
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)



ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

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

*(State or other jurisdiction of
incorporation or organization)*

**300 South Tryon Street, Suite 2500
Charlotte, North Carolina**

(Address of principal executive offices)

06-1798488

*(I.R.S. Employer
Identification No.)*

28202

(Zip Code)

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

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.001 per share	BBDC	The New York Stock Exchange

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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.

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act by the registered public accounting firm that prepared or issued its audit report. ☐

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant (assuming solely for the purpose of this disclosure that all executive officers, directors and 10% or more stockholders of the registrant are "affiliates") as of June 30, 2021, based on the closing price on that date of \$10.56 on the New York Stock Exchange, was \$540,334,238.

The number of shares outstanding of the registrant's common stock on February 23, 2022 was 65,316,085.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to the registrant's 2022 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the registrant's fiscal year, are incorporated by reference in Part III of this Annual Report on Form 10-K as indicated herein.

BARINGS BDC, INC.
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For the Fiscal Year Ended December 31, 2021

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FORWARD-LOOKING STATEMENTS

Some of the statements in this Annual Report on Form 10-K 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 Annual Report on Form 10-K 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 items discussed in Item 1A entitled "Risk Factors" in Part I of this Annual Report on Form 10-K and in Item 1A entitled "Risk Factors" in Part II of our subsequently filed Quarterly Reports on Form 10-Q or in other reports we may file with the Securities and Exchange Commission (the "SEC") from time to time. Other factors that could cause our actual results and financial condition to differ materially include, but are not limited to, changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, including with respect to changes from the impact of the Coronavirus ("COVID-19") pandemic; the length and duration of the COVID-19 outbreak in the United States as well as worldwide and the magnitude of the economic impact of that outbreak; the effect of the COVID-19 pandemic on our business prospects and the prospects of our portfolio companies, including our and their ability to achieve our respective objectives; the effect of the disruptions caused by the COVID-19 pandemic on our ability to continue to effectively manage our business and on the availability of equity and debt capital and our use of borrowed money to finance a portion of our investments; risks associated with possible disruption due to terrorism in our operations or the economy generally; future changes in laws or regulations and conditions in our operating areas; and risks related to our pending acquisition of Sierra Income Corporation.

Any forward-looking statements included in this Annual Report on Form 10-K 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 Annual Report on Form 10-K. 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 subsequent annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

PART I

Item 1. *Business.*

Organization

We are a Maryland corporation incorporated on October 10, 2006. We currently operate as a closed-end, non-diversified investment company and have elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). We have elected for federal income tax purposes to be treated, and intend to qualify annually, as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"), for tax purposes.

Our headquarters are in Charlotte, North Carolina, and our Internet address is www.baringsbdc.com. We are not including the information contained on our website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K. We make available free of charge through our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to these reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission (the "SEC"). Copies of this Annual Report on Form 10-K and other reports are also available without charge upon written request to us.

The Asset Sale and Externalization Transactions

In April 2018, we entered into an asset purchase agreement (the "Asset Purchase Agreement"), with BSP Asset Acquisition I, LLC (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 in April 2018, we entered into a stock purchase and transaction agreement (the "Externalization Agreement"), with Barings LLC ("Barings") through which Barings agreed to become our investment adviser 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 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 net asset value per share or 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 (the "2018 Special Meeting").

The Externalization Transaction closed on August 2, 2018 (the "Externalization Closing"). 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 ("NYSE") under the symbol "BBDC."

Our former 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"), were 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, 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. Triangle SBIC, Triangle SBIC II, and Triangle SBIC III were dissolved during the year ended December 31, 2019.

Prior to the Externalization Transaction, we were internally managed by our executive officers under the supervision of our Board of Directors (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. In connection with the closing of the Externalization Transaction, we entered

into an investment advisory agreement (the "Original Advisory Agreement") and an administration agreement (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.

MVC Capital, Inc. Acquisition

On December 23, 2020, we completed our acquisition of MVC Capital, Inc., a Delaware corporation ("MVC") (the "MVC Acquisition") pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the "MVC Merger Agreement"), dated as of August 10, 2020, with MVC, Mustang Acquisition Sub, Inc., a Delaware corporation and our wholly owned subsidiary ("Acquisition Sub"), and Barings. To effect the acquisition, Acquisition Sub merged with and into MVC, with MVC surviving the merger as our wholly owned subsidiary (the "First MVC Merger"). Immediately thereafter, MVC merged with and into us, with us as the surviving company (the "Second MVC Merger" and, together with the First MVC Merger, the "MVC Merger").

Pursuant to the MVC Merger Agreement, MVC stockholders received the right to the following merger consideration in exchange for each share of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger (other than shares of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger that were held by a subsidiary of MVC or held, directly or indirectly, by us or the Acquisition Sub), in accordance with the MVC Merger Agreement: (i) an amount in cash from Barings, without interest, equal to \$0.39492, and (ii) 0.9790836 shares of our common stock, which ratio gave effect to the Euro-dollar exchange rate adjustment mechanism in the MVC Merger Agreement, plus cash in lieu of fractional shares. We issued approximately 17,354,332 shares of our common stock to MVC's then-existing stockholders in connection with the MVC Merger, thereby resulting in our then-existing stockholders owning approximately 73.4% of the combined company and MVC's then-existing stockholders owning approximately 26.6% of the combined company.

In connection with the closing of the MVC Merger, the Board affirmed our commitment to open-market purchases of shares of our common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed net asset value per share. Any repurchases pursuant to the authorized program will occur during the 12-month period that commenced upon the filing of our quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and will be made in accordance with applicable legal, regulatory and contractual requirements, including covenants under our \$875.0 million senior secured credit facility with ING Capital LLC initially entered into in February 2019 (as amended, restated and otherwise modified from time to time, the "February 2019 Credit Facility"). During the year ended December 31, 2021, we did not repurchase any shares under the authorized program.

In connection with the MVC Acquisition, on December 23, 2020, following the closing of the MVC Merger, we entered into an amended and restated investment advisory agreement (the "Amended and Restated Advisory Agreement") with Barings, effective January 1, 2021, which amended the Original Advisory Agreement to, among other things, (i) reduce the annual base management fee payable to Barings from 1.375% to 1.250% of our gross assets, (ii) reset the commencement date for the rolling 12-quarter "look-back" provision used to calculate the income incentive fee and incentive fee cap to January 1, 2021 from January 1, 2020 and (iii) describe the fact that we may enter into guarantees, sureties and other credit support arrangements with respect to one or more of our investments, including the impact of these arrangements on the income incentive fee cap. See "—Management Agreements – Investment Advisory Agreement" in this Item 1 of Part I of this Annual Report on Form 10-K for more information.

In connection with the MVC Acquisition, on December 23, 2020, promptly following the closing of the MVC Merger, we entered into a Credit Support Agreement (the "MVC Credit Support Agreement") with Barings, pursuant to which Barings has agreed to provide credit support to us in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. The MVC Credit Support Agreement is intended to give stockholders of the combined company downside protection from net cumulative realized and unrealized losses on the acquired MVC portfolio and insulate the combined company's stockholders from potential value volatility and losses in MVC's portfolio following the

closing of the MVC Merger. There is no fee or other payment by us to Barings or any of its affiliates in connection with the MVC Credit Support Agreement. Any cash payment from Barings to us under the MVC Credit Support Agreement will be excluded from the incentive fee calculations under the Amended and Restated Advisory Agreement. See “Note 2. Agreements and Related Party Transactions” and “Note. 6 Derivative Instruments” in the Notes to our Consolidated Financial Statements included in this Annual Report on Form 10-K for more information.

Pending Sierra Income Corporation Acquisition

On September 21, 2021, we entered into an Agreement and Plan of Merger (the “Sierra Merger Agreement”) by and among us, Mercury Acquisition Sub, Inc., a Maryland corporation and our direct wholly owned subsidiary (“Sierra Acquisition Sub”), Sierra Income Corporation, a Maryland corporation (“Sierra”), and Barings. The Sierra Merger Agreement provides that, on the terms and subject to the conditions set forth in the Sierra Merger Agreement, Sierra Acquisition Sub will merge with and into Sierra, with Sierra continuing as the surviving company and as our wholly owned subsidiary (the “First Sierra Merger”) and, immediately thereafter, Sierra will merge with and into us, with Barings BDC, Inc. continuing as the surviving company (the “Second Sierra Merger” and, together with the First Sierra Merger, the “Sierra Merger”). Both the Board and the board of directors of Sierra, including all of the respective independent directors, have approved the Sierra Merger Agreement and the transactions contemplated therein. The parties to the Sierra Merger Agreement intend the Sierra Merger to be treated as a “reorganization” within the meaning of Section 368(a) of the Code.

In the First Sierra Merger, each share of Sierra common stock issued and outstanding immediately prior to the effective time of the First Sierra Merger (excluding any shares cancelled pursuant to the Sierra Merger Agreement) will be converted into the right to receive (i) \$0.9783641 per share in cash, without interest, from Barings (such amount of cash, the “Sierra Cash Consideration”) and (ii) 0.44973 (such ratio, as may be adjusted pursuant to the Sierra Merger Agreement, the “Sierra Exchange Ratio”) of a validly issued, fully paid and non-assessable share of our common stock (the “Sierra Share Consideration” and, together with the Sierra Cash Consideration, the “Sierra Merger Consideration”).

The Sierra Merger Agreement contains representations, warranties and covenants, including, among others, covenants relating to the operation of each of our and Sierra’s businesses during the period prior to the closing of the Sierra Merger. We and Sierra have agreed to convene and hold stockholder meetings for the purpose of obtaining the approvals required of our and Sierra’s stockholders, respectively, and our Board and the board of directors of Sierra have agreed to recommend that their respective stockholders approve the applicable proposals (as described below).

The Sierra Merger Agreement provides that Sierra shall not, and shall cause its subsidiaries and instruct its representatives not to, directly or indirectly, solicit proposals relating to alternative transactions, or, subject to certain exceptions, initiate or participate in discussions or negotiations regarding, or provide information with respect to, any proposal for an alternative transaction. However, the Sierra board of directors may, subject to certain conditions, change its recommendation to the Sierra stockholders or, on payment of a termination fee of \$11.0 million to us and the reimbursement of up to \$2.0 million in expenses incurred by us and Barings, terminate the Sierra Merger Agreement and enter into an Alternative Acquisition Agreement (as defined in the Sierra Merger Agreement) for a Superior Proposal (as defined in the Sierra Merger Agreement) if it determines in good faith, after consultation with its outside legal counsel, that failure to do so would be inconsistent with the directors’ duties under applicable law.

Consummation of the First Sierra Merger, which is currently anticipated to occur during the first quarter of fiscal year 2022, is subject to certain customary closing conditions, including (1) approval of the First Sierra Merger by the holders of at least a majority of the outstanding shares of Sierra common stock entitled to vote thereon, (2) approval of the issuance of our common stock to be issued in the First Sierra Merger by a majority of the votes cast by our stockholders on the matter at our stockholders meeting, (3) approval of the issuance of our common stock in connection with the First Sierra Merger at a price below the then-current net asset value per share of our common stock, if applicable, by the vote specified in Section 63(2)(A) of the 1940 Act, (4) the absence of certain legal impediments to the consummation of the Sierra Merger, (5) effectiveness of the registration statement for our common stock to be issued as consideration in the First Sierra Merger, (6) approval for listing on the NYSE of our common stock to be issued as consideration in the First Sierra Merger, (7) subject to certain materiality standards,

the accuracy of the representations and warranties and compliance with the covenants of each party to the Sierra Merger Agreement, and (8) required regulatory approvals (including expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or early termination thereof).

Barings, as party to the Sierra Merger Agreement, agreed to vote all shares of our common stock over which it has voting power (other than in its fiduciary capacity) in favor of the proposals to be submitted by us to our stockholders for approval relating to the Sierra Merger.

In addition, we and Sierra will take steps necessary to provide for the repayment at closing of Sierra's existing loan agreement. The Sierra Merger Agreement also contains certain termination rights in favor of us and Sierra, including if the First Sierra Merger is not completed on or before March 31, 2022 or if the requisite approvals of our stockholders or Sierra stockholders are not obtained.

Further, we will enter into an amendment and restatement of the Amended and Restated Advisory Agreement, effective as of the closing of the Sierra Merger, to raise the annualized hurdle rate thereunder from 8.0% to 8.25%. Following the closing of the Sierra Merger, we will also enter into a credit support agreement with Barings, for the benefit of the combined company, to protect against net cumulative unrealized and realized losses of up to \$100.0 million on the acquired Sierra investment portfolio over the next ten years.

Overview of Our Business

Beginning in August 2018, Barings shifted our investment focus to invest in syndicated senior secured loans, bonds and other fixed income securities. Since that time, Barings has transitioned our portfolio to primarily senior secured private debt investments in well-established middle-market businesses that operate across a wide range of industries. Barings' existing SEC co-investment exemptive relief under the 1940 Act (the "Exemptive Relief") 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 cyclicity and operating risk. The hold 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 will seek 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.

Our investment objective is to generate current income by investing directly in privately-held middle-market companies to help these companies fund acquisitions, growth or refinancing. Barings employs fundamental credit analysis, and targets investments in businesses with low levels of cyclicity (i.e., the risk of business cycles or other economic cycles adversely affecting them) and operating risk relative to other businesses in this market segment. 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. A significant portion of our investments are expected to be rated below investment grade by rating agencies or, if unrated, would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. To a lesser extent, we may make investments in syndicated loan opportunities for cash management and other purposes, which includes but is not limited to maintaining more liquid investments to manage our share repurchase program.

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, as amended (the "Advisers Act"). Barings' primary investment capabilities include fixed income, private credit, real estate, equity, and alternative investments. Subject to the overall supervision of the Board, Barings' Global Private Finance Group ("Barings GPFG"), manages our day-to-day operations, and provides investment advisory and management services to us. Barings GPFG is part of Barings' \$305.2 billion Global Fixed Income Platform that invests in liquid, private and structured credit. Barings GPFG 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 performs (or oversees, or arranges 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 also, on our behalf and subject to the Board's oversight, 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. 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 2018 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 2018 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 permitted under the 1940 Act to incur indebtedness at a level that is more consistent with a portfolio of senior secured debt. As of December 31, 2021, our asset coverage ratio was 153.8%.

Our Business Strategy

We seek attractive returns by generating current income primarily from directly-originated debt investments in middle-market companies located primarily in the United States. We also have investments in middle-market companies located outside the United States. Our strategy includes the following components:

- *Leveraging Barings GPFG's Origination and Portfolio Management Resources.* Barings GPFG has over 75 investment professionals located in six different offices in the U.S., Europe, Australia/New Zealand and Asia. These regional investment teams have been working together in their respective regions for a number of years and have extensive experience advising, investing in and lending to companies across changing market cycles. In addition, the individual members of these teams have diverse investment backgrounds, with prior experience at investment banks, commercial banks, and privately and publicly held companies. We believe this diverse experience provides an in-depth understanding of the strategic, financial and operational challenges and opportunities of middle-market companies.
- *Utilizing Long-Standing Relationships to Source Investments.* Barings GPFG has worked diligently over decades to build strategic relationships with private equity firms globally. Barings GPFG's long history of providing consistent, predictable capital to middle-market sponsors, even in periods of market dislocation,

has earned Barings and us a reputation as a reliable partner. Barings GPFG also maintains extensive personal relationships with entrepreneurs, financial sponsors, attorneys, accountants, investment bankers, commercial bankers and other non-bank providers of capital who refer prospective portfolio companies to us. These relationships historically have generated significant investment opportunities. We believe that this network of relationships will continue to produce attractive investment opportunities.

- *Focusing on the Middle-Market.* We primarily invest in middle-market transactions. These companies tend to be privately owned, often by a private equity sponsor, and are companies that typically generate annual earnings before interest, taxes, depreciation and amortization, as adjusted (“Adjusted EBITDA”), of \$10.0 million to \$75.0 million.
- *Providing One-Stop Customized Financing Solutions.* Barings GPFG's ability to commit to and originate larger hold positions (in excess of \$200 million) in a given transaction is a differentiator to middle-market private equity sponsors. In today's market, it has become increasingly important to have the ability to underwrite an entire transaction, providing financial sponsors with certainty of close. Barings GPFG offers a variety of financing structures and has the flexibility to structure investments to meet the needs of our portfolio companies.
- *Applying Consistent Underwriting Policies and Active Portfolio Management.* We believe robust due diligence on each investment is paramount due to the lack of an active secondary market. With limited ability to liquidate holdings, private credit investors must take a longer-term, “originate-to-hold” investment approach. Barings GPFG has implemented underwriting policies and procedures that are followed for each potential transaction. This consistent and proven fundamental underwriting process includes a thorough analysis of each potential portfolio company's competitive position, financial performance, management team operating discipline, growth potential and industry attractiveness, which Barings GPFG believes allows it to better assess the company's prospects. After closing, Barings GPFG maintains ongoing access to both the sponsor and portfolio company management in order to closely monitor investments and suggest or require remedial actions as needed to avoid a default.
- *Maintaining Portfolio Diversification.* While we focus our investments in middle-market companies, we seek to invest across various industries and in both United States-based and foreign-based companies. Barings GPFG monitors our investment portfolio to ensure we have acceptable industry balance, using industry and market metrics as key indicators. By monitoring our investment portfolio for industry balance, we seek to reduce the effects of economic downturns associated with any particular industry or market sector. Notwithstanding our intent to invest across a variety of industries, we may from time to time hold securities of a single portfolio company that comprise more than 5.0% of our total assets and/or more than 10.0% of the outstanding voting securities of the portfolio company. For that reason, we are classified as a non-diversified management investment company under the 1940 Act.

Investments

Debt Investments

The terms of our debt investments are tailored to the facts and circumstances of each transaction and prospective portfolio company, negotiating a structure that seeks to protect lender rights and manage risk while creating incentives for the portfolio company to achieve its business plan. We also seek to limit the downside risks of our investments by negotiating covenants that are designed to protect our investments while affording our portfolio companies as much flexibility in managing their businesses as possible. Such restrictions may include affirmative and negative covenants, default penalties, lien protections, change of control provisions, put rights and a pledge of the operating companies' stock which provides us with additional exit options in downside scenarios. Other lending protections may include term loan amortization, excess cash flow sweeps (effectively additional term loan amortization), limitations on a company's ability to make acquisitions, maximums on capital expenditures and limits on allowable dividends and distributions. Further, up-front closing fees of typically 1-3% of the loan amount act effectively as pre-payment protection given the cost to a company to refinance early. Additionally, we will typically include call protection provisions effective for the first six to twelve months of an investment to enhance our potential total return.

We invest in predominately senior secured private debt investments in, well-established middle-market businesses that operate across a wide range of industries. We currently invest primarily in loans that have terms of between five and seven years, and bear interest at rates ranging from LIBOR (or an applicable successor rate) plus 450 basis points to LIBOR plus 650 basis points per annum.

Equity Investments

On a limited basis, we may acquire equity interests in portfolio companies. In such cases, we generally seek to structure our equity investments as non-control investments that provide us with minority rights.

Investment Criteria

We utilize the following criteria and guidelines in evaluating investment opportunities. However, not all of these criteria and guidelines have been, or will be, met in connection with each of our investments.

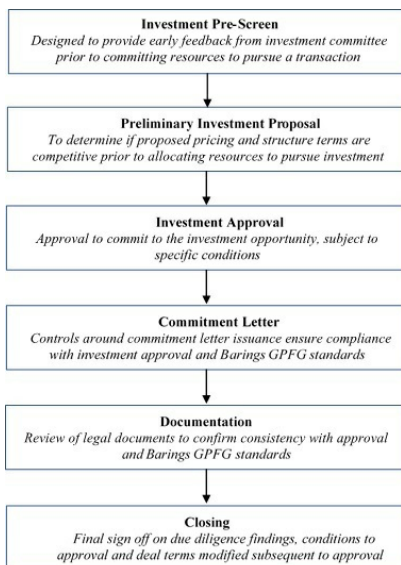
- *Established Companies With Positive Cash Flow.* We seek to invest in later-stage or mature companies with a proven history of generating positive cash flows. We typically focus on companies with a history of profitability and trailing twelve-month Adjusted EBITDA ranging from \$10.0 million to \$75.0 million.
- *Experienced Management Teams.* Based on our prior investment experience, we believe that a management team with significant experience with a portfolio company or relevant industry experience is essential to the long-term success of the portfolio company. We believe management teams with these attributes are more likely to manage the companies in a manner that protects our debt investment.
- *Strong Competitive Position.* We seek to invest in companies that have developed strong positions within their respective markets, are well positioned to capitalize on growth opportunities and compete in industries with barriers to entry. We also seek to invest in companies that exhibit a competitive advantage, which may help to protect their market position and profitability.
- *Varied Customer and Supplier Bases.* We prefer to invest in companies that have varied customer and supplier bases. Companies with varied customer and supplier bases are generally better able to endure economic downturns, industry consolidation and shifting customer preferences.
- *Significant Invested Capital.* We believe the existence of significant underlying equity value provides important support to investments. We seek to identify portfolio companies that we believe have well-structured capital beyond the layer of the capital structure in which we invest.

Investment Process

Our investment origination and portfolio monitoring activities are performed by Barings GPFG. Barings GPFG has an investment committee that is responsible for all aspects of the investment process. The investment process is designed to maximize risk-adjusted returns, minimize non-performing assets and avoid investment losses. In addition, the investment process is also designed to provide sponsors and prospective portfolio companies with efficient and predictable deal execution.

Origination

Our origination process is summarized in the following chart:



Investment Pre-Screen

The investment pre-screen process begins with a review of an offering memorandum or other high-level prospect information by an investment originator. A fundamental bottoms-up credit analysis is prepared and independent third-party research is gathered in addition to the information received from the sponsor. The investment group focuses on a prospective investment's fundamentals, sponsor/source and proposed investment structure. This review may be followed by a discussion between the investment originator and an investment group head to identify investment opportunities that should be passed on, either because they fall outside of Barings GPFG's stated investment strategy or offer an unacceptable risk-adjusted return. If the originator and investment group head agree that an investment opportunity is worth pursuing, a credit analyst assists the originator with preparation of a screening memorandum. The screening memorandum is discussed internally with the investment group head and other senior members of the investment group, and in certain instances, the investment group head may elect to review the screening memorandum with the investment committee prior to the preliminary investment proposal.

Preliminary Investment Proposal

Following the screening memorandum discussion, if the decision is made by the investment group head to pursue an investment opportunity, key pricing and structure terms may be communicated to the prospective borrower verbally or via a non-binding standard preliminary term sheet in order to determine whether the proposed terms are competitive.

Investment Approval

Upon acceptance by a sponsor/prospective borrower of preliminary key pricing and structure terms, the investment process continues with formal due diligence. The investment team attends meetings with the prospective portfolio company's management, reviews historical and forecasted financial information and third-party diligence reports, conducts research to support preparation of proprietary financial models including both base case and

downside scenarios, valuation analyses, and ultimately, an underwriting memorandum for review by the investment committee. A majority of the votes cast at a meeting at which a majority of the members of the Investment Committee is present is required to approve all new investment decisions.

Commitment Letter

For investments that require written confirmation of commitment, commitment letters must be approved by Barings GPFG's internal legal team. Commitment letters include customary conditions as well as any conditions specified by the investment committee. Such conditions could include, but are not limited to, specific confirmatory due diligence, minimum pre-close Adjusted EBITDA, minimum capitalization, satisfactory documentation, satisfactory legal due diligence and absence of material adverse change. Unless specified by the investment committee as a condition to approval, commitment letters need not include final investment committee approval as a condition precedent.

Documentation

Once an investment opportunity has been approved, negotiation of definitive legal documents occurs, usually simultaneously with completion of any third-party confirmatory due diligence. Typically, legal documentation will be reviewed by Barings GPFG's internal legal team or by outside legal counsel to ensure that our security interest can be perfected and that all other terms of the definitive loan documents are consistent with the terms approved by the investment committee.

Closing

A closing memorandum is provided to the investment committee. The closing memorandum addresses final investment structure and pricing terms, the sources and uses of funds, any variances from the original approved terms, an update related to the prospect's financial performance and, if warranted, updates to internal financial models. The closing memorandum also addresses each of the specific conditions to the approval of the investment by the investment committee, including results of confirmatory due diligence with any exceptions or abnormalities highlighted, and includes an analysis of financial covenants with a comparison to the financial forecast prepared by management.

Portfolio Management and Investment Monitoring

Our portfolio management and investment monitoring processes are overseen by Barings GPFG. Barings GPFG's portfolio management process is designed to maximize risk-adjusted returns and identify non-performing assets well in advance of potentially adverse events in order to mitigate investment losses. Key aspects of the Barings GPFG investment and portfolio management process include:

- *Culture of Risk Management.* The investment team that approves an investment monitors the investment's performance through repayment. We believe this practice encourages accountability by connecting investment team members with the long-term performance of the investment. This also allows us to leverage the underwriting process, namely the comprehensive understanding of the risk factors associated with the investment that an investment team develops during underwriting. In addition, we foster continuous interaction between investment teams and the investment committee. This frequent communication encourages the early escalation of issues to members of the investment committee to leverage their experience and expertise well in advance of potentially adverse events.
- *Ongoing Monitoring.* Each portfolio company is assigned to an analyst who is responsible for the ongoing monitoring of the investment. Upon receipt of information (financial or otherwise) relating to an investment, a preliminary review is performed by the analyst in order to assess whether the information raises any issues that require increased attention. Particular consideration is given to information which may impact the value of an asset. In the event that something material is identified, the analyst is responsible for notifying the relevant members of the deal team and investment committee.

- *Quarterly Portfolio Reviews.* All investments are reviewed on at least a quarterly basis. The quarterly portfolio reviews provide a forum to evaluate the current status of each asset and identify any recent or long-term performance trends, either positive or negative, that may affect its current valuation.
- *Focus Credit List Reviews.* Certain credits are deemed to be on the "Focus Credit List" and are reviewed on a more frequent basis. These reviews typically occur monthly but can occur more or less frequently based on situational factors and the availability of updated information from the company. During these reviews, the investment team provides an update on the situation and discusses potential courses of action with the investment committee to ensure any mitigating steps are taken in a timely manner.
- *Sponsor Relationships.* We invest primarily in transactions backed by a private equity sponsor and when evaluating investment opportunities, we take into account the strength of the sponsor (e.g., track record, sector expertise, strategy, governance, follow-on investment capacity, relationship with Barings GPFG). Having a strong relationship and staying in close contact with sponsors and management during not only the underwriting process but also throughout the life of the investment allows us to engage the sponsor and management early to address potential covenant breaks or other issues.
- *Robust Investment and Portfolio Management System.* Barings' investment and portfolio management system serves as the central repository of data used for investment management, including both company-level metrics (e.g., probability of default, Adjusted EBITDA, geography) and asset-level metrics (e.g., price, spread/coupon, seniority). Barings GPFG portfolio management has established a required set of data that analysts must update quarterly, or more frequently when appropriate, in order to produce a one-page summary for each company, known as tearsheets, which are used during quarterly portfolio reviews.

Valuation Process and Determination of Net Asset Value

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 (at least quarterly) basis in accordance with the 1940 Act and FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("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 in the notes to our consolidated financial statements 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 observable 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. For a discussion of the risks inherent in determining the value of securities for which readily available market values do not exist, see “Risk Factors — Risks Relating to Our Business and Structure — Our investment portfolio is and will continue to be recorded at fair value as determined in good faith by the Board and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments” included in Item 1A of Part I of this Annual Report on Form 10-K.

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 independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, Barings will utilize alternative methods in accordance with internal pricing procedures established by Barings' pricing committee.

At least annually, Barings conducts reviews of the primary pricing vendors to validate that the inputs used in the vendors' pricing process are deemed to be market observable. While Barings is not provided access to proprietary models of the vendors, the reviews have included on-site walkthroughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The review also includes an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations, a process Barings continues to perform annually. In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. Barings believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (i.e. exit prices).

Our money market fund investments are generally valued using Level 1 inputs and our equity investments listed on an exchange or on the NASDAQ National Market System are valued using Level 1 inputs, using the last quoted sale price of that day. Our syndicated senior secured loans and structured product investments are generally valued using Level 2 inputs, which are generally valued at the bid quotation obtained from dealers in loans by an independent pricing service. Our middle-market, private debt and equity investments are generally valued using Level 3 inputs.

Independent Valuation

For the year ended December 31, 2019, we engaged an independent valuation firm to provide third-party valuation consulting services at the end of each fiscal quarter, which consisted of certain limited procedures that we identified and requested the valuation firm to perform (hereinafter referred to as the "Procedures"). The Procedures generally consisted of a review of the quarterly fair values of our middle-market investments, and were generally performed with respect to each investment every quarter beginning in the quarter after the investment was made.

Beginning with the first quarter of 2020, we revised our valuation process to require that the Procedures generally be performed with respect to each middle-market investment at least once in every calendar year and for

new investments, at least once in the twelve-month period subsequent to the initial investment. In addition, the Procedures were generally performed with respect to an investment where there was a significant change in the fair value or performance of the investment.

Beginning with the fourth quarter of 2020, the fair value of loans and equity investments that are not syndicated or for which market quotations are not readily available, including middle-market loans, are generally submitted to independent providers to perform an independent valuation on those loans and equity investments as of the end of each quarter. In certain instances, we may determine that it is not cost-effective, and as a result is not in the stockholders' best interests, to request an independent valuation firm to perform an independent valuation 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. Pursuant to these procedures, the Board determines in good faith whether 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.

For a further discussion of our valuation procedures, see the section entitled "Critical Accounting Policies and Use of Estimates — Investment Valuation" included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of Part II of this Annual Report on Form 10-K.

Valuation 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 the Company's 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. An independent pricing service provider is the preferred source of pricing a loan, however, to the extent the independent pricing service provider price is unavailable or not relevant and reliable, we will utilize alternative approaches such as broker quotes or manual prices. 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.

Valuation of Investments in Jocassee, Thompson Rivers, Waccamaw River and MVC Private Equity Fund LP

As Jocassee, Thompson Rivers, Waccamaw River and MVC Private Equity Fund LP are investment companies with no readily determinable fair values, we estimate the fair value of our investments in these entities using net asset value of each company and our ownership percentage as a practical expedient. The net asset value is determined in accordance with the specialized accounting guidance for investment companies.

Quarterly Net Asset Value Determination

We determine the net asset value per share of our common stock on at least a quarterly basis. The net asset value per share is equal to the value of our total assets minus total liabilities and any preferred stock outstanding divided by the total number of shares of common stock outstanding.

Exit Strategies/Refinancing

While we generally exit most investments through the refinancing or repayment of our debt, we typically assist our portfolio companies in developing and planning exit opportunities, including any sale or merger of our portfolio companies. We may also assist in the structure, timing, execution and transition of these exit strategies.

Competition

We compete for investments with a number of investment funds including public funds, private equity funds, other BDCs, as well as traditional financial services companies such as commercial banks and other sources of financing. Some of these entities have greater financial and managerial resources than we do. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider

more investments and establish more relationships than we do. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC.

We use the expertise of the investment professionals of Barings to assess investment risks and determine appropriate pricing for our investments in portfolio companies. We believe the relationship we have with Barings enables us to learn about, and compete for financing opportunities with companies in middle-market businesses that operate across a wide range of industries. For additional information concerning the competitive risks we face, see "Risk Factors — Risks Relating to Our Business and Structure — We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses" included in Item 1A of Part I of this Annual Report on Form 10-K.

Brokerage Allocation and Other Practices

We did not pay any brokerage commissions during the three years ended December 31, 2021 in connection with the acquisition and/or disposal of our investments. We generally acquire and dispose of our investments in privately negotiated transactions; therefore, we infrequently use brokers in the normal course of our business. Barings is primarily responsible for the execution of any publicly traded securities portion of our portfolio transactions and the allocation of brokerage commissions. We do not expect to execute transactions through any particular broker or dealer, but will seek to obtain the best net results for us, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities. While we will generally seek reasonably competitive trade execution costs, we will not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, if we use a broker, we may select a broker based partly upon brokerage or research services provided to us. In return for such services, we may pay a higher commission than other brokers would charge if we determine in good faith that such commission is reasonable in relation to the services provided.

Dividend Reinvestment Plan

We have adopted a dividend reinvestment plan that provides for reinvestment of our distributions on behalf of our common stockholders, unless a common stockholder elects to receive cash as provided below. As a result, if the Board authorizes, and we declare, a cash dividend, then our common stockholders who have not "opted out" of our dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of our common stock, rather than receiving the cash dividends.

No action will be required on the part of a registered common stockholder to have his or her cash dividend reinvested in shares of our common stock. A registered common stockholder may elect to receive an entire dividend in cash by notifying Computershare, Inc., the "Plan Administrator" and our transfer agent and registrar, in writing so that such notice is received by the Plan Administrator no later than three days prior to the payment date fixed by the Board for the dividend. The Plan Administrator will set up an account for shares acquired through the plan for each common stockholder who has not elected to receive dividends in cash and hold such shares in non-certificated form. Upon request by a common stockholder participating in the plan, received in writing not less than three days prior to the payment date, the Plan Administrator will, instead of crediting shares to the participant's account, issue a certificate registered in the participant's name for the number of whole shares of our common stock and a check for any fractional share. Those common stockholders whose shares are held by a broker or other financial intermediary may receive dividends in cash by notifying their broker or other financial intermediary of their election.

We intend to use primarily newly issued shares to implement the plan, so long as our shares are trading at or above net asset value. If our shares are trading below net asset value, we intend to purchase shares in the open market in connection with our implementation of the plan. If we use newly issued shares to implement the plan, the number of shares to be issued to a common stockholder is determined by dividing the total dollar amount of the dividend payable to such common stockholder by the market price per share of our common stock at the close of regular trading on the NYSE on the dividend payment date. Market price per share on that date will be the closing price for such shares on the NYSE or, if no sale is reported for such day, at the average of their reported bid and asked prices. If we purchase shares in the open market to implement the plan, the number of shares to be received by a common stockholder is determined by dividing the total dollar amount of the dividend payable to such common stockholder by the average price per share for all shares purchased by the Plan Administrator in the open market in connection with the dividend. The number of shares of our common stock to be outstanding after giving effect to payment of the dividend cannot be established until the value per share at which additional shares will be issued has been determined and elections of our common stockholders have been tabulated.

