removed as Collateral Manager hereunder, within 30 days after the date on which a successor Collateral Manager (so long as such successor Collateral Manager is not an Affiliate of Barings BDC) has assumed the duties and obligations of the Collateral Manager hereunder, the Issuer will, and will cause the Co-Issuer to, change its name to remove any reference to "Barings."

(g) Collateral Manager Notes will be disregarded and deemed not to be Outstanding with respect to a vote to (i) terminate this Agreement, (ii) remove or replace the Collateral Manager, (iii) approve a successor collateral manager, if the Collateral Manager is being terminated for Cause pursuant to Section 14 or (iv) waive an event constituting

Cause under Section 14 as a basis for termination of the Collateral Management Agreement or removal of the Collateral Manager. For all other purposes, the voting rights of the Collateral Manager Notes will not be restricted.

(h) Sections 6, 8(d), 10, 21, 22, 23 and 28, insofar as they relate to the period ending with the termination of this Agreement, and Sections 8(e), 12(h), 15, 17, 24 and 25 shall survive any termination of this Agreement pursuant to this Section 12 or Section 14.

Section 13. Assignments.

(a) The Collateral Manager shall not assign this Agreement, in whole or in part, to any Person other than a Qualifying Affiliate of the Collateral Manager that has comparable personnel and expertise to the Collateral Manager without (i) the prior written consent of a Majority of the Subordinated Notes and a Majority of the Controlling Class and (ii) notice to the Applicable Rating Agencies. No consent or other action under either of the preceding sentences shall be required, however, if a Change-in-Control of the Collateral Manager occurs or the Collateral Manager enters into any consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, another entity and, at the time of such consolidation, merger, amalgamation or transfer the resulting, surviving or transferee entity assumes all the obligations of the Collateral Manager and generally and the other entity is solely a continuation of the Collateral Manager in another corporate or similar form; *provided* that (x) the Collateral Manager shall give written notice to the holders of the Subordinated Notes and the Controlling Class of the occurrence of a Change-in-Control or any such consolidation, merger, amalgamation or transfer and (y) the Issuer will remove the Collateral Manager if a Majority of the Controlling Class or a Majority of the Subordinated Notes so direct by written notice within 15 days of delivery of such notice. Notice will be provided to the Applicable Rating Agencies of any assignment, in whole or in part, of this Agreement. Any assignment consented to by the Issuer and such Holders shall bind the assignee hereunder in the same manner as the Collateral Manager is bound. In addition, the assignee shall execute and deliver to the Issuer and the Trustee a counterpart of this Agreement naming such assignee as Collateral Manager. Upon the execution and delivery of such counterpart by the assignee, the Collateral Manager shall be released from further obligations pursuant to this Agreement, except with respect to its obligations under Section 10 of this Agreement relating to any Collateral Manager Breach that occurred prior to such assignment and except with respect to its obligations under Section 6 (other than the first sentence thereof), Section 15, Section 17, Section 22 and Section 23.

(b) This Agreement shall not be assigned by the Issuer without (i) the prior written consent of (A) the Collateral Manager and (B) a Majority of the Subordinated Notes, and (ii) notice having been provided to the Applicable Rating Agencies, except in the case of assignment by the Issuer (1) to an entity which is a successor to the Issuer permitted under the Indenture, in which case such successor organization shall be bound hereunder and by the terms of said assignment in the same manner as the Issuer is bound thereunder or (2) to the Trustee as contemplated by the granting clause of the Indenture. The Issuer may assign its rights, title and interest in (but not its obligations under) this Agreement to the Trustee pursuant to the Indenture; and the Collateral Manager by its signature below agrees to, and acknowledges, such assignment. In the event of any assignment by the Issuer, the Issuer shall use reasonable efforts to cause such assignee to execute and deliver to the Collateral Manager such documents as the Collateral Manager shall consider reasonably necessary to effect fully such assignment.

Section 14. Removal for Cause.

(a) The Collateral Manager may be removed for Cause upon 30 days' prior written notice to the Collateral Manager (with a copy to the Trustee which will be forwarded to the Holders of Notes) by the Issuer, at the direction of either (x) a Majority of the Subordinated Notes (or, if all of

the Subordinated Notes are Collateral Manager Notes, a Majority of the most senior Class of Notes that is not comprised entirely of Collateral Manager Notes) or (y) a Supermajority of the Controlling Class (or, if all of the Controlling Class consists of Collateral Manager Notes, a Supermajority of the most senior Class of Notes that is not comprised entirely of Collateral Manager Notes). Voting of any Collateral Manager Notes will be subject to Section 12(g). No such removal shall be effective until the date as of which a successor Collateral Manager satisfying the criteria set forth in Section 12(d) above shall have been appointed and delivered an Instrument of Acceptance to the Issuer and the removed Collateral Manager. For purposes of determining "Cause" with respect to removal of the Collateral Manager by the Issuer, such term shall mean any one of the following events:

(i) the Collateral Manager willfully and intentionally violated or willfully and intentionally breached any material provision of this Agreement or the Indenture applicable to it (not including a willful and intentional breach that results from a good faith dispute regarding reasonable alternative courses of action or interpretation of instructions);

(ii) the Collateral Manager breaches any provision of this Agreement or any terms of the Indenture applicable to it (other than as covered by clause (i) and it being understood that failure to meet any Coverage Test is not a breach for purposes of this clause (ii)), which breach would reasonably be expected to have a material adverse effect on any Class of Notes and has not cured such breach (if capable of being cured) within 30 days of its becoming aware of, or its receipt of notice from the Issuer or the Trustee of, such breach (it being understood that the Trustee will not provide such notice unless it receives a written direction from the Holders of at least 25% of the Aggregate Outstanding Amount of the Controlling Class), unless, if such breach is remediable, the Collateral Manager has taken action that the Collateral Manager in good faith believes will remedy, and that does in fact remedy, such breach within 60 days of its becoming aware, or its receipt of notice from the Issuer or the Trustee, of such breach;

(iii) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager in or pursuant to this Agreement or the Indenture to be correct in any material respect when made which failure (A) could reasonably be expected to have a material adverse effect on any Class of Notes and (B) is not corrected by the Collateral Manager within 30 days after its becoming aware of, or its receipt of notice from the Issuer or the Trustee (it being understood that the Trustee will not provide such notice unless it receives a written direction from (x) the holders of at least 25% of the Aggregate Outstanding Amount of the Controlling Class (or, if all of the Controlling Class consists of Collateral Manager Notes, the highest Priority Class of Notes that is not comprised entirely of Collateral Manager Notes) or (y) the holders of at least 25% of the Aggregate Outstanding Amount of the Subordinated Notes (or, if all of the Subordinated Notes are Collateral Manager Notes, the lowest Priority Class of Notes that is not comprised entirely of Collateral Manager Notes)) of such failure, unless, if such failure is remediable, the Collateral Manager has taken action that the Collateral Manager in good faith believes will remedy, and that does in fact remedy, such failure within 60 days of its becoming aware, or its receipt of notice from the Issuer or the Trustee, of such failure; *provided that* the delivery of a certificate or other report which corrects any inaccuracy contained in a previous report or certification

shall be deemed to cure such inaccuracy as of the date of delivery of such updated report or certificate and any and all inaccuracies arising from continuation of such initial inaccurate report or certificate;

(iv) the Collateral Manager is wound up or dissolved or there is appointed over it or a substantial part of its assets a receiver, administrator, administrative receiver, trustee or similar officer; or the Collateral Manager (A) ceases to be able to, or admits in writing its inability to, pay its debts as they become due and payable, or makes a general assignment for the benefit of, or enters into any composition or arrangement with, its creditors generally; (B) applies for or consents (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, trustee, assignee, custodian, liquidator or sequestrator (or other similar official) of the Collateral Manager or of any substantial part of its properties or assets, or authorizes such an application or consent, or proceedings seeking such appointment are commenced without such authorization, consent or application against the Collateral Manager and continue undismissed for 60 days or any such appointment is ordered by a court or regulatory body having jurisdiction over the Collateral Manager; (C) authorizes or files a voluntary petition in bankruptcy, or applies for or consents (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, arrangement, readjustment of debt, insolvency, dissolution, or similar law, or authorizes such application or consent, or proceedings to such end are instituted against the Collateral Manager without such authorization, application or consent and remain undismissed for 60 days or result in adjudication of bankruptcy or insolvency or the issuance of an order for relief; or (D) permits or suffers all or any substantial part of its properties or assets to be sequestered or attached by court order and the order (if contested in good faith) remains undismissed for 60 days;

(v) the occurrence and continuation of an Event of Default (regardless of whether an acceleration has occurred) under the Indenture that is described in clause (a) of the definition of "Event of Default" and that directly results from any breach by the Collateral Manager of its duties hereunder or under the terms of the Indenture applicable to the duties to be performed by the Collateral Manager on behalf of the Issuer;

(vi) (A) the occurrence of an act by the Collateral Manager or any officer or director thereof that constitutes fraud or criminal activity in the performance of its obligations under this Agreement, the Indenture or the Collateral Administration Agreement or the Collateral Manager or any officer or director thereof being convicted of a criminal offense materially related to the primary business of the Collateral Manager, in each case pursuant to a final adjudication by a court of competent jurisdiction, or (B) any Responsible Officer of the Collateral Manager having responsibility for the performance by the Collateral Manager of its obligations hereunder is indicted for a criminal offense materially related to the primary business of the Collateral Manager and continues to have responsibility for the performance by the Collateral Manager hereunder for a period of 90 days after such indictment; or

(vii) it is determined by applicable regulatory authorities that the Collateral Manager is required to register as an investment adviser under the Advisers Act and such registration has not occurred within 60 days of receipt of such determination by the Collateral Manager.