There will be no brokerage charges or other charges to common stockholders who participate in the plan. However, certain brokerage firms may charge brokerage charges or other charges to their customers. We will pay the Plan Administrator's fees under the plan. If a participant elects by written notice to the Plan Administrator to have the Plan Administrator sell part or all of the shares held by the Plan Administrator in the participant's account and remit the proceeds to the participant, the Plan Administrator is authorized to deduct a \$15.00 transaction fee plus a \$0.10 per share brokerage commission from the proceeds.

Common stockholders who receive dividends in the form of stock generally are subject to the same federal, state and local tax consequences as are common stockholders who elect to receive their dividends in cash. A common stockholder's basis for determining gain or loss upon the sale of stock received in a dividend from us will be equal to the total dollar amount of the dividend payable to the common stockholder. Any stock received in a dividend will have a holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. common stockholder's account. Stock received in a dividend may generate a wash sale if such shareholder sold out stock at a realized loss within 30 days either before or after such dividend.

Participants may terminate their accounts under the plan by notifying the Plan Administrator via its website at www.computershare.com/investor, by filling out the transaction request form located at the bottom of their statement and sending it to the Plan Administrator at Computershare, Inc., P.O. Box 505000, Louisville, Kentucky 40233 or by calling the Plan Administrator at (866) 228-7201.

We may terminate the plan upon notice in writing mailed to each participant at least 30 days prior to any record date for the payment of any dividend by us. All correspondence concerning the plan should be directed to the Plan Administrator by mail at Computershare, Inc., P.O. Box 505000, Louisville, Kentucky 40233.

Employees

We do not currently have any employees and do not expect to have any employees. The services necessary for our business are provided by individuals who are employees of Barings, pursuant to the terms of the Amended and Restated Advisory Agreement and our Administration Agreement. Each of our executive officers is an employee of Barings and our day-to-day investment activities are managed by Barings.

Management Agreements

On August 2, 2018, we entered into the Original Advisory Agreement and the Administration Agreement with Barings, an investment adviser registered under the Advisers Act. Our then-current board of directors unanimously approved the Original Advisory Agreement at an in-person meeting on March 22, 2018. Our stockholders approved the Original Advisory Agreement at the 2018 Special Meeting. In connection with the MVC Acquisition, we entered into the Amended and Restated Advisory Agreement on December 23, 2020, following approval of the Amended and Restated Advisory Agreement by our stockholders at our December 23, 2020 special meeting of stockholders. The Amended and Restated Advisory Agreement was approved on September 9, 2020 by the then-current Board, including a majority of the directors on the Board who are not "interested persons," as defined in Section 2(a)(19) of

the 1940 Act, of the Company or Barings. The terms of the Amended and Restated Advisory Agreement became effective on January 1, 2021.

Investment Advisory Agreement

Pursuant to the Amended and Restated Advisory Agreement, Barings manages our day-to-day operations and provides us with investment advisory services. 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 our investments; (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 we may, from time to time, reasonably require for the investment of its funds.

The Amended and Restated 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, Barings, and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with Barings (collectively, the "IA Indemnified Parties"), are entitled to indemnification from us 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 us or our security holders) arising out of any actions or omissions or otherwise based upon the performance of any of Barings' duties or obligations under the Amended and Restated Advisory Agreement or otherwise as our investment adviser. Barings' services under the Amended and Restated Advisory Agreement are not exclusive, and Barings is generally free to furnish similar services to other entities so long as its performance under the Amended and Restated Advisory Agreement is not adversely affected.

Barings has entered into a personnel-sharing arrangement with its affiliate, Baring International Investment Limited ("BIIL"). BIIL is a wholly-owned subsidiary of Baring Asset Management Limited, which in turn is an indirect, wholly-owned subsidiary of Barings. Pursuant to this arrangement, certain employees of BIIL may serve as "associated persons" of Barings and, in this capacity, subject to the oversight and supervision of Barings, may provide research and related services, and discretionary investment management and trading services (including acting as portfolio managers) to us on behalf of Barings. This arrangement is based on no-action letters of the staff of the SEC that permit SEC-registered investment advisers to rely on and use the resources of advisory affiliates or "participating affiliates," subject to the supervision of that SEC-registered investment adviser. BIIL is a "participating affiliate" of Barings, and the BIIL employees are "associated persons" of Barings.

Under the Amended and Restated Advisory Agreement, we pay Barings (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 us thereunder.

Pre-January 1, 2021 Base Management Fee

For the period from January 1, 2020 through December 31, 2020, the Base Management Fee was calculated based on our gross assets, including the MVC Credit Support Agreement, assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of 1.375%. The annual rate of the Base Management Fee was 1.125% for the period commencing on January 1, 2019 through December 31, 2019.

The Base Management Fee was payable quarterly in arrears on a calendar quarter basis. The Base Management Fee was 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 were appropriately pro-rated.

Post-December 31, 2020 Base Management Fee

Beginning January 1, 2021, the Base Management Fee is calculated based on our gross assets, including the MVC Credit Support Agreement, assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of 1.25%. The Base Management Fee is payable quarterly in arrears on a

calendar quarter basis, and 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 will be appropriately pro-rated.

Pre-January 1, 2021 Incentive Fee

For the period from August 2, 2018 through December 31, 2020, under the Original Advisory Agreement, the Incentive Fee was comprised of two parts: (1) a portion based on our pre-incentive fee net investment income (the "Pre-2021 Income-Based Fee") and (2) a portion based on the net capital gains received on our 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 "Pre-2021 Capital Gains Fee").

The Pre-2021 Income-Based Fee was calculated as follows:

- (i) For each quarter from and after August 2, 2018 through December 31, 2019 (the "Pre-2020 Period"), the Pre-2021 Income-Based Fee was 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 were being calculated. In respect of the Pre-2020 Period, "Pre-Incentive Fee Net Investment Income" meant interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the relevant calendar quarter, minus our 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 included, 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 did 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 Pre-2021 Income-Based Fee was 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 referred to as the "Pre-2021 Trailing Twelve Quarters") for which such fees were being calculated and was 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" meant interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the relevant Pre-2021 Trailing Twelve Quarters, minus our operating expenses for such Pre-2021 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 Pre-2021 Trailing Twelve Quarters. Pre-Incentive Fee Net Investment Income included, 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 did 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 our 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 were being calculated, was compared to a "hurdle rate", expressed as a rate of return on the value of our net assets at the end of the most recently completed calendar quarter, of 2% per quarter (8% annualized). We paid Barings the Pre-2021 Income-Based Fee with respect to our Pre-Incentive Fee Net Investment Income in each calendar quarter as follows:

- (1) (a) With respect to the Pre-2020 Period, no Pre-2021 Income-Based Fee for any calendar quarter in which our Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) did not exceed the hurdle rate;

(b) With respect to the Post-2019 Period, no Pre-2021 Income-Based Fee for any calendar quarter in which our Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) did not exceed the hurdle rate;
- (2) (a) With respect to the Pre-2020 Period, 100% of our 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 exceeded the hurdle rate but was less than 2.5% (10% annualized) (the "Pre-2020 Catch-Up Amount"). The Pre-2020 Catch-Up Amount was intended to provide Barings with an incentive fee of 20% on all of our Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) when our Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) reached 2% per quarter (8% annualized);

(b) With respect to the Post-2019 Period, 100% of our 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 exceeded the hurdle rate but was less than 2.5% (10% annualized) (the "Post-2019 Catch-Up Amount"). The Post-2019 Catch-Up Amount was intended to provide Barings with an incentive fee of 20% on all of our Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) when our Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) reached 2% per quarter (8% annualized);
- (3) (a) With respect to the Pre-2020 Period, 20% of the amount of our 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 exceeded the Pre-2020 Catch-Up Amount; and

(b) With respect to the Post-2019 Period, 20% of the amount of our 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 exceeded the Post-2019 Catch-Up Amount.

However, with respect to the Post-2019 Period, the Pre-2021 Income-Based Fee paid to Barings would in no event be in excess of the Pre-2021 Incentive Fee Cap. With respect to the Post-2019 Period, the "Pre-2021 Incentive Fee Cap" for any quarter was an amount equal to (a) 20% of the Cumulative Net Return (as defined below) during the relevant Pre-2021 Trailing Twelve Quarters minus (b) the aggregate Pre-2021 Income-Based Fee that was paid in respect of the first eleven calendar quarters (or the portion thereof) included in the relevant Pre-2021 Trailing Twelve Quarters.

Cumulative Net Return meant (x) the aggregate net investment income in respect of the relevant Pre-2021 Trailing Twelve Quarters minus (y) any Net Capital Loss (as defined below), if any, in respect of the relevant Pre-2021 Trailing Twelve Quarters. If, in any quarter, the Pre-2021 Incentive Fee Cap was zero or a negative value, we paid no Pre-2021 Income-Based Fee to Barings for such quarter. If, in any quarter, the Pre-2021 Incentive Fee Cap for such quarter was a positive value but was less than the Pre-2021 Income-Based Fee that was payable to Barings for such quarter (before giving effect to the Pre-2021 Incentive Fee Cap) calculated as described above, we paid a Pre-2021 Income-Based Fee to Barings equal to the Pre-2021 Incentive Fee Cap for such quarter. If, in any quarter, the Pre-2021 Incentive Fee Cap for such quarter was equal to or greater than the Pre-2021 Income-Based Fee that was payable to Barings for such quarter (before giving effect to the Pre-2021 Incentive Fee Cap) calculated as described above, we paid a Pre-2021 Income-Based Fee to Barings equal to the Pre-2021 Income-Based Fee calculated as described above for such quarter without regard to the Pre-2021 Incentive Fee Cap.

Net Capital Loss in respect of a particular period meant 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 Pre-2021 Capital Gains Fee was determined and payable in arrears as of the end of each calendar year, commencing with the calendar year ended on December 31, 2018, and was calculated at the end of each applicable year by subtracting (1) the sum of our cumulative aggregate realized capital losses and aggregate unrealized capital depreciation from (2) our cumulative aggregate realized capital gains, in each case calculated from August 2, 2018. If such amount was positive at the end of such year, then the Pre-2021 Capital Gains Fee payable for such year was equal to 20% of such amount, less the cumulative aggregate amount of Pre-2021 Capital Gains Fees paid in all prior years. If such amount was negative, then there was no Pre-2021 Capital Gains Fee payable for such year.

Post-December 31, 2020 Incentive Fee

Beginning January 1, 2021, the Incentive Fee continues to consist of two components that are independent of each other, with the result that one component may be payable even if the other is not. Under the Amended and Restated Advisory Agreement, a portion of the Incentive Fee is based on our income (the “Income-Based Fee”) and a portion is based on our capital gains (the “Capital Gains Fee”), each as described below:

- (i) The Income-Based Fee will be determined and paid quarterly in arrears based on the amount by which (x) the aggregate “Pre-Incentive Fee Net Investment Income” (as defined below) in respect of the current calendar quarter and the eleven preceding calendar quarters beginning with the calendar quarter that commences on or after January 1, 2021, as the case may be (or the appropriate portion thereof in the case of any of our first eleven calendar quarters that commences on or after January 1, 2021) (in either case, the “Trailing Twelve Quarters”) exceeds (y) the Hurdle Amount (as defined below) in respect of the Trailing Twelve Quarters. The Hurdle Amount will be determined on a quarterly basis, and will be calculated by multiplying 2.0% (8% annualized) by the aggregate of our net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. For this purpose, under the Amended and Restated Advisory Agreement, “Pre-Incentive Fee Net Investment Income” means interest income, dividend income and any other income (including, without limitation, any accrued income that we have not yet received in cash and any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses accrued during the calendar quarter (including, without limitation, the Base Management Fee, administration expenses and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Income-Based Fee and the Capital Gains Fee). For the avoidance of doubt, Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

The calculation of the Income-Based Fee for each quarter is as follows:

- (A) No Income-Based Fee will be payable to Barings in any calendar quarter in which our aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters does not exceed the Hurdle Amount;
- (B) 100% of our aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters, if any, that exceeds the Hurdle Amount but is less than or equal to an amount (the “Catch-Up Amount”) determined on a quarterly basis by multiplying 2.5% (10% annualized) by our net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. The Catch-Up Amount is intended to provide Barings with an incentive fee of 20% on all of our Pre-Incentive Fee Net Investment Income when our Pre-Incentive Fee Net Investment Income reaches the Catch-Up Amount for the Trailing Twelve Quarters; and
- (C) For any quarter in which our aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters exceeds the Catch-Up Amount, the Income-Based Fee shall equal 20% of the amount of our Pre-Incentive Fee Net Investment Income for such Trailing Twelve Quarters, as the Hurdle Amount and Catch-Up Amount will have been achieved.

Subject to the Incentive Fee Cap described below, the amount of the Income-Based Fee that will be paid to Barings for a particular quarter will equal the excess of the aggregate Income-Based Fee so calculated less the

aggregate Income-Based Fees that were paid to Barings in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters.

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

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

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

Under the Amended and Restated Advisory Agreement, the "cumulative aggregate realized capital gains" are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in our portfolio when sold and (b) the accreted or amortized cost basis of such investment.

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

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

Under the Amended and Restated Advisory Agreement, the "accreted or amortized cost basis of an investment" shall mean the accreted or amortized cost basis of such investment as reflected in our financial statements.

Payment of Company Expenses

Under the Amended and Restated Advisory Agreement, all investment professionals of Barings and its staff, when and to the extent engaged in providing services required to be provided by Barings under the Amended and Restated Advisory Agreement, and the compensation and routine overhead expenses of such personnel allocable to

such services, are provided and paid for by Barings and not by us, except that all costs and expenses relating to our operations and transactions, including, without limitation, those items listed in the Amended and Restated Advisory Agreement, will be borne by us.

Duration and Termination of Amended and Restated Advisory Agreement

The Amended and Restated Advisory Agreement has an initial term of two years, or until December 23, 2022. Thereafter, it will continue automatically for successive annual periods, so long as such continuance is specifically approved at least annually by (A) the vote of the Board, or by the vote of a majority of our outstanding voting securities and (B) the vote of a majority of our independent directors in accordance with the requirements of the 1940 Act. The Amended and Restated Advisory Agreement will automatically terminate in the event of its “assignment,” as such term is defined under the 1940 Act, and may be terminated at any time, without the payment of any penalty, upon 60 days’ written notice, (i) by the vote of a majority of our outstanding voting securities, (ii) by the vote of the Board, or (iii) by Barings.

Administration Agreement

Under the terms of the Administration Agreement, Barings performs (or oversees, or arranges 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, from time to time, determines to be necessary or useful to perform its obligations under the Administration Agreement. Barings also, on our behalf and subject to oversight by the Board, arranges for the services of, and oversees, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, valuation experts, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable.

We will reimburse Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount to be negotiated and mutually agreed to by us and Barings quarterly in arrears. In no event will the agreed-upon quarterly expense amount exceed the amount of expenses that would otherwise be reimbursable by us under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. The costs and expenses incurred by Barings on our behalf under the Administration Agreement include, but are not limited to:

- the allocable portion of Barings' rent for our Chief Financial Officer and 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 our 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 us under the Administration Agreement;
- the actual cost of goods and services used for us and obtained by Barings from entities not affiliated with us, which is reasonably allocated to us on the basis of assets, revenues, time records or other methods 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.

The Administration Agreement 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 Board, or by Barings, 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.

Election to be Regulated as a Business Development Company and Regulated Investment Company

We are a closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. In addition, we have elected to be treated as a RIC under Subchapter M of the Code. Our election to be regulated as a BDC and our election to be treated as a RIC for U.S. federal income tax purposes have a significant impact on our operations. Some of the most important effects on our operations of our election to be regulated as a BDC and our election to be treated as a RIC are outlined below.

- **We report our investments at market value or fair value with changes in value reported through our consolidated statements of operations.**
In accordance with the requirements of Article 6 of Regulation S-X, we report all of our investments, including debt investments, at market value or, for investments that do not have a readily available market value, at their "fair value" as determined in good faith by the Board. Changes in these values are reported through our statements of operations under the caption of "net unrealized appreciation (depreciation) of investments." See "—Valuation Process and Determination of Net Asset Value" above.
- **We intend to distribute substantially all of our income to our stockholders. We generally will be required to pay income taxes only on the portion of our taxable income we do not distribute, actually or constructively, to stockholders.**

As a RIC, so long as we meet certain minimum distribution, source-of-income and asset diversification requirements, we generally are required to pay U.S. federal 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 intend to distribute to our stockholders substantially all of our income. We may, however, make deemed distributions to our stockholders of any retained net long-term capital gains. If this happens, our stockholders will be treated as if they received an actual distribution of the net capital gains and reinvested the net after-tax proceeds in us. Our stockholders also may be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to their allocable share of the corporate-level U.S. federal income tax we pay on the deemed distribution. See "Material U.S. Federal Income Tax Considerations." We met the minimum distribution requirements for 2019, 2020 and 2021 and continually monitor our distribution requirements with the goal of ensuring compliance with the Code.

In addition, we have wholly-owned taxable subsidiaries, or the Taxable Subsidiaries, which hold a portion of one or more of our portfolio investments that are listed on the Consolidated Schedule of Investments. The Taxable Subsidiaries are consolidated for financial reporting purposes in accordance with U.S. GAAP, so that our consolidated financial statements reflect our investments in the portfolio companies owned by the Taxable Subsidiaries. The purpose of the Taxable Subsidiaries is to permit us to hold certain interests in portfolio companies that are organized as partnerships or limited liability companies, or LLCs (or other forms of pass-through entities) and still satisfy the RIC tax requirement that at least 90.0% of our gross income for U.S. federal income tax purposes must consist of qualifying investment income. Absent the Taxable Subsidiaries, a proportionate amount of any gross income of a partnership or LLC (or other pass-through entity) portfolio investment would flow through directly to us. To the extent that such income did not consist of investment income, it could jeopardize our ability to qualify as a RIC and therefore cause us to incur significant amounts of corporate-level U.S. federal income taxes. Where interests in partnerships or LLCs (or other pass-through entities) are owned by the Taxable Subsidiaries, however, the income from such interests is taxed to the Taxable Subsidiaries and does not flow through to us, thereby helping us preserve our RIC status and resultant tax advantages. The Taxable Subsidiaries are not consolidated for U.S. federal income tax purposes and may generate income tax expense as a result of its ownership of the portfolio companies. This income tax expense, if any, is reflected in our Statement of Operations.

- **Our ability to use leverage as a means of financing our portfolio of investments is limited.**

As a BDC, and as a result of the stockholder vote to approve the proposal to authorize us to be subject to the reduced asset coverage ratio of at least 150% under the 1940 Act, we are required to meet a coverage ratio of total assets to total senior securities of at least 150%. For this purpose, senior securities include all borrowings and any preferred stock we may issue in the future. Additionally, our ability to continue to utilize leverage as a means of financing our portfolio of investments may be limited by this asset coverage test.

- **We are required to comply with the provisions of the 1940 Act applicable to business development companies.**

As a BDC, we are required to have a majority of directors who are not “interested persons” under the 1940 Act. In addition, we are required to comply with other applicable provisions of the 1940 Act, including those requiring the adoption of a code of ethics, fidelity bonding and investment custody arrangements. See “Regulation of Business Development Companies” below.

Exemptive Relief

As a BDC, we are required to comply with certain regulatory requirements. For example, we generally are not permitted to make loans to companies controlled by Barings or other funds managed by Barings. We are also not permitted to make any co-investments with Barings or its affiliates (including any fund managed by Barings or an investment adviser controlling, controlled by or under common control with Barings) without exemptive relief from the SEC, subject to certain exceptions. The Exemptive Relief that the SEC has granted to Barings permits certain present and future funds, including us, advised by Barings (or an investment adviser controlling, controlled by or under common control with Barings) to co-invest in suitable negotiated investments. Co-investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co-investment transaction.

Regulation of Business Development Companies

The following is a general summary of the material regulatory provisions affecting BDCs. It does not purport to be a complete description of all of the laws and regulations affecting BDCs.

We have elected to be regulated as a BDC under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates, principal underwriters and affiliates of those affiliates or underwriters. The 1940 Act requires that a majority of the directors on a BDC's board of directors be persons other than “interested persons,” as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities.

In addition, the 1940 Act defines “a majority of the outstanding voting securities” as the lesser of (i) 67.0% or more of the voting securities present at a meeting if the holders of more than 50.0% of our outstanding voting securities are present or represented by proxy, or (ii) 50.0% of our voting securities.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70.0% of the company's total assets. The principal categories of qualifying assets relevant to our business are any of the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act and rules adopted pursuant thereto as any issuer which:

(a) is organized under the laws of, and has its principal place of business in, the United States;

(b) is not an investment company (other than an SBIC wholly-owned by the BDC) or a company that would be an investment company but for exclusions under the 1940 Act for certain financial companies such as banks, brokers, commercial finance companies, mortgage companies and insurance companies; and

(c) satisfies any of the following:

(i) does not have any class of securities with respect to which a broker or dealer may extend margin credit;

(ii) is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company;

(iii) is a small and solvent company having total assets of not more than \$4.0 million and capital and surplus of not less than \$2.0 million;

(iv) does not have any class of securities listed on a national securities exchange; or

(v) has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than \$250.0 million.

(2) Securities in companies that were eligible portfolio companies when we made our initial investment if certain other requirements are satisfied.

(3) Securities of any eligible portfolio company that we control.

(4) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance (other than conventional lending or financing arrangements).

(5) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60.0% of the outstanding equity of the eligible portfolio company.

(6) Securities received in exchange for or distributed on or with respect to securities described in (1) through (5) above, or pursuant to the exercise of warrants or rights relating to such securities.

(7) Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

In addition, a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1), (2), (3) or (4) above.

Managerial Assistance to Portfolio Companies

In order to count portfolio securities as qualifying assets for the purpose of the 70.0% test, we must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance; except that, where we purchase such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available "significant managerial assistance" means, among other things, any arrangement whereby we, through our directors, officers or employees, offer to provide, and, if accepted, do so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. Barings provides such managerial assistance on our behalf to portfolio companies that request this assistance. We may receive fees for these services.

Temporary Investments

Pending investment in other types of “qualifying assets,” as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70.0% of our assets are qualifying assets. We may invest in U.S. Treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. Government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price that is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25.0% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the asset diversification tests required to maintain our tax treatment as a RIC for U.S. federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Our management team will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

The Small Business Credit Availability Act (“SBCAA”), which was signed into law in March 2018, among other things, amended Section 61(a) of the 1940 Act to add a new Section 61(a)(2) that reduces the asset coverage requirement applicable BDCs from 200% to 150% so long as the BDC meets certain disclosure requirements and obtains certain approvals. On July 24, 2018, our stockholders voted at the 2018 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 2018 Special Meeting, effective July 25, 2018, our applicable asset coverage ratio under the 1940 Act decreased to 150% from 200%. Thus, we are permitted, under specified conditions, to issue multiple classes of debt and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 150% immediately after each such issuance. In addition, while any senior securities remain outstanding (other than senior securities representing indebtedness issued in consideration of a privately arranged loan which is not intended to be publicly distributed), we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5.0% of the value of our total assets for temporary purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see “Item 1A.— Risk Factors Risks Relating to Our Business and Structure — Incurring additional leverage may magnify our exposure to risks associated with changes in leverage, including fluctuations in interest rates that could adversely affect our profitability” included in this Annual Report on Form 10-K.

Code of Business Conduct and Ethics and Corporate Governance Guidelines

We and Barings have adopted a code of ethics (the “Global Code of Ethics Policy”) and corporate governance guidelines, which collectively cover ethics and business conduct. These documents apply to our and Barings' directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and any person performing similar functions, and establish procedures for personal investments and restrict certain personal securities transactions. Personnel subject to the Global Code of Ethics Policy and corporate governance guidelines may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code's requirements. Our Global Code of Ethics Policy and corporate governance guidelines are publicly available on the Investor Relations section of our website under “Corporate Governance” at <https://ir.barings.com/governance-docs>. We will report any amendments to or waivers of a required provision of our Global Code of Ethics Policy and corporate governance guidelines on our website or in a Current Report on Form 8-K. Information contained on our website is not incorporated by reference into this Annual Report on Form 10-K, and you should not consider that information to be part of this Annual Report on Form 10-K.

Compliance Policies and Procedures

We and Barings have adopted and implemented written policies and procedures reasonably designed to prevent violation of the U.S. federal securities laws, and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation, and to designate a chief compliance officer to be responsible for administering such policies and procedures. Michael Cowart serves as our Chief Compliance Officer.

Proxy Voting Policies and Procedures

We delegate our proxy voting responsibilities to Barings. Barings votes proxies relating to our portfolio securities in a manner which we believe will be in the best interest of our stockholders. Barings reviews on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although Barings generally votes against proposals that may have a negative impact on our portfolio securities, they may vote for such a proposal if there exists compelling long-term reasons to do so.

The proxy voting decisions of Barings are made by the investment professionals who are responsible for monitoring each of its clients' investments. To ensure that their vote is not the product of a conflict of interest, Barings requires that: (i) anyone involved in the decision making process disclose to our chief compliance officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

Stockholders may, without charge, obtain information regarding how we voted proxies with respect to our portfolio securities by making a written request for proxy voting information to: Chief Compliance Officer, 300 South Tryon Street, Suite 2500, Charlotte, North Carolina 28202 or by calling our investor relations department at 888-401-1088.

Other

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of those members of the Board who are not interested persons and, in some cases, prior approval by the SEC. The 1940 Act prohibits us from making certain negotiated co-investments with affiliates absent prior approval of the SEC. Barings' existing Exemptive Relief permits us and Barings' affiliated private funds and SEC-registered funds to co-invest in loans originated by Barings, which allows Barings to implement its senior secured private debt investment strategy for us.

We are periodically examined by the SEC for compliance with the 1940 Act.

We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

Securities Exchange Act of 1934 and Sarbanes-Oxley Act Compliance

We are subject to the reporting and disclosure requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the filing of quarterly, annual and current reports, proxy statements and other required items. In addition, we are subject to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), which imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. For example:

- pursuant to Rule 13a-14 of the Exchange Act, our Chief Executive Officer and Chief Financial Officer are required to certify the accuracy of the financial statements contained in our periodic reports;

- pursuant to Item 307 of Regulation S-K, our periodic reports are required to disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, our management is required to prepare a report regarding its assessment of our internal control over financial reporting; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal control over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The New York Stock Exchange Corporate Governance Regulations

The NYSE has adopted corporate governance regulations that listed companies must comply with. We believe we currently are in compliance with such corporate governance listing standards. We intend to monitor our compliance with all future listing standards and to take all necessary actions to ensure that we stay in compliance.

Material U.S. Federal Income Tax Considerations

The following discussion is a general summary of the material U.S. federal income tax considerations applicable to us and to an investment in our shares. This summary does not purport to be a complete description of the income tax considerations applicable to us or to investors in such an investment. For example, we have not described tax consequences that we assume to be generally known by investors or certain considerations that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, pension plans and trusts, financial institutions, U.S. stockholders (as defined below) whose functional currency is not the U.S. dollar, persons who mark-to-market our shares and persons who hold our shares as part of a “straddle,” “hedge” or “conversion” transaction. This summary assumes that investors hold shares of our common stock as capital assets (within the meaning of the Code). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of this Annual Report on Form 10-K and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

For purposes of our discussion, a “U.S. stockholder” means a beneficial owner of shares of our common stock that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in place to be treated as a U.S. person.

For purposes of our discussion, a “Non-U.S. stockholder” means a beneficial owner of shares of our common stock that is neither a U.S. stockholder nor a partnership (including an entity treated as a partnership for U.S. federal income tax purposes).

If an entity treated as a partnership for U.S. federal income tax purposes (a “partnership”) holds shares of our common stock, the tax treatment of a partner or member of the partnership will generally depend upon the status of the partner or member and the activities of the partnership. A prospective stockholder that is a partner or member in a partnership holding shares of our common stock should consult his, her or its tax advisors with respect to the purchase, ownership and disposition of shares of our common stock.

Tax matters are very complicated and the tax consequences to an investor of an investment in our shares will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisors regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of U.S. federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any changes in the tax laws.

Election to be Taxed as a RIC

We have qualified and elected to be treated as a RIC under Subchapter M of the Code commencing with our taxable year ended December 31, 2007. As a RIC, we generally are not subject to corporate-level U.S. federal income taxes on any income that we distribute to our stockholders from our tax earnings and profits. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, in order to obtain RIC tax treatment, we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income" ("ICTI"), which is generally our net ordinary income plus the excess, if any, of realized net short-term capital gain over realized net long-term capital loss, (the "Annual Distribution Requirement"). Even if we qualify for tax treatment as a RIC, we generally will be subject to corporate-level U.S. federal income tax on our undistributed taxable income and could be subject to U.S. federal excise, state, local and foreign taxes.

Taxation as a RIC

Provided that we qualify for tax treatment as a RIC, we will not be subject to U.S. federal income tax on the portion of our ICTI and net capital gain (which we define as net long-term capital gain in excess of net short-term capital loss) that we timely distribute to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gain not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (i) 98.0% of our ordinary income for each calendar year, (ii) 98.2% of our capital gain net income for the calendar year and (iii) any income recognized, but not distributed, in preceding years and on which we paid no U.S. federal income tax.

In order to qualify for tax treatment as a RIC for U.S. federal income tax purposes, we must, among other things:

- meet the Annual Distribution Requirement;
- qualify to be treated as a BDC or be registered as a management investment company under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock or other securities or foreign currencies or other income derived with respect to our business of investing in such stock, securities or currencies and net income derived from an interest in a "qualified publicly traded partnership" (as defined in the Code), or the 90% Income Test; and
- diversify our holdings so that at the end of each quarter of the taxable year:
 - at least 50% of the value of our assets consists of cash, cash equivalents, U.S. Government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer (which for these purposes includes the equity securities of a "qualified publicly traded partnership"); and
 - no more than 25% of the value of our assets is invested in the securities, other than U.S. Government securities or securities of other RICs, (i) of one issuer (ii) of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or (iii) of one or more "qualified publicly traded partnerships," or the Diversification Tests.

To the extent that we invest in entities treated as partnerships for U.S. federal income tax purposes (other than a “qualified publicly traded partnership”), we generally must include the items of gross income derived by the partnerships for purposes of the 90% Income Test, and the income that is derived from a partnership (other than a “qualified publicly traded partnership”) will be treated as qualifying income for purposes of the 90% Income Test only to the extent that such income is attributable to items of income of the partnership which would be qualifying income if realized by us directly. In addition, we generally must take into account our proportionate share of the assets held by partnerships (other than a “qualified publicly traded partnership”) in which we are a partner for purposes of the Diversification Tests.

In order to meet the 90% Income Test, we utilize the Taxable Subsidiaries, and in the future may establish additional such corporations, to hold assets from which we do not anticipate earning dividend, interest or other qualifying income under the 90% Income Test. Any investments held through the Taxable Subsidiaries generally are subject to U.S. federal income and other taxes, and therefore we can expect to achieve a reduced after-tax yield on such investments.

We may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or issued with warrants), we must include in income 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 income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash.

Because any original issue discount or other amounts accrued will be included in our ICTI for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement and to avoid the 4.0% U.S. federal excise tax, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the Annual Distribution Requirement necessary to obtain and maintain RIC tax treatment under the Code. We may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level income tax.

Furthermore, a portfolio company in which we invest may face financial difficulty that requires us to work-out, modify or otherwise restructure our investment in the portfolio company. Any such restructuring may result in unusable capital losses and future non-cash income. Any restructuring may also result in our recognition of a substantial amount of non-qualifying income for purposes of the 90% Income Test, such as cancellation of indebtedness income in connection with the work-out of a leveraged investment (which, while not free from doubt, may be treated as non-qualifying income) or the receipt of other non-qualifying income.

Gain or loss realized by us from warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such gain or loss generally will be long-term or short-term, depending on how long we held a particular warrant.

Investments by us in non-U.S. securities may be subject to non-U.S. income, withholding and other taxes, and therefore, our yield on any such securities may be reduced by such non-U.S. taxes. Stockholders will generally not be entitled to claim a credit or deduction with respect to non-U.S. taxes paid by us.

If we purchase shares in a “passive foreign investment company,” or PFIC, we may be subject to U.S. federal income tax on a portion of any “excess distribution” or gain from the disposition of such shares even if such income is distributed as a taxable dividend by us to our stockholders. Additional charges in the nature of interest may be imposed on us in respect of deferred taxes arising from such distributions or gains. If we invest in a PFIC and elect to treat the PFIC as a “qualified electing fund” under the Code, or QEF, in lieu of the foregoing requirements, we will be required to include in income each year a portion of the ordinary earnings and net capital gain of the QEF,

even if such income is not distributed to it. Alternatively, we can elect to mark-to-market at the end of each taxable year our shares in a PFIC; in this case, we will recognize as ordinary income any increase in the value of such shares and as ordinary loss any decrease in such value to the extent it does not exceed prior increases included in income. Under either election, we may be required to recognize in a year income in excess of our distributions from PFICs and our proceeds from dispositions of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of the 4% U.S. federal excise tax.

Under Section 988 of the Code, gain or loss attributable to fluctuations in exchange rates between the time we accrue income, expenses, or other liabilities denominated in a foreign currency and the time we actually collect such income or pay such expenses or liabilities are generally treated as ordinary income or loss. Similarly, gain or loss on foreign currency forward contracts and the disposition of debt denominated in a foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, are also treated as ordinary income or loss.

We are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. Under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain “asset coverage” tests are met. See “Regulation of Business Development Companies — Qualifying Assets” and “Regulation of Business Development Companies — Senior Securities” above. Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (i) the illiquid nature of our portfolio and/or (ii) other requirements relating to our tax treatment as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or to avoid the excise tax, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

If we fail to satisfy the Annual Distribution Requirement or otherwise fail to qualify for tax treatment as a RIC in any taxable year, we will be subject to tax in that year on all of our taxable income, regardless of whether we make any distributions to our stockholders. In that case, all of such income will be subject to corporate-level U.S. federal income tax, reducing the amount available to be distributed to our stockholders. See “Failure To Obtain RIC Tax Treatment” below.

As a RIC, we are not allowed to carry forward or carry back a net operating loss for purposes of computing our ICTI in other taxable years. U.S. federal income tax law generally permits a RIC to carry forward (i) the excess of its net short-term capital loss over its net long-term capital gain for a given year as a short-term capital loss arising on the first day of the following year and (ii) the excess of its net long-term capital loss over its net short-term capital gain for a given year as a long-term capital loss arising on the first day of the following year. Future transactions we engage in may cause our ability to use any capital loss carryforwards, and unrealized losses once realized, to be limited under Section 382 of the Code. Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (ii) convert lower taxed long-term capital gain and qualified dividend income into higher taxed short-term capital gain or ordinary income, (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (iv) cause us to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (vi) adversely alter the characterization of certain complex financial transactions and (vii) produce income that will not be qualifying income for purposes of the 90% Income Test. We will monitor our transactions and may make certain tax elections in order to mitigate the effect of these provisions.

As described above, to the extent that we invest in equity securities of entities that are treated as partnerships for U.S. federal income tax purposes, the effect of such investments for purposes of the 90% Income Test and the Diversification Tests will depend on whether or not the partnership is a “qualified publicly traded partnership” (as defined in the Code). If the entity is a “qualified publicly traded partnership,” the net income derived from such investments will be qualifying income for purposes of the 90% Income Test and will be “securities” for purposes of the Diversification Tests. If the entity is not treated as a “qualified publicly traded partnership,” however, the consequences of an investment in the partnership will depend upon the amount and type of income and assets of the partnership allocable to us. The income derived from such investments may not be qualifying income for purposes of the 90% Income Test and, therefore, could adversely affect our tax treatment as a RIC. We intend to monitor our

investments in equity securities of entities that are treated as partnerships for U.S. federal income tax purposes to prevent our disqualification from tax treatment as a RIC.

We may invest in preferred securities or other securities the U.S. federal income tax treatment of which may not be clear or may be subject to recharacterization by the IRS. To the extent the tax treatment of such securities or the income from such securities differs from the expected tax treatment, it could affect the timing or character of income recognized, requiring us to purchase or sell securities, or otherwise change our portfolio, in order to comply with the tax rules applicable to RICs under the Code.

We may distribute taxable dividends that are payable in cash or shares of our common stock at the election of each stockholder. Under certain applicable provisions of the Code and the Treasury regulations, distributions payable in cash or in shares of stock at the election of stockholders are treated as taxable dividends. The Internal Revenue Service has published guidance indicating that this rule will apply even where the total amount of cash that may be distributed is limited to no more than 20% of the total distribution (10% in case of distributions through June 30, 2022). Under this guidance, if too many stockholders elect to receive their distributions in cash, the cash available for distribution must be allocated among the stockholders electing to receive cash (with the balance of the distribution paid in stock). If we decide to make any distributions consistent with this guidance that are payable in part in our stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend (whether received in cash, our stock, or a combination thereof) as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock.

Failure to Obtain RIC Tax Treatment

If we fail to satisfy the 90% Income Test or the Diversification Tests for any taxable year, we may nevertheless continue to qualify for tax treatment as a RIC for such year if certain relief provisions are applicable (which may, among other things, require us to pay certain corporate-level federal taxes or to dispose of certain assets).

If we were unable to obtain tax treatment as a RIC, we would be subject to tax on all of our taxable income at regular corporate rates. We would not be able to deduct distributions to stockholders, nor would they be required to be made. Distributions would generally be taxable to our stockholders as dividend income to the extent of our current and accumulated earnings and profits (in the case of non-corporate U.S. stockholders, generally at a maximum U.S. federal income tax rate applicable to qualified dividend income of 20%). Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain.

If we fail to meet the RIC requirements for more than two consecutive years and then, seek to re-qualify for tax treatment as a RIC, we would be subject to corporate-level taxation on any built-in gain recognized during the succeeding five-year period unless we made a special election to recognize all such built-in gain upon our re-qualification for tax treatment as a RIC and to pay the corporate-level tax on such built-in gain.

Possible Legislative or Other Actions Affecting Tax Considerations

Prospective investors should recognize that the present U.S. federal income tax treatment of an investment in our stock may be modified by legislative, judicial or administrative action at any time, and that any such action may affect investments and commitments previously made. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could affect the tax consequences of an investment in our stock. See "Risk Factors - Risk Relating to Our Business and Structure - We cannot predict how tax reform legislation will affect us, our investments, or our stockholders, and any such legislation could adversely affect our business" included in Item 1A or Part I of this Annual Report on Form 10-K.

Withholding

Our distributions generally will be treated as dividends for U.S. tax purposes and will be subject to U.S. income or withholding tax unless the shareholder receiving the dividend qualifies for an exemption from U.S. tax or the distribution is subject to one of the special look-through rules described below. Distributions paid out of net capital gains can qualify for a reduced rate of taxation in the hands of an individual U.S. shareholder and an exemption from U.S. tax in the hands of a non-U.S. shareholder.

Under an exemption, properly reported dividend distributions by RICs paid out of certain interest income (such distributions, "interest-related dividends") are generally exempt from U.S. withholding tax for non-U.S. shareholders. Under such exemption, a non-U.S. shareholder generally may receive interest-related dividends free of U.S. withholding tax if the shareholder would not have been subject to U.S. withholding tax if it had received the underlying interest income directly. No assurance can be given as to whether any of our distributions will be eligible for this exemption from U.S. withholding tax or, if eligible, will be reported as such by us. In particular, the exemption does apply to distributions paid in respect of a RIC's non-U.S. source interest income, its dividend income or its foreign currency gains. In the case shares of our stock are held through an intermediary, the intermediary may withhold U.S. federal income tax even if we report the payment as a dividend eligible for the exemption.

State and Local Tax Treatment

The state and local tax treatment may differ from U.S. federal income tax treatment.

The discussion set forth herein does not constitute tax advice, and potential investors should consult their own tax advisors concerning the tax considerations relevant to their particular situation.

Available Information

We intend to make this Annual Report on Form 10-K, as well as our quarterly reports on Form 10-Q, our current reports on Form 8-K and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act, publicly available on our website (www.baringsbdc.com) without charge as soon as reasonably practicable following our filing of such reports with the SEC. Our SEC reports can be accessed through the investor relations section of our website. The information found on our website is not part of this or any other report we file with or furnish to the SEC. We assume no obligation to update or revise any statements in this Annual Report on Form 10-K or in other reports filed with the SEC, whether as a result of new information, future events or otherwise, unless we are required to do so by law. A copy of this Annual Report on Form 10-K and our other reports is available without charge upon written request to Investor Relations, Barings BDC, Inc., 300 South Tryon Street, Suite 2500 Charlotte, North Carolina 28202. The SEC maintains an Internet site at www.sec.gov that contains our periodic and current reports, proxy and information statements and our other filings.

Item 1A. Risk Factors.

Investing in our securities involves a number of significant risks. In addition to the other information contained in this Annual Report on Form 10-K, you should consider carefully the following information before making an investment in our securities. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value, the trading price of our common stock and the value of our other securities could decline, and you may lose all or part of your investment.

The following is a summary of the principal risk factors associated with an investment in our securities. Further details regarding each risk included in the below summary list can be found further below.

- We are dependent upon Barings' access to its investment professionals for our success.
- Our investment portfolio is and will continue to be recorded at fair value as determined in good faith by our Board of Directors and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.
- We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.
- There are potential conflicts of interest, including the management of other investment funds and accounts by Barings, which could impact our investment returns.
- The fee structure under the Amended and Restated Advisory Agreement may induce Barings to pursue speculative investments and incur leverage, which may not be in the best interests of our stockholders.
- Regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital.
- Our financing agreements contain various covenants, which, if not complied with, could accelerate our repayment obligations thereunder, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions.
- Incurring additional leverage may magnify our exposure to risks associated with changes in leverage, including fluctuations in interest rates that could adversely affect our profitability.
- Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.
- Shares of closed-end investment companies, including BDCs, frequently trade at a discount to their net asset value, and may trade at premiums that may prove to be unsustainable.
- Sales of shares of the Company's common stock after the completion of the Sierra Merger may cause the market price of the Company's common stock to decline.
- The Company may be unable to realize the benefits anticipated by the Sierra Merger, including estimated cost savings, or it may take longer than anticipated to realize such benefits.

Risks Relating to Our Business and Structure

We are dependent upon Barings' access to its investment professionals for our success.

We depend on the diligence, skill and network of business contacts of Barings' investment professionals to source appropriate investments for us. We depend on members of Barings' investment team to appropriately analyze our investments and Barings' investment committee to approve and monitor our portfolio investments. Barings' investment committee, together with the other members of its investment team, evaluate, negotiate, structure, close and monitor our investments. Our future success depends on the continued availability of the members of Barings' investment committee and the other investment professionals available to Barings. We do not have employment agreements with these individuals or other key personnel of Barings, and we cannot provide any assurance that unforeseen business, medical, personal or other circumstances would not lead any such individual to terminate his or

her relationship with Barings. If these individuals do not maintain their existing relationships with Barings and its affiliates or do not develop new relationships with other sources of investment opportunities, we may not be able to identify appropriate replacements or grow our investment portfolio. The loss of any member of Barings' investment committee or of other investment professionals of Barings and its affiliates would limit our ability to achieve our investment objectives and operate as we anticipate, which could have a material adverse effect on our financial condition, results of operations and cash flows.

Our financial condition and results of operations will depend on our ability to manage and deploy capital effectively.

Our ability to continue to achieve our investment objectives will depend on our ability to effectively manage and deploy our capital, which will depend, in turn, on Barings' ability to continue to identify, evaluate, invest in and monitor companies that meet our investment criteria. We cannot assure you that we will continue to achieve our investment objectives.

Accomplishing this result on a cost-effective basis will be largely a function of Barings' handling of the investment process, their ability to provide competent, attentive and efficient services and our access to investments offering acceptable terms. In addition to monitoring the performance of our existing investments, Barings' investment professionals may also be called upon to provide managerial assistance to our portfolio companies. These demands on their time may distract them or slow the rate of investment.

Even if we are able to grow and build upon our investment operations in a manner commensurate with any capital made available to us as a result of our operating activities, financing activities and/or offerings of our securities, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. The results of our operations will depend on many factors, including the availability of opportunities for investment, readily accessible short- and long-term funding alternatives in the financial markets and economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies as described in this Annual Report on Form 10-K, it could negatively impact our ability to pay distributions and cause you to lose part or all of your investment.

Our investment portfolio is and will continue to be recorded at fair value as determined in good faith by our Board of Directors and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.

Under the 1940 Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined in good faith by the Board. Typically there is not a public market for the securities of the privately held middle-market companies in which we have invested and will generally continue to invest. As a result, we value these securities quarterly at fair value as determined in good faith by the Board based on input from Barings, independent third-party valuation firms and our audit committee. See "Item 1. Business – Valuation Process and Determination of Net Asset Value" included in this Annual Report on Form 10-K for a detailed description of our valuation process.

The determination of fair value and consequently, the amount of unrealized appreciation and depreciation in our portfolio, is to a certain degree subjective and dependent on the judgment of the Board. Certain factors that may be considered in determining the fair value of our investments include the nature and realizable value of any collateral, the portfolio company's earnings and its ability to make payments on its indebtedness, the markets in which the portfolio company does business, comparison to comparable publicly-traded companies, discounted cash flows and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Due to this uncertainty, our fair value determinations may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize upon the sale or disposition of one or more of our investments. As a result, investors purchasing our securities based on an overstated net asset value would pay a higher price than the value of our investments might warrant. Conversely, investors selling shares

during a period in which the net asset value understates the value of our investments will receive a lower price for their shares than the value of our investments might warrant.

We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.

A number of entities compete with us to make the types of investments that we make. We compete with public and private funds, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and some have considerably greater financial, technical and marketing resources than we do. For example, we believe some of our competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or the source of income, asset diversification and distribution requirements we must satisfy to maintain our qualification as a RIC. The competitive pressures we face may have a material adverse effect on our business, financial condition, results of operations and cash flows. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objective.

With respect to the investments we make, we do not seek to compete based primarily on the interest rates we offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. In the secondary market for acquiring existing loans, we compete generally on the basis of pricing terms. With respect to all investments, we may lose some investment opportunities if we do not match our competitors' pricing, terms and structure. However, if we match our competitors' pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss.

There are potential conflicts of interest, including the management of other investment funds and accounts by Barings, which could impact our investment returns.

Our executive officers and the members of Barings' investment committee, as well as the other principals of Barings, manage other funds affiliated with Barings, including other closed-end investment companies. In addition, Barings' investment team has responsibilities for managing U.S. and global middle-market debt investments for certain other investment funds and accounts. Accordingly, they have obligations to investors in those entities, the fulfillment of which may not be in the best interests of, or may be adverse to our and our stockholders' interests. In addition, certain of the other funds and accounts managed by Barings may provide for higher management or incentive fees, greater expense reimbursements or overhead allocations, or permit Barings and its affiliates to receive higher origination and other transaction fees, all of which may contribute to this conflict of interest and create an incentive for Barings to favor such other funds or accounts. Although the professional staff of Barings will devote as much time to our management as appropriate to enable Barings to perform its duties in accordance with the Amended and Restated Advisory Agreement, the investment professionals of Barings may have conflicts in allocating their time and services among us, on the one hand, and the other investment vehicles managed by Barings or one or more of its affiliates on the other hand.

Barings may face conflicts in allocating investment opportunities between us and affiliated investment vehicles that have overlapping investment objectives with ours. Although Barings will endeavor to allocate investment opportunities in a fair and equitable manner in accordance with its allocation policies and procedures, it is possible that, in the future, we may not be given the opportunity to participate in investments made by investment funds managed by Barings or an investment manager affiliated with Barings if such investment is prohibited by the 1940 Act, and there can be no assurance that we will be able to participate in all investment opportunities that are suitable to us.

Conflicts may also arise because portfolio decisions regarding our portfolio may benefit Barings' affiliates. Barings' affiliates may pursue or enforce rights with respect to one of our portfolio companies on behalf of other funds or accounts managed by it, and those activities may have an adverse effect on us.

Barings may exercise significant influence over us in connection with its ownership of our common stock.

As of February 23, 2022, Barings, our external investment adviser, beneficially owns approximately 20.9% of our outstanding common stock. As a result, Barings may be able to significantly influence the outcome of matters submitted for stockholder action, including the election of directors, approval of significant corporate transactions, such as amendments to our governing documents, business combinations, consolidations and mergers. Barings has substantial influence on us and could exercise its influence in a manner that conflicts with the interests of other stockholders. The presence of a significant stockholder such as Barings may also have the effect of making it more difficult for a third party to acquire us or discourage a third party from seeking to acquire us.

Barings, its investment committee, or its affiliates may, from time to time, possess material non-public information, limiting our investment discretion.

Principals of Barings and its affiliates and members of Barings' investment committee may serve as directors of, or in a similar capacity with, companies in which we invest, the securities of which are purchased or sold on our behalf. In the event that material nonpublic information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, we could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on us.

Our ability to enter into transactions with Barings and its affiliates is restricted.

BDCs generally are prohibited under the 1940 Act from knowingly participating in certain transactions with their affiliates without the prior approval of their independent directors and, in some cases, of the SEC. Those transactions include purchases and sales, and so-called "joint" transactions, in which a BDC and one or more of its affiliates engage in certain types of profit-making activities. Any person that owns, directly or indirectly, 5.0% or more of a BDC's outstanding voting securities will be considered an affiliate of the BDC for purposes of the 1940 Act, and a BDC generally is prohibited from engaging in purchases or sales of assets or joint transactions with such affiliates, absent the prior approval of the BDC's independent directors. Additionally, without the approval of the SEC, a BDC is prohibited from engaging in purchases or sales of assets or joint transactions with the BDC's officers and directors, and investment adviser, including funds managed by the investment adviser and its affiliates.

BDCs may, however, invest alongside certain related parties or their respective other clients in certain circumstances where doing so is consistent with current law and SEC staff interpretations. For example, a BDC may invest alongside such accounts consistent with guidance promulgated by the SEC staff permitting the BDC and such other accounts to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that the BDC's investment adviser, acting on the BDC's behalf and on behalf of other clients, negotiates no term other than price.

The 1940 Act generally prohibits BDCs from making certain negotiated co-investments with certain affiliates absent an order from the SEC permitting the BDC to do so. Pursuant to the Exemptive Relief, we are generally permitted to co-invest with funds affiliated with Barings if a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies. Co-investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co-investment transaction.

In situations where co-investment with other affiliated funds or accounts is not permitted or appropriate, Barings will need to decide which account will proceed with the investment in accordance with its allocation policies and procedures. Although Barings will endeavor to allocate investment opportunities in a fair and equitable manner in accordance with its allocation policies and procedures, it is possible that, in the future, we may not be given the opportunity to participate in investments made by investment funds managed by Barings or an investment manager affiliated with Barings if such investment is prohibited by the 1940 Act. These restrictions, and similar

restrictions that limit our ability to transact business with our officers or directors or their affiliates, including funds managed by Barings, may limit the scope of investment opportunities that would otherwise be available to us.

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

We have invested in joint ventures, 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 certain activities 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 borrowings by the joint venture is not included when calculating our total borrowings 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.

The fee structure under the Amended and Restated Advisory Agreement may induce Barings to pursue speculative investments and incur leverage, which may not be in the best interests of our stockholders.

Under the Amended and Restated Advisory Agreement, the base management fee will be payable even if the value of your investment declines. The base management fee is calculated based on our gross assets, including assets purchased with borrowed funds or other forms of leverage (but excluding cash or cash equivalents). Accordingly, the base management fee is payable regardless of whether the value of our gross assets and/or your investment has decreased during the then-current quarter and creates an incentive for Barings to incur leverage, which may not be consistent with our stockholders' interests.

The income-based fee payable to Barings is calculated based on a percentage of our return on invested capital. The income-based fee payable to Barings may create an incentive for Barings to make investments on our behalf that are risky or more speculative than would be the case in the absence of such a compensation arrangement. Unlike the base management fee, the income-based fee is payable only if the hurdle rate is achieved. Because the portfolio earns investment income on gross assets while the hurdle rate is based on invested capital, and because the use of leverage increases gross assets without any corresponding increase in invested capital, Barings may be incentivized to incur leverage to grow the portfolio, which will tend to enhance returns where our portfolio has positive returns and increase the chances that such hurdle rate is achieved. Conversely, the use of leverage may increase losses where our portfolio has negative returns, which would impair the value of our common stock.

In addition, Barings receives the capital gains fee based, in part, upon net capital gains realized on our investments. Unlike the income-based fee, there is no hurdle rate applicable to the capital gains fee. As a result, Barings may have a tendency to invest more capital in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which may not be in the best interests of our stockholders and could result in higher investment losses, particularly during economic downturns.

Barings' liability is limited under the Amended and Restated Advisory Agreement, and we are required to indemnify Barings against certain liabilities, which may lead Barings to act in a riskier manner on our behalf than it would when acting for its own account.

Pursuant to the Amended and Restated Advisory Agreement, Barings and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with Barings will not be liable to us, and we have agreed to indemnify them, for their acts under the Amended and Restated Advisory Agreement, absent fraud, willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of

their duties. These protections may lead Barings to act in a riskier manner when acting on our behalf than it would when acting for its own account.

Barings is able to resign as our investment adviser and/or our administrator upon 60 days' notice, and we may not be able to find a suitable replacement within that time, or at all, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

Pursuant to the Amended and Restated Advisory Agreement, Barings has the right to resign as our investment adviser upon 60 days' written notice, whether a replacement has been found or not. Similarly, Barings has the right under the Administration Agreement to resign upon 60 days' written notice, whether a replacement has been found or not. If Barings resigns, it may be difficult to find a replacement investment adviser or administrator, as applicable, or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If a replacement is not found quickly, our business, results of operations and financial condition as well as our ability to pay distributions are likely to be adversely affected and the value of our shares may decline. In addition, the coordination of our internal management and investment or administrative activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by Barings. Even if a comparable service provider or individuals performing such services are retained, whether internal or external, their integration into our business and lack of familiarity with our investment objective may result in additional costs and time delays that may materially adversely affect our business, results of operations and financial condition.

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 our current borrowing arrangements, or if financing becomes more expensive or less available.

There can be no guarantee that we will be able to renew, extend, replace or expand our current borrowing arrangements on terms that are favorable to us, if at all. Our ability to obtain replacement financing will be constrained by then-current economic conditions affecting the credit markets. Our inability to renew, extend, replace or expand these borrowing arrangements 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.

Regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital.

Our business will require capital to operate and grow. In the future, we may issue debt securities or preferred stock, and/or borrow money from banks or other financial institutions, which we refer to collectively as "senior securities." As a result of issuing senior securities, we will be exposed to additional risks, including, but not limited to, the following:

- Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150% after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be prohibited from declaring a dividend or making any distribution to stockholders or repurchasing our shares until such time as we satisfy this test.
- Any amounts that we use to service our debt or make payments on preferred stock will not be available for distributions to our common stockholders.
- Our current indebtedness is, and it is likely that any securities or other indebtedness we may issue will be, governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, some of these securities or other indebtedness may be rated by rating agencies, and in obtaining a rating for such securities and other indebtedness, we may be required to abide by operating and investment guidelines that further restrict operating and financial flexibility.
- We and, indirectly, our stockholders, will bear the cost of issuing and servicing such securities and other indebtedness.

- Preferred stock or any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock, including separate voting rights and could delay or prevent a transaction or a change in control to the detriment of the holders of our common stock.

Under the provisions of the 1940 Act, we are not generally able to issue and sell our common stock at a price below then-current net asset value per share. We may, however, sell our common stock or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value per share of our common stock if the Board determines that such sale is in the best interests of us and our stockholders, and our stockholders approve such sale. We may also make rights offerings to our stockholders at prices per share less than the net asset value per share, subject to applicable requirements of the 1940 Act. If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our stockholders at that time would decrease, and they may experience dilution. Moreover, we can offer no assurance that we will be able to issue and sell additional equity securities in the future on favorable terms, or at all.

We generally seek approval from our stockholders so that we have the flexibility to issue up to a specified percentage of our then-outstanding shares of our common stock at a price below net asset value. Pursuant to approval granted at an annual meeting of stockholders held on May 20, 2021, we are permitted to issue and sell shares of our common stock at a price below our then-current net asset value per share in one or more offerings, subject to certain limitations and determinations that must be made by the Board (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 30% of our then-outstanding common stock immediately prior to each such offering). Such stockholder approval expires on May 20, 2022.

Our financing agreements contain various covenants, which, if not complied with, could accelerate our repayment obligations thereunder, 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. We are party to various financing agreements from time to time which contain customary terms and conditions, including, without limitation, affirmative and negative covenants such as information reporting requirements, minimum stockholders' equity, minimum obligators' net worth, minimum asset coverage, minimum liquidity and maintenance of RIC and BDC status. These financing arrangements also contain 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.

Our continued compliance with the covenants under these financing agreements depends on many factors, some of which are beyond our control, and there can be no assurance that we will continue to comply with such covenants. Our failure to satisfy the respective covenants or otherwise default under one of our financing arrangements could result in foreclosure by the lenders thereunder, which would accelerate our repayment obligations under the financing arrangement and thereby have a material adverse effect on our business, liquidity, financial condition, results of operations and ability to pay distributions to our stockholders.

Incurring additional leverage may magnify our exposure to risks associated with changes in leverage, including fluctuations in interest rates that could adversely affect our profitability.

As part of our business strategy, we borrow under financing agreements with certain banks, and in the future may borrow money and issue debt securities to banks, insurance companies and other lenders. Our obligations under these arrangements are or may be secured by a material portion of our assets. As a result, these lenders are or may have claims that are superior to the claims of our common stockholders, and have or may have fixed-dollar claims on our assets that are superior to the claims of our stockholders. Also, if the value of our assets decreases, leverage will cause our net asset value to decline more sharply than it otherwise would have without leverage. Similarly, any decrease in our income would cause our net income to decline more sharply than it would have if we had not borrowed. This decline could negatively affect our ability to make dividend payments on our common stock.

Because we incur leverage, general interest rate fluctuations may have a more significant negative impact on our investments than they would have absent such leverage and, accordingly, may have a material adverse effect on our operating results. A portion of our income will depend upon the difference between the rate at which we borrow funds and the interest rate on the debt securities in which we invest. Because we borrow money to make investments and may issue debt securities, preferred stock or other securities, our net investment income is dependent upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities, preferred stock or other securities and the rate at which we invest these funds. As such, a significant increase in market interest rates could both reduce the value of our portfolio investments and increase our cost of capital, which would reduce our net investment income. Conversely, a decrease in interest rates may have an adverse impact on our returns by requiring us to seek lower yields on our debt investments and by increasing the risk that our portfolio companies will prepay our debt investments, resulting in the need to redeploy capital at potentially lower rates. Typically, our interest earning investments accrue and pay interest at variable rates, and our interest-bearing liabilities accrue interest at variable or potentially fixed rates. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

The following table illustrates the effect of leverage on returns from an investment in our common stock assuming that we employ (i) our actual asset coverage ratio as of December 31, 2021 and (ii) a hypothetical asset coverage ratio of 150%, each at various annual returns on our portfolio as of December 31, 2021, net of expenses. The purpose of this table is to assist investors in understanding the effects of leverage. The calculations in the table below are hypothetical, and actual returns may be higher or lower than those appearing in the table below.

	Assumed Return on our Portfolio (Net of Expenses)				
	(10.0)%	(5.0)%	0.0 %	5.0 %	10.0 %
Corresponding return to common stockholder assuming actual asset coverage as of December 31, 2021(1)	(35.6)%	(21.0)%	(6.5)%	8.1 %	22.7 %
Corresponding return to common stockholder assuming 150% asset coverage as of December 31, 2021(2)	(37.3)%	(22.1)%	(6.8)%	8.4 %	23.7 %

(1) Assumes \$2,160.9 million in total assets, \$1,407.0 million in debt outstanding, \$741.9 million in net assets and an average cost of funds of 3.412%, which was the weighted average borrowing cost of our outstanding borrowings at December 31, 2021. The assumed amount of debt outstanding for this example includes \$655.2 million of outstanding borrowings under the February 2019 Credit Facility as of December 31, 2021, \$50.0 million aggregate principal amount of August 2025 Notes (as defined below under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" included in Item 7 of Part II of this Annual Report on Form 10-K) outstanding, \$175.0 million aggregate principal amount of November Notes (as defined below under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" included in Item 7 of Part II of this Annual Report on Form 10-K) outstanding, \$150.0 million aggregate principal amount of February Notes (as defined below under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" included in Item 7 of Part II of this Annual Report on Form 10-K) outstanding, \$350.0 million aggregate principal amount of November 2026 Notes (as defined below under "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" included in Item 7 of Part II of this Annual Report on Form 10-K) outstanding, and assumed additional borrowings of \$26.8 million to settle our payable from unsettled transactions as of December 31, 2021.

(2) Assumes \$2,264.6 million in total assets, \$1,483.9 million in debt outstanding and \$741.9 million in net assets as of December 31, 2021, and an average cost of funds of 3.412%, which was the weighted average borrowing cost of our borrowings at December 31, 2021.

Based on our total outstanding indebtedness of \$1,380.2 million as of December 31, 2021, assumed additional borrowings of \$26.8 million to settle our payable from unsettled transactions as of December 31, 2021 and an average cost of funds of 3.412%, which was the weighted average borrowing cost of our outstanding borrowings at

December 31, 2021, our investment portfolio must experience an annual return of at least 2.22% to cover annual interest payments on our outstanding indebtedness.

Based on outstanding indebtedness of \$1483.9 million calculated assuming a 150% asset coverage ratio and an average cost of funds of 3.412%, which was the weighted average borrowing cost of our outstanding borrowings at December 31, 2021, our investment portfolio must experience an annual return of at least 2.24% to cover annual interest payments on our outstanding indebtedness.

We may in the future determine to fund a portion of our investments with preferred stock, which would magnify the potential for gain or loss and the risks of investing in us in the same way as our borrowings.

Preferred stock, which is another form of leverage, has the same risks to our common stockholders as borrowings because the dividends on any preferred stock we issue must be cumulative. Payment of such dividends and repayment of the liquidation preference of such preferred stock must take preference over any dividends or other payments to our common stockholders, and preferred stockholders are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference.

Our Board of Directors may change our investment objectives, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

The Board has the authority to modify or waive our current investment objectives, operating policies and strategies without prior notice and without stockholder approval (except as required by the 1940 Act). However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, net asset value, operating results and value of our stock. However, the effects might be adverse, which could negatively impact our ability to pay you distributions and cause you to lose all or part of your investment. Moreover, we will have significant flexibility in investing the net proceeds from any future offering and may use the net proceeds from such offerings in ways with which investors may not agree or for purposes other than those contemplated at the time of the offering.

We will be subject to corporate-level U.S. federal income tax if we are unable to maintain our tax treatment as a RIC under Subchapter M of the Code, which will adversely affect our results of operations and financial condition.

We have elected to be treated as a RIC under the Code, which generally will allow us to avoid being subject to corporate-level U.S. federal income tax. To obtain and maintain RIC tax treatment under the Code, we must meet the following annual distribution, income source and asset diversification requirements:

- The Annual Distribution Requirement for a RIC will be satisfied if we distribute to our stockholders on an annual basis at least 90.0% of our net ordinary income and net short-term capital gain in excess of net long-term capital loss, or ICTI, if any. We will be subject to a 4.0% nondeductible U.S. federal excise tax, however, to the extent that we do not satisfy certain additional minimum distribution requirements on a calendar year basis. Because we use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act and are currently, and may in the future become, subject to certain financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. If we are unable to obtain cash from other sources, we could fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.
- The income source requirement will be satisfied if we obtain at least 90.0% of our income for each year from distributions, interest, gains from the sale of stock or securities or similar sources.
- The asset diversification requirement will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. To satisfy this requirement, at least 50.0% of the value of our assets must consist of cash, cash equivalents, U.S. government securities, securities of other RICs, and other acceptable securities, provided such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities

of the issuer; and no more than 25.0% of the value of our assets can be invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain “qualified publicly traded partnerships.” Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC tax treatment. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses.

If we fail to qualify for or maintain RIC tax treatment for any reason and are subject to corporate-level U.S. federal income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. We may also be subject to certain U.S. federal excise taxes, as well as state, local and foreign taxes.

We may not be able to pay distributions to our stockholders, our distributions may not grow over time, a portion of distributions paid to our stockholders may be a return of capital and investors in any debt securities we may issue may not receive all of the interest income to which they are entitled.

We intend to pay quarterly distributions to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be harmed by, among other things, the risk factors described in this Annual Report on Form 10-K. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC could, in the future, limit our ability to pay distributions. All distributions will be paid at the discretion of the Board and will depend on our earnings, our financial condition, maintenance of our RIC tax treatment, compliance with applicable BDC regulations, compliance with the covenants under our financing agreements and any debt securities we may issue and such other factors as the Board may deem relevant from time to time. We cannot assure you that we will pay distributions to our stockholders in the future.

Some of the above-described risks may also inhibit our ability to make required interest payments to holders of any debt securities we may issue, which may cause a default under the terms of our debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties or trigger cross-default provisions under the terms of our debt agreements.

When we make quarterly distributions, we will be required to determine the extent to which such distributions are paid out of current or accumulated earnings and profits, recognized capital gain or capital. To the extent there is a return of capital, investors will be required to reduce their basis in our stock for U.S. federal income tax purposes, which may result in a higher tax liability when the shares are sold, even if they have not increased in value or have lost value.

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with contractual PIK interest or debt instruments that were issued with warrants), we must include in income 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. Investments structured with these features may represent a higher level of credit risk compared to investments generating income which must be paid in cash on a current basis. We may also have to include in income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as PIK interest. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash. Further, we may elect to amortize market discounts and include such amounts in our taxable income in the current year, instead of upon disposition, as an election not to do so would limit our ability to deduct interest expenses for U.S. federal income tax purposes.

Because any original issue discount or other amounts accrued will be included in our ICTI for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy the annual distribution requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the annual distribution requirement necessary to obtain and maintain RIC tax treatment under the Code. We may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise debt or additional equity capital or forego new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.

Because we intend to distribute substantially all of our income to our stockholders to maintain our tax treatment as a RIC, we will continue to need additional capital to finance our growth.

In order to satisfy the requirements applicable to a RIC, and to avoid payment of U.S. federal excise tax, we intend to distribute to our stockholders substantially all of our net ordinary income and net capital gain income except for certain net long-term capital gains recognized after we became a RIC, some or all of which we may retain, pay applicable U.S. federal income taxes with respect thereto and elect to treat as deemed distributions to our stockholders. As a BDC, we generally are required to meet a coverage ratio of total assets to total senior securities, which includes all of our borrowings and any preferred stock we may issue, of at least 150%. This requirement limits the amount that we may borrow and may prohibit us from making distributions. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments or sell additional securities and, depending on the nature of our leverage, to repay a portion of our indebtedness at a time when such sales may be disadvantageous. In addition, issuance of additional securities could dilute the percentage ownership of our current stockholders in us.

While we expect to be able to borrow and to issue debt and additional equity securities, we cannot assure you that debt and equity financing will be available to us on favorable terms, or at all. If additional funds are not available to us, we could be forced to curtail or cease new investment activities, and our net asset value could decline.

There is no assurance that any future share repurchase plans will result in future 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.