(b) If any of the events specified in clauses (a)(i) through (vi) of this Section 14 shall occur, the Collateral Manager shall promptly upon becoming aware of the occurrence of such event give written notice thereof to the Issuer, the Trustee and the Applicable Rating Agencies. A Majority of each Class of Notes, voting separately by Class, may waive any event described in clause (i), (ii), (iii), (v) or (vi) above as a basis for termination of this Agreement and removal of the Collateral Manager under this Section 14; *provided* that voting of any Collateral Manager Notes will be subject to Section 12(g).

(c) In the event of removal of the Collateral Manager pursuant to this Agreement by the Issuer, the Issuer shall have all of the rights and remedies available with respect thereto at law or equity, and, without limiting the foregoing, the Issuer may by notice in writing to the Collateral Manager as provided under this Agreement terminate all the rights and obligations of the Collateral Manager under this Agreement (except those that survive termination pursuant to Section 12(h)). Upon the later to occur of (i) expiration of the applicable notice period with respect to termination specified in this Section 14 and (ii) acceptance of its appointment by the successor collateral manager, all authority and power of the Collateral Manager under this Agreement, whether with respect to the Assets or otherwise, shall automatically and without further action by any Person or entity pass to and be vested in the successor collateral manager.

Section 15. Obligations of Resigning or Removed Collateral Manager.

(a) From and after the effective date of the resignation or removal of the Collateral Manager in accordance with this Agreement, such collateral manager shall not be entitled to compensation for further services hereunder but shall be paid all compensation accrued to the effective date of resignation or removal and shall be entitled to receive any amounts owing under Sections 8 and 10 hereof. On, or as soon as practicable after, the date any resignation or removal is effective, the Collateral Manager shall:

(i) deliver to the Issuer or to such other Person as the Issuer shall instruct all property and documents of the Issuer or otherwise relating to the Assets then in the custody of the Collateral Manager;

(ii) deliver to the Trustee an accounting with respect to the books and records delivered to the Trustee or the successor Collateral Manager appointed pursuant to Section 12 hereof; and

(iii) agree to cooperate in any proceedings, even after its resignation or removal, which arise in connection with this Agreement or the Indenture, assuming the Collateral Manager has received appropriate indemnity against the cost, expenses and liabilities that might be incurred in connection therewith.

(b) Notwithstanding such resignation or removal, the Collateral Manager shall remain liable for its obligations under Section 10 hereof and its acts or omissions giving rise thereto and for any expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including reasonable attorneys' fees) in respect of or arising out of a breach of the representations and warranties made by the Collateral Manager in Section 16(b) hereof or from any failure of the Collateral Manager to comply with the provisions of this Section 15.

Section 16. Representations and Warranties.

(a) The Issuer hereby represents and warrants to the Collateral Manager as follows:

(i) The Issuer has been duly incorporated and is validly existing under the laws of the Cayman Islands, has the full power and authority to own its assets and the securities proposed to be owned by it and included in the Assets and to transact the business in which it is presently engaged and is duly qualified under the laws of each jurisdiction where its ownership or lease of property, the conduct of its business or the performance of this Agreement, the Indenture and the Notes require such qualification, except for those jurisdictions in which the failure to be so qualified, authorized or licensed would not have a material adverse effect on the business, operations, assets or financial condition of the Issuer.

(ii) The Issuer has full power and authority to execute, deliver and perform all of its obligations under this Agreement and to perform all of its obligations under the Indenture and the Notes and has taken all necessary action to authorize this Agreement and the execution and delivery of this Agreement and the performance of all obligations imposed upon it hereunder, and, as of the Closing Date, will have taken all necessary action to authorize the Indenture and the Notes and the execution, delivery and performance of this Agreement, the Indenture and the Notes and the performance of all obligations imposed upon it thereunder. No consent of any other Person including, without limitation, shareholders and creditors of the Issuer, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing (other than any filings pursuant to the UCC required under the Indenture and necessary to perfect any security interest granted thereunder) or declaration with, any governmental authority is required by the Issuer in connection with the execution, delivery, performance, validity or enforceability of this Agreement, the Indenture or the Notes or the obligations imposed upon the Issuer hereunder and thereunder. This Agreement has been, and each instrument and document to which the Issuer is a party required hereunder or under the Indenture or the Notes will be, executed and delivered by a duly authorized officer of the Issuer, and this Agreement constitutes, and each instrument or document required hereunder to which the Issuer is a party, when executed and delivered, will constitute, the valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, subject, as to enforcement, (A) to the effect of bankruptcy, receivership, insolvency or similar laws affecting generally the enforcement of creditors' rights as such laws would apply in the event of any bankruptcy, receivership, insolvency or similar event applicable to the Issuer and (B) to general equitable principles (whether enforceability of such principles is considered in a proceeding at law or in equity).

(iii) The execution, delivery and performance of this Agreement and the documents and instruments required hereunder and under the Indenture will not violate any provision of any existing law or regulation binding on the Issuer, or any order, judgment, award or decree of any court, arbitrator or governmental authority binding on the Issuer, or the Organizational Instruments of, or any securities issued by, the Issuer or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which the Issuer is a party or by which the Issuer or any of its assets may be bound, the violation of which would have a material adverse effect on the business, operations, assets or financial condition of the Issuer, and will not result in or require the creation or imposition of any lien on any of its property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract or other agreement, instrument or undertaking (other than the lien of the Indenture).

(iv) The Issuer is not in violation of its Organizational Instruments or in breach or violation of or in default under any contract or agreement to which it is a party or by which it or any of its property may be bound, or any applicable statute or any rule, regulation or order of any court, government agency or body having jurisdiction over the Issuer or its properties, the breach or violation of which or default under which would have a material adverse effect on the validity or enforceability of this Agreement or the provisions of the Indenture applicable to the Issuer, or the performance by the Issuer of its duties hereunder or thereunder.

(b) The Collateral Manager hereby represents and warrants to the Issuer as follows:

(i) The Collateral Manager is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland, has full power and authority to own its assets and to transact the business in which it is currently engaged, and is duly qualified to do business and is in good standing under the laws of each jurisdiction where the performance of this Agreement would require such qualification, except for those jurisdictions in which the failure to be so qualified, authorized or licensed would not have a material adverse effect on the ability of the Collateral Manager to perform its obligations under this Agreement and the provisions of the Indenture applicable to the Collateral Manager, or on the validity or enforceability of this Agreement and the provisions of the Indenture applicable to the Collateral Manager.

(ii) The Collateral Manager has full power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder and under the provisions of the Indenture applicable to the Collateral Manager, and has taken all necessary action to authorize this Agreement and the execution and delivery of this Agreement and the performance of all obligations required hereunder and under the terms of the Indenture applicable to the Collateral Manager. No consent of any other Person, including, without limitation, members and creditors of the Collateral Manager, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required by the Collateral Manager or any Affiliate thereof in connection with this Agreement or the execution, delivery, performance, validity

or enforceability of this Agreement or the obligations imposed on the Collateral Manager hereunder or under the terms of the Indenture applicable to the Collateral Manager other than those which have been obtained or made. This Agreement has been, and each instrument and document to which the Collateral Manager is a party required hereunder or under the terms of the Indenture will be, executed and delivered by a duly authorized officer of the Collateral Manager, and this Agreement constitutes, and each instrument and document to which the Collateral Manager is a party required hereunder or under the terms of the Indenture when executed and delivered by the Collateral Manager will constitute, the valid and binding obligation of the Collateral Manager enforceable against the Collateral Manager in accordance with its terms, subject, as to enforcement, (A) to the effect of bankruptcy, insolvency or similar laws affecting generally the enforcement of creditors' rights as such laws would apply in the event of any bankruptcy, receivership, insolvency or similar event applicable to the Collateral Manager and (B) to general equitable principles (whether enforceability of such principles is considered in a proceeding at law or in equity).