On December 23, 2020, as part of the MVC Acquisition, the Board affirmed its commitment under the Merger Agreement to open-market purchases of shares of our common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed net asset value per share. Any repurchases pursuant to the authorized program will occur during the 12-month period that commenced upon the filing of our quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and will be made in accordance with applicable legal, regulatory and contractual requirements. During the year ended December 31, 2021, we did not repurchase any shares under the authorized program.

There can be no assurance that any future share repurchases will occur, or, if they occur, that they will enhance stockholder value. In addition, any future share repurchases could have a material 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 any future 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 our financing agreements, which could have an adverse effect on our operating results and financial condition.

We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect our liquidity, financial condition and results of operations.

Our business depends on the communications and information systems of Barings, its affiliates and our or Barings' third-party service providers. Any failure or interruption of those systems or services, including as a result of the termination or suspension of an agreement with any third-party service providers, could cause delays or other problems in our or Barings' business activities. Our or Barings' financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. Among other things, there could be sudden electrical or telecommunications outages, natural disasters, disease pandemics, events arising from local or larger scale political or social matters and/or cyber-attacks, any one or more of which could have a material adverse effect on our business, financial condition and operating results and negatively affect the market price of our common stock.

Cybersecurity risks and cyber incidents may adversely affect our business or the business of our portfolio companies by causing a disruption to our operations or the operations of our portfolio companies, a compromise or corruption of our confidential information or the confidential information of our portfolio companies and/or damage to our business relationships or the business relationships of our portfolio companies, all of which could negatively impact the business, financial condition and operating results of us or our portfolio companies.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the information resources of us, Barings or our portfolio companies. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our or Barings' information systems or those of our portfolio companies for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. Barings' employees may be the target of fraudulent calls, emails and other forms of activities. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to business relationships. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. As our and our portfolio companies' reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided by Barings and third-party service providers, and the information systems of our portfolio companies. Barings has implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber incident, do not guarantee that a cyber incident will not occur and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident. In addition, cybersecurity has become a top priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. If we fail to comply with the relevant laws and regulations, we could suffer financial losses, a disruption of our business, liability to investors, regulatory intervention or reputational damage.

Our business and operations may be negatively affected by securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of our investment strategy and impact our stock price.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been brought against that company. In addition, stockholder activism, which could take many forms or arise in a variety of situations, including making public demands that we consider strategic alternatives, engaging in public campaigns to attempt to influence our corporate governance and/or our management, and commencing proxy contests to attempt to elect the activists' representatives or others to the Board, has increased in the BDC space in recent years. For example, we and certain of our former executive officers have previously been named defendants in a class-action lawsuit asserting claims under Section 10(b) and Section 20(a) of the Exchange Act, and, due to the potential volatility of our stock price and for a variety of other reasons, we may in the future become the target of further securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, may result in substantial costs and divert management's and the Board's attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult for Barings to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.

Risks Relating to Our Investments

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

Our portfolio consists primarily of senior secured private, middle-market debt and equity investments. Investing in private and middle-market companies involves a number of significant risks. Among other things, these companies:

- may have limited financial resources to meet future capital needs and thus may be unable to grow or meet their obligations under their debt instruments that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees from subsidiaries or affiliates of our portfolio companies that we may have obtained in connection with our investment, as well as a corresponding decrease in the value of the equity components of our investments;
- may have shorter operating histories, narrower product lines, smaller market shares and/or more significant customer concentration than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;
- generally have less predictable operating results, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and
- generally have less publicly available information about their businesses, operations and financial condition. We rely on the ability of Barings' investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If Barings is unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose all or part of our investment.

In addition, in the course of providing significant managerial assistance to certain of our portfolio companies, certain of our officers and directors or certain of Barings' investment professionals may serve as directors on the boards of such companies. We or Barings may in the future be subject to litigation that arises out of our investments

in these companies, and our officers and directors or Barings and/or its investment professionals may be named as defendants in such litigation, which could result in an expenditure of funds (through our indemnification of such officers and directors) and the diversion of our officers', directors' and Barings' time and resources.

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

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

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

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by the Board. As part of the valuation process, we may take into account the following types of factors, if relevant, in determining the fair value of our investments:

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

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

Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as "follow-on" investments, in seeking to:

- increase or maintain in whole or in part our position as a creditor or equity ownership percentage in a portfolio company;
- exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or
- preserve or enhance the value of our investment.

We have discretion to make follow-on investments, subject to the availability of capital resources. Failure on our part to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful portfolio company. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our level of risk, because we prefer other opportunities or because of regulatory or other considerations.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies and such portfolio companies may not generate sufficient cash flow to service their debt obligations to us.

We typically invest in senior debt and first lien notes, however, we have invested, and may invest in the future, a portion of our capital in second lien and subordinated loans issued by our portfolio companies. Our portfolio companies may have, or be permitted to incur, other debt that ranks equally with, or senior to, the debt securities in which we invest. Such subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or in general economic conditions. If we make a subordinated investment in a portfolio company, the portfolio company may be highly leveraged, and its relatively high debt-to-equity ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the securities in which we invest. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event of and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying senior creditors, the portfolio company may not have any remaining assets to use for repaying its obligation to us where we are junior creditor. In the case of debt ranking equally with debt securities in which we invest, we would have to share any distributions on an equal and ratable basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

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

We may in the future make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on a portfolio company's collateral, if any, will secure the portfolio company's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all loans secured by collateral. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company's remaining assets, if any.

The rights we may have with respect to the collateral securing any junior priority loans we make to our portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of senior debt. Under a typical intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens:

- the ability to cause the commencement of enforcement proceedings against the collateral;
- the ability to control the conduct of such proceedings;
- the approval of amendments to collateral documents;
- releases of liens on the collateral; and
- waivers of past defaults under collateral documents.

We may not have the ability to control or direct such actions, even if our rights as junior lenders are adversely affected.

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

Even if we structure an investment as a senior loan, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances and based upon principles of equitable subordination as defined by existing case law, a bankruptcy court could subordinate all or a portion of our claim to that of other creditors and transfer any lien securing such subordinated claim to the bankruptcy estate. The principles of equitable subordination defined by case law have generally indicated that a claim may be subordinated only if its holder is guilty of misconduct or where the senior loan is re-characterized as an equity investment and the senior lender has actually provided significant managerial assistance to the bankrupt debtor. We may also be subject to lender liability claims for actions taken by us with respect to a borrower's business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken in rendering managerial assistance or actions to compel and collect payments from the borrower outside the ordinary course of business.

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

Certain loans that we make are secured by a second priority security interest in the same collateral pledged by a portfolio company to secure senior debt owed by the portfolio company to commercial banks or other traditional lenders. Often the senior lender has procured covenants from the portfolio company prohibiting the incurrence of additional secured debt without the senior lender's consent. Prior to and as a condition of permitting the portfolio company to borrow money from us secured by the same collateral pledged to the senior lender, the senior lender will require assurances that it will control the disposition of any collateral in the event of bankruptcy or other default. In many such cases, the senior lender will require us to enter into an "intercreditor agreement" prior to permitting the portfolio company to borrow from us. Typically the intercreditor agreements we are requested to execute expressly subordinate our debt instruments to those held by the senior lender and further provide that the senior lender shall control: (i) the commencement of foreclosure or other proceedings to liquidate and collect on the collateral; (ii) the nature, timing and conduct of foreclosure or other collection proceedings; (iii) the amendment of any collateral document; (iv) the release of the security interests in respect of any collateral and (v) the waiver of defaults under any security agreement. Because of the control we may cede to senior lenders under intercreditor agreements we may enter, we may be unable to realize the proceeds of any collateral securing some of our loans.

Finally, the value of the collateral securing our debt investment will ultimately depend on market and economic conditions, the availability of buyers and other factors. Therefore, there can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the loan obligations secured by our second priority liens after payment in full of all obligations secured by the senior lender's first priority liens on the collateral. There is also a risk that such collateral securing our investments may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the portfolio company and market conditions. If such proceeds are not sufficient to repay amounts outstanding under the loan obligations secured by our second priority liens, then we, to the extent not

repaid from the proceeds from the sale of the collateral, will only have an unsecured claim against the company's remaining assets, if any.

Covenant-Lite Loans may expose us to different risks, including with respect to liquidity, price volatility, ability to restructure loans, credit risks and less protective loan documentation, than is the case with loans that contain financial maintenance covenants.

A significant number of high yield loans in the market, in particular the broadly syndicated loan market, may consist of covenant-lite loans, or "Covenant-Lite Loans." A significant portion of the loans in which we may invest or get exposure to through our investments may be deemed to be Covenant-Lite Loans and it is possible that such loans may comprise a majority of our portfolio. Such loans do not require the borrower to maintain debt service or other financial ratios and do not include terms which allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. Ownership of Covenant-Lite Loans may expose us to different risks, including with respect to liquidity, price volatility, ability to restructure loans, credit risks and less protective loan documentation, than is the case with loans that contain financial maintenance covenants.

Our investments in foreign companies may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy includes investments in foreign companies. Investing in foreign companies may expose us to additional risk not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes (potentially at confiscatory levels), less liquid markets, less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Although the majority of our investments are currently and are expected to be U.S.-dollar denominated, our investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us.

We may expose ourselves to risks if we engage in hedging transactions.

We have and may in the future enter into hedging transactions, which may expose us to risks associated with such transactions. We have and may continue to utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Use of these hedging instruments may include counter-party credit risk. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. The success of our hedging transactions will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to (or be able to) establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from

achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations.

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy.

As a BDC, we may not acquire any assets other than “qualifying assets” unless, at the time of and after giving effect to such acquisition, at least 70.0% of our total assets are qualifying assets. For further detail, see “Item 1. —

Business — Regulation of Business Development Companies” included in this Annual Report on Form 10-K.

We may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could lose our status as a BDC. If we fail to maintain our status as a BDC, we might be regulated as a closed-end investment company that is required to register under the 1940 Act, which would subject us to additional regulatory restrictions and significantly decrease our operating flexibility. In addition, any such failure could cause an event of default under our outstanding indebtedness. For these reasons, loss of BDC status likely would have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position).

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market’s assessment of the issuer or industry in which it operates. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our RIC asset diversification requirements under the Code and certain investment diversification requirements under our financial agreements, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies.

We generally will not control our portfolio companies.

We do not, and do not expect to, control most of our portfolio companies, even though we or Barings may have board representation or board observation rights, and our debt agreements with such portfolio companies may contain certain restrictive covenants. As a result, we are subject to the risk that a portfolio company in which we invest may make business decisions with which we disagree, and the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve our interests as debt investors. Due to the lack of liquidity for our investments in non-traded companies, we may not be able to dispose of our interests in our portfolio companies as readily as we would like or at an appropriate valuation. As a result, a portfolio company may make decisions that could decrease the value of our portfolio holdings.

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

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

Any unrealized losses we experience on our loan portfolio may be an indication of future realized losses, which could reduce our income available for distribution.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at the fair value as determined in good faith by the Board. Decreases in the market values or fair values of our investments will be recorded as unrealized depreciation. Any unrealized losses in our loan portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to us with respect to the affected loans. This could result in realized losses in the future and ultimately in reductions of our income available for distribution in future periods.

Defaults by our portfolio companies may harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company.

We may not realize gains from our equity investments.

Certain investments that we have made in the past and may make in the future include equity securities. Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. Investments in preferred securities involve special risks, such as the risk of deferred distributions, credit risk, illiquidity and limited voting rights. In addition, we may from time to time make non-control, equity co-investments in companies in conjunction with private equity sponsors. Our goal is ultimately to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests.

Our investments in asset-backed securities are subject to additional risks.

Asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. For instance, asset-backed securities may be particularly sensitive to changes in prevailing interest rates. In addition, the underlying assets may be subject to prepayments that shorten the securities' weighted average maturity and may lower their return. Asset-backed securities are also subject to risks associated with their structure and the nature of the assets underlying the security and the servicing of those assets. Payment of interest and repayment of principal on asset-backed securities is largely dependent upon the cash flows generated by the assets backing the securities. Certain asset-backed securities are supported by letters of credit, surety bonds or other credit enhancements. However, if many borrowers on the underlying assets default, losses could exceed the credit enhancement level and result in losses to investors, such as the Company. The values of asset-backed securities may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence by, or defalcation of, their servicers. Furthermore, debtors may be entitled to the protection of a number of state and federal consumer credit laws with respect to the assets underlying these securities, which may give the debtor the right to avoid or reduce payment.

Our investments in collateralized loan obligation vehicles are subject to additional risks.

We may invest in debt and equity interests of collateralized loan obligation (“CLO”) vehicles. Generally, there may be less information available to us regarding the underlying debt investments held by such CLOs than if we had invested directly in the debt of the underlying companies. As a result, we and our stockholders may not know the details of the underlying holdings of the CLO vehicles in which we may invest.

As a BDC, we may not acquire equity and junior debt investments in CLO vehicles unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are “qualifying assets.” CLO vehicles that we expect to invest in are typically very highly leveraged, and therefore, the junior debt and equity tranches that we expect to invest in are subject to a higher degree of risk of total loss. In particular, investors in CLO vehicles indirectly bear risks of the underlying debt investments held by such CLO vehicles. We will generally have the right to receive payments only from the CLO vehicles, and will generally not have direct rights against the underlying borrowers or the entity that sponsored the CLO vehicle. While the CLO vehicles we intend to target generally enable the investor to acquire interests in a pool of leveraged corporate loans without the expenses associated with directly holding the same investments, we will generally pay a proportionate share of the CLO vehicles’ administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying CLO vehicles will rise or fall, these prices (and, therefore, the prices of the CLO vehicles) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. The failure by a CLO vehicle in which we invest to satisfy certain financial covenants, specifically those with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in its payments to us. In the event that a CLO vehicle failed those tests, holders of debt senior to us may be entitled to additional payments that would, in turn, reduce the payments we would otherwise be entitled to receive. If any of these occur, it could materially and adversely affect our operating results and cash flows.

In addition to the general risks associated with investing in debt securities, CLO vehicles carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the fact that our investments in CLO tranches will likely be subordinate to other senior classes of note tranches thereof; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the CLO vehicle or unexpected investment results. Our net asset value may also decline over time if our principal recovery with respect to CLO equity investments is less than the price we paid for those investments.

Investments in structured vehicles, including equity and junior debt instruments issued by CLO vehicles, involve risks, including credit risk and market risk. Changes in interest rates and credit quality may cause significant price fluctuations. Additionally, changes in the underlying leveraged corporate loans held by a CLO vehicle may cause payments on the instruments we hold to be reduced, either temporarily or permanently. Structured investments, particularly the subordinated interests in which we intend to invest, may be less liquid than many other types of securities and may be more volatile than the leveraged corporate loans underlying the CLO vehicles we intend to target. Fluctuations in interest rates may also cause payments on the tranches of CLO vehicles that we hold to be reduced, either temporarily or permanently.

Any interests we acquire in CLO vehicles will likely be thinly traded or have only a limited trading market and may be subject to restrictions on resale. Securities issued by CLO vehicles are generally not listed on any U.S. national securities exchange and no active trading market may exist for the securities of CLO vehicles in which we may invest. Although a secondary market may exist for our investments in CLO vehicles, the market for our investments in CLO vehicles may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. As a result, these types of investments may be more difficult to value. In addition, our investments in CLO warehouse facilities are short term investments and therefore may be subject to a greater risk relating to market conditions and economic recession or downturns.

We may be subject to risks associated with syndicated loans.

From time to time, we may acquire interests in syndicated loans. Under the documentation for syndicated loans, a financial institution or other entity typically is designated as the administrative agent and/or collateral agent.

This agent is granted a lien on any collateral on behalf of the other lenders and distributes payments on the indebtedness as they are received. The agent is the party responsible for administering and enforcing the loan and generally may take actions only in accordance with the instructions of a majority or two-thirds in commitments and/or principal amount of the associated indebtedness. In most cases, we do not expect to hold a sufficient amount of the indebtedness to be able to compel any actions by the agent. Consequently, we would only be able to direct such actions if instructions from us were made in conjunction with other holders of associated indebtedness that together with us compose the requisite percentage of the related indebtedness then entitled to take action. Conversely, if holders of the required amount of the associated indebtedness other than us desire to take certain actions, such actions may be taken even if we did not support such actions. Furthermore, if an investment is subordinated to one or more senior loans made to the applicable obligor, our ability to exercise such rights may be subordinated to the exercise of such rights by the senior lenders. Accordingly, we may be precluded from directing such actions unless we act together with other holders of the indebtedness. If we are unable to direct such actions, we cannot assure you that the actions taken will be in our best interests.

If an investment is a syndicated revolving loan or delayed drawdown loan, other lenders may fail to satisfy their full contractual funding commitments for such loan, which could create a breach of contract, result in a lawsuit by the obligor against the lenders and adversely affect the fair market value of our investment.

There is a risk that a loan agent in respect of one of our loans may become bankrupt or insolvent. Such an event would delay, and possibly impair, any enforcement actions undertaken by holders of the associated indebtedness, including attempts to realize upon the collateral securing the associated indebtedness and/or direct the agent to take actions against the related obligor or the collateral securing the associated indebtedness and actions to realize on proceeds of payments made by obligors that are in the possession or control of any other financial institution. In addition, we may be unable to remove the agent in circumstances in which removal would be in our best interests. Moreover, agent loans typically allow for the agent to resign with certain advance notice.

Our special situations investments involve a high degree of credit and market risk.

Our special situations investments, which consist of investments in the securities and debt of financially troubled issuers or borrowers and operationally troubled issuers or borrowers, involve a high degree of credit and market risk. Although the Company may invest in select companies that, in the view of Barings, have the potential over the long-term for capital growth, there can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility that the Company may incur substantial or total losses on investments or that such investments may not show any return for a considerable period of time. Under such circumstances, the returns generated from the investments may not compensate investors adequately for the risks assumed.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There can be no assurance that Barings will correctly evaluate the value of a company's assets or the prospects for a successful reorganization or similar action. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers and borrowers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about such issuers and borrowers.

Securities and debt of financially troubled issuers or borrowers and operationally troubled issuers or borrowers are less liquid and more volatile than securities of companies not experiencing financial or operational difficulties. The market prices of such securities are subject to erratic and abrupt market movements, and the spread between bid and asked prices may be greater than normally expected. In addition, it is anticipated that many investments may not be widely traded and that the Company's investment in such securities may be substantial relative to the market for such securities. As a result, the Company may experience delays and incur losses and other costs in connection with the sale of investments.

Troubled company and other asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by Barings. To the extent that Barings becomes involved in such proceedings, the Company may have a more active participation in the affairs of the issuer than that

assumed generally by an investor. In addition, involvement by Barings in an issuer's reorganization proceedings could result in the imposition of restrictions limiting the Company's ability to liquidate its position in the issuer or increase the likelihood of the Company being involved in litigation.

Risks Relating to Our Securities

Shares of closed-end investment companies, including BDCs, frequently trade at a discount to their net asset value, and may trade at premiums that may prove to be unsustainable.

Shares of closed-end investment companies, including BDCs, frequently trade at a discount from net asset value, and may trade at premiums that may prove to be unsustainable. This characteristic of closed-end investment companies and BDCs is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our common stock will trade at, above or below net asset value. The risk of purchasing shares of a BDC that might trade at a discount or unsustainable premium is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon changes in premium or discount levels than upon increases or decreases in net asset value per share. As of December 31, 2021, the closing price of our common stock on the NYSE was \$11.02 per share, an approximately 3.0% discount to our net asset value per share as of December 31, 2021.

In addition, at times when our common stock trades below net asset value, we will generally not be able to issue additional common stock at the market price without first obtaining the approval of our stockholders and our independent directors. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the current net asset value per share of our common stock if our board of directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. Any such sale would be dilutive to the net asset value per share of our common stock. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our board of directors, closely approximates the market value of such securities (less any commission or discount). If our common stock trades at a discount to net asset value, this restriction could adversely affect our ability to raise capital. Pursuant to approval granted at an annual meeting of stockholders held on May 20, 2021, we are permitted to issue and sell shares of our common stock at a price below our then-current net asset value per share in one or more offerings, subject to certain limitations and determinations that must be made by the Board (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 30% of our then-outstanding common stock immediately prior to each such offering). Such stockholder approval expires on May 20, 2022.

Investing in our securities may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies may be highly speculative, and therefore, an investment in our shares may not be suitable for someone with lower risk tolerance.

The market price of our securities may be volatile and fluctuate significantly.

Fluctuations in the trading prices of our shares may adversely affect the liquidity of the trading market for our shares and, if we seek to raise capital through future equity financings, our ability to raise such equity capital. The market price and liquidity of the market for our securities may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies;
- changes in regulatory policies or tax guidelines, particularly with respect to RICs or BDCs ;
- inability to obtain certain exemptive relief from the SEC;
- loss of RIC tax treatment;

- changes in earnings or variations in operating results;
- changes in the value of our portfolio of investments;
- any shortfall in investment income or net investment income or any increase in losses from levels expected by investors or securities analysts;
- conversion features of subscription rights, warrants or convertible debt;
- loss of a major funding source;
- fluctuations in interest rates;
- the operating performance of companies comparable to us;
- departure of Barings' or any of its affiliates' key personnel;
- proposed, or completed, offerings of our securities, including classes other than our common stock;
- global or national credit market changes; and
- general economic trends and other external factors.

The market for any security is subject to volatility. The loans and securities purchased by us and issued by us are no exception to this fundamental investment truism that prices will fluctuate.

We may be unable to invest a significant portion of the net proceeds raised from our offerings on acceptable terms, which would harm our financial condition and operating results.

Delays in investing the net proceeds raised in our offerings may cause our performance to be worse than that of other fully invested BDCs or other lenders or investors pursuing comparable investment strategies. We cannot assure you that we will be able to identify any investments that meet our investment objective or that any investment that we make will produce a positive return. We may be unable to invest the net proceeds from any offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results.

We anticipate that, depending on market conditions, it may take a substantial period of time to invest substantially all of the net proceeds from any offering in securities meeting our investment objective. During such a period, we have and will continue to invest the net proceeds from any offering primarily in cash, cash equivalents, U.S. government securities, repurchase agreements and high-quality debt instruments maturing in one year or less from the time of investment, which may produce returns that are significantly lower than the returns which we expect to achieve when our portfolio is fully invested in securities meeting our investment objective, and given our expense ratio and the prevailing interest rate climate, there is a possible risk of losing money on the offering proceeds from certain securities, such as debt securities during this interval. As a result, any dividends or distributions that we pay during such period may be substantially lower than the dividends or distributions that we may be able to pay when our portfolio is fully invested in securities meeting our investment objective. In addition, until such time as the net proceeds from any offering are invested in securities meeting our investment objective, the market price for our securities may decline. Thus, the return on your investment may be lower than when, if ever, our portfolio is fully invested in securities meeting our investment objective.

Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Sales of substantial amounts of our common stock, or the availability of such common stock for sale, could adversely affect the prevailing market prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so.

If we sell common stock at a discount to our net asset value per share, stockholders will experience immediate dilution in an amount that may be material.

Any sale of common stock at a price below net asset value would result in an immediate dilution to existing common stockholders. During periods of time in which we have authority from stockholders to issue shares of common stock at a price below net asset value, such shares of common stock could be issued at a price that is substantially below the net asset value per share, and the resulting dilution could be substantial. This dilution would include reduction in the net asset value per share as a result of the issuance of shares at a price below the net asset value per share and a proportionately greater decrease in a stockholder's interest in the earnings and assets of the Company and voting interest in the Company than the increase in the assets, potential earnings and voting interests of the Company resulting from such issuance. In addition, such issuances or sales may adversely affect the price at which our common stock trades.

Pursuant to approval granted at an annual meeting of stockholders held on May 20, 2021, we are permitted to issue and sell shares of our common stock at a price below our then-current net asset value per share in one or more offerings, subject to certain limitations and determinations that must be made by the Board (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 30% of our then-outstanding common stock immediately prior to each such offering). Such stockholder approval expires on May 20, 2022.

Provisions of the Maryland General Corporation Law and our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The Maryland General Corporation Law and our charter and bylaws contain provisions that may have the effect of discouraging, delaying or making difficult a change in control of our Company or the removal of our incumbent directors. Specifically, the Board has adopted a resolution explicitly subjecting us to the Maryland Business Combination Act under the Maryland General Corporation Law, which, subject to limitations, prohibits certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder and thereafter imposes fair price and/or supermajority voting requirements on these combinations. In addition, our charter classifies the Board in three classes serving staggered three-year terms and provides that a director may be removed only for cause by the vote of at least two-thirds of the votes entitled to be cast for the election of directors generally. In addition, our bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders will be called by our secretary to act upon any matter that may properly be considered at a meeting of stockholders only upon the written request of the stockholders entitled to cast at least a majority of all the votes entitled to be cast on such matter at the meeting.

In addition, subject to the provisions of the 1940 Act, our charter permits the Board, without stockholder action, to authorize the issuance of shares of stock in one or more classes or series, including preferred stock. Subject to compliance with the 1940 Act, the Board may, without stockholder action, amend our charter from time to time to increase or decrease the number of shares of stock of any class or series that we have authority to issue. The existence of these provisions, among others, may have a negative impact on the price of our common stock and may discourage third-party bids for ownership of our company. These provisions may prevent any premiums being offered to you for shares of our common stock.

If we issue preferred stock and/or debt securities, the net asset value and market value of our common stock may become more volatile.

We cannot assure you that the issuance of preferred stock and/or debt securities would result in a higher yield or return to the holders of our common stock. The issuance of preferred stock and/or debt securities would likely cause the net asset value and market value of our common stock to become more volatile. If the dividend rate on the preferred stock, or the interest rate on the debt securities, were to approach the net rate of return on our investment portfolio, the benefit of leverage to the holders of our common stock would be reduced. If the dividend rate on the preferred stock, or the interest rate on the debt securities, were to exceed the net rate of return on our portfolio, the

use of leverage would result in a lower rate of return to the holders of common stock than if we had not issued the preferred stock or debt securities. Any decline in the net asset value of our investment would be borne entirely by the holders of our common stock. Therefore, if the market value of our portfolio were to decline, the leverage would result in a greater decrease in net asset value to the holders of our common stock than if we were not leveraged through the issuance of preferred stock or debt securities. This decline in net asset value would also tend to cause a greater decline in the market price for our common stock.

There is also a risk that, in the event of a sharp decline in the value of our net assets, we would be in danger of failing to maintain required asset coverage ratios which may be required by the preferred stock and/or debt securities or of a downgrade in the ratings of the preferred stock and/or debt securities or our current investment income might not be sufficient to meet the dividend requirements on the preferred stock or the interest payments on the debt securities. In order to counteract such an event, we might need to liquidate investments in order to fund redemption of some or all of the preferred stock and/or debt securities. In addition, we would pay (and the holders of our common stock would bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred stock and/or debt securities. Holders of preferred stock and/or debt securities may have different interests than holders of common stock and may at times have disproportionate influence over our affairs.

There is a risk that investors in our common stock may not receive a specified level of dividends or that our dividends may not grow over time and that investors in any debt securities we may issue may not receive all of the interest income to which they are entitled.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. If we declare a dividend and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash dividend payments.

In addition, due to the asset coverage and net asset value tests applicable to us as a BDC and under covenants under our financing agreements, we may be limited in our ability to make distributions. Further, if we invest a greater amount of assets in equity securities that do not pay current dividends, it could reduce the amount available for distribution. See “Item 5. — Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Distribution Policy” of this Annual Report on Form 10-K for further discussion of distributions.

The above-referenced restrictions on distributions may also inhibit our ability to make required interest payments to holders of our current debt including the August 2025 Notes, the November Notes, the February Notes and the November 2026 Notes (each as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments” included in Item 7 of Part II of this Annual Report on Form 10-K), and any future debt we may issue, which may cause a default under the terms of the relevant debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties under the terms of our debt agreements.

Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue.

If you are holding debt securities issued by us and such securities are redeemable at our option, we may choose to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In addition, if you are holding debt securities issued by us and such securities are subject to mandatory redemption, we may be required to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In this circumstance, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as your debt securities being redeemed.

Subject to the terms of the August 2020 NPA (as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” included in Item 7 of Part II of this Annual Report on Form 10-K), we may redeem the August 2025 Notes in whole or in part at any time

or from time to time at our option at par plus accrued interest to the prepayment date and, if redeemed on or before November 3, 2024, a make-whole premium. Subject to the terms of the November 2020 NPA (as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” included in Item 7 of Part II of this Annual Report on Form 10-K), we may redeem the Series B Notes and the Series C Notes in whole or in part at any time or from time to time at our option at par plus accrued interest to the prepayment date and, if redeemed on or before May 4, 2025, with respect to the Series B Notes, or on or before May 4, 2027, with respect to the Series C Notes, a make-whole premium. Subject to the terms of the February 2021 NPA (as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments” included in Item 7 of Part II of this Annual Report on Form 10-K), we may redeem the Series D Notes and the Series E Notes in whole or in part at any time or from time to time at our option at par plus accrued interest to the prepayment date and, if redeemed on or before August 26, 2025, with respect to the Series D Notes, or on or before August 26, 2027, with respect to the Series E Notes, a make-whole premium. Subject to the terms of the indenture governing the November 2026 Notes (as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” included in Item 7 of Part II of this Annual Report on Form 10-K), we may redeem the November 2026 Notes in whole or in part at our option at any time or from time to time at the redemption prices set forth in the indenture.

If we choose to redeem any of the August 2025 Notes, the November Notes, the February Notes or the November 2026 Notes when the fair market value of the August 2025 Notes, the November Notes, the February Notes or the November 2026 Notes is above par value, you would experience a loss of any potential premium.

We may not be able to prepay the August 2025 Notes, the November Notes, the February Notes or the November 2026 Notes upon a change in control.

The note purchase agreements governing the August 2025 Notes, the November Notes and the February Notes, and the indenture governing the November 2026 Notes, require us to offer to prepay all of the respective issued and outstanding notes upon the occurrence of certain change in control events, which could have a material adverse effect on our business, financial condition and results of operations. Upon a change in control event, holders of the notes may require us to prepay for cash some or all of the notes at a prepayment price equal to 100% of the aggregate principal amount of the notes being prepaid, plus accrued and unpaid interest to, but not including, the date of prepayment. If a change in control were to occur, we may not have sufficient funds to prepay any such accelerated indebtedness.

Future offerings of debt securities, which would be senior to our common stock upon liquidation, or equity securities, which could dilute our existing stockholders and may be senior to our common stock for the purposes of distributions, may harm the value of our common stock.

In the future, we may attempt to increase our capital resources by making offerings of additional debt securities or additional equity securities, including commercial paper, medium-term notes, senior or subordinated notes and classes of preferred stock or common stock subject to the restrictions of the 1940 Act. Upon a liquidation of our company, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings by us may dilute the holdings of our existing stockholders or reduce the value of our common stock, or both. Any preferred stock we may issue would have a preference on distributions that could limit our ability to make distributions to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us. In addition, proceeds from a sale of common stock will likely be used to increase our total assets or to pay down our borrowings, among other uses. This would increase our asset coverage ratio and permit us to incur additional leverage under rules pertaining to BDCs by increasing our borrowings or issuing senior securities such as preferred stock or debt securities.

You may have a current tax liability on distributions reinvested in our common stock pursuant to our dividend reinvestment plan or otherwise but would not receive cash from such distributions to pay such tax liability.

If you participate in our dividend reinvestment plan, you will be deemed to have received, and for U.S. federal income tax purposes will be taxed on, the amount reinvested in our common stock to the extent the amount reinvested was not a tax-free return of capital. As a result, unless you are a tax-exempt entity, you may have to use funds from other sources to pay your tax liability on the value of our common stock received from the distribution.

In addition, in order to satisfy the annual distribution requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash (which portion may be as low as 20% of the declared dividend, and 10% of the declared dividend through June 30, 2022) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. As a result, a stockholder generally would be subject to tax on 100% of the fair market value of the dividend on the date the dividend is received by the stockholder in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock. We currently do not intend to pay dividends in shares of our common stock other than in connection with our dividend reinvestment plan.

A downgrade, suspension or withdrawal of the credit rating, if any, assigned by a rating agency to us or any of our outstanding unsecured notes, or change in the debt markets could cause the liquidity or market value of our securities to decline significantly.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the value and trading prices, if any, of our outstanding unsecured notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. We undertake no obligation to maintain our credit ratings or to advise any holders of our unsecured notes of any changes in our credit ratings, except as may be required under the terms of any applicable indenture or other governing document, including the August 2020 NPA, the November 2020 NPA, the February 2021 NPA and the indenture governing the November 2026 Notes. There can be no assurance that our credit ratings will remain for any given period of time or that such credit ratings will not be lowered or withdrawn entirely by the rating agency if in their judgment future circumstances relating to the basis of the credit ratings, such as adverse changes in our business or operations, so warrant. Any downgrades to us or our securities could increase our cost of capital or otherwise have a negative effect on our results of operations and financial condition. In this regard, the fixed rates of the November Notes and the February Notes are subject to increase in the event that a Below Investment Grade Event (as defined in relevant note purchase agreement) occurs. The conditions of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices and value of our unsecured notes.

Risks Relating to the Sierra Merger

Sales of shares of the Company's common stock after the completion of the Sierra Merger may cause the market price of the Company's common stock to decline.

Based on the number of outstanding shares of Sierra's common stock as of the close of business on September 20, 2021, the Company would issue approximately 46.0 million shares of the Company's common stock pursuant to the Sierra Merger Agreement. Former Sierra stockholders may decide not to hold the shares of the Company's common stock that they receive pursuant to the Sierra Merger Agreement. In addition, the Company's stockholders may decide not to hold their shares of the Company's common stock after completion of the Sierra Merger. In each case, such sales of the Company's common stock could have the effect of depressing the market price for the Company's common stock and may take place promptly following the completion of the Sierra Merger.

The Company's stockholders will experience a reduction in percentage ownership and voting power in the combined company as a result of the Sierra Merger.

The Company's stockholders will experience a substantial reduction in their respective percentage ownership interests and effective voting power in respect of the combined company relative to their respective ownership interests in the Company prior to the Sierra Merger. Consequently, the Company's stockholders should expect to exercise less influence over the management and policies of the combined company following the Sierra Merger than they currently exercise over the management and policies of the Company.

If the Sierra Merger is consummated, based on the number of shares of the Company's common stock and Sierra's common stock issued and outstanding on September 20, 2021, it is expected that current stockholders of the Company will own approximately 58.7% of the Company's outstanding common stock and former Sierra stockholders will own approximately 41.3% of the Company's outstanding common stock. In addition, both prior to and after completion of the Sierra Merger, subject to certain restrictions in the Sierra Merger Agreement and the approval of the Company's stockholders, the Company may issue additional shares of its common stock (including, subject to certain restrictions under the 1940 Act, at prices below the Company's then-current net asset value ("NAV") per share), all of which would further reduce the percentage ownership of the combined company held by current stockholders. In addition, the issuance or sale by the Company of shares of its common stock at a discount to NAV poses a risk of economic dilution to stockholders.

The NAV per share of the Company's common stock will be diluted if the Company issues shares at a price below the then-current NAV per share in connection with the Sierra Merger.

At the special meeting of the Company's stockholders to be held in connection with the Sierra Merger and subject to certain determinations required to be made by the Company's board of directors, the Company's stockholders will be asked to approve the Company's ability to issue shares of its common stock at a price below the then-current NAV per share in connection with the Sierra Merger in the event that at the time of such issuance, the Company's then-current NAV per share is greater than the value of the shares of Sierra's common stock being exchanged.

Under the Sierra Merger Agreement, the Sierra Exchange Ratio was fixed on September 21, 2021, at the signing of the Sierra Merger Agreement, subject to certain adjustments pursuant to the Sierra Merger Agreement. The Sierra Exchange Ratio was determined taking into account the NAV per share of each of the Company's common stock and Sierra's common stock as of June 30, 2021 and is not subject to adjustment based on changes in the NAV per share of the Company's common stock or Sierra's common stock. In that regard, regardless of the date on which the Sierra Merger is consummated and the resulting date on which the shares of the Company's common stock are issued, the Sierra Exchange Ratio upon which the shares of the Company's common stock will be issued will not change (except for certain customary anti-dilution adjustments). Consequently, if, on the date that the Company's common stock is issued in connection with the Sierra Merger, the per share value of Sierra's common stock were to decrease from its per share value as of June 30, 2021 and the NAV of the Company's common stock were to remain the same, then the Company could be deemed to be issuing shares at a price below its then-current NAV per share. As a result, it is not known at this time whether the Company will be issuing shares of its common stock at a price below the then-current NAV per share to Sierra stockholders in connection with the Sierra Merger. The determination of whether the Company is issuing shares of its common stock at a price below the then-current NAV per share will be made at or around the time of the closing of the Sierra Merger.

If the Company were to issue shares of its common stock below its then-current NAV per share in connection with the Sierra Merger, such sales would result in an immediate dilution to the NAV per share of the Company's common stock. This dilution would occur as a result of the issuance of shares at a price below the then-current NAV per share of the Company's common stock and a proportionately greater decrease in the stockholders' interest in the Company's earnings and assets and their voting interest in the Company than the increase in the Company's assets resulting from such issuance. Because the NAV of shares of the Company's common stock at or around the time of the Sierra Merger is not currently known, the actual dilutive effect cannot be predicted.

The Company may be unable to realize the benefits anticipated by the Sierra Merger, including estimated cost savings, or it may take longer than anticipated to realize such benefits.

The realization of certain benefits anticipated as a result of the Sierra Merger will depend in part on the integration of Sierra's investment portfolio with the Company's and the integration of Sierra's business with the Company's. There can be no assurance that Sierra's investment portfolio or business can be operated profitably or integrated successfully into the Company's operations in a timely fashion or at all. The dedication of management resources to such integration may divert attention from the day-to-day business of the combined company and there can be no assurance that there will not be substantial costs associated with the transition process or there will not be other material adverse effects as a result of these integration efforts. Such effects, including incurring unexpected costs or delays in connection with such integration and failure of Sierra's investment portfolio to perform as expected, could have a material adverse effect on the financial results of the combined company.

The Company also expects to achieve certain cost savings from the Sierra Merger when the two companies have fully integrated their portfolios. It is possible that the estimates of the potential cost savings could ultimately be incorrect. The cost savings estimates also assume the Company will be able to combine the operations of the Company and Sierra in a manner that permits those cost savings to be fully realized. If the estimates turn out to be incorrect or if the Company is not able to successfully combine Sierra's investment portfolio or business with the operations of the Company, the anticipated cost savings may not be fully realized, or realized at all, or may take longer to realize than expected.

The announcement and pendency of the proposed Sierra Merger could adversely affect both the Company's and Sierra's business, financial results and operations.

The announcement and pendency of the proposed Sierra Merger could cause disruptions in and create uncertainty surrounding both the Company's and Sierra's business, including affecting relationships with their respective borrowers and future borrowers, which could have a significant negative impact on the Company's future revenues and results of operations, regardless of whether the Sierra Merger is completed. In addition, the Company and Sierra have diverted, and will continue to divert, significant management resources towards the completion of the Sierra Merger, which could have a significant negative impact on each of their future revenues and results of operations.

Sierra and the Company are also subject to restrictions on the conduct of each of their businesses prior to the completion of the Sierra Merger as provided in the Sierra Merger Agreement, generally requiring Sierra and the Company to conduct their business only in the ordinary course and subject to specific limitations, including, among other things, certain restrictions on their respective ability to make certain investments and acquisitions, sell, transfer or dispose of their respective assets, amend their respective organizational documents and, in the case of Sierra, enter into or modify certain material contracts. These restrictions could prevent Sierra or the Company from pursuing otherwise attractive business opportunities, industry developments and future opportunities and may otherwise have a significant negative impact on the Company's future investment income and results of operations.

If the Sierra Merger does not close, neither the Company nor Sierra will benefit from the expenses incurred in their pursuit of the Sierra Merger and, under certain circumstances, Sierra may be required to pay an \$11.0 million termination fee and to reimburse expenses incurred in connection with the Sierra Merger by the Company and Barings, subject to a maximum expense reimbursement payment of \$2.0 million.

For various reasons, the Sierra Merger may not be completed. If the Sierra Merger is not completed, Sierra and the Company will have incurred substantial expenses for which no ultimate benefit will have been received. Both companies have incurred out-of-pocket expenses in connection with the Sierra Merger for investment banking, legal and accounting fees and financial printing and other related charges, much of which will be incurred even if the Sierra Merger is not completed. The Sierra Merger Agreement provides that, upon the valid termination of the Sierra Merger Agreement under certain circumstances, Sierra may be required to pay or cause to be paid to the Company a termination fee of \$11.0 million and to pay the Company's and Barings' expenses incurred in connection with the Sierra Merger, subject to a maximum reimbursement payment of \$2.0 million.

The termination of the Sierra Merger Agreement could negatively impact the Company.

The Sierra Merger may not be completed. For example, either Sierra or the Company may terminate the Sierra Merger Agreement if the Sierra Merger is not completed by March 31, 2022 (so long as the party seeking termination has not been the primary cause of the delay). If the Sierra Merger Agreement is terminated, there may be various consequences, including:

- the Company's businesses may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the Sierra Merger, without realizing any of the anticipated benefits of completing the Sierra Merger; and
- the market price of the Company's common stock might decline to the extent that the market price prior to termination reflects a market assumption that the Sierra Merger will be completed.

Except in specified circumstances, if the Sierra Merger is not completed by March 31, 2022, either Sierra or the Company may choose not to proceed with the Sierra Merger.

Either Sierra or the Company may terminate the Sierra Merger Agreement if the effective time of the First Sierra Merger has not occurred by March 31, 2022. However, this right to terminate the Sierra Merger Agreement will not be available to Sierra or the Company if the failure of such party to perform any of its obligations under the Sierra Merger Agreement has been the primary cause of or resulted in the failure of the Sierra Merger to be complete on or before such date.

The Sierra Merger is subject to closing conditions, including stockholder approvals, that, if not satisfied or waived, will result in the Sierra Merger not being completed, which may result in material adverse consequences to the Company's business and operations.

While there can be no assurances as to the exact timing, or that the Sierra Merger will be completed at all, the Company and Sierra are working to complete the Sierra Merger in the first quarter of 2022. The Sierra Merger is subject to closing conditions, including required regulatory approvals (including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder) and certain approvals of the Company's and Sierra's respective stockholders that, if not satisfied, will prevent the Sierra Merger from being completed. The closing condition that the Company's stockholders approve the issuance of shares of the Company's common stock in connection with the Sierra Merger and the issuance of shares of the Company's common stock in connection with the Sierra Merger at a price below its then-current NAV may not be waived and must be satisfied for the Sierra Merger to be completed. The Company currently expects that all directors and executive officers of the Company will vote their shares of the Company's common stock in favor of the proposals presented at the special meeting of the Company's stockholders to be held in connection with the Sierra Merger. Additionally, Barings, as a party to the Sierra Merger Agreement, agreed to vote all shares of the Company's common stock over which it has voting power (other than in its fiduciary capacity) in favor of the proposals presented at the Company's special meeting of stockholders. Furthermore, the closing condition that Sierra stockholders approve the Sierra Merger may not be waived and must also be satisfied for the Sierra Merger to be completed. If the closing conditions to the Sierra Merger are not satisfied, including receipt of the required approvals by the stockholders of the Company and of Sierra, and the Sierra Merger is not completed, the resulting failure to complete the Sierra Merger could have a material adverse impact on the Company's business and operations.

Sierra and the Company will be subject to contractual restrictions while the Sierra Merger is pending, including restrictions on pursuing alternatives to the Sierra Merger.

Uncertainty about the effect of the Sierra Merger may have an adverse effect on the Company and Sierra and, consequently, on the combined company following completion of the Sierra Merger. These uncertainties may impair the Company's and Sierra's abilities to motivate key personnel until the Sierra Merger is consummated and could cause those who deal with the Company and Sierra to seek to change their existing business relationships with the Company and Sierra, respectively. In addition, the Sierra Merger Agreement restricts the Company and Sierra from taking actions that they might otherwise consider to be in their best interests without the consent of the other party. These restrictions may prevent the Company and Sierra from pursuing certain business opportunities that may arise

prior to the completion of the Sierra Merger, including restrictions on them pursuing alternatives to the Sierra Merger.

Subject to applicable law, each party may waive one or more conditions to the Sierra Merger without resoliciting approval from its respective stockholders.

Certain conditions to the Company's and Sierra's obligations to complete the Sierra Merger may be waived, in whole or in part, to the extent legally allowed, either unilaterally or by agreement of the Company and Sierra. In the event that any such waiver does not require resolicitation of stockholders, the parties to the Sierra Merger Agreement will have the discretion to complete the Sierra Merger without seeking further stockholder approval. Accordingly, the terms and conditions as set forth in the Sierra Merger Agreement and described herein, including certain protections to the Company and Sierra, may be waived. The conditions requiring the approval of the Company's stockholders and approval of Sierra's stockholders, however, cannot be waived.

The market price of the Company's common stock after the Sierra Merger may be affected by factors different from those affecting the Company's common stock or Sierra's common stock currently.

The businesses of the Company and Sierra differ in some respects and, accordingly, the results of operations of the combined company and the market price of the Company's common stock after the Sierra Merger may be affected by factors different from those currently affecting the independent results of operations of each of the Company and Sierra. These factors include:

- a larger stockholder base;
- a different portfolio composition; and
- a different capital structure

Accordingly, the historical trading prices and financial results of the Company may not be indicative of these matters for the combined company following the Sierra Merger.

The Sierra Merger may trigger certain "change of control" provisions and other restrictions in certain of the Company's and Sierra's contracts and the failure to obtain any required consents or waivers could adversely impact the combined company.

Certain agreements of the Company and Sierra or their controlled affiliates will or may require the consent of one or more counterparties in connection with the Sierra Merger. The failure to obtain any such consent may permit such counter-parties to terminate, or otherwise increase their rights or the Company's or Sierra's obligations under, any such agreement because the Sierra Merger may violate an anti-assignment, change of control or similar provision. If this happens, the Company or Sierra may have to seek to replace that agreement with a new agreement or seek a waiver or amendment to such agreement. The Company cannot assure you that it or Sierra will be able to replace, amend or obtain a waiver under any such agreement on comparable terms or at all.

If any such agreement is material, the failure to obtain consents, amendments or waivers under, or to replace on similar terms or at all, any of these agreements could adversely affect the financial performance or results of operations of the combined company following the Sierra Merger, including preventing the Company from operating a material part of Sierra's business.

In addition, the consummation of the Sierra Merger may violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event that, with or without notice or lapse of time or both, would constitute a default) under, or result in the termination, cancellation, acceleration or other change of any right or obligation (including any payment obligation) under the Company's or Sierra's agreements. Any such violation, conflict, breach, loss, default or other effect could, either individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, assets or business of the combined company following completion of the Sierra Merger.

The combined company may not be able to obtain financing for additional capital requirements.

Following completion of the Sierra Merger, the combined company may seek significant ongoing capital funding and, although the Company anticipates that the combined company will be able to obtain such funding through cash generated from operations and subsequent debt, equity or hybrid offerings, there can be no assurances that the combined company will be able to obtain financing on acceptable terms or at all.

The Company has incurred and expects to incur substantial transaction fees and costs in connection with the Sierra Merger, whether or not the Sierra Merger is completed.

The Company has incurred and expects to incur additional material non-recurring expenses in connection with the Sierra Merger and completion of the transactions contemplated by the Sierra Merger Agreement. The Company has incurred significant legal, advisory and financial services fees in connection with the process of negotiating and evaluating the terms of the Sierra Merger. Additional significant unanticipated costs may be incurred in the course of coordinating the businesses of Sierra and the Company after completion of the Sierra Merger.

Even if the Sierra Merger is not completed, the Company will need to pay certain costs relating to the Sierra Merger incurred prior to the date the Sierra Merger was abandoned, such as legal, accounting, financial advisory, filing and printing fees. Such costs may be significant and could have an adverse effect on the Company's future results of operations, cash flows and financial condition.

Litigation filed against Sierra or the Company in connection with the Sierra Merger could result in substantial costs and could delay or prevent the Sierra Merger from being completed.

From time to time, Sierra and the Company may be subject to legal actions, including securities class action lawsuits and derivative lawsuits, as well as various regulatory, governmental and law enforcement inquiries, investigations and subpoenas in connection with the Sierra Merger. These or any similar securities class action lawsuits and derivative lawsuits, regardless of their merits, may result in substantial costs and divert management time and resources. An adverse judgment in such cases could have a negative impact on the Company's liquidity and financial condition or could prevent the Sierra Merger from being completed.

General Risk Factors

Global capital markets could enter a period of severe disruption and instability or an economic recession. These conditions have historically affected and could again materially and adversely affect debt and equity capital markets in the United States and around the world and could impair our portfolio companies and harm our operating results.

The U.S. and global capital markets have from time to time experienced periods of disruption characterized by the freezing of available credit, a lack of liquidity in the debt capital markets, significant losses in the principal value of investments, the re-pricing of credit risk in the broadly syndicated credit market, the failure of major financial institutions and general volatility in the financial markets. During these periods of disruption, general economic conditions deteriorated with material and adverse consequences for the broader financial and credit markets, and the availability of debt and equity capital for the market as a whole, and financial services firms in particular, was reduced significantly. These conditions may reoccur for a prolonged period of time or materially worsen in the future.

The United Kingdom (the "UK") formally left the European Union (the "EU") on January 31, 2020 (commonly known as "Brexit"), followed by an implementation period, during which EU law continued to apply in the UK and the UK maintained its EU single market access rights and EU customs union membership. The implementation period expired on December 31, 2020. Consequently, the UK has become a third country vis-à-vis the EU, without access to the single market or membership of the EU customs union. During the implementation period, on December 30, 2020, the UK and the EU signed a trade and cooperation agreement (the "TCA") to govern their ongoing relationship. The TCA was officially ratified by the UK Parliament on December 30, 2020, and was ratified by the EU Parliament and Council on April 27, 2021. It is anticipated that further details of the relationship between the UK and the EU will continue to be negotiated even after formal ratification of the TCA. Over time, UK

regulated firms and other UK businesses may be adversely affected by the terms of the TCA (assuming it is formally ratified by the EU), as compared with the position prior to the expiration of the implementation period on December 31, 2020. For example, the TCA introduces new customs checks, as well as new restrictions on the provision of cross-border services and on the free movement of employees. These changes have the potential to materially impair the profitability of a business, and to require it to adapt or even relocate. Although it is probable that any adverse effects flowing from the UK's withdrawal from the EU will principally affect the UK (and those having an economic interest in, or connected to, the UK), given the size and global significance of the UK's economy, the impact of the withdrawal is unpredictable and likely to be an ongoing source of instability, produce significant currency fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The withdrawal of the UK from the EU could therefore adversely affect us. In addition, although it seems less likely following the expiration of the transition period than at the time of the UK's referendum, the withdrawal of the UK from the EU could have a further destabilizing effect if any other member states were to consider withdrawing from the EU, presenting similar and/or additional potential risks and consequences to our business and financial results.

Market conditions may in the future make it difficult to extend the maturity of or refinance our existing indebtedness and any failure to do so could have a material adverse effect on our business. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies.

Given the volatility and dislocation that the capital markets have historically experienced, many BDCs have faced, and may in the future face, a challenging environment in which to raise capital. We may in the future have difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption or instability in the global financial markets or deteriorations in credit and financing conditions may cause us to reduce the volume of the loans we originate and/or fund, which may adversely affect the value of our portfolio investments or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, significant changes in the capital markets, including instances of extreme volatility and disruption, have had, and may in the future have, a negative effect on the valuations of our investments and on the potential for liquidity events involving our investments. We monitor developments and seek to manage our investments in a manner consistent with achieving our investment objective, but there can be no assurance that we will be successful in doing so, and we may not timely anticipate or manage existing, new or additional risks, contingencies or developments, including regulatory developments in the current or future market environment.

An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition or results of operations. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience, including being at a higher cost in rising rate environments. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies. In addition, equity capital may be difficult to raise during periods of adverse or volatile market conditions because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors. We generally seek approval from our stockholders so that we have the flexibility to issue up to a specified percentage of our then-outstanding shares of our common stock at a price below net asset value. Pursuant to approval granted at an annual meeting of stockholders held on May 20, 2021, we are permitted to issue and sell shares of our common stock at a price below our then-current net asset value per share in one or more offerings, subject to certain limitations and determinations that must be made by the Board (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 30% of our then-outstanding common stock immediately prior to each such offering). Such stockholder approval expires on May 20, 2022.

Many of the portfolio companies in which we make investments may be susceptible to economic slowdowns or recessions and may be unable to repay the loans we made to them during these periods. Therefore, our non-

performing assets may increase and the value of our portfolio may decrease during these periods as we are required to record our investments at their current fair value. Adverse economic conditions also may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our and our portfolio companies' funding costs, limit our and our portfolio companies' access to the capital markets or result in a decision by lenders not to extend credit to us or our portfolio companies. These events could prevent us from increasing investments and harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize the portfolio company's ability to meet its obligations under the debt that we hold. We may incur additional expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which we will actually provide significant managerial assistance to that portfolio company, a bankruptcy court might subordinate all or a portion of our claim to that of other creditors.

Terrorist attacks, acts of war, national disasters, outbreaks or pandemics may affect any market for our securities, impact the businesses in which we invest and harm our business, operating results and financial condition.

Terrorist acts, acts of war, national disasters, outbreaks or pandemics may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. For example, many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and COVID-19. Since the initial outbreak of COVID-19, a large and growing number of cases have been confirmed around the world. The COVID-19 outbreak has resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale.

The spread of COVID-19, including the multiple variants thereof, has had, and will continue to have, a material adverse impact on local economies in the affected jurisdictions and also on the global economy, as cross-border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. With respect to U.S. and global credit markets and the economy in general, this outbreak has resulted in, and until fully resolved is likely to continue to result in, the following (among other things): (i) restrictions on travel and the temporary closure of many corporate offices, retail stores, and manufacturing facilities and factories, resulting in significant disruption to the business of many companies, including supply chains and demand, as well as layoffs of employees; (ii) increased draws by borrowers on revolving lines of credit; (iii) increased requests by borrowers for amendments or waivers of their credit agreements to avoid default, increased defaults by borrowers and/or increased difficulty in obtaining refinancing; (iv) volatility in credit markets, including greater volatility in pricing and spreads; and (v) rapidly evolving proposals and actions by state and federal governments to address the problems being experienced by markets, businesses and the economy in general, which may not adequately address the underlying problems. In addition to these developments having adverse consequences in the businesses in which we invest, the operations of Barings (including those relating to the Company) have been, and could continue to be, adversely impacted, including through quarantine measures and travel restrictions imposed on Barings personnel or service providers based or temporarily located in affected countries, or any related health issues of such personnel or service providers. Any of the foregoing events could materially and adversely affect our ability to source, manage and divest its investments and its ability to fulfill its investment objectives. Similar consequences could arise with respect to other comparable infectious diseases. Although it is impossible to predict the precise nature and consequences of these events, or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact us and our portfolio companies and investments, it is clear that these types of events are impacting and will, for at least some time, continue to impact us and our portfolio companies. Any potential impact to our results of operations will depend to a large extent on future developments and new information that could emerge regarding the duration and severity of the COVID-19 pandemic and the actions taken by authorities and other entities to

contain the spread or treat its impact, all of which are beyond our control. These potential impacts, while uncertain, could adversely affect our and our portfolio companies' operating results.

We may experience fluctuations in our quarterly results.

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

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

Many of our portfolio companies may be susceptible to economic downturns or recessions and may be unable to repay our loans during these periods. Therefore, during these periods our non-performing assets may increase and the value of these assets may decrease. Adverse economic conditions may also decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company.

Changes to U.S. tariff and import/export regulations may have a negative effect on our portfolio companies and, in turn, harm us.

There have been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs, creating significant uncertainty about the future relationship between the United States and other countries with respect to trade policies, treaties and tariffs. These developments, or the perception that more of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict our portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us.

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

We, our subsidiaries and our portfolio companies are subject to regulation at the local, state and federal level. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and our stockholders, potentially with retroactive effect. Additionally, new regulatory initiatives related to ESG could adversely affect our business.

Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth in this Annual Report on Form 10-K and may result in our investment focus shifting from the areas of expertise of our management team to other types of investments in which our management team may have less expertise or little or no experience.

Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

Item 1B. *Unresolved Staff Comments.*

None.

Item 2. *Properties.*

We do not own any real estate or other physical properties materially important to our operation or any of our subsidiaries. Our headquarters are currently located at 300 South Tryon Street, Suite 2500 Charlotte, North Carolina 28202, where we occupy office space pursuant to the Administration Agreement with Barings. We believe that our current office facilities are adequate to meet our needs.

Item 3. *Legal Proceedings.*

Neither we, Barings, nor our subsidiaries are currently subject to any material pending legal proceedings, other than ordinary routine litigation incidental to our respective businesses. We, Barings, and our subsidiaries may from time to time, however, be involved in litigation arising out of operations in the normal course of business or otherwise, including in connection with strategic transactions. Furthermore, third parties may seek to impose liability on us in connection with the activities of our portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, we do not expect any current matters will materially affect our financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on our financial condition or results of operations in any future reporting period.

Item 4. *Mine Safety Disclosures.*

Not applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.*

Common Stock and Holders

Our common stock is traded on the New York Stock Exchange, or NYSE, under the ticker symbol "BBDC." As of February 23, 2022, there were approximately 97 holders of record of our common stock. This number does not include stockholders for whom shares are held in "nominee" or "street name."

Distributions Declared

The table below shows the detail of our distributions for the years ended December 31, 2021 and 2020:

	Year Ended December 31,			
	2021		2020	
	Amount	% of Total	Amount	% of Total
Ordinary income	\$ 0.79	96.3 %	\$ 0.65	100.0 %
Tax return of capital	0.03	3.7	—	—
Total reported on IRS Form 1099-DIV	\$ 0.82	100.0 %	\$ 0.65	100.0 %

Each year, a statement on IRS Form 1099-DIV identifying the source(s) of the distribution (i.e., paid from ordinary income, paid from net capital gains on the sale of securities, and/or a return of paid in capital surplus which is a nontaxable distribution) is mailed to our stockholders. To the extent that our distributions for a fiscal year exceed current and accumulated earnings and profits, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our taxable ordinary income or capital gains. Stockholders should read any written disclosure accompanying a dividend payment carefully and should not assume that any distribution is taxable as ordinary income or capital gains.

Ordinary income is reported on IRS Form 1099-DIV as either qualified or non-qualified and capital gain distributions are reported on IRS Form 1099-DIV in various subcategories which have differing tax treatments to stockholders. Those subcategories are not presented herein.

We estimate the source of our distributions as required by Section 19(a) of the 1940 Act to determine whether payment of dividends are expected to be paid from any other source other than net investment income accrued for current period or certain cumulative periods, but we will not be able to determine whether any specific distribution will be treated as made out of our taxable earnings or as a return of capital until after the end of our taxable year. Any amount treated as a return of capital will reduce a stockholder's adjusted tax basis in his or her common stock, thereby increasing his or her potential gain or reducing his or her potential loss on the subsequent sale or other disposition of his or her common stock. On a quarterly basis, for any payment of dividends estimated to be paid from any other source other than net investment income accrued for current period or certain cumulative periods based on the Section 19(a) requirement, we post a Section 19(a) notice through the Depository Trust Company's Legal Notice System and our website, as well as send our registered stockholders a printed copy of such notice along with the dividend payment. The estimates of the source of the distribution are interim estimates based on GAAP that are subject to revision, and the exact character of the distributions for tax purposes cannot be determined until the final books and records are finalized for the calendar year. Therefore, these estimates are made solely in order to comply with the requirements of Section 19(a) of the 1940 Act and should not be relied upon for tax reporting or any other purposes and could differ significantly from the actual character of distributions for tax purposes.

Distribution Policy

We generally intend to make distributions on a quarterly basis to our stockholders of substantially all of our income. In order to avoid certain excise taxes imposed on RICs, we must distribute during each calendar year an amount at least equal to the sum of (i) 98.0% of our ordinary income for the calendar year, (ii) 98.2% of our capital

gains in excess of capital losses for the calendar year, and (iii) any ordinary income and net capital gains for the preceding year that were not distributed during such year. We will not be subject to excise taxes on amounts on which we are required to pay corporate income tax (such as retained net capital gains). In order to obtain the tax benefits applicable to RICs, we will be required to distribute to our stockholders with respect to each taxable year at least 90.0% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses. We may retain for investment realized net long-term capital gains in excess of realized net short-term capital losses. We may make deemed distributions to our stockholders of any retained net capital gains. If this happens, our stockholders will be treated as if they received an actual distribution of the capital gains we retain and then reinvested the net after-tax proceeds in our common stock. Our stockholders also may be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to their allocable share of the tax we paid on the capital gains deemed distributed to them. Please refer to “Business — Material U.S. Federal Income Tax Considerations” included in Item 1 of Part I of this Annual Report on Form 10-K for further information regarding the consequences of our retention of net capital gains. We may, in the future, make actual distributions to our stockholders of some or all realized net long-term capital gains in excess of realized net short-term capital losses. We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we will be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratio and related requirements stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings or financing arrangements. See “Business — Regulation of Business Development Companies” included in Item 1 of Part I of this Annual Report on Form 10-K.

We have adopted a dividend reinvestment plan that provides for reinvestment of our distributions on behalf of our common stockholders, unless a common stockholder elects to receive cash as provided in “Business — Dividend Reinvestment Plan” included in Item I of Part I of this Annual Report on Form 10-K.

Stockholders who receive dividends in the form of stock generally are subject to the same federal, state and local tax consequences as are stockholders who elect to receive their dividends in cash. A stockholder’s basis for determining gain or loss upon the sale of stock received in a dividend from us will be equal to the total dollar amount of the dividend payable to the stockholder. Any stock received in a dividend will have a holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. stockholder’s account.

Sales of Unregistered Equity Securities

We did not sell any equity securities during the period covered by this report that were not registered under the Securities Act of 1933, as amended (the “Securities Act”).

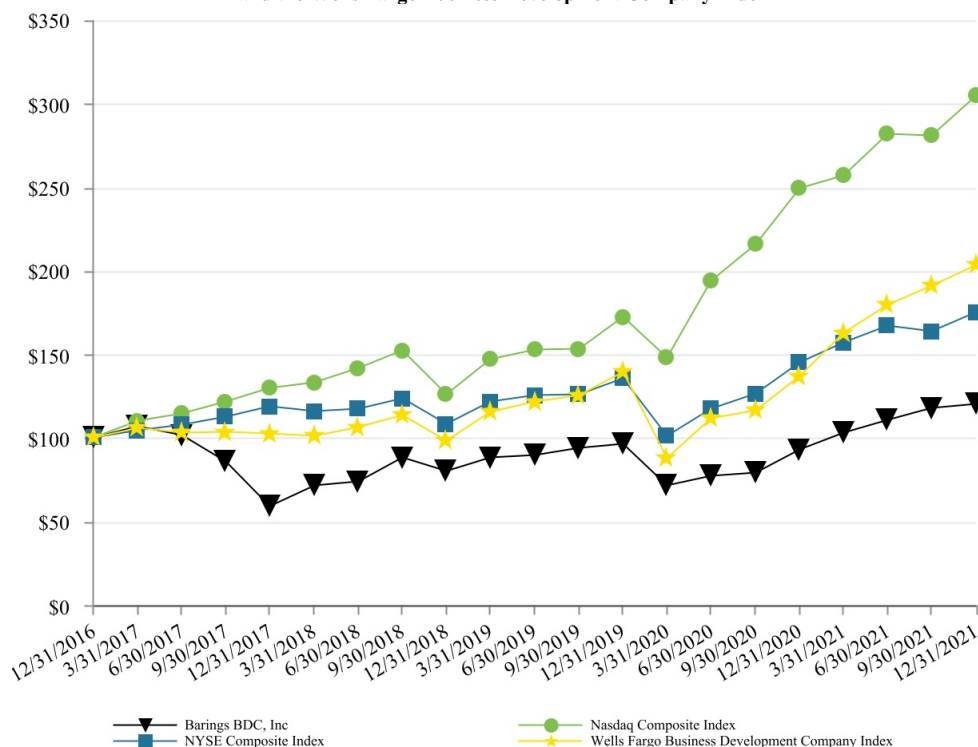
Issuer Purchases of Equity Securities

During the three months ended December 31, 2021, in connection with our dividend reinvestment plan for our common stockholders, we directed the Plan Administrator to purchase 56,343 shares of our common stock for an aggregate of \$625,097 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 November 9, 2021.

Performance Graph

The following graph compares the cumulative total return on our common stock with the cumulative total return of the Nasdaq Composite Index, the NYSE Composite Index and the Wells Fargo Business Development Company Index for the five years ended December 31, 2021. This comparison assumes \$100.00 was invested in our common stock (or that of Triangle Capital Corporation (“TCAP”), prior to the Transactions) at the closing price of our common stock on December 31, 2016 and in the comparison groups and assumes the reinvestment of all cash dividends on the ex-dividend date prior to any tax effect. The stock price performance shown on the graph below is not necessarily indicative of future price performance.

**Comparison of Annual Cumulative Total Return⁽¹⁾
among Barings BDC, Inc., the Nasdaq Composite Index, the NYSE Composite Index
and the Wells Fargo Business Development Company Index**



	<u>12/31/16</u>	<u>3/31/17</u>	<u>6/30/17</u>	<u>9/30/17</u>	<u>12/31/17</u>	<u>3/31/18</u>	<u>6/30/18</u>	<u>9/30/18</u>	<u>12/31/18</u>
Barings BDC, Inc.	100.00	107.01	101.71	85.67	59.06	71.33	73.70	88.01	80.03
NASDAQ Composite Index	100.00	110.13	114.71	121.67	129.64	132.99	141.79	152.29	125.96
NYSE Composite Index	100.00	104.58	107.78	112.54	118.73	116.09	117.41	123.58	108.10
Wells Fargo Business Development Company Index	100.00	106.09	102.97	103.43	102.56	101.32	106.45	113.61	98.42
	<u>3/31/19</u>	<u>6/30/19</u>	<u>9/30/19</u>	<u>12/31/19</u>	<u>3/31/20</u>	<u>6/30/20</u>	<u>9/30/20</u>	<u>12/31/20</u>	
Barings BDC, Inc.	88.20	89.64	93.76	96.35	71.31	77.19	79.30	92.97	
NASDAQ Composite Index	147.13	152.82	153.09	172.17	148.15	193.99	215.80	249.51	
NYSE Composite Index	121.47	125.72	126.09	135.68	101.15	117.55	126.26	145.16	
Wells Fargo Business Development Company Index	115.57	121.56	125.62	139.16	87.93	111.79	116.58	137.01	
	<u>3/31/21</u>	<u>6/30/21</u>	<u>9/30/21</u>	<u>12/31/21</u>					
Barings BDC, Inc.	102.80	110.86	117.96	120.31					
NASDAQ Composite Index	256.88	281.74	281.10	304.85					
NYSE Composite Index	156.84	167.21	164.00	175.18					
Wells Fargo Business Development Company Index	162.68	179.72	190.81	203.45					

(1) From December 31, 2016 to December 31, 2021.

Senior Securities Table of Barings BDC, Inc.
(dollar amounts in thousands, except per unit data)

Information about our senior securities is shown as of the dates indicated in the below table. The report of our independent registered public accounting firm, KPMG LLP, on the senior securities table as of December 31, 2021, is attached as an exhibit to this annual report on Form 10-K.