(iii) The execution, delivery and performance of this Agreement and the terms of the Indenture applicable to the Collateral Manager will not violate any provision of any existing law or regulation binding on the Collateral Manager, or any order, judgment, award or decree of any court, arbitrator or governmental authority binding on the Collateral Manager, or the Organizational Instruments of, or any securities issued by, the Collateral Manager or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which the Collateral Manager is a party or by which the Collateral Manager or any of its assets may be bound, the violation of which would have a material adverse effect on the business, operations, assets or financial condition of the Collateral Manager or which would reasonably be expected to adversely affect in a material manner its ability to perform its obligations hereunder and under the Indenture.

(iv) There is no charge, investigation, action, suit or proceeding before or by any court pending or, to the best knowledge of the Collateral Manager, threatened, that, if determined adversely to the Collateral Manager, would have a material adverse effect upon the business, operations, assets or financial condition of the Collateral Manager, or upon the performance by the Collateral Manager of its duties under, or on the validity or enforceability of, this Agreement and the provisions of the Indenture applicable to the Collateral Manager.

(v) The Collateral Manager is not in violation of its Organizational Instruments or in breach or violation of or in default under any contract or agreement to which it is a party or by which it or any of its property may be bound, or any applicable statute or any rule, regulation or order of any court, government agency or body having jurisdiction over the Collateral Manager or its properties, the breach or violation of which or default under which would have a material adverse effect on the validity or enforceability of this Agreement or the Indenture or the performance by the Collateral Manager of its duties hereunder or thereunder.

(vi) True and complete copies of the Collateral Manager's Organizational Instruments have been delivered to the Issuer.

(vii) The Collateral Manager Information, as of its date, and with respect to Collateral Manager Information contained in the Final Offering Circular, as of the Closing Date, does not and will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(viii) No event constituting Cause (or event that, with the giving of notice or the passage of time or both, would constitute Cause) with respect to it has occurred and is continuing, and no event constituting Cause (or event that, with the giving of notice or the passage of time or both, would constitute Cause) will occur as a result of its entering into this Agreement.

Section 17. Limited Recourse; No Petition.

The Collateral Manager hereby agrees that it shall not institute against, or join any other Person in instituting against, the Issuer or the Co-Issuer any bankruptcy, reorganization, arrangement, insolvency, moratorium, winding up or liquidation proceedings or other proceedings under U.S. federal or state, Cayman Islands or other bankruptcy or similar laws until at least one year (or, if longer, the applicable preference period then in effect) *plus* one day after payment in full of all Notes issued under the Indenture. The Collateral Manager hereby acknowledges and agrees that the Issuer's obligations hereunder will be solely the corporate obligations of the Issuer, and that the Collateral Manager will not have any recourse to any of the directors, officers, employees, shareholders or Affiliates of the Issuer with respect to any claims, losses, damages, liabilities, indemnities or other obligations in connection with any Transactions contemplated hereby. Notwithstanding any other provisions hereof or of any other Transaction Document, recourse in respect of any obligations of the Issuer to the Collateral Manager hereunder or thereunder will be limited to the Assets as applied in accordance with the Priority of Payments pursuant to the Indenture and, on the exhaustion of the Assets, all obligations of and claims against the Issuer arising from this Agreement or any Transaction Document or any Transactions contemplated hereby or thereby shall be extinguished and shall not revive. This Section 17 shall survive the termination of this Agreement for any reason whatsoever.

Section 18. Notices.

Unless expressly provided otherwise herein, all notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when delivered against receipt or upon actual receipt of registered or certified mail, postage prepaid, return receipt requested, or, in the case of telecopier or email notice, when received in legible form, addressed as set forth in Section 14.3 of the Indenture.

Section 19. Binding Nature of Agreement; Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns as provided herein.

Section 20. Entire Agreement; Amendment.

This Agreement and the Indenture contain the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof and thereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. No amendment to this Agreement may, without the prior written consent of a Majority of the Controlling Class and a Majority of the Subordinated Notes and notice to the Applicable Rating Agencies, (i) modify the definition of the term "Cause," (ii) modify the Senior Servicing Fee or the Subordinated Servicing Fee, including the method for calculation of any component of the Senior Servicing Fee or the Subordinated Servicing Fee or any definition in this Agreement directly related to the Senior Servicing Fee or the Subordinated Servicing Fee, (iii) modify the Class or Classes or the percentage of the Aggregate Outstanding Amount of any Class that has the right to remove the Collateral Manager, consent to any assignment of this Agreement or nominate or approve any successor Collateral Manager or (iv) amend, modify or otherwise change provisions of this Agreement so that the Notes constituting the Controlling Class are not considered to constitute "ownership interests" under the Volcker Rule. This Agreement may be amended for any other purpose upon notice to the Applicable Rating Agencies and 10 days' prior written notice to the Controlling Class, but without the consent of the Holders of any Notes. The Issuer shall provide the Holders with notice of any amendment to this Agreement.

Section 21. Governing Law.

This Agreement shall be construed in accordance with, and this Agreement and all matters arising out of or relating in any way whatsoever to this Agreement (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York.

Section 22. Submission to Jurisdiction.

With respect to any suit, action or proceedings relating to this Agreement or any matter between the parties arising under or in connection with this Agreement ("Proceedings"), to the fullest extent permitted by law each party irrevocably: (i) submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City; and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction, nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

The Collateral Manager irrevocably consents to the service of any and all process in any action or proceeding by the mailing or delivery of copies of such process to it at the office of the Collateral Manager in Charlotte, North Carolina. The Issuer hereby irrevocably designates and appoints the Process Agent appointed under the Indenture as the agent of the Issuer to receive on its behalf service of all process brought against it with respect to any such action or proceeding in any such court in the State of New York, such service being hereby acknowledged by the Issuer to be effective and binding on it in every respect. If for any reason such agent shall cease to be available to act as such, then the Issuer shall promptly designate a new agent in the City of New York.

Section 23. Waiver of Jury Trial.

EACH PARTY TO THIS AGREEMENT HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING. Each party hereby (i) certifies that no representative, agent or attorney of the other has represented, expressly or otherwise, that the other would not, in the event of a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this paragraph.

Section 24. Conflict with the Indenture.

In respect of any conflict between the terms of this Agreement and the Indenture, the terms of the Indenture shall control.

Section 25. Subordination; Assignment of Agreement.

The Collateral Manager agrees that the payment of all amounts to which it is entitled pursuant to this Agreement shall be subordinated to the extent set forth in, and the Collateral Manager agrees to be bound by the provisions of, the Priority of Payments set forth in the Indenture as if the Collateral Manager were a party to the Indenture. The Collateral Manager hereby consents to the assignment of this Agreement as provided in Section 15.1(a) of the Indenture.

Section 26. Indulgences Not Waivers.

Neither the failure nor any delay on the part of any party hereto to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

Section 27. Costs and Expenses.

Except as otherwise agreed to by the parties hereto, the documented costs and expenses (including the fees and disbursements of counsel and accountants but excluding all overhead costs

and employees' salaries) of the Collateral Manager and of the Issuer incurred in connection with the negotiation and preparation of and the execution of this Agreement and any amendment thereto, and all matters incidental thereto, will be borne by the Issuer. The Issuer will reimburse the Collateral Manager for expenses including fees and out-of-pocket expenses reasonably incurred by the Collateral Manager in connection with the services provided hereunder including, without limitation, (a) legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained by the Issuer or the Collateral Manager (on behalf of the Issuer), (b) asset pricing and asset rating services, compliance services and software, and accounting, programming and data entry services directly related to the management of the Assets, (c) all taxes, regulatory and governmental charges (not based on the income of the Collateral Manager), insurance premiums or expenses, (d) any and all costs and expenses incurred in connection with the acquisition, disposition of investments on behalf of the Issuer (whether or not actually consummated) and management thereof, including attorneys' fees and disbursements, (e) any fees, expenses or other amounts payable to the Applicable Rating Agencies, (f) preparing reports to holders of the Notes, (g) reasonable travel expenses (including without limitation airfare, meals, lodging and other transportation) undertaken in connection with the performance by the Collateral Manager of its duties pursuant this Agreement and the Indenture, (h) any broker or brokers in consideration of brokerage services provided to the Collateral Manager in connection with the sale or purchase of any Collateral Obligation, Equity Security, Eligible Investment or other assets received in respect thereof, (i) bookkeeping, accounting or recordkeeping services obtained or maintained with respect to the Issuer (including those services rendered at the behest of the Collateral Manager), (j) software programs licensed from a third party and used by the Collateral Manager in connection with servicing the Assets, (k) fees and expenses incurred in obtaining the Market Value of Collateral Obligations (including without limitation fees payable to any nationally recognized pricing service), (l) audits incurred in connection with any consolidation review, (m) any extraordinary costs and expenses incurred by the Collateral Manager in the performance of its obligations under this Agreement and the Indenture, (n) costs and expenses in connection with any amendment or supplement (including any proposed amendment or supplement) to this Agreement, the Indenture and any other agreements executed in connection therewith, (o) any out-of-pocket expenses incurred by the Collateral Manager in connection with complying with the U.S. Risk Retention Rules, other than the purchase price paid for any Notes purchased in connection therewith or any costs and expenses incurred in connection with any financing arrangements entered into for the purpose of financing the purchase price of such Notes and (p) as otherwise agreed upon by the Issuer and the Collateral Manager. In addition, the Issuer will pay or reimburse the costs and expenses (including fees and disbursements of counsel and accountants) of the Collateral Manager and the Issuer incurred in connection with or incidental to the entering into of this Agreement or any amendment thereto. To the extent any such costs and expenses are incurred for the benefit of the Issuer and other clients advised by the Collateral Manager, the Collateral Manager will make a good faith allocation of such costs and expenses among all such clients and the Issuer.

Section 28. Third Party Beneficiaries.

The parties hereto agree that the Trustee on behalf of the Holders shall be an express third party beneficiary of this Agreement without any act or notice of acceptance hereof or reliance hereon,

and shall be entitled to rely upon and enforce such provisions of this Agreement to the same extent as if each of them were a party hereto.

Except as expressly provided in this Section 28, no person or entity (including, without limitation, any Holders) is or shall be deemed to be a third party beneficiary of this Agreement or of any of the duties and obligations of any party contained in this Agreement.

Section 29. Titles Not to Affect Interpretation.

The titles of paragraphs and subparagraphs contained in this Agreement are for convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation hereof.

Section 30. Execution in Counterparts.

This Agreement may be executed in any number of counterparts by electronic or other written form of communication, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

Section 31. Provisions Separable.

If any term, provision, covenant or condition of this Agreement, or the application thereof to any party hereto or any circumstance, is held to be unenforceable, invalid or illegal for any reason (in any relevant jurisdiction), the remaining terms, provisions, covenants and conditions of this Agreement, modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity, or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms, provisions, covenants and conditions of this Agreement, so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the deletion of such portion of this Agreement, as the case may be, will not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties.

Section 32. Gender.

Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

[*signature page follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Management Agreement (as a deed in the case of the Issuer) as of the date first written above.

Executed as a deed by:

BARINGS BDC STATIC CLO LTD. 2019-I

By: /s/ Yun Zheng

Name: Yun Zheng
Title: Director

In the presence of: /s/ Jade Whitelocke

Witness:
Name: Jade Whitelocke

BARINGS BDC, INC.

By: /s/ Jonathan Bock

Name:Jonathan Bock
Title: CFO

COLLATERAL ADMINISTRATION AGREEMENT

This COLLATERAL ADMINISTRATION AGREEMENT, dated as of May 9, 2019 (the "Agreement"), is entered into by and among BARINGS BDC STATIC CLO LTD. 2019-I, an exempted company incorporated with limited liability and existing under the laws of the Cayman Islands as the Issuer (the "Issuer"), BARINGS BDC, INC., a Delaware limited liability company as the Collateral Manager (as that term is defined in the Indenture, referred to herein, together with any successor Collateral Manager under the Indenture, the "Collateral Manager"), and STATE STREET BANK AND TRUST COMPANY ("State Street"), a Massachusetts trust company acting as collateral administrator under and for purposes of this Agreement (in such capacity, and together with any successor Collateral Administrator hereunder, the "Collateral Administrator").

WITNESSETH:

WHEREAS, the Issuer and Barings BDC Static CLO 2019-I, LLC (the "Co-Issuer" and, together with the Issuer, the "Co-Issuers") have entered into an Indenture dated as of May 9, 2019 (the "Indenture") among the Issuer, the Co-Issuer, and State Street as Trustee (in such capacity, the "Trustee");

WHEREAS, the Co-Issuers intend to issue (i) certificates representing the Co-Issuers' U.S.$296,750,000 Class A-1 Senior Secured Floating Rate Notes due 2027 (the "Class A-1 Notes"), U.S.$51,500,000 Class A-2 Senior Secured Floating Rate Notes due 2027 (the "Class A-2 Notes" and, together with the Class A-1 Notes, the "Co-Issued Notes") and (ii) certificates representing the Issuer's U.S.$101,000,000 Subordinated Notes due 2027 (the "Subordinated Notes" and, together with the Co-Issued Notes, the "Notes");

WHEREAS, the Collateral Manager and the Issuer have entered into a Collateral Management Agreement dated as of May 9, 2019 (the "Management Agreement"), pursuant to which the Collateral Manager provides certain services relating to the matters contemplated by the Indenture;

WHEREAS, pursuant to the terms of the Indenture, the Issuer has pledged certain Collateral Obligations, Equity Securities, Eligible Investments, each Hedge Agreement, its rights under certain agreements and accounts and certain other collateral (all as set forth in the Indenture) (sometimes collectively referred to herein as the "Collateral") as security for the benefit of the Secured Parties;

WHEREAS, in accordance with the Indenture, the Issuer wishes to engage the Collateral Administrator to act as the 17g-5 Information Agent pursuant to terms of this Agreement;

WHEREAS, the Issuer wishes to engage State Street to act as Collateral Administrator and, thereby, to engage it to perform certain administrative duties with respect to the Collateral pursuant to the terms of this Agreement; and

WHEREAS, State Street is prepared to perform as Collateral Administrator certain specified obligations of the Issuer, or the Collateral Manager on its behalf, under the Indenture (and certain other services) as specified herein, upon and subject to the terms of this Agreement (but without assuming the obligations and liabilities of the Issuer or the Collateral Manager under the Indenture).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Indenture.

2. Powers and Duties of Collateral Administrator.

(a) The Issuer hereby appoints State Street to act as Collateral Administrator and State Street shall act as Collateral Administrator pursuant to the terms of this Agreement, until State Street's resignation or removal as Collateral Administrator pursuant to Section 7 hereof. In such capacity, the Collateral Administrator shall assist the Issuer and the Collateral Manager in connection with monitoring the Collateral solely by maintaining a database of certain characteristics of the Collateral Obligations on an ongoing basis, and in providing to the Issuer and the Collateral Manager and certain other parties as specified in the Indenture certain reports, schedules and calculations, all as more particularly described in Section 2(b) below (in each case in such form and content, and in such greater detail, as may be mutually agreed upon by the parties hereto from time to time and as may be required by the Indenture), based upon information and data received from the Issuer and/or the Collateral Manager and/or certain other parties as specified in the Indenture, which reports, schedules and calculations the Issuer or the Collateral Manager, on its behalf, is required to prepare and deliver (or which are necessary to be performed in order that certain reports, schedules and calculations can be prepared, delivered, or performed as required) under the Indenture. State Street's duties and authority to act as Collateral Administrator hereunder are limited to the duties and authority specifically set forth in this Agreement. By entering into, or performing its duties under, this Agreement, the Collateral Administrator shall not be deemed to assume any obligations or liabilities of the Issuer under the Indenture, or of the Collateral Manager under the Management Agreement or the Indenture, and nothing herein contained shall be deemed to release, terminate, discharge, limit, reduce, diminish, modify, amend or otherwise alter in any respect the duties, obligations or liabilities of the Issuer, the Collateral Manager or the Trustee under or pursuant to the Indenture or of the Collateral Manager under or pursuant to the Management Agreement or the Indenture.