Class and Year(1)	Total Amount Outstanding Exclusive of Treasury Securities(2)	Asset Coverage per Unit(3)	Involuntary Liquidating Preference per Unit(4)	Average Market Value per Unit(5)
<i>2019 Notes</i>				
2012	\$ 69,000	\$ 1,580	—	\$ 25.92
2013	69,000	2,259	—	25.99
2014	69,000	2,215	—	25.74
<i>December 2022 Notes</i>				
2012	80,500	1,580	—	25.03
2013	80,500	2,259	—	24.94
2014	80,500	2,215	—	25.05
2015	80,500	1,972	—	25.23
2016	80,500	2,124	—	25.15
2017	80,500	2,120	—	25.51
<i>March 2022 Notes</i>				
2015	86,250	1,972	—	25.46
2016	86,250	2,124	—	25.58
2017	86,250	2,120	—	25.85
<i>SBA-guaranteed debentures payable⁽⁶⁾</i>				
2012	213,605	1,580	—	N/A
2013	193,285	2,259	—	N/A
2014	224,780	2,215	—	N/A
2015	224,968	1,972	—	N/A
2016	250,000	2,124	—	N/A
2017	250,000	2,120	—	N/A
<i>May 2011 Credit Facility</i>				
2012	—	1,580	—	N/A
2013	11,221	2,259	—	N/A
2014	62,620	2,215	—	N/A
2015	131,257	1,972	—	N/A
2016	127,011	2,124	—	N/A
2017	125,315	2,120	—	N/A
<i>August 2018 Credit Facility⁽⁷⁾</i>				
2018	570,000	1,988	—	N/A
2019	107,200	1,851	—	N/A
<i>February 2019 Credit Facility⁽⁸⁾</i>				
2019	245,288	1,851	—	N/A
2020	719,661	1,760	—	N/A
2021	655,189	1,538	—	N/A
<i>Debt Securitization</i>				
2019	318,210	1,851	—	N/A
<i>August 2025 Notes</i>				
2020	50,000	1,760	—	N/A
2021	50,000	1,538	—	N/A

Class and Year(1)	Total Amount Outstanding Exclusive of Treasury Securities(2)	Asset Coverage per Unit(3)	Involuntary Liquidating Preference per Unit(4)	Average Market Value per Unit(5)
<i>Series B Notes</i>				
2020	62,500	1,760	—	N/A
2021	62,500	1,538	—	N/A
<i>Series C Notes</i>				
2020	112,500	1,760	—	N/A
2021	112,500	1,538	—	N/A
<i>Series D Notes</i>				
2021	80,000	1,538	—	N/A
<i>Series E Notes</i>				
2021	70,000	1,538	—	N/A
<i>November 2026 Notes</i>				
2021	350,000	1,538	—	N/A
<i>Total Senior Securities</i>				
2012	363,105	1,580	—	N/A
2013	354,006	2,259	—	N/A
2014	436,900	2,215	—	N/A
2015	522,975	1,972	—	N/A
2016	543,761	2,124	—	N/A
2017	572,820	2,120	—	N/A
2018	570,000	1,988	—	N/A
2019	670,698	1,851	—	N/A
2020	944,661	1,760	—	N/A
2021	1,380,189	1,538	—	N/A

- (1) The information in the senior securities tables for 2017 - 2019 and for years prior to 2016 is unaudited. An independent registered public accounting firm has performed agreed-upon procedures related to the accuracy of the total amount outstanding exclusive of treasury securities as of December 31, 2017, 2018 and 2019 and the asset coverage per unit as of December 31, 2017, 2018 and 2019.
- (2) Total amount of each class of senior securities outstanding at the end of the period presented.
- (3) Asset coverage per unit is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per \$1,000 of indebtedness. All prior period ratios have been conformed with this current presentation.
- (4) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it. The “—” indicates information which the SEC expressly does not require to be disclosed for certain types of senior securities.
- (5) Average market value per unit for our unsecured notes issued in March 2012 due 2019 (the “2019 Notes”), our unsecured notes issued in October 2012 and November 2012 due 2022 (the “December 2022 Notes”) and our unsecured notes issued in February 2015 due 2022 (the “March 2022 Notes”) represent the average of the daily closing prices as reported on the NYSE for each security during 2012, 2013, 2014, 2015, 2016 and 2017, as applicable. Average market value per unit for our SBA-guaranteed debentures payable, our terminated credit facility initially entered into in May 2011 (the “May 2011 Credit Facility”), Barings BDC Senior Funding I, LLC's terminated credit facility initially entered into in August 2018 with Bank of America, N.A. (the “August 2018 Credit Facility”), the February 2019 Credit Facility, our \$449.3 million term debt securitization in May 2019 (the “Debt Securitization”), the August 2025 Notes, the November Notes, the February Notes and the November 2026 Notes are not applicable because these senior securities are not registered for public trading.
- (6) We have obtained exemptive relief from the SEC to permit us to exclude the SBA-guaranteed debentures payable from the 200% asset coverage test under the Investment Company Act.
- (7) The August 2018 Credit Facility was terminated at our election in June 2020.
- (8) The remaining notes issued in connection with the Debt Securitization were repaid in full in October 2020.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information in this section contains forward-looking statements that involve risks and uncertainties. Please see "Risk Factors" and "Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements. You should read the following discussion in conjunction with the combined financial statements and related notes and other financial information appearing elsewhere in this Annual Report on Form 10-K.

The following discussion is designed to provide a better understanding of our financial statements, 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 consolidated financial statements and the notes thereto included or incorporated by reference in Item 8 of this Annual Report on Form 10-K. 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.

MVC Capital, Inc. Acquisition

On December 23, 2020, we completed our acquisition of MVC Capital, Inc., a Delaware corporation ("MVC") (the "MVC Acquisition") pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the "MVC Merger Agreement"), dated as of August 10, 2020, with MVC, Mustang Acquisition Sub, Inc., a Delaware corporation and our wholly owned subsidiary ("Acquisition Sub"), and Barings LLC, our external investment adviser and our administrator ("Barings"). To effect the acquisition, Acquisition Sub merged with and into MVC, with MVC surviving the merger as our wholly owned subsidiary (the "First MVC Merger"). Immediately thereafter, MVC merged with and into us, with us as the surviving company (the "Second MVC Merger" and, together with the First MVC Merger, the "MVC Merger").

Pursuant to the MVC Merger Agreement, MVC stockholders received the right to the following merger consideration in exchange for each share of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger (other than shares of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger that were held by a subsidiary of MVC or held, directly or indirectly, by us or the Acquisition Sub), in accordance with the MVC Merger Agreement: (i) an amount in cash from Barings, without interest, equal to \$0.39492, and (ii) 0.9790836 shares of our common stock, which ratio gave effect to the Euro-dollar exchange rate adjustment mechanism in the MVC Merger Agreement, plus cash in lieu of fractional shares. We issued approximately 17,354,332 shares of our common stock to MVC's then-existing stockholders in connection with the MVC Merger, thereby resulting in our then-existing stockholders owning approximately 73.4% of the combined company and MVC's then-existing stockholders owning approximately 26.6% of the combined company.

In connection with the MVC Acquisition, on December 23, 2020, following the closing of the MVC Merger, we entered into (1) an amended and restated investment advisory agreement (the "Amended and Restated Advisory Agreement") with Barings, effective January 1, 2021, and (2) a credit support agreement (the "MVC Credit Support Agreement") with Barings, pursuant to which Barings has agreed to provide credit support to us in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. See "Business—MVC Capital, Inc. Acquisition" and "Business—Management Agreements – Investment Advisory Agreement" in Item 1 of Part I of this Annual Report on Form 10-K, as well as "Note 2. Agreements and Related Party Transactions" and "Note. 6 Derivative Instruments" in the Notes to our Consolidated Financial Statements included in this Annual Report on Form 10-K for more information.

In addition, in connection with the closing of the MVC Merger, our board of directors (the "Board") affirmed our commitment to open-market purchases of shares of our common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed net asset value per share. Any repurchases pursuant to the authorized program will occur during the 12-month period that commenced upon the filing of our quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and will be made in accordance with applicable legal, regulatory and contractual

requirements, including covenants under our \$875 million senior secured revolving credit facility with ING Capital LLC (as amended, restated and otherwise modified from time to time, the "February 2019 Credit Facility").

Pending Sierra Income Corporation Acquisition

On September 21, 2021, we entered into an Agreement and Plan of Merger (the "Sierra Merger Agreement") by and among us, Mercury Acquisition Sub, Inc., a Maryland corporation and our direct wholly owned subsidiary ("Sierra Acquisition Sub"), Sierra Income Corporation, a Maryland corporation ("Sierra"), and Barings. The Sierra Merger Agreement provides that, on the terms and subject to the conditions set forth in the Sierra Merger Agreement, Sierra Acquisition Sub will merge with and into Sierra, with Sierra continuing as the surviving company and as our wholly owned subsidiary (the "First Sierra Merger") and, immediately thereafter, Sierra will merge with and into us, with Barings BDC, Inc. continuing as the surviving company (the "Second Sierra Merger" and, together with the First Sierra Merger, the "Sierra Merger"). Both the Board and the board of directors of Sierra, including all of the respective independent directors, have approved the Sierra Merger Agreement and the transactions contemplated therein. The parties to the Sierra Merger Agreement intend the Sierra Merger to be treated as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

In the First Sierra Merger, each share of Sierra common stock issued and outstanding immediately prior to the effective time of the First Sierra Merger (excluding any shares cancelled pursuant to the Sierra Merger Agreement) will be converted into the right to receive (i) \$0.9783641 per share in cash, without interest, from Barings (such amount of cash, the "Sierra Cash Consideration") and (ii) 0.44973 of a validly issued, fully paid and non-assessable share of our common stock (the "Sierra Share Consideration" and, together with the Sierra Cash Consideration, the "Sierra Merger Consideration").

The Sierra Merger Agreement contains representations, warranties and covenants, including, among others, covenants relating to the operation of each of our and Sierra's businesses during the period prior to the closing of the Sierra Merger. We and Sierra have agreed to convene and hold stockholder meetings for the purpose of obtaining the approvals required of our and Sierra's stockholders, respectively, and our Board and the board of directors of Sierra have agreed to recommend that their respective stockholders approve the applicable proposals (as described below).

The Sierra Merger Agreement provides that Sierra shall not, and shall cause its subsidiaries and instruct its representatives not to, directly or indirectly, solicit proposals relating to alternative transactions, or, subject to certain exceptions, initiate or participate in discussions or negotiations regarding, or provide information with respect to, any proposal for an alternative transaction. However, the Sierra board of directors may, subject to certain conditions, change its recommendation to the Sierra stockholders or, on payment of a termination fee of \$11.0 million to us and the reimbursement of up to \$2.0 million in expenses incurred by us and Barings, terminate the Sierra Merger Agreement and enter into an Alternative Acquisition Agreement (as defined in the Sierra Merger Agreement) for a Superior Proposal (as defined in the Sierra Merger Agreement) if it determines in good faith, after consultation with its outside legal counsel, that failure to do so would be inconsistent with the directors' duties under applicable law.

Consummation of the First Sierra Merger, which is currently anticipated to occur during the first quarter of fiscal year 2022, is subject to certain customary closing conditions, including (1) approval of the First Sierra Merger by the holders of at least a majority of the outstanding shares of Sierra common stock entitled to vote thereon, (2) approval of the issuance of our common stock to be issued in the First Sierra Merger by a majority of the votes cast by our stockholders on the matter at our stockholders meeting, (3) approval of the issuance of our common stock in connection with the First Sierra Merger at a price below the then-current net asset value per share of our common stock, if applicable, by the vote specified in Section 63(2)(A) of the Investment Company Act of 1940, as amended (the "1940 Act"), (4) the absence of certain legal impediments to the consummation of the Sierra Merger, (5) effectiveness of the registration statement for our common stock to be issued as consideration in the First Sierra Merger, (6) approval for listing on the NYSE of our common stock to be issued as consideration in the First Sierra Merger, (7) subject to certain materiality standards, the accuracy of the representations and warranties and compliance with the covenants of each party to the Sierra Merger Agreement, and (8) required regulatory approvals

(including expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or early termination thereof).

Barings, as party to the Sierra Merger Agreement, agreed to vote all shares of our common stock over which it has voting power (other than in its fiduciary capacity) in favor of the proposals to be submitted by us to our stockholders for approval relating to the Sierra Merger.

In addition, we and Sierra will take steps necessary to provide for the repayment at closing of Sierra's existing loan agreement. The Sierra Merger Agreement also contains certain termination rights in favor of us and Sierra, including if the First Sierra Merger is not completed on or before March 31, 2022 or if the requisite approvals of our stockholders or Sierra stockholders are not obtained.

Further, we will enter into an amendment and restatement of the Amended and Restated Advisory Agreement, effective as of the closing of the Sierra Merger, to raise the annualized hurdle rate thereunder from 8.0% to 8.25%. Following the closing of the Sierra Merger, we will also enter into a credit support agreement with Barings, for the benefit of the combined company, to protect against net cumulative unrealized and realized losses of up to \$100.0 million on the acquired Sierra investment portfolio over the next ten years.

Overview of Our Business

We are a Maryland corporation incorporated on October 10, 2006. In August 2018, in connection with the closing of an externalization transaction through which Barings agreed to become our external investment adviser, we entered into an investment advisory agreement (the "Original Advisory Agreement") and an administration agreement (the "Administration Agreement") with Barings. In connection with the completion of our MVC Acquisition, we entered into the Amended and Restated Advisory Agreement with Barings on December 23, 2020, following approval of the Amended and Restated Advisory Agreement by our stockholders at our December 23, 2020 special meeting of stockholders. The terms of the Amended and Restated Advisory Agreement became effective on January 1, 2021. Under the terms of the Amended and Restated Advisory Agreement and the Administration Agreement, Barings serves as our investment adviser and administrator and manages our investment portfolio and performs (or oversees, or arranges for, the performance of) the administrative services necessary for our operation.

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 Amended and Restated Advisory Agreement (and, prior to January 1, 2021, pursuant to the terms of the Original Advisory Agreement) and the Administration Agreement. Under the terms of the Amended and Restated Advisory Agreement (and, prior to January 1, 2021, under the terms of the Original Advisory Agreement), the fees paid to Barings for managing our affairs are 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.

Beginning in August 2018, Barings shifted our investment focus to invest in syndicated senior secured loans, bonds and other fixed income securities. Since that time, Barings has transitioned our portfolio to primarily senior secured private debt investments in well-established middle-market businesses that operate across a wide range of industries. Barings' existing SEC co-investment exemptive relief under the 1940 Act (the "Exemptive Relief") 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 cyclical risk 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 will seek 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 senior secured, middle-market, private debt investments generally have terms of between five and seven years. Our senior secured, middle-market, first lien private debt investments generally bear interest between LIBOR (or the applicable currency rate for investments in foreign currencies) plus 450 basis points and LIBOR plus 650 basis points per annum. Our subordinated middle-market, private debt investments generally bear interest between LIBOR (or the applicable currency rate for investments in foreign currencies) plus 700 basis points and LIBOR plus 900 basis points per annum if floating rate, and between 8% and 15% if fixed rate. From time to time, certain of our investments may have a form of interest, referred to as payment-in-kind, or PIK, interest, which is not paid currently but is instead accrued and added to the loan balance and paid at the end of the term.

As of December 31, 2021 and December 31, 2020, the weighted average yield on the principal amount of our outstanding debt investments other than non-accrual debt investments was approximately 7.2% and 7.1%, respectively. The weighted average yield on the principal amount of all of our outstanding investments (including equity and equity-linked investments and short-term investments but excluding non-accrual debt investments) was approximately 6.1% and 6.4% as of December 31, 2021 and December 31, 2020, respectively. The weighted average yield on the principal amount of all of our outstanding investments (including equity and equity-linked investments, short-term investments and non-accrual debt investments) was approximately 6.4% and 6.5% as of December 31, 2021 and December 31, 2020, respectively.

COVID-19 Developments

The spread of the Coronavirus and the COVID-19 pandemic, and the related effect on the U.S. and global economies, has had adverse consequences for the business operations of some of our portfolio companies and has adversely affected, and threatens to continue to adversely affect, our operations and the operations of Barings, including with respect to us. Barings has taken proactive steps around COVID-19 to address the potential impacts on their people, clients, communities and everyone they come in contact with, directly or through their premises. Protecting their employees and supporting the communities in which they live and work is a priority. Barings continues to operate with the majority of employees in the United States working remotely while maintaining service levels to our partners and clients. In the United States, Barings offices remained accessible throughout the fourth quarter of 2021 for employees who had a business need to work from an office location. All US-based employees have adopted a hybrid working pattern and started returning to office locations effective January 2022. In Europe, the majority of employees shifted to working remotely in the fourth quarter of 2021. In Asia-Pac, the majority of employees are working from office locations on average 2-3 days per week. Barings' return-to-office taskforce continues to monitor the COVID-19 situation globally and are prepared to adapt office working patterns as required to ensure the safety of their employees and clients who visit Barings office locations. Barings' cybersecurity policies are applied consistently when working remotely or in the office.

While we have been carefully monitoring the COVID-19 pandemic and its impact on our business and the business of our portfolio companies, we have continued to fund our existing debt commitments. In addition, we have continued to make and originate, and expect to continue to make and originate, new loans.

We cannot predict the full impact of the COVID-19 pandemic, including its duration in the United States and worldwide and the magnitude of the economic impact of the outbreak, including with respect to the travel restrictions, business closures and other quarantine measures imposed on service providers and other individuals by various local, state, and federal governmental authorities, as well as non-U.S. governmental authorities. We are unable to predict the extent and duration of any business and supply-chain disruptions, the extent to which COVID-19 will negatively affect our portfolio companies' operating results or the impact that such disruptions may have on our results of operations and financial condition. Depending on the duration and extent of the disruption to the operations of our portfolio companies, certain portfolio companies could experience financial distress and possibly default on their financial obligations to us and their other capital providers. Some of our portfolio

companies may significantly curtail business operations, furlough or lay off employees and terminate service providers, and defer capital expenditures if subjected to prolonged and severe financial distress, which would likely impair their business on a permanent basis. These developments would likely result in a decrease in the value of our investment in any such portfolio company.

We will continue to monitor the situation relating to the COVID-19 pandemic and guidance from U.S. and international authorities, including federal, state and local public health authorities and may take additional actions based on their recommendations. In these circumstances, there may be developments outside our control requiring us to adjust our plan of operation. As such, given the dynamic nature of this situation, we cannot reasonably estimate the impacts of COVID-19 on our financial condition, results of operations or cash flows in the future. However, to the extent our portfolio companies are adversely impacted by the effects of the COVID-19 pandemic, it may have a material adverse impact on our future net investment income, the fair value of our portfolio investments, our financial condition and the results of operations and financial condition of our portfolio companies.

Portfolio Composition

The total value of our investment portfolio was \$1,800.6 million as of December 31, 2021, as compared to \$1,495.8 million as of December 31, 2020. As of December 31, 2021, we had investments in 212 portfolio companies with an aggregate cost of \$1,787.8 million. As of December 31, 2020, we had investments in 146 portfolio companies and two money market fund with an aggregate cost of \$1,486.1 million. As of both December 31, 2021 and 2020, none of our portfolio investments represented greater than 10% of the total fair value of our investment portfolio.

As of December 31, 2021 and December 31, 2020, our investment portfolio consisted of the following investments:

	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
December 31, 2021:				
Senior debt and 1st lien notes	\$ 1,217,899,217	68 %	\$ 1,221,597,953	68 %
Subordinated debt and 2nd lien notes	253,550,848	14	240,036,808	13
Structured products	37,054,829	2	40,270,659	2
Equity shares	145,790,765	8	154,476,657	9
Equity warrants	1,111,602	—	1,107,543	—
Investments in joint ventures/PE fund	132,416,803	8	143,104,332	8
Short-term investments	—	—	—	—
	<u>\$ 1,787,824,064</u>	<u>100 %</u>	<u>\$ 1,800,593,952</u>	<u>100 %</u>
December 31, 2020:				
Senior debt and 1st lien notes	\$ 1,167,436,742	79 %	\$ 1,171,250,512	79 %
Subordinated debt and 2nd lien notes	137,776,808	9	138,767,120	9
Structured products	30,071,808	2	32,508,845	2
Equity shares	44,693,645	3	44,651,114	3
Equity warrants	1,235,383	—	1,300,197	—
Investments in joint ventures/PE fund	39,282,532	3	41,759,922	3
Short-term investments	65,558,227	4	65,558,227	4
	<u>\$ 1,486,055,145</u>	<u>100 %</u>	<u>\$ 1,495,795,937</u>	<u>100 %</u>

Investment Activity

During the year ended December 31, 2021, we made 112 new investments totaling \$1,069.4 million, made investments in existing portfolio companies totaling \$234.0 million, made a new joint venture equity investment totaling \$13.7 million, made additional investments in existing joint venture equity portfolio companies totaling \$79.4 million and made an \$89.8 million equity co-investment alongside certain affiliates in a portfolio company focused on directly originated, senior-secured asset-based loans to middle-market companies. We had 34 loans repaid at par totaling total \$282.8 million and received \$36.1 million of portfolio company principal payments. In addition, we sold \$252.9 million of loans, recognizing a net realized gain on these transactions of \$2.5 million, and sold \$536.4 million of investments to our joint venture, realizing a loss on these transactions of \$1.4 million. Lastly, we received proceeds related to the sale of equity investments totaling \$8.6 million and recognized a net realized gain on such sales totaling \$1.6 million.

During the year ended December 31, 2020, we made 76 new investments totaling \$743.2 million, purchased \$185.0 million of investments as part of the MVC Acquisition, made investments in existing portfolio companies totaling \$114.6 million, made a new joint venture equity investment totaling \$10.0 million and made an additional investment in one existing joint venture equity portfolio company totaling \$10.0 million. We had 18 loans repaid at par totaling total \$76.4 million and received \$15.3 million of portfolio company principal payments. In addition, we sold \$468.4 million of loans, recognizing a net realized loss on these transactions of \$39.5 million, and sold \$126.1 million of middle-market portfolio company debt investments to our joint venture realizing a loss on these transactions of \$1.4 million. In addition, one loan investment was restructured. Under U.S. GAAP, this restructuring was considered a material modification and as a result, we recognized a loss of approximately \$0.6 million related to this restructuring. Lastly, we received \$0.8 million in escrow distributions from legacy portfolio companies, which were recognized as realized gains and recognized a realized loss of \$1.1 million relating to indemnification claims for a legacy Triangle Capital Corporation portfolio company.

Total portfolio investment activity for the years ended December 31, 2021 and 2020 was as follows:

December 31, 2021	Senior Debt and 1 st Lien Notes	Subordinated Debt and 2 nd Lien Notes	Structured Products	Equity Shares	Equity Warrants	Investments in Joint Ventures/ PE Fund	Short-term Investments	Total
Fair value, beginning of period	\$ 1,171,250,512	\$ 138,767,120	\$ 32,508,845	\$ 44,651,114	\$ 1,300,197	\$ 41,759,922	\$ 65,558,227	\$ 1,495,795,937
New investments	1,104,331,866	160,737,734	19,815,398	108,111,475	163,000	93,134,271	297,560,982	1,783,854,726
Proceeds from sales of investments	(765,417,430)	(13,683,500)	(10,068,420)	(8,269,168)	(450,000)	—	(363,118,408)	(1,161,006,926)
Loan origination fees received	(26,844,600)	(3,659,741)	—	—	—	—	—	(30,504,341)
Principal repayments received	(275,645,832)	(39,272,993)	(4,007,677)	—	—	—	—	(318,926,502)
Payment in kind interest	3,112,247	8,503,991	—	—	—	—	—	11,616,238
Accretion of loan premium/discount	2,032,636	2,582,431	31,218	—	—	—	—	4,646,285
Accretion of deferred loan origination revenue	8,841,329	602,604	—	—	—	—	—	9,443,933
Realized gain (loss)	52,258	(36,487)	1,212,504	1,254,812	163,219	—	(801)	2,645,505
Unrealized appreciation (depreciation)	(115,033)	(14,504,351)	778,791	8,728,424	(68,873)	8,210,139	—	3,029,097
Fair value, end of period	\$ 1,221,597,953	\$ 240,036,808	\$ 40,270,659	\$ 154,476,657	\$ 1,107,543	\$ 143,104,332	\$ —	\$ 1,800,593,952

December 31, 2020	Senior Debt and 1 st Lien Notes	Subordinated Debt and 2 nd Lien Notes	Structured Products	Equity Shares	Equity Warrants	Investment in Joint Venture	Short-term Investments	Total
Fair value, beginning of period	\$ 1,050,863,369	\$ 15,220,969	\$ —	\$ 760,716	\$ —	\$ 10,229,813	\$ 96,568,940	\$ 1,173,643,807
New investments	815,145,050	8,244,226	33,018,233	1,286,365	101,602	20,000,000	1,182,185,606	2,059,981,082
Investments acquired in MVC merger	9,720,000	122,082,933	—	42,980,466	1,133,781	9,124,262	—	185,041,442
Proceeds from sales of investments	(588,450,883)	(2,940,255)	(3,000,000)	221,094	—	—	(1,213,197,945)	(1,807,367,989)
Loan origination fees received	(19,013,021)	(180,224)	—	—	—	—	—	(19,193,245)
Principal repayments received	(86,295,211)	(5,104,857)	(336,069)	—	—	—	—	(91,736,137)
Payment in kind interest	453,896	41,753	—	—	—	—	—	495,649
Accretion of loan premium/discount	1,635,917	111,923	58,132	—	—	—	—	1,805,972
Accretion of deferred loan origination revenue	2,672,194	44,571	—	—	—	—	—	2,716,765
Realized gain (loss)	(38,462,897)	137,542	331,511	(310,105)	—	—	1,626	(38,302,323)
Unrealized appreciation (depreciation)	22,982,098	1,108,539	2,437,038	(287,422)	64,814	2,405,847	—	28,710,914
Fair value, end of period	<u>\$ 1,171,250,512</u>	<u>\$ 138,767,120</u>	<u>\$ 32,508,845</u>	<u>\$ 44,651,114</u>	<u>\$ 1,300,197</u>	<u>\$ 41,759,922</u>	<u>\$ 65,558,227</u>	<u>\$ 1,495,795,937</u>

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 December 31, 2021, we had two assets on non-accrual, the fair value of which was \$36.0 million, which comprised 2.0% of the total fair value of our portfolio, and the cost of which was \$50.9 million, which comprised 2.9% of the total cost of our portfolio. As of December 31, 2020, we had one asset on non-accrual, the fair value of which was \$3.0 million, which comprised 0.2% of the total fair value of our portfolio, and the cost of which was \$3.0 million, which comprised 0.2% of the total cost of our portfolio.

A summary of our non-accrual assets as of December 31, 2021 is provided below:

Legal Solutions Holdings

In connection with the MVC Acquisition, we purchased our debt investment in Legal Solutions Holdings, or Legal Solutions. During the quarter ended September 30, 2021, we placed our debt investment in Legal Solutions on non-accrual status. As a result, under U.S. GAAP, we will not recognize interest income on our debt investment in Legal Solutions for financial reporting purposes. As of December 31, 2021, the cost of our debt investment in Legal Solutions was \$10.1 million and the fair value of such investment was \$5.9 million.

Custom Alloy Corporation

In connection with the MVC Acquisition, we purchased our debt investment in Custom Alloy Corporation, or Custom Alloy. During the quarter ended December 31, 2021, we placed our debt investment in Custom Alloy on non-accrual status. As a result, under U.S. GAAP, we will not recognize interest income on our debt investment in Custom Alloy for financial reporting purposes. As of December 31, 2021, the cost of our debt investment in Custom Alloy was \$40.8 million and the fair value of such investment was \$30.0 million.

Discussion and Analysis of Financial Condition and Results of Operations

Set forth below is a comparison of the results of operations and changes in financial condition for the years ended December 31, 2021 and 2020. The comparison of, and changes between, the fiscal years ended December 31, 2020 and 2019 can be found within “Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations” included in Part II of our annual report on Form 10-K for the fiscal year ended December 31, 2020, which is incorporated herein by reference.

Results of Operations

Comparison of years ended December 31, 2021 and 2020

Operating results for the years ended December 31, 2021 and 2020:

	Year Ended December 31,	
	2021	2020
Total investment income	\$ 135,335,374	\$ 71,031,068
Net operating expenses	76,367,540	39,972,665
Net investment income before taxes	58,967,834	31,058,403
Income taxes, including excise tax expense	7,495	70,599
Net investment income after taxes	58,960,339	30,987,804
Net realized losses	(3,379,062)	(38,289,580)
Net unrealized appreciation	22,104,996	18,549,588
Loss on extinguishment of debt	—	(3,088,728)
Benefit from (provision) for taxes	(844)	17,709
Net increase in net assets resulting from operations	\$ 77,685,429	\$ 8,176,793

Net increases or decreases in net assets resulting from operations vary substantially from period to period due to various factors. As a result, yearly comparisons of net increases or decreases in net assets resulting from operations may not be meaningful.

Investment Income

	Year Ended December 31,	
	2021	2020
Total interest income	\$ 102,439,082	\$ 65,620,891
Total dividend income	8,879,156	2,603
Total fee and other income	13,020,244	4,080,636
Total payment-in-kind interest income	10,996,305	1,326,307
Interest income from cash	587	631
Total investment income	\$ 135,335,374	\$ 71,031,068

The change in total investment income for the year ended December 31, 2021, as compared to the year ended December 31, 2020, was primarily due to an increase in the average size of our portfolio, acceleration of unamortized OID and unamortized loan origination fee income associated with repayments of loans, an increase in payment-in-kind (“PIK”) interest income and increased dividends from portfolio companies and joint venture investments. For the year ended December 31, 2021, acceleration of unamortized OID income and unamortized loan origination fees totaled \$6.2 million, as compared to \$0.5 million for the year ended December 31, 2020. For the year ended December 31, 2021, PIK interest income was \$11.0 million, as compared to \$1.3 million for the year ended December 31, 2020. For the year ended December 31, 2021, dividends from portfolio companies and joint venture investments were \$8.9 million, as compared to \$2,603 for the year ended December 31, 2020. The amount

of our outstanding debt investments was \$1,554.5 million as of December 31, 2021, as compared to \$1,399.9 million as of December 31, 2020. The weighted average yield on the principal amount of our outstanding debt investments, other than non-accrual debt investments was 7.2% as of December 31, 2021, as compared to 7.1% as of December 31, 2020.

Operating Expenses

	Year Ended December 31,	
	2021	2020
Interest and other financing fees	\$ 33,013,665	\$ 19,812,711
Base management fee	19,516,741	14,317,693
Incentive management fees	14,741,949	—
Compensation expenses	—	48,381
General and administrative expenses	9,095,185	5,793,880
Total operating expenses	\$ 76,367,540	\$ 39,972,665

Interest and Other Financing Fees

Interest and other financing fees during the year ended December 31, 2021 were attributable to borrowings under the February 2019 Credit Facility, the August 2025 Notes, the November Notes, the February Notes and the November 2026 Notes (each as defined below under “Liquidity and Capital Resources”). Interest and other financing fees during the year ended December 31, 2020 were attributable to borrowings under Barings BDC Senior Funding I, LLC's (“BSF”) credit facility initially entered into in August 2018 with Bank of America, N.A. (the “August 2018 Credit Facility”), the February 2019 Credit Facility, our May 2019 \$449.3 million term debt securitization (the “Debt Securitization”), the August 2025 Notes and the November Notes (each as defined below under “Liquidity and Capital Resources”). The increase in interest and other financing fees for the year ended December 31, 2021 as compared to the year ended December 31, 2020, was primarily attributable to the issuance of the February Notes and the November 2026 Notes and increased borrowings under the February 2019 Credit Facility, partially offset by the repayment of the Debt Securitization and the repayment of the borrowings under the August 2018 Credit Facility.

Base Management Fees

Under the terms of the Amended and Restated Advisory Agreement (and, prior to January 1, 2021, under the terms of the Original Advisory Agreement), we pay Barings a base management fee (the “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. See Note 2 to our Consolidated Financial Statements for the year ended December 31, 2021 for additional information regarding the terms of the Amended and Restated Advisory Agreement (and, prior to January 1, 2021, the terms of the Original Advisory Agreement) and the fee arrangement thereunder. For the years ended December 31, 2021 and December 31, 2020, the Base Management Fee was approximately \$19.5 million and \$14.3 million, respectively. The increase between periods was primarily due to the increase in our average gross assets, partially offset by a decrease in the Base Management Fee rate. The Base Management Fee rate was 1.250% for the year ended December 31, 2021, as compared to 1.375% for the year ended December 31, 2020.

Incentive Fee (and, prior to January 1, 2021, under the terms of the Original Advisory Agreement)

Under the Amended and Restated Advisory Agreement (and, prior to January 1, 2021, under the terms of the Original Advisory Agreement), we pay Barings an incentive fee. A portion of the incentive fee is based on our income and a portion is based on our capital gains. The income-based fee will be determined and paid quarterly in arrears based on the amount by which (x) the aggregate pre-incentive fee net investment income in respect of the current calendar quarter and the eleven preceding calendar quarters beginning with the calendar quarter that commences on or after January 1, 2021, as the case may be (or the appropriate portion thereof in the case of any of our first eleven calendar quarters that commences on or after January 1, 2021) exceeds (y) the hurdle amount as calculated for the same period. See Note 2 to our Consolidated Financial Statements for additional information regarding the terms of the Amended and Restated Advisory Agreement and the fee arrangements thereunder. For the year ended December 31, 2021, the amount of income-based fee incurred was \$14.7 million. We did not incur any income-based fee for the year ended December 31, 2020.

Compensation Expenses

Prior to the externalization transaction with Barings in August 2018, 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 externalization transactions, all but two employees were terminated and remained employees until February 2020.

General and Administrative Expenses

We entered into the Administration Agreement with Barings in August 2018. 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 will reimburse Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount to be negotiated and mutually agreed to by us and Barings quarterly in arrears; provided that the agreed-upon quarterly expense amount will not exceed the amount of expenses that would otherwise be reimbursable by us under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. See Note 2 to our Consolidated Financial Statements for additional information regarding the Administration Agreement.

For the years ended December 31, 2021 and 2020, the amount of administration expense incurred and invoiced by Barings for expenses was approximately \$2.5 million and \$1.6 million, respectively. In addition to expenses incurred under the Administration Agreement, general and administrative expenses include Board fees, D&O insurance costs, as well as legal and accounting expenses.

Net Realized Gains (Losses)

Net realized gains (losses) during the years ended December 31, 2021 and 2020 were as follows:

	Year Ended December 31,	
	2021	2020
Non-Control / Non-Affiliate investments	\$ 2,746,436	\$ (38,302,323)
Affiliate investments	(100,931)	—
Net realized gains (losses) on investments	2,645,505	(38,302,323)
Foreign currency transactions	(6,024,567)	12,743
Net realized losses	\$ (3,379,062)	\$ (38,289,580)

In the year ended December 31, 2021, we recognized a net realized loss totaling \$3.4 million, which consisted primarily of a net loss on foreign currency transactions of \$6.0 million, partially offset by a net gains on our loan portfolio of \$2.6 million.

For the year ended December 31, 2020, we recognized a net realized loss totaling \$38.3 million, which consisted primarily of a net loss on our loan portfolio of \$38.0 million and a net loss of \$1.1 million related to an indemnification claim in connection with a legacy Triangle Capital Corporation portfolio company, partially offset by \$0.8 million in escrow distributions we received from portfolio companies, which were recognized as realized gains.

Net Unrealized Appreciation and Depreciation

Net unrealized appreciation and depreciation during the years ended December 31, 2021 and 2020 was as follows:

	Year Ended December 31,	
	2021	2020
Non-Control / Non-Affiliate investments	\$ (11,086,729)	\$ 26,210,329
Affiliate investments	17,584,892	2,471,217
Control investments	(3,469,066)	29,368
Net unrealized appreciation on investments	3,029,097	28,710,914
Credit support agreement	1,800,000	—
Foreign currency transactions	17,275,899	(10,161,326)
Net unrealized appreciation	\$ 22,104,996	\$ 18,549,588

For the year ended December 31, 2021, we recorded net unrealized appreciation totaling \$22.1 million consisting of net unrealized appreciation on our current portfolio of \$11.4 million, net unrealized appreciation related to foreign currency transactions of \$17.3 million and unrealized appreciation of \$1.8 million on the credit support agreement with Barings, net of unrealized depreciation reclassification adjustments of \$8.4 million related to realized gains and losses recognized during the year. The net unrealized appreciation on our current portfolio of \$11.4 million was driven primarily by broad market moves for investments of \$31.5 million partially offset by the credit or fundamental performance of investments of \$5.9 million and the impact of foreign currency exchange rates on investments of \$14.2 million.

For the year ended December 31, 2020, we recorded net unrealized appreciation totaling \$18.5 million consisting of net unrealized depreciation on our current portfolio of \$27.9 million, net unrealized depreciation related to foreign currency transactions of \$10.2 million and net unrealized appreciation reclassification adjustments of \$56.6 million related to realized gains and losses recognized during the year. The net unrealized depreciation on our current portfolio of \$27.9 million was driven primarily by the credit or fundamental performance of middle-market debt investments of \$6.1 million and the broad market moves for the entire investment portfolio of \$29.5 million, partially offset by the positive impact of foreign currency exchange rates on middle-market debt investments of \$7.7 million.

Liquidity and Capital Resources

We believe that our current cash and foreign currencies on hand, our available borrowing capacity under 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. This "Liquidity and Capital Resources" section should be read in conjunction with "COVID-19 Developments" above, as well as with the notes to our Consolidated Financial Statements.

Cash Flows

For the year ended December 31, 2021, we experienced a net decrease in cash in the amount of \$8.2 million. During that period, our operating activities used \$396.6 million in cash, consisting primarily of purchases of portfolio investments of \$1,461.1 million and purchases of short-term investments of \$297.6 million, partially offset by proceeds from sales or repayments of portfolio investments totaling \$943.9 million and proceeds from the sales of short-term investments of \$363.1 million. In addition, our financing activities provided net cash of \$388.3 million, consisting of net proceeds of \$343.1 million from the issuance of the November 2026 Notes and \$149.8 million from the issuance of the February Notes (both as defined below under "Financing Transactions"), partially

offset by net repayments under the February 2019 Credit Facility of \$50.8 million and dividends paid in the amount of \$53.6 million. At December 31, 2021, we had \$84.3 million of cash and foreign currencies on hand.

For the year ended December 31, 2020, we experienced a net increase in cash in the amount of \$70.5 million. During that period, our operating activities used \$218.1 million in cash, consisting primarily of purchases of portfolio investments of \$881.2 million, the acquisition of MVC (net of cash received) of \$96.7 million and purchases of short-term investments of \$1,182.2 million, partially offset by proceeds from sales of investments totaling \$684.5 million and proceeds from the sales of short-term investments of \$1,213.2 million. In addition, financing activities provided net cash of \$288.6 million, consisting primarily of net borrowings under the August 2018 Credit Facility and the February 2019 Credit Facility of \$356.2 million, net proceeds from the August 2025 Notes and the November Notes issuances of \$224.3, net proceeds from the issuance of common stock as part of the acquisition of MVC of \$160.4 million, partially offset by repayments of the Debt Securitization of \$318.2 million, purchases of shares under the share repurchase plan of \$7.1 million, repayment of the notes acquired as part of the acquisition of MVC of \$95.5 million and dividends paid in the amount of \$31.3 million. At December 31, 2021, we had \$92.5 million of cash on hand.

Financing Transactions

February 2019 Credit Facility

On February 21, 2019, we entered into the February 2019 Credit Facility (as subsequently amended in December 2019), 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. Effective on November 4, 2021, we increased aggregate commitments under the February 2019 Credit Facility to \$875.0 million from \$800.0 million pursuant to the accordion feature under the February 2019 Credit Facility, which allows for an increase in the total commitments to an aggregate of \$1.2 billion 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. Following the termination of the August 2018 Credit Facility on June 30, 2020, BSF became a subsidiary guarantor and its assets will secure the February 2019 Credit Facility. The revolving period of the February 2019 Credit Facility ends on February 21, 2023, followed by a one-year repayment 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 1.00% (or 1.25% if we no longer maintain an investment grade credit rating), (ii) the applicable LIBOR rate plus 2.00% (or 2.25% if we no longer maintain an investment grade credit rating), (iii) for borrowings denominated in certain foreign currencies other than Australian dollars, the applicable currency rate for the foreign currency as defined in the credit agreement plus 2.00% (or 2.25% if we no longer maintain an investment grade credit rating), or (iv) for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.20% (or 2.45% if we no longer maintain 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 applicable currency rate plus 1.0% and (v) 1.0%. The applicable LIBOR and currency rates depend on the currency and term of the draw under the February 2019 Credit Facility, and cannot be less than zero.

In addition, we (i) paid a commitment fee of 0.375% per annum on undrawn amounts for the period beginning on the closing date of the February 2019 Credit Facility to and including the date that was six months after the closing date of the February 2019 Credit Facility, and (ii) thereafter pay a commitment fee of (x) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than two-thirds 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 two-thirds of total commitments. In connection with entering into the February 2019 Credit Facility, we incurred financing fees of approximately \$6.4 million, which will be amortized over the life of the February 2019 Credit Facility.

As of December 31, 2021, we were in compliance with all covenants under the February 2019 Credit Facility and we had U.S. dollar borrowings of \$377.0 million outstanding under the February 2019 Credit Facility with a weighted average interest rate of 2.125% (weighted average one month LIBOR of 0.125%), borrowings denominated in Swedish kronas of 12.8kr million (\$1.4 million U.S. dollars) with an interest rate of 2.000% (one month STIBOR of 0.000%), borrowings denominated in British pounds sterling of £68.3 million (\$92.5 million U.S. dollars) with a weighted average interest rate of 2.125% (weighted average one month GBP LIBOR of 0.125%), borrowings denominated in Australian dollars of A\$36.6 million (\$26.6 million U.S. dollars) with a weighted average interest rate of 2.250% (weighted average one month AUD Screen Rate of 0.250%) and borrowings denominated in Euros of €138.6 million (\$157.6 million U.S. dollars) with a weighted average interest rate of 2.00% (weighted average one month EURIBOR of 0.000%). The borrowings denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date. The impact resulting from changes in foreign exchange rates on the February 2019 Credit Facility borrowings is included in "Net unrealized appreciation (depreciation) - foreign currency transactions" in our Consolidated Statements of Operations.

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 December 31, 2021, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was \$655.2 million. See Note 4 to our Consolidated Financial Statements for additional information regarding the February 2019 Credit Facility.

Term Debt Securitization

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, ("BBDC Static CLO Ltd.") and Barings BDC Static CLO 2019-I, LLC, our 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. The 2019 Notes were 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 (the "Class A-1 2019 Notes"), which bore interest at the three-month LIBOR plus 1.02%; \$51.5 million of AA(sf) Class A-2 Senior Secured Floating Rate 2019 Notes (the "Class A-2 2019 Notes"), which bore interest at the three-month LIBOR plus 1.65%; and \$101.0 million of Subordinated 2019 Notes which did not bear interest and were 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 were scheduled to mature on April 15, 2027; however the 2019 Notes could 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 were the secured obligations of the Issuers, the Subordinated 2019 Notes were the unsecured obligations of BBDC Static CLO Ltd., and the indenture governing the 2019 Notes included customary covenants and events of default. The 2019 Notes were not registered under the Securities Act or any state securities or "blue sky" laws and could not be offered or sold in the United States absent registration with the Securities and Exchange Commission (the "SEC") or an applicable exemption from registration.

We served as collateral manager to BBDC Static CLO Ltd. under a collateral management agreement and we 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 had 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.

During the year ended December 31, 2019, \$30.0 million of Class A-1 2019 Notes were repaid. During the year ended December 31, 2020, the remaining 2019 Notes were repaid in full, with the final repayment on October 15, 2020. See Note 4 to our Consolidated Financial Statements for additional information regarding the Debt Securitization.

August 2025 Notes

On August 3, 2020, we entered into a Note Purchase Agreement (the “August 2020 NPA”) with Massachusetts Mutual Life Insurance Company governing the issuance of (1) \$50.0 million in aggregate principal amount of Series A senior unsecured notes due August 2025 (the “Series A Notes due 2025”) with a fixed interest rate of 4.66% per year, and (2) up to \$50.0 million in aggregate principal amount of additional senior unsecured notes due August 2025 with a fixed interest rate per year to be determined (the “Additional Notes” and, collectively with the Series A Notes due 2025, the “August 2025 Notes”), in each case, to qualified institutional investors in a private placement. An aggregate principal amount of \$25.0 million of the Series A Notes due 2025 was issued on September 24, 2020 and an aggregate principal amount of \$25.0 million of the Series A Notes due 2025 was issued on September 29, 2020, both of which will mature on August 4, 2025 unless redeemed, purchased or prepaid prior to such date by us in accordance with their terms. Interest on the August 2025 Notes is due semiannually in March and September, beginning in March 2021. In addition, we are obligated to offer to repay the August 2025 Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the August 2020 NPA, we may redeem the August 2025 Notes in whole or in part at any time or from time to time at our option at par plus accrued interest to the prepayment date and, if redeemed on or before November 3, 2024, a make-whole premium. The August 2025 Notes are guaranteed by certain of our subsidiaries, and are our general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by us.

On November 4, 2020, we amended the August 2020 NPA to reduce the aggregate principal amount of unissued Additional Notes from \$50.0 million to \$25.0 million.

The August 2020 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of our status as a BDC within the meaning of the 1940 Act, certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments, minimum shareholders’ equity, maximum net debt to equity ratio and minimum asset coverage ratio. The August 2020 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under our other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of an event of default, the holders of at least 66-2/3% in principal amount of the August 2025 Notes at the time outstanding may declare all August 2025 Notes then outstanding to be immediately due and payable. As of December 31, 2021, we were in compliance with all covenants under the August 2020 NPA.

The August 2025 Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The August 2025 Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2021, the fair value of the outstanding August 2025 Notes was \$52.2 million. The fair value determination of the August 2025 Notes was based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

November Notes

On November 4, 2020, we entered into a Note Purchase Agreement (the “November 2020 NPA”) governing the issuance of (1) \$62.5 million in aggregate principal amount of Series B senior unsecured notes due November 2025 (the “Series B Notes”) with a fixed interest rate of 4.25% per year and (2) \$112.5 million in aggregate principal amount of Series C senior unsecured notes due November 2027 (the “Series C Notes,” and, collectively with the

Series B Notes, the “November Notes”) with a fixed interest rate of 4.75% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable November Notes do not satisfy certain investment grade conditions and/or (y) 1.50% per year, to the extent the ratio of our secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The November Notes were delivered and paid for on November 5, 2020. The Series B Notes will mature on November 4, 2025, and the Series C Notes will mature on November 4, 2027 unless redeemed, purchased or prepaid prior to such date by us in accordance with their terms. Interest on the November Notes is due semiannually in May and November, beginning in May 2021. In addition, we are obligated to offer to repay the November Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the November 2020 NPA, we may redeem the Series B Notes and the Series C Notes in whole or in part at any time or from time to time at our option at par plus accrued interest to the prepayment date and, if redeemed on or before May 4, 2025, with respect to the Series B Notes, or on or before May 4, 2027, with respect to the Series C Notes, a make-whole premium. The November Notes are guaranteed by certain of our subsidiaries, and are our general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by us.

The November 2020 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of our status as a BDC within the meaning of the 1940 Act, certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments, minimum shareholders’ equity, maximum net debt to equity ratio and minimum asset coverage ratio. The November 2020 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under our other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of an event of default, the holders of at least 66-2/3% in principal amount of the November Notes at the time outstanding may declare all November Notes then outstanding to be immediately due and payable. As of December 31, 2021, we were in compliance with all covenants under the November 2020 NPA.

The November Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The November Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2021, the fair value of the outstanding Series B Notes and the Series C Notes was \$64.1 million and \$115.3 million, respectively. The fair value determinations of the Series B Notes and Series C Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

February Notes

On February 25, 2021, we entered into a Note Purchase Agreement (the “February 2021 NPA”) governing the issuance of (1) \$80.0 million in aggregate principal amount of Series D senior unsecured notes due February 26, 2026 (the “Series D Notes”) with a fixed interest rate of 3.41% per year and (2) \$70.0 million in aggregate principal amount of Series E senior unsecured notes due February 26, 2028 (the “Series E Notes” and, collectively with the Series D Notes, the “February Notes”) with a fixed interest rate of 4.06% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable February Notes do not satisfy certain investment grade rating conditions and/or (y) 1.50% per year, to the extent the ratio of our secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The February Notes were delivered and paid for on February 26, 2021.

The Series D Notes will mature on February 26, 2026, and the Series E Notes will mature on February 26, 2028 unless redeemed, purchased or prepaid prior to such date by us in accordance with the terms of the February 2021 NPA. Interest on the February Notes is due semiannually in February and August of each year, beginning in August 2021. In addition, we are obligated to offer to repay the February Notes at par (plus accrued and unpaid

interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the February 2021 NPA, we may redeem the Series D Notes and the Series E Notes in whole or in part at any time or from time to time at our option at par plus accrued interest to the prepayment date and, if redeemed on or before August 26, 2025, with respect to the Series D Notes, or on or before August 26, 2027, with respect to the Series E Notes, a make-whole premium. The February Notes are guaranteed by certain of our subsidiaries, and are our general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by us.

The February 2021 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, information reporting, maintenance of our status as a BDC within the meaning of the 1940 Act, and certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments. In addition, the February 2021 NPA contains the following financial covenants: (a) maintaining a minimum obligors' net worth, measured as of each fiscal quarter end; (b) not permitting our asset coverage ratio, as of the date of the incurrence of any debt for borrowed money or the making of any cash dividend to shareholders, to be less than the statutory minimum then applicable to us under the 1940 Act; and (c) not permitting our net debt to equity ratio to exceed 2.0x, measured as of each fiscal quarter end.

The February 2021 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of certain events of default, the holders of at least 66-2/3% in principal amount of the February Notes at the time outstanding may declare all February Notes then outstanding to be immediately due and payable. As of December 31, 2021, we were in compliance with all covenants under the February 2021 NPA.

The February Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The February Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2021, the fair value of the outstanding Series D Notes and the Series E Notes was \$79.2 million and \$68.7 million, respectively. The fair value determinations of the Series D Notes and Series E Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

November 2026 Notes

On November 23, 2021, we entered into an Indenture (the "Base Indenture") and a Supplemental Indenture (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture") with U.S. Bank National Association (the "Trustee"). The First Supplemental Indenture relates to our issuance of \$350.0 million aggregate principal amount of its 3.300% notes due 2026 (the "November 2026 Notes").

The November 2026 Notes will mature on November 23, 2026 and may be redeemed in whole or in part at our option at any time or from time to time at the redemption prices set forth in the Indenture. The November 2026 Notes bear interest at a rate of 3.300% per year payable semi-annually on May 23 and November 23 of each year, commencing on May 23, 2022. The November 2026 Notes are our general unsecured obligations that rank senior in right of payment to all of our existing and future indebtedness that is expressly subordinated in right of payment to the November 2026 Notes, rank pari passu with all existing and future unsecured unsubordinated indebtedness issued by us, rank effectively junior to any of our secured indebtedness (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness, and rank structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities.

The Indenture contains certain covenants, including covenants requiring us to comply with the asset coverage requirements of Section 18(a)(1)(A) as modified by Section 61(a)(1) and (2) of the 1940 Act, whether or not it is subject to those requirements, and to provide financial information to the holders of the November 2026 Notes and

the Trustee if we are no longer subject to the reporting requirements under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These covenants are subject to important limitations and exceptions that are described in the Indenture.

In addition, on the occurrence of a “change of control repurchase event,” as defined in the Indenture, we will generally be required to make an offer to purchase the outstanding November 2026 Notes at a price equal to 100% of the principal amount of such November 2026 Notes plus accrued and unpaid interest to the repurchase date.

The November 2026 Notes were offered to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act. The November 2026 Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

As of December 31, 2021, the fair value of the outstanding November 2026 Notes was \$346.8 million. The fair value determinations of the November 2026 Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

Share Repurchase Plan

On February 27, 2020, the Board approved an open-market share repurchase program for the 2020 fiscal year (the “2020 Share Repurchase Program”). Under the 2020 Share Repurchase Program, we were authorized during fiscal year 2020 to repurchase up to a maximum of 5.0% of the amount of shares outstanding as of February 27, 2020 if shares traded below NAV per share, subject to liquidity and regulatory constraints.

Purchases under the 2020 Share Repurchase Program were made in open-market transactions and included transactions being executed by a broker selected us that had been delegated the authority to repurchase shares on our behalf in the open market in accordance with applicable rules under the Exchange Act, including Rules 10b5-1 and 10b-18 thereunder, and pursuant to, and under the terms and limitations of, the 2020 Share Repurchase Program. During the year ended December 31, 2020, we repurchased a total of 989,050 shares of our common stock in the open market under the 2020 Share Repurchase Program at an average price of \$7.21 per share, including broker commissions.

In addition, in connection with the closing of the MVC Acquisition on December 23, 2020, we committed to make open-market purchases of shares of our common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program will occur during the 12-month period that commenced upon the filing of our quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and will be made in accordance with applicable legal, contractual and regulatory requirements. During the year ended December 31, 2021, we did not repurchase any shares under the authorized program.

Distributions to Stockholders

We intend to pay quarterly distributions to our stockholders out of assets legally available for distribution. We have adopted a dividend reinvestment plan (“DRIP”) that provides for reinvestment of dividends on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, when we declare a dividend, stockholders who have not opted out of the DRIP will have their dividends automatically reinvested in shares of our common stock, rather than receiving cash dividends.

We have elected to be treated as a RIC under 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 level of 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 or financing agreement and related supplements. In addition, in order to satisfy the annual distribution requirement applicable to RICs, we may declare a significant portion of our dividends in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash (which portion may be as low as 20% of such dividend (and 10% of the dividend declared through June 30, 2022) under published guidance from the Internal Revenue Service) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. As a result, a stockholder generally would be subject to tax on 100% of the fair market value of the dividend on the date the dividend is received by the stockholder in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock.

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 and net capital gain, if any, 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 (i) PIK interest income and (ii) 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.

Critical Accounting Policies and Use of Estimates

The preparation of our financial statements in accordance with U.S. GAAP requires management 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 on-going 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. We describe our most significant accounting policies in Note 1 to our Consolidated Financial Statements.

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 (at least 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.

As of December 31, 2021, our investment portfolio, valued at fair value in accordance with the Board-approved valuation policies, represented approximately 243% of our total net assets, as compared to approximately 208% of our total net assets as of December 31, 2020.

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 in the notes to our consolidated financial statements 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 observable 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 independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, Barings will utilize alternative methods in accordance with internal pricing procedures established by Barings' pricing committee.

At least annually, Barings conducts reviews of the primary pricing vendors to validate that the inputs used in the vendors' pricing process are deemed to be market observable. While Barings is not provided access to

proprietary models of the vendors, the reviews have included on-site walkthroughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The review also includes an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations, a process Barings continues to perform annually. In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. Barings believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (i.e. exit prices).

Our money market fund investments are generally valued using Level 1 inputs and our equity investments listed on an exchange or on the NASDAQ National Market System are valued using Level 1 inputs, using the last quoted sale price of that day. Our syndicated senior secured loans and structured products are generally valued using Level 2 inputs, which are generally valued at the bid quotation obtained from dealers in loans by an independent pricing service. Our middle-market, private debt and equity investments and are generally valued using Level 3 inputs.

Independent Valuation

The fair value of loans and equity investments that are not syndicated or for which market quotations are not readily available, including middle-market loans, are generally submitted to independent providers to perform an independent valuation on those loans and equity investments as of the end of each quarter. Such loans and equity investments are initially held at cost, as that is a reasonable approximation of fair value on the acquisition date, and monitored for material changes that could affect the valuation (for example, changes in interest rates or the credit quality of the borrower). At the quarter end following the initial acquisition, such loans and equity investments are generally sent to a valuation provider which will determine the fair value of each investment. The independent valuation providers apply various methods (synthetic rating analysis, discounting cash flows, and re-underwriting analysis) to establish the rate of return a market participant would require (the “discount rate”) as of the valuation date, given market conditions, prevailing lending standards and the perceived credit quality of the issuer. Future expected cash flows for each investment are discounted back to present value using these discount rates in the discounted cash flow analysis. A range of values will be provided by the valuation provider and Barings will determine the point within that range that it will use in making valuation recommendations to the Board, and will report to the Board on its rationale for each such determination. Barings uses its internal valuation model as a comparison point to validate the price range provided by the valuation provider and, where applicable, in determining the point within that range that it will use in making valuation recommendations to the Board. If Barings’ pricing committee disagrees with the price range provided, it may make a fair value recommendation to the Board that is outside of the range provided by the independent valuation provider, and will notify the Board of any such override and the reasons therefore. In certain instances, we may determine that it is not cost-effective, and as a result is not in the stockholders’ best interests, to request an independent valuation firm to perform an independent valuation 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. Pursuant to these procedures, the Board determines in good faith whether 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.

The SEC has adopted new Rule 2a-5 under the 1940 Act. This rule establishes requirements for determining fair value in good faith for purposes of the 1940 Act. We will comply with the new rule’s valuation requirements on or before the SEC’s compliance date in 2022.

Valuation 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. An independent pricing service provider is the preferred source of pricing a loan, however, to the extent the independent pricing service provider price is

unavailable or not relevant and reliable, we will utilize alternative approaches such as broker quotes or manual prices. 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.

Valuation of Investments in Jocassee, Thompson Rivers, Waccamaw River and MVC Private Equity Fund LP

As Jocassee, Thompson Rivers, Waccamaw River and MVC Private Equity Fund LP are investment companies with no readily determinable fair values, we estimate the fair value of our investments in these entities using net asset value of each company and our ownership percentage as a practical expedient. The net asset value is determined in accordance with the specialized accounting guidance for investment companies.

Revenue Recognition

Interest and Dividend 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 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. The cessation of recognition of such interest will negatively impact the reported fair value of the investment. We write 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.

We may have to include interest income in our ICTI, including original issue discount 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. As a result, we may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements to maintain our RIC tax treatment, even though we will not have received and may not ever receive any corresponding cash amount. Additionally, any loss recognized by us for U.S. federal income tax purposes on previously accrued interest income will be treated as a capital loss.

Fee Income

Origination, facility, commitment, consent and other advance fees received in connection with the origination of a loan, or 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 our business, we receive certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, advisory, loan amendment and other fees, and are recorded as investment income when earned.

Fee income for the years ended December 31, 2021, 2020 and 2019 was as follows:

	Year Ended December 31,		
	2021	2020	2019
Recurring Fee Income:			
Amortization of loan origination fees	\$ 4,620,259	\$ 2,179,859	\$ 914,197
Management, valuation and other fees	2,185,600	867,465	275,510
Total Recurring Fee Income	6,805,859	3,047,324	1,189,707
Non-Recurring Fee Income:			
Prepayment fees	474,499	84,151	59,617
Acceleration of unamortized loan origination fees	4,823,674	536,906	694,971
Advisory, loan amendment and other fees	916,212	412,255	172,525
Total Non-Recurring Fee Income	6,214,385	1,033,312	927,113
Total Fee Income	\$ 13,020,244	\$ 4,080,636	\$ 2,116,820

Payment-in-Kind (PIK) Interest Income

We currently hold, and expect to hold in the future, some loans in our portfolio that contain PIK interest provisions. PIK interest, computed at the contractual rate specified in each loan agreement, is periodically added to the principal balance of the loan, rather than being paid to us 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.

PIK interest, which is a non-cash source of income at the time of recognition, is included in our taxable income and therefore affects the amount we are required to distribute to our stockholders to maintain our tax treatment as a RIC for U.S. federal income tax purposes, even though we have not yet collected the cash. Generally, when current cash 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 PIK 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. We write off any previously accrued and uncollected PIK interest when it is determined that the PIK interest is no longer collectible.

We may have to include in our ICTI, PIK 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. As a result, 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.

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 securities 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; global pandemics; 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 affected by fluctuations in various

interest rates, including LIBOR, EURIBOR, GBP LIBOR, BBSY, STIBOR, CDOR, and SONIA. 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 December 31, 2021, we were not a party to any interest rate hedging arrangements.

In connection with the COVID-19 pandemic, the U.S. Federal Reserve and other central banks reduced certain interest rates and LIBOR decreased. A continuation in the reduced level of interest rates will depress our gross investment income and could result in a decrease in our net investment income if such decreases in LIBOR are not offset by a corresponding increase in the spread over LIBOR that we earn on any portfolio investments, a decrease in our operating expenses, including with respect to our income incentive fee, or a decrease in the interest rate of our floating interest rate liabilities tied to LIBOR.

As of December 31, 2021, approximately \$1,307.5 million (principal amount) of our debt portfolio investments bore interest at variable rates, which generally are LIBOR-based (or based on an equivalent applicable currency rate), 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 \$26.2 million on an annual basis.

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 1.00% (or 1.25% if we no longer maintain an investment grade credit rating), (ii) the applicable LIBOR rate plus 2.00% (or 2.25% if we no longer maintain an investment grade credit rating), (iii) for borrowings denominated in certain foreign currencies other than Australian dollars, the applicable currency rate for the foreign currency as defined in the credit agreement plus 2.00% (or 2.25% if we no longer maintain an investment grade credit rating) or (iv) for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.20% (or 2.45% if we no longer maintain 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 applicable currency rate plus 1.0% and (v) 1.0%. The applicable LIBOR and currency rates depend on the currency and term of the draw under the February 2019 Credit Facility, and cannot be less than zero. 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 \$13.1 million on an annual basis (based on the amount of outstanding borrowings under the February 2019 Credit Facility as of December 31, 2021). We pay a commitment fee of (x) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than two-thirds 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 two-thirds of total commitments.

In July 2017, the head of the U.K. Financial Conduct Authority (the “FCA”), announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. In March 2021, the FCA confirmed that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case of sterling, euro, Swiss franc, and Japanese yen, and the one week and two month U.S. dollar settings; and (b) immediately after June 30, 2023, in the case of the remaining U.S. dollar settings. In addition, as a result of supervisory guidance from U.S. regulators, some U.S. regulated entities will cease to enter into new LIBOR contracts after January 1, 2022. At this time, no consensus exists as to what rate or rates will become accepted alternatives to LIBOR, although the Alternative Reference Rates Committee, a steering committee convened by the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York and comprised of large U.S. financial institutions, has recommended the use of the Secured Overnight Financing Rate, SOFR. There are many uncertainties regarding a transition from LIBOR to SOFR or any other alternative benchmark rate that may be established, including, but not limited to, the timing of any such transition, the need to amend all contracts with LIBOR as the referenced rate and, given the inherent differences between LIBOR and SOFR or any other alternative benchmark rate, how any transition may impact the cost and performance of impacted securities, variable rate debt and derivative financial instruments. In addition, SOFR or another alternative benchmark rate may fail to gain market acceptance, which could adversely affect the return on, value of and market for securities, variable rate debt and derivative financial instruments linked to such rates. The effects of a transition from LIBOR to SOFR or any other alternative benchmark rate on our cost of capital

and net investment income cannot yet be determined definitively. All of our loan agreements with our portfolio companies include fallback language in the event that LIBOR becomes unavailable. This language generally either includes a clearly defined alternative reference rate after LIBOR's discontinuation or provides that the administrative agent may identify a replacement reference rate, typically with the consent of (or prior consultation with) the borrower. In certain cases, the administrative agent will be required to obtain the consent of either a majority of the lenders under the facility, or the consent of each lender, prior to identifying a replacement reference rate. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market value for or value of any LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to us and could have a material adverse effect on our business, financial condition and results of operations.

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 U.S. dollars based on the spot rate at the relevant balance sheet date, exposing us to movements in the exchange rate. In order to reduce our exposure to fluctuations in exchange rates, we generally borrow in local foreign currencies under the February 2019 Credit Facility to finance such investments. As of December 31, 2021, we had borrowings denominated in Swedish kronas of 12.8kr million (\$1.4 million U.S. dollars) with an interest rate of 2.000%, borrowings denominated in British pounds sterling of £68.3 million (\$92.5 million U.S. dollars) with a weighted average interest rate of 2.125%, borrowings denominated in Australian dollars A\$36.6 million (\$26.6 million U.S. dollars) with a weighted average interest rate of 2.250% and borrowings denominated in Euros of €138.6 million (\$157.6 million U.S. dollars) with a weighted interest rate of 2.000%.