(b) The Collateral Administrator shall perform the following general functions from time to time:

(i) Create a collateral database with respect to the Collateral comprised of the Collateral Obligations credited to the Accounts from time to time, as provided in this Agreement (the "Collateral Database");

(ii) Update the Collateral Database for changes, including for ratings changes, and to reflect the sale or other disposition of the Collateral Obligations, Equity Securities and Eligible Investments included in the Collateral and the purchase of additional Collateral Obligations, Eligible Investments and Equity Securities from time to time, in each case based upon, and to the extent of, information furnished to the Collateral Administrator by the Collateral Manager (on behalf of the Issuer or itself) as may be reasonably required by the Collateral Administrator from time to time or that may be provided by the Trustee (based upon notices received by the Trustee from the issuer, or trustee or agent bank under an Underlying Instrument, or similar source);

(iii) Track the receipt and daily allocation to the Accounts of Interest Proceeds and Principal Proceeds and any withdrawals therefrom and, on each Business Day, provide to the Collateral Manager daily reports reflecting such actions to the Accounts as of the close of business on the preceding Business Day;

(iv) Prepare, on behalf of the Issuer, and arrange for delivery in accordance with the Indenture within the time frames stated therein, (A) the Monthly Report pursuant to the terms of Section 10.6(a) of the Indenture (and cooperate with the Collateral Manager, on behalf of the Issuer, in connection with the comparison of information and discrepancies, if any, required under the last paragraph of said Section 10.6(a) of the Indenture), and (B) the Distribution Report pursuant to Section 10.6(b) of the Indenture, in each case, on the basis of the information contained in the Collateral Database as of the applicable date of determination;

(v) [Reserved]

(vi) Reasonably cooperate with the Independent certified public accountants appointed by the Issuer in the preparation by such accountants of the reports required under Section 7.17 and Section 10.8 of the Indenture;

(vii) Reasonably cooperate with the Issuer and the Collateral Manager in providing the Applicable Rating Agencies with such additional information as may be reasonably requested by the Applicable Rating Agencies and that can be provided without unreasonable burden or expense;

(viii) [Reserved]

(ix) Provide other such information with respect to the Collateral Obligations as may be routinely maintained by the Collateral Administrator in performing its ordinary function as Trustee pursuant to the Indenture (so long as it shall also serve as Trustee under the Indenture), or as may be required by the Indenture, as the Issuer or Collateral Manager may reasonably request from time to time and that the Collateral Administrator determines, in its sole discretion, may be provided without unreasonable burden or expense.

(c) [Reserved]

(d) [Reserved]

(e) The Collateral Manager shall cooperate with the Collateral Administrator in connection with the preparation by the Collateral Administrator of the Monthly Reports, the Distribution Reports and the calculations set forth in Section 2 hereof. Without limiting the generality of the foregoing, the Collateral Manager shall supply in a timely fashion any information maintained by it that the Collateral Administrator may from time to time request with respect to the Collateral and reasonably need to complete the reports and certificates required to be prepared by the Collateral Administrator hereunder or required to permit the Collateral Administrator to perform its obligations hereunder, including without limitation, the Market Value of a Collateral Obligation to the extent required by the Indenture and any other information that may be reasonably required under the Indenture with respect to a Collateral Obligation and any Hedge Agreement. The Collateral Manager shall notify the Collateral Administrator promptly upon a Collateral Obligation becoming a Defaulted Obligation. The Collateral Manager shall review and verify the contents of the aforesaid reports, instructions, statements and certificates and shall send such reports, instructions, statements and certificates to the Issuer for execution.

(f) If, in performing its duties under this Agreement, the Collateral Administrator is required to decide between alternative courses of action, the Collateral Administrator may request written instructions from the Collateral Manager, acting on behalf of the Issuer, as to the course of action desired by it. If the Collateral Administrator does not receive such instructions within two Business Days after it has requested them, the Collateral Administrator may, but shall be under no duty to, take or refrain from taking any such courses of action. The Collateral Administrator shall act in accordance with instructions received after such two-Business Day period except to the extent it has already taken, or committed itself to take, action inconsistent with such instructions. The Collateral Administrator shall be entitled to rely on the advice of legal counsel and independent accountants in performing its duties hereunder and shall be deemed to have acted in good faith if it acts in accordance with such advice.

(g) Nothing herein shall prevent the Collateral Administrator or any of its Affiliates from engaging in other businesses or from rendering services of any kind to any Person.

2A. 17g-5 Information.

(a) In accordance with the Indenture, the Issuer hereby appoints the Collateral Administrator to act as the 17g-5 Information Agent.

(b) The sole duty of the 17g-5 Information Agent shall be to forward via e-mail, or cause to be forwarded via e-mail (solely to the extent such items are received by it for such purposes) to a password-protected internet website (the "17g-5 Website"), which shall initially be at www.structuredfn.com, the following items (collectively hereinafter referred to as the "Information"):

(i) Event of Default or acceleration notices required to be provided to the Applicable Rating Agencies pursuant to Article V of the Indenture;

(ii) Reports, information or statements required to be provided to the Applicable Rating Agencies pursuant to Article X of the Indenture;

(iii) Any notices, information, requests or responses required to be delivered by the Issuer or the Trustee to the Applicable Rating Agencies pursuant to the Indenture;

(iv) Copies of amendments or supplements to the Indenture and amendments to this Collateral Administration Agreement, the Management Agreement and the Account Control Agreement, in each case, provided by or on behalf of the Issuer to the 17g-5 Information Agent; and

(v) Any additional items provided by the Issuer, the Trustee or the Collateral Manager to the 17g-5 Information Agent pursuant to Section 14.16 of the Indenture for forwarding to the 17g-5 Website.

(c) In the event that the 17g-5 Information Agent encounters a problem when forwarding the Information to the 17g-5 Website, the 17g-5 Information Agent's sole responsibility shall be to attempt to forward such Information one additional time. In the event the 17g-5 Information Agent still encounters a problem on the second attempt, it shall notify the Issuer, the Trustee and the Collateral Manager of such failure, at which time the 17g-5 Information Agent shall have no further obligations with respect to such Information. Notwithstanding anything herein or any other document to the contrary, in no event shall the 17g-5 Information Agent be responsible for forwarding any information other than the Information in accordance herewith.

(d) The Issuer shall be responsible for posting (or causing to posted) all of the 17g-5 Information and any other information on the 17g-5 Website other than the Information.

(e) The parties hereto acknowledge and agree to comply with Section 14.16 of the Indenture, as applicable.

(f) The 17g-5 Information Agent shall promptly forward all Information it receives in accordance with this Agreement in the manner required by Section 2A(g) to the 17g-5 Website, subject to Section 2A(c) hereof.

(g) The parties hereto agree that any Information required to be provided to the 17g-5 Information Agent under the Indenture or under this Agreement shall be sent to the 17g-5 Information Agent at the following e-mail address: statestreet_cdo_services@statestreet.com, with the subject line specifically referring to "17g-5 Information" and "Barings BDC Static CLO Ltd. 2019-I", or such other e-mail address or subject line specified by the 17g-5 Information Agent in writing to the Issuer and the Collateral Manager. All e-mails sent to the 17g-5 Information Agent pursuant to this Agreement or the Indenture shall only contain the Information and no other information, documents requests or communications. Each e-mail sent to the 17g-5 Information Agent pursuant to this Agreement or the Indenture failing to be sent to the e-mail address or which does not contain a subject line conforming to the requirements of the first

sentence of this Section 2A(g) shall be deemed incomplete and the 17g-5 Information Agent shall have no obligations with respect thereto.

(h) The 17g-5 Information Agent shall not be responsible for and shall not be in default hereunder or under the Indenture, or incur any liability for any act or omission, failure, error, malfunction or delays in carrying out any of its duties which results from (i) the Issuer's, Collateral Manager's or any other party's failure to deliver all or a portion of the Information to the 17g-5 Information Agent; (ii) defects in the Information supplied by the Issuer, the Collateral Manager or any other party to the 17g-5 Information Agent; (iii) the 17g-5 Information Agent acting in accordance with Information prepared or supplied by any party; (iv) the failure or malfunction of the 17g-5 Website; or (v) any other circumstances beyond the reasonable control of the 17g-5 Information Agent. The 17g-5 Information Agent shall be under no obligation to make any determination as to the veracity or applicability of any Information provided to it hereunder, or whether any such Information is required to be maintained on the 17g-5 Website pursuant to the Indenture or under Rule 17g-5 promulgated under the Securities and Exchange Act of 1934, as amended (or any successor provision to such rule) (the "Rule").

(i) In no event shall the 17g-5 Information Agent be deemed to make any representation in respect of the content of the 17g-5 Website or compliance of the 17g-5 Website with the Indenture, the Rule, or any other law or regulation.

(j) The 17g-5 Information Agent shall not be responsible or liable for the dissemination of any identification numbers or passwords for the 17g-5 Website, including by the Issuer, the Applicable Rating Agencies, the NRSROs, any of their agents or any other party. Additionally, the 17g-5 Information Agent shall not be liable for the use of any information posted on the 17g-5 Website, whether by the Issuer, the Collateral Manager, the Applicable Rating Agencies, the NRSROs or any other third party that may gain access to the 17g-5 Website or the information posted thereon.

(k) In no event shall the 17g-5 Information Agent be responsible for creating or maintaining the 17g-5 Website. The 17g-5 Information Agent shall have no liability for any failure, error, malfunction, delay, or other circumstances beyond the reasonable control of the 17g-5 Information Agent, associated with the 17g-5 Website.

(l) The 17g-5 Information Agent shall have no obligation to engage in or respond to any oral communications, in connection with the initial credit rating of the Notes or the credit rating surveillance of the Notes, with any Applicable Rating Agency or any of their respective officers, directors, employees, agents or attorneys.

(m) To the extent the entity acting as the Collateral Administrator is also acting as the 17g-5 Information Agent, the rights, privileges, immunities and indemnities of the Collateral Administrator set forth herein and the Indenture shall also apply to it in its capacity as the 17g-5 Information Agent.

1. Compensation. State Street in its capacities as Collateral Administrator and 17g-5 Information Agent will perform its duties and provide the services called for under Section 2 and

Section 2A above in exchange for compensation set forth in a separate fee letter in connection herewith. State Street shall be entitled to receive, on each Payment Date, reimbursement for all reasonable out-of-pocket expenses incurred by it in the course of performing its obligations hereunder, including those of the 17g-5 Information Agent, in the order specified in the Priority of Payments as set forth in Section 11.1 of the Indenture. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Collateral Administrator's agents, counsel, accountants and experts. The payment obligations to the Collateral Administrator and 17g-5 Information Agent pursuant to this Section 3 shall survive the termination of this Agreement and the resignation or removal of the Collateral Administrator and 17g-5 Information Agent. For the avoidance of doubt, all amounts payable under this Section 3 shall be subject to and payable only in accordance with the order specified in the Priority of Payments as set forth in Section 11.1 of the Indenture.

2. Limitation of Responsibility of the Collateral Administrator; Indemnification.

(a) The Collateral Administrator will have no responsibility under this Agreement other than to render the services expressly called for hereunder in good faith and without willful misfeasance, gross negligence or reckless disregard of its duties hereunder. The Collateral Administrator shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. Subject to Section 12 hereof, the Collateral Administrator may exercise any of its rights or powers hereunder or perform any of its duties hereunder either directly or, upon notice to the Collateral Manager, by or through agents or attorneys, and the Collateral Administrator shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed hereunder with due care by it. Neither the Collateral Administrator nor any of its affiliates, directors, officers, shareholders, agents or employees will be liable to the Collateral Manager, the Issuer or any other Person, except by reason of acts or omissions by the Collateral Administrator constituting bad faith, willful misfeasance, gross negligence or reckless disregard of the Collateral Administrator's duties hereunder. The Collateral Administrator shall in no event have any liability for the actions or omissions of the Issuer, the Collateral Manager or any other Person, and shall have no liability for any inaccuracy or error in any duty performed by it that results from or is caused by inaccurate, untimely or incomplete information or data received by it from the Issuer, the Collateral Manager or another Person (other than the Trustee, if the same entity shall be serving as Trustee and Collateral Administrator hereunder), except to the extent that such inaccuracies or errors are caused by the Collateral Administrator's own bad faith, willful misfeasance, gross negligence or reckless disregard of its duties hereunder. The Collateral Administrator shall not be liable for failing to perform or delay in performing its specified duties hereunder which results from or is caused by a failure or delay on the part of the Issuer, the Collateral Manager or another Person (other than the Trustee, if the same entity shall be serving as Trustee and Collateral Administrator hereunder) in furnishing necessary, timely and accurate information to the Collateral Administrator. The duties and obligations of the Collateral Administrator and its employees or agents shall be determined solely by the express provisions of this Agreement and they shall not be under any obligation or duty except for the performance of such duties and

obligations as are specifically set forth herein, and no implied covenants shall be read into this Agreement against them. The Collateral Administrator may consult with counsel and shall be protected in any action reasonably taken in good faith in accordance with the advice of such counsel.

(b) The Collateral Administrator may rely conclusively on any notice, certificate or other document (including, without limitation, telecopier or other electronically transmitted instructions, documents or information) furnished to it hereunder and reasonably believed by it in good faith to be genuine. The Collateral Administrator shall not be liable for any action taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed hereunder, or omitted to be taken by it by reason of the lack of direction or instruction required hereby for such action. The Collateral Administrator shall not be bound to make any investigation into the facts or matters stated in any certificate, report or other document; provided, however, that, if the form thereof is prescribed by this Agreement, the Collateral Administrator shall examine the same to determine whether it conforms on its face to the requirements hereof. The Collateral Administrator shall not be deemed to have knowledge or notice of any matter unless actually known to a Trust Officer working in its Structured Trust and Analytics department (or successor group). Under no circumstances shall the Collateral Administrator be liable for indirect, punitive, special or consequential damages under or pursuant to this Agreement, its duties or obligations hereunder or arising out of or relating to the subject matter hereof. It is expressly acknowledged by the Issuer and the Collateral Manager that application and performance by the Collateral Administrator of its various duties hereunder (including recalculations to be performed in respect of the matters contemplated hereby) shall be based upon, and in reliance upon, data and information provided to it by the Collateral Manager (and/or the Issuer or other third parties) with respect to the Collateral, and the Collateral Administrator shall have no responsibility for the accuracy of any such information or data provided to it by such persons. Nothing herein shall impose or imply any duty or obligation on the part of the Collateral Administrator to verify, investigate or audit any such information or data (except to the extent any such information provided is patently incorrect or inconsistent with any proximally received information or instruction, in which case the Collateral Administrator shall investigate any such information), or to determine or monitor on an independent basis whether any issuer of the Collateral is in default or in compliance with the underlying documents governing or securing such securities, from time to time, the role of the Collateral Administrator hereunder being solely to perform certain mathematical computations and data comparisons as provided herein. For purposes of monitoring changes in ratings, the Collateral Administrator shall be entitled to use and rely (in good faith) exclusively upon a single reputable electronic financial information reporting services (which for ratings by Standard & Poor's shall be www.standardandpoors.com or www.ratingsdirect.com) and shall have no liability for any inaccuracies in the information reported by, or other errors or omissions of, any such service. It is hereby expressly agreed that Bloomberg Financial Markets is one such reputable service.

(c) Notwithstanding anything herein and without limiting the generality of any terms of this Section 4, the Collateral Administrator shall have no liability to the extent of any expense, loss, damage, demand, charge or claim resulting from or caused by events or circumstances

beyond the reasonable control of the Collateral Administrator including, without limitation, the interruption, suspension or restriction of trading on or the closure of any securities markets, power or other mechanical or technological failures or interruptions, computer viruses, communications disruptions, work stoppages, natural disasters, fire, war, terrorism, riots, rebellions, or other similar acts.

(d) The Issuer shall, and hereby agrees to, reimburse, indemnify and hold harmless the Collateral Administrator and its affiliates, directors, officers, shareholders, agents and employees for and from any and all losses, damages, liabilities, demands, charges, costs, expenses (including the reasonable fees and expenses of counsel and other experts) and claims of any nature in respect of, or arising from any acts or omissions performed or omitted by the Collateral Administrator, its affiliates, directors, officers, shareholders, agents or employees pursuant to or in connection with the terms of this Agreement, or in the performance or observance of its duties or obligations under this Agreement; provided the same are in good faith and without willful misfeasance and/or gross negligence on the part of the Collateral Administrator and without reckless disregard of its duties hereunder provided, further, that such amounts will be payable solely from and pursuant to Section 11.1 of the Indenture.

(e) In connection with the aforesaid indemnification provisions, upon reasonable prior notice, any indemnified party will afford to the indemnifying party the right, in its sole discretion and at its sole expense, to assume the defense of any claim, including, but not limited to, the right to designate counsel reasonably acceptable to such indemnified party, and to control all negotiations, litigation, arbitration, settlements, compromises and appeals of such claim; provided that, if the indemnifying party so assumes the defense of such claim, it shall not be liable for any fees and expenses of separate counsel for such indemnified party incurred thereafter in connection with such claim except that if such indemnified party reasonably determines that counsel designated by such indemnifying party has a conflict of interest, such indemnifying party shall pay the reasonable fees and disbursement of one counsel (in addition to any local counsel) separate from its own counsel for all indemnified parties in connection with any one action or any separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances; and provided, further, that prior to entering into any final settlement or compromise, such indemnifying party shall seek the consent of the indemnified parties and use its best efforts in light of then prevailing circumstances (including, without limitation, any express or implied time constraint on any pending settlement offer) to obtain the consent of each such indemnified party as to the terms of such final settlement or compromise. If an indemnified party shall not consent to the terms of a final proposed settlement or compromise within a reasonable time under the circumstances, the indemnifying party shall not thereafter be obligated to indemnify such indemnified party for any amounts in excess of such proposed final settlement or compromise.

(f) Without limiting the generality of any terms of this Section 4, the Collateral Administrator shall have no liability for any failure, inability or unwillingness on the part of the Collateral Manager or Issuer (or Trustee, if not the same Person as the Collateral Administrator) to provide accurate and complete information on a timely basis to the Collateral Administrator, or otherwise on the part of any such party to comply with the terms of this Agreement, the Indenture or Management Agreement, and shall have no liability for any inaccuracy or error in

the performance or observance on the Collateral Administrator's part of any of its duties hereunder that is caused by or results from any such inaccurate, incomplete or untimely information received by it, or other failure on the part of any such other party to comply with the terms hereof.

(g) Nothing herein shall obligate the Collateral Administrator to determine independently the characteristics of any Collateral (including any Hedge Agreement), including whether any item of Collateral is a Defaulted Obligation, it being understood that any such determination shall be based exclusively upon notification the Collateral Administrator may receive from the Collateral Manager or from (or in its capacity as) the Trustee (based upon notices received by the Trustee from the issuer, or trustee or agent bank under an Underlying Instrument, or similar source).

3. No Joint Venture. Nothing contained in this Agreement (i) shall constitute the Issuer, the Collateral Administrator and the Collateral Manager members of any partnership, joint venture, association, syndicate, unincorporated business or other separate entity, (ii) shall be construed to impose any liability as such on any of them or (iii) shall be deemed to confer on any of them any express, implied or apparent authority to incur any obligation or liability on behalf of the others.

4. Term. This Agreement shall continue in effect so long as the Indenture remains in effect with respect to the Notes, unless this Agreement has been previously terminated in accordance with Section 7 hereof.

5. Termination.

(a) This Agreement may be terminated without cause by any party upon not less than 90 days' prior written notice to the other parties.

(b) If, at any time prior to the payment in full of the obligations under the Notes, the Collateral Administrator shall resign or be removed as Trustee under the Indenture, such resignation or removal shall be deemed a resignation or removal of the Collateral Administrator hereunder.

(c) At the option of the Issuer, this Agreement may be terminated upon ten days' prior, written notice of termination from the Issuer to the Collateral Administrator if any of the following events shall occur:

(i) The Collateral Administrator shall (i) in bad faith, with gross negligence, willfully or with reckless disregard default in the performance of any of its duties under this Agreement or (ii) breach any material provision of this Agreement and shall not cure such default or breach within thirty days (or, if such default or breach cannot be cured in such time, the Collateral Administrator shall not have given within thirty days such assurance of cure as shall be reasonably satisfactory to the Collateral Manager or the Issuer);

(ii) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Collateral Administrator in any involuntary case under any applicable

bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Collateral Administrator or for any substantial part of its property, or order the winding up or liquidation of its affairs; or

(iii) The Collateral Administrator shall commence a voluntary case under applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Collateral Administrator or for any substantial part of its property, or shall make any general assignment for the benefit of creditors; shall fail generally to pay its debts as they become due; or shall permit or suffer all or substantially all of its properties or assets to be sequestered or attached by a court order and the order remains undismissed for 60 days.

If any of the events specified in clauses (ii) or (iii) of this Section 7 shall occur, the Collateral Administrator shall give written notice thereof to the Collateral Manager and the Issuer within one Business Day after the happening of such event.

(d) Except when the Collateral Administrator shall be removed pursuant to subsection (c) of this Section 7 or shall resign pursuant to subsection (e) of this Section 7, no removal or resignation of the Collateral Administrator shall be effective until the date as of which a successor Collateral Administrator reasonably acceptable to the Issuer shall have agreed in writing to assume all of the Collateral Administrator's duties and obligations pursuant to this Agreement and shall have executed and delivered an agreement in form and content reasonably satisfactory to the Issuer, the Collateral Manager and the Trustee.

(e) Notwithstanding the foregoing, the Collateral Administrator may resign its duties hereunder without any requirement that a successor Collateral Administrator be obligated hereunder and without any liability for further performance of any duties hereunder (A) immediately upon the termination (whether by resignation or removal) of State Street as Trustee under the Indenture, (B) with at least 30 days' prior written notice to the Collateral Manager and the Issuer, upon any reasonable determination by State Street that the taking of any action, or performance of any duty, on its part as Collateral Administrator pursuant to the terms of this Agreement would be in conflict with or in violation of its duties or obligations as Trustee under the Indenture, or (C) upon at least 60 days' prior written notice of termination to the Collateral Manager and the Issuer upon the occurrence of any of the following events and the failure to cure such event within such 60 day notice period: (i) failure of the Issuer to pay any of the amounts specified in Section 3 within 60 days after such amount is due pursuant to Section 3 hereof (to the extent not already paid to State Street pursuant to Section 6.8 of the Indenture) or (ii) failure of the Issuer to provide any indemnity payment to State Street pursuant to the terms of this Agreement, as the case may be, within 60 days of the receipt by the Issuer of a written request for such payment or reimbursement (to the extent not already paid to State Street pursuant to Section 6.8 of the Indenture).

(e) Promptly upon the effective date of termination of this Agreement pursuant to Section 6 hereof or on the first Payment Date subsequent to the resignation or removal of the Collateral Administrator pursuant to Section 7(a), (b), (c), (d) or (e) hereof, respectively, the Collateral Administrator shall be entitled to be paid all amounts accruing to it to the date of such termination, resignation or removal in accordance with the Priority of Payments set forth in Section 11.1(a) of the Indenture.

(f) Any corporation into which the Collateral Administrator may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Collateral Administrator shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Collateral Administrator, shall be the successor of the Collateral Administrator hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto.

(g) The Collateral Administrator shall provide notice of any such termination or resignation to the Applicable Rating Agencies.

6. Representations and Warranties.

(a) The Collateral Manager hereby represents and warrants to State Street and the Issuer as follows:

(i) The Collateral Manager is a Maryland corporation and has the full power and authority to execute, deliver and perform this Agreement and all obligations required hereunder and has taken all necessary action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and the performance of all obligations imposed upon it hereunder. No consent of any other person including, without limitation, partners and creditors of the Collateral Manager, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority, is required by the Collateral Manager in connection with this Agreement or the execution, delivery, performance, validity or enforceability of this Agreement and the obligations imposed upon it hereunder. This Agreement constitutes, and each instrument and document required hereunder, when executed and delivered by the Collateral Manager hereunder will constitute, the legal, valid and binding obligations of the Collateral Manager enforceable against the Collateral Manager in accordance with their terms subject, as to enforcement, (a) to the effect of bankruptcy, insolvency or similar laws affecting generally the enforcement of creditors' rights as such laws would apply in the event of any bankruptcy, receivership, insolvency or similar event applicable to the Collateral Manager and (b) to general equitable principles (whether enforceability of such principles is considered in a proceeding at law or in equity).

(ii) The execution, delivery and performance of this Agreement and the documents and instruments required hereunder (x) will not violate (A) any provision of any existing law or regulation binding on the Collateral Manager, or (B) any order, judgment, award or decree of any court, arbitrator or governmental authority binding on the Collateral Manager, or (C) the governing instruments of, or any securities or partnership interests issued by, the Collateral

Manager or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which the Collateral Manager is a party or by which the Collateral Manager or any of its assets may be bound, the violation of which would have a material adverse effect on the business, operations, assets or financial condition of the Collateral Manager and (y) will not result in, or require, the creation or imposition of any lien on any of its property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract or other agreement, instrument or undertaking.

(b) The Issuer hereby represents and warrants to the Collateral Administrator and the Collateral Manager as follows:

(i) The Issuer is an exempted company duly incorporated with limited liability and validly existing and in good standing under the laws of the Cayman Islands and has the full power and authority to execute, deliver and perform this Agreement and all obligations required hereunder and has taken all necessary action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and the performance of all obligations imposed upon it hereunder. No consent of any other person including, without limitation, stockholders and creditors of the Issuer, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required by the Issuer in connection with this Agreement or the execution, delivery, performance, validity or enforceability of this Agreement and the obligations imposed upon it hereunder. This Agreement constitutes, and each instrument and document required hereunder, when executed and delivered by the Issuer hereunder will constitute, the legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms subject, as to enforcement, (a) to the effect of bankruptcy insolvency or similar laws affecting generally the enforcement of creditors' rights as such laws would apply in the event of any bankruptcy, receivership, insolvency or similar event applicable to the Issuer and (b) to general equitable principles (whether unenforceability of such principles is considered in a proceeding at law or in equity).

(ii) The execution, delivery and performance of this Agreement and the documents and instruments required hereunder (x) will not violate (A) any provision of any existing law or regulation binding on the Issuer, or (B) any order, judgment, award or decree of any court, arbitrator or (C) governmental authority binding on the Issuer, or the governing instruments of, or any securities issued by, the Issuer or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which the Issuer is a party or by which the Issuer or any of its assets may be bound, the violation of which would have a material adverse effect on the business, operations, assets or financial condition of the Issuer and (y) will not result in, or require, the creation or imposition of any lien on any of its property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract or other agreement, instrument or undertaking.

(c) The Collateral Administrator hereby represents and warrants to the Collateral Manager and the Issuer as follows:

(i) The Collateral Administrator is a trust company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and has full corporate power and authority to execute, deliver and perform this Agreement and all obligations required hereunder and has taken all necessary corporate action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and all obligations required hereunder. No consent of any other person including, without limitation, stockholders and creditors of the Collateral Administrator, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required by the Collateral Administrator in connection with this Agreement or the execution, delivery, performance, validity or enforceability of this Agreement and the obligations imposed upon it hereunder. This Agreement constitutes the legal, valid and binding obligations of the Collateral Administrator enforceable against the Collateral Administrator in accordance with their terms subject, as to enforcement, (a) to the effect of bankruptcy, insolvency or similar laws affecting generally the enforcement of creditors' rights as such laws would apply in the event of any bankruptcy, receivership, insolvency or similar event applicable to the Collateral Administrator and (b) to general equitable principles (whether enforceability of such principles is considered in a proceeding at law or in equity).

(ii) The execution, delivery and performance of this Agreement and the documents and instruments required hereunder (x) will not violate (A) any provision of any existing law or regulation binding on the Collateral Administrator, or (B) any order, judgment, award or decree of any court, arbitrator or (C) governmental authority binding on the Collateral Administrator, or the Amended and Restated Articles of Association or Amended and Restated Bylaws of the Collateral Administrator or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which the Collateral Administrator is a party or by which the Collateral Administrator or any of its assets may be bound, the violation of which would have a material adverse effect on the business, operations, assets or financial condition of the Collateral Administrator and (y) will not result in, or require, the creation or imposition of any lien on any of its property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract or other agreement, instrument or undertaking.

7. Amendments; Instrument Under Seal. This Agreement may not be amended, changed, modified or terminated (except as otherwise expressly provided herein) except (i) by the Collateral Manager, the Issuer and the Collateral Administrator in writing and (ii) with prior written notice to the Applicable Rating Agencies. This Agreement is intended to take effect as an instrument under seal.

8. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN CONFORMITY WITH THE LAWS OF THE STATE OF NEW YORK WITH RESPECT TO AGREEMENTS MADE AND TO BE PERFORMED THEREIN.

9. Notices. All notices, requests, directions and other communications permitted or required hereunder shall be in writing and shall be deemed to have been duly given when received.

If to the Collateral Administrator, to:

State Street Bank and Trust Company
1 Iron Street
Boston, MA 02210
Attention: Structured Trust and Analytics
Ref: Barings BDC Static CLO Ltd. 2019-I
Facsimile: (617) 937-4358
Telephone: (617) 662-9839

If to the Collateral Manager, to:

Barings BDC, Inc.
300 South Tryon Street, Suite 2500
Charlotte, North Carolina 28202
Attention: Rob Shelton
facsimile No. (413) 226-2854
email: rob.shelton@barings.com

If to the Issuer, to:

Barings BDC Static CLO Ltd. 2019-I
c/o MaplesFS Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman KY1-1102
Cayman Islands
Attention: The Directors
Facsimile: (345) 945-7100
email: cayman@maples.com

10. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of each of the Collateral Manager, the Issuer and the Collateral Administrator; provided, however, that the Collateral Administrator may not assign (by operation of law or otherwise) its rights and obligations hereunder without the prior written consent of the Collateral Manager and the Issuer, and prior notice to the Applicable Rating Agencies, except that State Street, as Collateral Administrator, may delegate to, employ as agent, or otherwise cause any duty or obligation hereunder to be performed by, any direct or indirect wholly owned subsidiary of State Street or its successors without the prior written consent of the Collateral Manager and the Issuer (provided that in such event State Street, as Collateral Administrator, shall remain responsible for the performance of its duties as Collateral Administrator hereunder). The Collateral Administrator consents to the pledge of all of the Issuer's rights, title, and interest in, to, and under this Agreement as provided in the granting clause of the Indenture.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument. Delivery of an executed counterpart of this instrument by email or telecopy shall be effective as delivery of a manually executed counterpart of this instrument.

12. Conflict with the Indenture. If this Agreement shall require that any action be taken with respect to any matter and the Indenture shall require that a different action be taken with respect to such matter, and such actions shall be mutually exclusive, or if this Agreement should otherwise conflict with the Indenture, the provisions of the Indenture in respect thereof shall control.

13. Subordination. The Collateral Administrator agrees that the payment of all amounts to which it is entitled pursuant to this Agreement shall be subordinated to the extent set forth in, and the Collateral Administrator agrees to be bound by the provisions of, the Indenture (as if it were a party to the Indenture, in the case of any successor Collateral Administrator that is not also serving as Trustee under the Indenture). The Issuer's obligations hereunder will be solely the corporate obligation of the Issuer and the Collateral Administrator will not have recourse to any of the directors, officers, employees, shareholders, members or governors of the Issuer with respect to any claims, losses, damages, liabilities, indentures or other obligation in connection any transaction contemplated hereby. Notwithstanding any other provision of this Agreement, the obligations of the Issuer hereunder are limited recourse obligations of the Issuer payable solely from the Collateral (excluding the Excepted Property) and following realization of the Collateral, application of the proceeds thereof in accordance with the Indenture and their reduction to zero, any obligations of, or claims against the Issuer for any shortfall after such realization shall be extinguished and shall not thereafter revive. The Collateral Administrator further agrees that it will not have any recourse against the Issuer, its directors, officers, employees, security holders and agents for any such amounts.

14. Survival. Notwithstanding any term herein to the contrary, all indemnifications set forth or provided for in this Agreement, together with Sections 15 and 17 of this Agreement, shall survive the termination of this Agreement.

15. No Petition in Bankruptcy. The provisions of Section 5.4(d) of the Indenture shall apply, mutatis mutandis, as if set forth here in full, such that the Collateral Administrator agrees not to file or join in the filing of an involuntary petition in bankruptcy in any jurisdiction against the Issuer or the Co-Issuer for the nonpayment of the Collateral Administrator's fees or other amounts payable by the Issuer or the Co-Issuer under this Agreement until one year (or if longer, the expiration of a period equal to the applicable preference period under the Bankruptcy Code, Cayman Islands law or similar bankruptcy laws of any jurisdiction) plus one (1) day following the payment in full of all Notes issued under the Indenture. In no circumstances will the Collateral Administrator or the Collateral Manager seek to bring any action against any officer, director, employee, shareholder, incorporator, partner or affiliate of the Issuer for any amounts owing hereunder.

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IN WITNESS WHEREOF, the parties hereto have caused this Collateral Administration Agreement to be executed effective as of the day first above written.

BARINGS BDC STATIC CLO, LTD. 2019-I

By: /s/ Yun Zheng
Name: Yun Zheng
Title: Director

BARINGS BDC, INC., as Collateral Manager

By: /s/ Jonathan Bock
Name: Jonathan Bock
Title: CFO

STATE STREET BANK AND TRUST COMPANY, as Collateral Administrator

By: /s/ Brian Peterson
Name: Brian Peterson
Title: Vice President

Exhibit 31.1

Certification of Chief Executive Officer of Barings BDC, Inc.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Eric Lloyd, as Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Barings BDC, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ERIC LLOYD

Eric Lloyd
Chief Executive Officer

July 30, 2019

Exhibit 31.2

Certification of Chief Financial Officer of Barings BDC, Inc.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jonathan Bock, as Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Barings BDC, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JONATHAN BOCK

Jonathan Bock
Chief Financial Officer

July 30, 2019

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Barings BDC, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eric Lloyd, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ERIC LLOYD

Eric Lloyd
Chief Executive Officer

July 30, 2019

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Barings BDC, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan Bock, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JONATHAN BOCK

Jonathan Bock
Chief Financial Officer

July 30, 2019