Unused Commitments

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 balance of unused commitments to extend financing as of December 31, 2021 was as follows:

Portfolio Company	Investment Type	December 31, 2021
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	\$ 1,178,571
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	110,119
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	10,801
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	1,448,107
Amtech Software(1)(2)	Delayed Draw Term Loan	2,727,273
Amtech Software(1)(2)	Revolver	681,818
AnalytiChem Holding GmbH(1)(2)(3)	Delayed Draw Term Loan	6,207,333
Aquavista Watersides 2 LTD(1)(4)	Bridge Revolver	503,472
Aquavista Watersides 2 LTD(1)(4)	Acquisition Facility	3,146,698
Arch Global Precision, LLC(1)	Delayed Draw Term Loan	—
Astra Bidco Limited(1)(2)(4)	Delayed Draw Term Loan	2,571,405
Avance Clinical Bidco Pty Ltd(1)(5)	Delayed Draw Term Loan	3,497,352
Azalea Buyer, Inc.(1)(2)	Delayed Draw Term Loan	961,538
Azalea Buyer, Inc.(1)(2)	Revolver	480,769
Bariacum S.A(1)(3)	Acquisition Facility	2,160,679

Portfolio Company	Investment Type	December 31, 2021
Beyond Risk Management, Inc.(1)(2)	Delayed Draw Term Loan	2,573,333
BigHand UK Bidco Limited(1)(2)(4)	Acquisition Facility	378,348
Bounteous, Inc.(1)	Delayed Draw Term Loan	2,840,367
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	431,799
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	143,933
BrightSign LLC(1)	Revolver	1,328,991
British Engineering Services Holdco Limited(1)(4)	Bridge Revolver	612,525
CAi Software, LLC(1)(2)	Revolver	942,986
Canadian Orthodontic Partners Corp.(1)(2)(6)	Acquisition Facility	166,685
Centralis Finco S.a.r.l.(1)(3)	Acquisition Facility	460,949
Ceres Pharma NV(1)(3)	Delayed Draw Term Loan	2,148,974
Classic Collision (Summit Buyer, LLC)(1)	Delayed Draw Term Loan	392,619
Coastal Marina Holdings, LLC(1)	PIK Tranche B Term Loan	1,311,220
Coastal Marina Holdings, LLC(1)	Tranche A Term Loan	3,575,892
Command Alkon (Project Potter Buyer, LLC)(1)	Delayed Draw Term Loan	6,018,078
Coyo Uprising GmbH(1)(3)	Delayed Draw Term Loan	893,523
Crash Champions, LLC(1)(2)	Delayed Draw Term Loan	5,420,303
CSL Dualcom(1)(4)	Acquisition Term Loan	997,972
Dart Buyer, Inc.(1)(2)	Delayed Draw Term Loan	2,430,569
DecksDirect, LLC(1)(2)	Revolver	218,182
DreamStart Bidco SAS(1)(3)	Acquisition Facility	616,916
Dune Group(1)(3)	Delayed Draw Term Loan	664,587
Dwyer Instruments, Inc.(1)	Delayed Draw Term Loan	691,712
Eclipse Business Capital, LLC(1)	Revolver	11,818,182
EMI Porta Holdco LLC(1)(2)	Delayed Draw Term Loan	12,457,627
EMI Porta Holdco LLC(1)(2)	Revolver	2,966,102
EPS NASS Parent, Inc.(1)	Delayed Draw Term Loan	583,051
eShipping, LLC(1)(2)	Delayed Draw Term Loan	2,548,131
eShipping, LLC(1)(2)	Revolver	1,231,597
F24 (Stairway BidCo GmbH)(1)(2)(3)	Delayed Draw Term Loan	405,130
Fineline Technologies, Inc.(1)	Delayed Draw Term Loan	180,000
FragilePak LLC(1)	Delayed Draw Term Loan	2,354,167
Heartland Veterinary Partners, LLC(1)(2)	Delayed Draw Term Loan	657,143
Heavy Construction Systems Specialists, LLC(1)	Revolver	2,631,772
HW Holdco, LLC (Hanley Wood LLC)(1)(2)	Delayed Draw Term Loan	1,563,022
IGL Holdings III Corp.(1)	Delayed Draw Term Loan	1,217,221
Innovad Group II BV(1)(2)(3)	Delayed Draw Term Loan	1,824,551
INOS 19-090 GmbH(1)(2)(3)	Acquisition Facility	2,535,457
Jocassee Partners LLC	Joint Venture	20,000,000
ITI Intermodal, Inc.(1)(2)	Delayed Draw Term Loan	103,058
ITI Intermodal, Inc.(1)(2)	Revolver	124,006
Jaguar Merger Sub Inc.(1)(2)	Delayed Draw Term Loan	1,960,784
Jaguar Merger Sub Inc.(1)(2)	Revolver	490,196
Kano Laboratories LLC(1)(2)	Delayed Draw Term Loan	153,064

Portfolio Company	Investment Type	December 31, 2021
Kano Laboratories LLC(1)(2)	Delayed Draw Term Loan	4,543,950
LAF International(1)(2)(3)	Acquisition Facility	341,160
Lambir Bidco Limited(1)(3)	Bridge Revolver	940,651
Lambir Bidco Limited(1)(3)	Delayed Draw Term Loan	1,881,303
LivTech Purchaser, Inc.(1)	Delayed Draw Term Loan	81,977
Marmoutier Holding B.V.(1)(3)	Delayed Draw Term Loan	405,082
Marmoutier Holding B.V.(1)(3)	Revolver	162,033
MC Group Ventures Corporation(1)	Delayed Draw Term Loan	817,250
Modern Star Holdings Bidco Pty Limited(1)(5)	Capex Term Loan	1,038,302
Murphy Midco Limited(1)(4)	Delayed Draw Term Loan	2,617,027
Narda Acquisitionco., Inc.(1)(2)	Revolver	1,310,680
Navia Benefit Solutions, Inc.(1)	Delayed Draw Term Loan	1,260,800
Nexus Underwriting Management Limited(1)(4)	Revolver	103,483
Nexus Underwriting Management Limited(1)(4)	Acquisition Facility	540,919
OA Buyer, Inc.(1)(2)	Revolver	1,331,244
OG III B.V.(1)(2)(3)	Acquisition CapEx Facility	686,294
Omni Intermediate Holdings, LLC(1)	Delayed Draw Term Loan	816,892
Omni Intermediate Holdings, LLC(1)	Delayed Draw Term Loan	4,356,757
OSP Hamilton Purchaser, LLC(1)(2)	Revolver	186,567
Pacific Health Supplies Bidco Pty Limited(1)(2)(5)	CapEx Term Loan	1,282,566
PDQ.Com Corporation(1)(2)	Delayed Draw Term Loan	289,389
PDQ.Com Corporation(1)(2)	Delayed Draw Term Loan	10,947,692
Polara Enterprises, L.L.C.(1)(2)	Revolver	545,234
Policy Services Company, LLC(1)(2)	Delayed Draw Term Loan	6,944,079
Premium Invest(1)(2)(3)	Acquisition Facility	1,933,240
Protego Bidco B.V.(1)(2)(3)	Delayed Draw Term Loan	844,265
QPE7 SPV1 BidCo Pty Ltd(1)(5)	Acquisition Term Loan	373,449
Rep Seko Merger Sub LLC(1)	Delayed Draw Term Loan	1,454,545
Reward Gateway (UK) Ltd(1)(2)(4)	Acquisition Facility	1,061,336
Riedel Beheer B.V.(1)(3)	Revolver	229,711
Riedel Beheer B.V.(1)(3)	Delayed Draw Term Loan	153,141
Scaled Agile, Inc.(1)(2)	Delayed Draw Term Loan	416,188
Scaled Agile, Inc.(1)(2)	Revolver	335,821
Security Holdings B.V.(1)(3)	Delayed Draw Term Loan	2,274,399
Security Holdings B.V.(1)(3)	Revolver	1,137,200
Smartling, Inc.(1)(2)	Delayed Draw Term Loan	2,352,941
Smartling, Inc.(1)(2)	Revolver	1,176,471
Smile Brands Group, Inc.(1)(2)	Delayed Draw Term Loan	654,691
Springbrook Software (SBRK Intermediate, Inc.)(1)	Delayed Draw Term Loan	2,372,538
SSCP Pegasus Midco Limited(1)(4)	Delayed Draw Term Loan	5,251,478
Superjet Buyer, LLC(1)	Revolver	1,825,293
Syntax Systems Ltd(1)(2)	Revolver	568,965
Syntax Systems Ltd(1)(2)	Delayed Draw Term Loan	1,933,077
Techone B.V.(1)(3)	Delayed Draw Term Loan	1,620,901

Portfolio Company	Investment Type	December 31, 2021
Techone B.V.(1)(3)	Revolver	432,240
Tencarva Machinery Company, LLC(1)(2)	Delayed Draw Term Loan	885,903
Tencarva Machinery Company, LLC(1)(2)	Revolver	1,128,585
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)(2)	Delayed Draw Term Loan	2,811,186
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)(2)	Revolver	826,620
The Hilb Group, LLC(1)(2)	Delayed Draw Term Loan	2,773,208
Transit Technologies LLC(1)(2)	Delayed Draw Term Loan	1,857,017
Truck-Lite Co., LLC(1)(2)	Delayed Draw Term Loan	4,539,745
Turbo Buyer, Inc.(1)(2)	Delayed Draw Term Loan	2,070,000
Waccamaw River(2)	Joint Venture	11,280,000
W2O Holdings, Inc.(1)	Delayed Draw Term Loan	3,831,517
Woodland Foods, Inc.(1)(2)	Revolver	2,069,868
Total unused commitments to extend financing		\$ 234,657,529

- (1) Our estimate of the fair value of the current investments in these portfolio companies includes an analysis of the fair value of any unfunded commitments.
(2) Represents a commitment to extend financing to a portfolio company where one or more of our current investments in the portfolio company are carried at less than cost.
(3) Actual commitment amount is denominated in Euros. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
(4) Actual commitment amount is denominated in British pounds sterling. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
(5) Actual commitment amount is denominated in Australian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
(6) Actual commitment amount is denominated in Canadian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

In the normal course of business, we guarantee certain obligations in connection with our portfolio companies (in particular, certain controlled portfolio companies). Under these guarantee arrangements, payments may be required to be made to third parties if such guarantees are called upon or if the portfolio companies were to default on their related obligations, as applicable. As of December 31, 2021 and 2020, we had guaranteed €9.9 million (\$11.3 million U.S. dollars and \$12.1 million U.S. dollars, respectively) relating to credit facilities among Erste Bank and MVC Automotive Group GmbH, or MVC Auto. We would be required to make payments to Erste Bank if MVC Auto were to default on their related payment obligations. None of the credit facility guarantees are recorded as a liability on our Consolidated Balance Sheets. As such, the credit facility liabilities are considered in the valuation of our investments in MVC Auto. The guarantees denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

In addition, as of December 31, 2020, we agreed to cash collateralize a \$3.5 million letter of credit for Security Holdings B.V. The \$3.5 million cash collateralization is reflected as "Restricted cash" on the accompanying Consolidated Balance Sheets as of December 31, 2020. The letter of credit expired on April 30, 2021, and as of December 31, 2021, none of the Company's cash was restricted.

Recent Developments

Subsequent to December 31, 2021, we made approximately \$126.3 million of new commitments, of which \$104.8 million closed and funded. The \$104.8 million of investments consists of \$75.8 million of first lien senior secured debt investments and \$28.9 million of equity and joint venture investments. The weighted average yield of the debt investments was 6.3%. In addition, we funded \$7.9 million of previously committed revolvers and delayed draw term loans.

On February 1, 2022, the Board declared a quarterly distribution of \$0.23 per share payable on February 23, 2022 to holders of record as of February 16, 2022.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

See the section entitled “Quantitative and Qualitative Disclosures About Market Risk” included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which is included in Item 7 of Part II of this Annual Report on Form 10-K and is incorporated by reference herein.

Item 8. Financial Statements and Supplementary Data.

See our Financial Statements included herein and listed in Item 15(a) of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. 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 management, with the participation of 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 as of December 31, 2021. 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.

Management’s Report on Internal Control over Financial Reporting

Our management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. GAAP. Internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management (with the participation of our Chief Executive Officer and Chief Financial Officer) conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2021.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter of 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance.*

We have adopted a code of ethics, the Global Code of Ethics Policy, which applies to, among others, our executive officers, including our Chief Executive Officer and Chief Financial Officer, as well as Barings' officers, directors and employees. The Global Code of Ethics Policy is publicly available on our website under "Corporate Governance" at the following URL: <https://ir.barings.com/governance-docs>.

We will provide any person, without charge, upon request, a copy of our Global Code of Ethics Policy. To receive a copy, please provide a written request to: Barings BDC, Inc., Attn: Chief Compliance Officer, 300 South Tryon Street, Suite 2500 Charlotte, North Carolina, 28202. There have been no material changes to the procedures by which stockholders may recommend nominees to the Board that have been implemented since the date the Company last filed a periodic report with the SEC.

Except as set forth above, the information required by this Item with respect to our directors, executive officers and corporate governance matters is incorporated by reference from our definitive Proxy Statement for our 2022 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2021.

Item 11. *Executive Compensation.*

The information required by this Item with respect to compensation of executive officers and directors is incorporated by reference from our definitive Proxy Statement for our 2022 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2021.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.*

The information required by this Item with respect to security ownership of certain beneficial owners and management is incorporated by reference from our definitive Proxy Statement for our 2022 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2021.

Item 13. *Certain Relationships and Related Transactions, and Director Independence.*

The information required by this Item with respect to certain relationships and related transactions and director independence is incorporated by reference from our definitive Proxy Statement for our 2022 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2021.

Item 14. *Principal Accountant Fees and Services.*

The information required by this Item with respect to principal accountant fees and services is incorporated by reference from our definitive Proxy Statement for our 2022 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2021.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this Report:

(1) Financial Statements

Barings BDC, Inc. Financial Statements:

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Consolidated Statements of Changes in Net Assets for the years ended December 31, 2021, 2020 and 2019	F-7
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(2) Financial Statement Schedules

None.

Schedules that are not listed herein have been omitted because they are not applicable or the information required to be set forth therein is included in the Consolidated Financial Statements or notes thereto.

(3) List of Exhibits

The exhibits required by Item 601 of Regulation S-K, except as otherwise noted, have been filed with previous reports by the Registrant and are herein incorporated by reference.

<u>Number</u>	<u>Exhibit</u>
2.1	Asset Purchase Agreement, dated April 3, 2018, by and between the Registrant and BSP Asset Acquisition I, LLC (Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 9, 2018 and incorporated herein by reference).
2.2	Stock Purchase and Transaction Agreement, dated April 3, 2018, by and between the Registrant and Barings LLC (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 9, 2018 and incorporated herein by reference).
2.3	Agreement and Plan of Merger, by and among the Registrant, MVC Capital, Inc., Mustang Acquisition Sub, Inc., and Barings LLC, dated as of August 10, 2020 (Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 11, 2020 and incorporated herein by reference).
2.4	Agreement and Plan of Merger, by and among the Registrant, Mercury Acquisition Sub, Inc., Sierra Income Corporation and Barings LLC, dated as of September 21, 2021 (Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 22, 2021 and incorporated herein by reference).
3.1	Form of Articles of Amendment and Restatement of the Registrant (Filed as Exhibit (a)(3) to the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-138418) filed with the Securities and Exchange Commission on December 29, 2006 and incorporated herein by reference).
3.2	Articles of Amendment of the Registrant (Filed as Exhibit 3.1 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	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).

<u>Number</u>	<u>Exhibit</u>
3.4	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).
4.1	Form of Common Stock Certificate (Filed as Exhibit (d) to the Registrant's Post-Effective Amendment No. 1 on Form N2/N-5 (File No. 333-138418) filed with the Securities and Exchange Commission on February 15, 2007 and incorporated herein by reference)
4.2	Barings BDC, Inc. Dividend Reinvestment Plan (Filed as Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission on March 12, 2008 and incorporated herein by reference).
4.3	Agreement to Furnish Certain Instruments (Filed as Exhibit 4.19 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission on February 25, 2009 and incorporated herein by reference).
4.4	Description of Registrant's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (Filed as Exhibit 4.4 to the Registrant's Current Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission on February 27, 2020 and incorporated herein by reference).
4.5	Indenture, dated as of November 23, 2021, by and between the Registrant and U.S. Bank National Association, as trustee (Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 24, 2021 and incorporated herein by reference).
4.6	First Supplemental Indenture, dated as of November 23, 2021, relating to the 3.300% Notes due 2026, by and between the Registrant and U.S. Bank National Association, as trustee (Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 24, 2021 and incorporated herein by reference).
4.7	Form of 3.300% Notes due 2026 (incorporated by reference to Exhibit 4.6 hereto).
10.1	Amended and Restated Investment Advisory Agreement, dated December 23, 2020 by and between Barings BDC, Inc. and Barings LLC (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 23, 2020 and incorporated herein by reference).
10.2	Administration Agreement, dated August 2, 2018 by and between Triangle Capital Corporation and Barings LLC (Filed as Exhibit 10.2 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).
10.3	Registration Rights Agreement, dated August 2, 2018 by and between Triangle Capital Corporation and Barings LLC (Filed as Exhibit 10.3 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).
10.4	Master Custodian Agreement, dated August 2, 2018, between the Company and State Street Bank and Trust Company (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 8, 2018 and incorporated herein by reference).
10.5	Investment Management Agreement, dated August 3, 2018, between Barings BDC Senior Funding I, LLC and Barings LLC (Filed as Exhibit 10.5 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).
10.6	Stock Transfer Agency Agreement between the Registrant and Computershare, Inc. (as successor to The Bank of New York) (Filed as Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission on March 12, 2008 and incorporated herein by reference).
10.7†	Form of Indemnification Agreement. (Filed as Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission on February 28, 2018 and incorporated herein by reference).

<u>Number</u>	<u>Exhibit</u>
10.8	Senior Secured Revolving Credit Facility, dated as of February 21, 2019, by and among the Company, as borrower, the lenders party thereto, ING Capital LLC, as administrative agent, and the other parties signatory thereto (Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed with the Securities and Exchange Commission on May 9, 2019 and incorporated herein by reference).
10.9	Guarantee, Pledge and Security Agreement, dated as of February 21, 2019, by and among the Company, as borrower, the subsidiary guarantors party thereto, ING Capital LLC, as revolving administrative agent for the revolving lenders and collateral agent, and the other parties signatory thereto (Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed with the Securities and Exchange Commission on May 9, 2019 and incorporated herein by reference).
10.10	Amendment No. 1 to the Senior Secured Revolving Credit Agreement dated as of December 3, 2019, by and among the Company, as borrower, the lenders party thereto, ING Capital LLC, as administrative agent, and the other parties signatory thereto (Filed as Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission on February 27, 2020 and incorporated herein by reference).
10.11	Credit Support Agreement, dated December 23, 2020, by and between the Company and Barings LLC (Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 23, 2020 and incorporated herein by reference).
10.12	Note Purchase Agreement by and between the Company and the purchasers party thereto, dated August 3, 2020 (Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 5, 2020 and incorporated herein by reference).
10.13	Amendment No. 1 to August 3, 2020 Note Purchase Agreement by and between the Company and the purchasers party thereto, dated November 4, 2020 (Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 4, 2020 and incorporated herein by reference).
10.14	Note Purchase Agreement by and between the Company and the purchasers party thereto, dated November 4, 2020 (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 4, 2020 and incorporated herein by reference).
10.15	Note Purchase Agreement by and between the Company and the purchasers party thereto, dated February 25, 2021 (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 25, 2021 and incorporated herein by reference).
10.16	Registration Rights Agreement, dated as of November 23, 2021, relating to the 3.300% Notes due 2026, by and among the Registrant and J.P. Morgan Securities LLC, ING Financial Markets LLC, MUFG Securities Americas Inc. and Wells Fargo Securities, LLC, as the representatives of the initial purchasers (Filed as Exhibit 4.4 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 24, 2021 and incorporated herein by reference).
10.17	Amendment No. 2 to the Senior Secured Revolving Credit Agreement dated as of December 29, 2021, by and among the Company, as borrower, the lenders party thereto, ING Capital LLC, as administrative agent, and the other parties signatory thereto.*^
21.1	List of Subsidiaries.*
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.**
99.1	Report of KPMG LLP on Senior Securities Table.*

<u>Number</u>	<u>Exhibit</u>
99.2	Consent of Ernst & Young LLP.*
†	Management contract or compensatory plan or arrangement.
*	Filed herewith.
**	Furnished herewith.
^	Exhibits and/or schedules to this Exhibit have been omitted in accordance with Item 601 of Regulation S-K. The registrant agrees to furnish supplementally a copy of all omitted exhibits and/or schedules to the SEC upon its request.

(b) Exhibits

See Item 15(a)(3) above.

(c) Financial Statement Schedules

See Item 15(a)(2) above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: February 23, 2022

BARINGS BDC, INC.

By: /s/ Eric Lloyd
Name: Eric Lloyd
Title: Chief Executive Officer and Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Eric Lloyd</u> Eric Lloyd	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	February 23, 2022
<u>/s/ Ian Fowler</u> Ian Fowler	President	February 23, 2022
<u>/s/ Jonathan Bock</u> Jonathan Bock	Chief Financial Officer (Principal Financial Officer)	February 23, 2022
<u>/s/ Elizabeth A. Murray</u> Elizabeth A. Murray	Controller (Principal Accounting Officer)	February 23, 2022
<u>/s/ Bernard A. Harris</u> Bernard Harris	Director	February 23, 2022
<u>/s/ Robert C. Knapp</u> Robert C. Knapp	Director	February 23, 2022
<u>/s/ David Mihalick</u> David Mihalick	Director	February 23, 2022
<u>/s/ Mark F. Mulhern</u> Mark F. Mulhern	Director	February 23, 2022
<u>/s/ Thomas W. Okel</u> Thomas W. Okel	Director	February 23, 2022
<u>/s/ Jill Olmstead</u> Jill Olmstead	Director	February 23, 2022
<u>/s/ John A. Switzer</u> John A. Switzer	Director	February 23, 2022

Barings BDC, Inc.
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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Barings BDC, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Barings BDC, Inc. and subsidiaries (the Company), including the consolidated schedules of investments, as of December 31, 2021 and 2020, the related consolidated statements of operations, changes in net assets, and cash flows for each of the years in the two-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations, changes in its net assets and its cash flows for each of the years in the two-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Such procedures also included confirmation of securities owned as of December 31, 2021 and 2020, by correspondence with custodians, portfolio companies or agent banks or by other appropriate auditing procedures where replies were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the fair value of investments

As discussed in Notes 1 and 3 to the consolidated financial statements, the Company measures its investments at fair value. In determining the fair value of investments that are not publicly traded and whose market quotations are not readily available, the Company makes subjective judgments and estimates using unobservable inputs.

We identified the assessment of the fair value of investments that are not publicly traded and whose market quotations are not readily available as a critical audit matter. The evaluation of certain assumptions used to estimate the fair value of such investments involved a high degree of auditor judgment and specialized skills and knowledge. Specifically, assessing the market yields for investments with similar terms and credit risks used in an income approach and the selection of comparable companies and financial performance multiples of such comparable companies used in a market approach required subjective auditor judgment as changes in these assumptions could have a significant impact on the estimate of the fair value of investments.

The following are the procedures we performed to address this critical audit matter. We evaluated the design of certain internal controls over the process to measure the fair value of investments that are not publicly traded and whose market quotations are not readily available, including controls related to the determination of market yields, credit risk, selection of comparable companies, and financial performance multiple assumptions. We evaluated the Company's ability to estimate fair value by comparing prior period fair values for a selection of investments to transaction prices of transactions occurring subsequent to the valuation date. We involved valuation professionals with specialized skills and knowledge who, for a selection of the Company's investments, assisted in evaluating the Company's estimate of fair value by developing:

- a market yield, for investments fair valued using an income approach, by assessing available market information, such as market yields of comparable companies of similar credit risk
- a market multiple, for investments fair valued using a market approach, by assessing market information from third-party sources, including financial performance multiples of comparable companies
- estimates of fair value for the selected investments and comparing the results to the Company's fair value estimates.

We have served as the Company's auditor since 2020.

/s/ KPMG LLP

Charlotte, North Carolina
February 23, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Barings BDC, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of operations, changes in net assets, and cash flows of Barings BDC, Inc. (the “Company”) for the year ended December 31, 2019, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of its operations, changes in its net assets, and its cash flows for the year ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We served as the Company's auditor from 2006 to 2020.

/s/ ERNST & YOUNG LLP

Charlotte, North Carolina
February 27, 2020

Barings BDC, Inc.
Consolidated Balance Sheets

	December 31,	
	2021	2020
Assets:		
Investments at fair value:		
Non-Control / Non-Affiliate investments (cost of \$1,494,030,725 and \$1,318,614,617 as of December 31, 2021 and 2020, respectively)	\$ 1,490,112,663	\$ 1,325,783,281
Affiliate investments (cost of \$267,966,911 and \$76,055,873 as of December 31, 2021 and December 31, 2020, respectively)	288,068,788	78,598,633
Control investments (cost of \$25,826,428 and \$25,826,428 as of December 31, 2021 and 2020, respectively)	22,412,501	25,855,796
Short-term investments (cost of \$0 and \$65,558,227 as of December 31, 2021 and 2020, respectively)	—	65,558,227
Total investments at fair value	1,800,593,952	1,495,795,937
Cash (restricted cash of \$0 and \$3,488,336 at December 31, 2021 and 2020, respectively)	49,987,222	62,651,340
Foreign currencies (cost of \$34,068,609 and \$29,555,465 as of December 31, 2021 and December 31, 2020, respectively)	34,266,378	29,836,121
Interest and fees receivable	33,644,942	21,617,843
Prepaid expenses and other assets	4,297,383	2,014,558
Credit support agreement (cost of \$13,600,000 as of both December 31, 2021 and December 31, 2020)	15,400,000	13,600,000
Deferred financing fees	2,984,872	4,110,564
Receivable from unsettled transactions	219,731,592	47,412,382
Total assets	\$ 2,160,906,341	\$ 1,677,038,745
Liabilities:		
Accounts payable and accrued liabilities	\$ 2,340,624	\$ 6,045,443
Interest payable	5,704,470	2,219,274
Administrative fees payable	750,000	675,000
Base management fees payable	5,422,322	3,413,270
Incentive management fees payable	4,067,256	—
Derivatives liabilities	1,159,788	1,336,283
Payable from unsettled transactions	26,785,566	1,548,578
Borrowings under credit facilities	655,189,256	719,660,707
Notes payable (net of deferred financing fees)	717,556,296	224,335,666
Total liabilities	1,418,975,578	959,234,221
Commitments and contingencies (Note 8)		
Net Assets:		
Common stock, \$0.001 par value per share (150,000,000 shares authorized, 65,316,085 shares issued and outstanding as of both December 31, 2021 and 2020)	65,316	65,316
Additional paid-in capital	1,027,686,768	1,027,707,047
Total distributable loss	(285,821,321)	(309,967,839)
Total net assets	741,930,763	717,804,524
Total liabilities and net assets	\$ 2,160,906,341	\$ 1,677,038,745
Net asset value per share	\$ 11.36	\$ 10.99

See accompanying notes.

Barings BDC, Inc.
Consolidated Statements of Operations

	Year Ended December 31,		
	2021	2020	2019
Investment income:			
Interest income:			
Non-Control / Non-Affiliate investments	\$ 101,467,891	\$ 65,267,782	\$ 72,486,107
Affiliate investments	519,518	—	—
Control investments	434,908	—	—
Short-term investments	16,765	353,109	985,286
Total interest income	102,439,082	65,620,891	73,471,393
Dividend income:			
Non-Control / Non-Affiliate investments	169,687	2,603	44,744
Affiliate investments	8,709,469	—	—
Total dividend income	8,879,156	2,603	44,744
Fee and other income:			
Non-Control / Non-Affiliate investments	12,337,365	4,075,344	2,116,820
Affiliate investments	40,270	—	—
Control investments	642,609	5,292	—
Total fee and other income	13,020,244	4,080,636	2,116,820
Payment-in-kind interest income:			
Non-Control / Non-Affiliate investments	9,951,959	1,304,986	5,413
Affiliate investments	1,044,346	11,789	—
Control investments	—	9,532	—
Total payment-in-kind interest income	10,996,305	1,326,307	5,413
Interest income from cash	587	631	9,975
Total investment income	135,335,374	71,031,068	75,648,345
Operating expenses:			
Interest and other financing fees	33,013,665	19,812,711	26,100,941
Base management fee (Note 2)	19,516,741	14,317,693	12,112,475
Incentive management fees (Note 2)	14,741,949	—	—
Compensation expenses	—	48,381	442,238
General and administrative expenses (Note 2)	9,095,185	5,793,880	6,441,095
Total operating expenses	76,367,540	39,972,665	45,096,749
Net investment income before taxes	58,967,834	31,058,403	30,551,596
Income taxes, including excise tax expense	7,495	70,599	—
Net investment income after taxes	\$ 58,960,339	\$ 30,987,804	\$ 30,551,596

Barings BDC, Inc.
Consolidated Statements of Operations - (Continued)

	Year Ended December 31,		
	2021	2020	2019
Realized gains (losses) and unrealized appreciation (depreciation) on investments, credit support agreement and foreign currency transactions:			
Net realized gains (losses):			
Non-Control / Non-Affiliate investments	\$ 2,746,436	\$ (38,302,323)	\$ (3,798,263)
Affiliate investments	(100,931)	—	—
Net realized gains (losses) on investments	2,645,505	(38,302,323)	(3,798,263)
Foreign currency transactions	(6,024,567)	12,743	(12,185)
Net realized losses	(3,379,062)	(38,289,580)	(3,810,448)
Net unrealized appreciation (depreciation):			
Non-Control / Non-Affiliate investments	(11,086,729)	26,210,329	33,021,249
Affiliate investments	17,584,892	2,471,217	71,543
Control investments	(3,469,066)	29,368	—
Net unrealized appreciation on investments	3,029,097	28,710,914	33,092,792
Credit support agreement	1,800,000	—	—
Foreign currency transactions	17,275,899	(10,161,326)	(1,004,788)
Net unrealized appreciation	22,104,996	18,549,588	32,088,004
Net realized gains (losses) and unrealized appreciation (depreciation) on investments, credit support agreement and foreign currency transactions	18,725,934	(19,739,992)	28,277,556
Loss on extinguishment of debt	—	(3,088,728)	(297,188)
Benefit from (provision for) taxes	(844)	17,709	(340,330)
Net increase in net assets resulting from operations	\$ 77,685,429	\$ 8,176,793	\$ 58,191,634
Net investment income per share — basic and diluted	\$ 0.90	\$ 0.64	\$ 0.61
Net increase in net assets resulting from operations per share — basic and diluted	\$ 1.19	\$ 0.17	\$ 1.16
Dividends / distributions per share:			
Total dividends / distributions	\$ 0.82	\$ 0.65	\$ 0.54
Weighted average number of shares outstanding — basic and diluted	65,316,085	48,575,139	50,185,300

See accompanying notes.

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

	Common Stock		Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
	Number of Shares	Par Value			
Balance, January 1, 2019	51,284,064	\$ 51,284	\$ 884,894,249	\$ (321,978,246)	\$ 562,967,287
Net investment income	—	—	—	30,551,596	30,551,596
Net realized loss on investments / foreign currency transactions	—	—	—	(3,810,448)	(3,810,448)
Net unrealized appreciation on investments / foreign currency transactions	—	—	—	32,088,004	32,088,004
Loss on extinguishment of debt	—	—	—	(297,188)	(297,188)
Provision for taxes	—	—	—	(340,330)	(340,330)
Return of capital and other tax related adjustments	—	—	(7,773,706)	7,773,706	—
Distributions of net investment income	—	—	—	(26,927,706)	(26,927,706)
Purchases of shares in repurchase plan	(2,333,261)	(2,333)	(23,354,173)	—	(23,356,506)
Balance, December 31, 2019	48,950,803	\$ 48,951	\$ 853,766,370	\$ (282,940,612)	\$ 570,874,709
Net investment income	—	—	—	30,987,804	30,987,804
Net realized loss on investments / foreign currency transactions	—	—	—	(38,289,580)	(38,289,580)
Net unrealized appreciation on investments / foreign currency transactions	—	—	—	18,549,588	18,549,588
Loss on extinguishment of debt	—	—	—	(3,088,728)	(3,088,728)
Provision for taxes	—	—	—	17,709	17,709
Return of capital and other tax related adjustments	—	—	3,878,798	(3,878,798)	—
Distributions of net investment income	—	—	—	(31,325,222)	(31,325,222)
Deemed contribution - CSA (See Note 2)	—	—	13,600,000	—	13,600,000
Deemed contribution - from Adviser (See Note 10)	—	—	3,254,849	—	3,254,849
Issuance of common stock in connection with acquisition of MVC Capital	17,354,332	17,354	160,336,673	—	160,354,027
Purchase of shares in repurchase plan	(989,050)	(989)	(7,129,643)	—	(7,130,632)
Balance, December 31, 2020	65,316,085	\$ 65,316	\$ 1,027,707,047	\$ (309,967,839)	\$ 717,804,524
Net investment income	—	—	—	58,960,339	58,960,339
Net realized loss on investments / foreign currency transactions	—	—	—	(3,379,062)	(3,379,062)
Net unrealized appreciation on investments / CSA / foreign currency transactions	—	—	—	22,104,996	22,104,996
Provision for taxes	—	—	—	(844)	(844)
Return of capital and other tax related adjustments	—	—	1,628,875	(1,628,875)	—
Distributions of net investment income	—	—	—	(51,910,036)	(51,910,036)
Return of capital distributions	—	—	(1,649,154)	—	(1,649,154)
Balance, December 31, 2021	65,316,085	\$ 65,316	\$ 1,027,686,768	\$ (285,821,321)	\$ 741,930,763

See accompanying notes.

Barings BDC, Inc.
Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net increase in net assets resulting from operations	\$ 77,685,429	\$ 8,176,793	\$ 58,191,634
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:			
Purchases of portfolio investments	(1,461,056,755)	(881,171,047)	(473,701,786)
Acquisition of MVC Capital, net of cash acquired (See Note 10)	—	(96,719,967)	—
Repayments received / sales of portfolio investments	943,867,143	684,530,539	449,882,092
Purchases of short-term investments	(297,560,982)	(1,182,185,606)	(913,641,727)
Sales of short-term investments	363,118,408	1,213,197,945	862,296,728
Loan origination and other fees received	30,504,341	19,193,244	8,606,347
Net realized (gain) loss on investments	(2,645,505)	38,302,323	3,798,263
Net realized (gain) loss on foreign currency transactions	6,024,567	(12,743)	12,185
Net unrealized appreciation on investments	(3,029,097)	(28,710,914)	(33,092,792)
Net unrealized appreciation of CSA	(1,800,000)	—	—
Net unrealized (appreciation) depreciation on foreign currency transactions	(17,275,899)	10,161,326	1,004,788
Payment-in-kind interest	(10,795,470)	(1,348,204)	(5,413)
Amortization of deferred financing fees	1,620,170	1,478,364	1,336,181
Loss on extinguishment of debt	—	3,088,728	297,188
Accretion of loan origination and other fees	(9,443,933)	(2,716,765)	(1,609,167)
Amortization / accretion of purchased loan premium / discount	(4,646,285)	(1,805,972)	(279,694)
Changes in operating assets and liabilities:			
Interest and fees receivable	(14,472,228)	(4,022,690)	747,340
Prepaid expenses and other assets	(214,259)	(44,607)	3,007,347
Accounts payable and accrued liabilities	84,463	3,890,759	(159,256)
Interest payable	3,483,456	(1,411,993)	1,805,266
Net cash used in operating activities	(396,552,436)	(218,130,487)	(31,504,476)
Cash flows from financing activities:			
Borrowings under credit facilities	455,731,649	636,707,505	320,777,502
Repayments of credit facilities	(506,580,035)	(280,523,363)	(539,341,125)
Proceeds from debt securitization	—	—	348,250,000
Repayments of debt securitization	—	(318,210,176)	(30,039,824)
Proceeds from notes	500,000,000	225,000,000	—
Redemption of notes	—	(95,471,804)	—
Financing fees paid	(7,273,849)	(773,952)	(8,293,282)
Net proceeds related to issuance of common stock for MVC acquisition	—	160,354,027	—
Purchases of shares in repurchase plan	—	(7,130,632)	(23,356,506)
Cash dividends / distributions paid	(53,559,190)	(31,325,222)	(26,927,706)
Net cash provided by financing activities	388,318,575	288,626,383	41,069,059
Net increase (decrease) in cash and foreign currencies	(8,233,861)	70,495,896	9,564,583
Cash and foreign currencies, beginning of year	92,487,461	21,991,565	12,426,982
Cash and foreign currencies, end of year	\$ 84,253,600	\$ 92,487,461	\$ 21,991,565
Supplemental Information:			
Cash paid for interest	\$ 27,203,144	\$ 16,697,097	\$ 20,063,847
Excise taxes paid during the period	\$ 70,533	\$ 85,505	\$ —

See accompanying notes.

Barings BDC, Inc.
Consolidated Schedule of Investments
December 31, 2021

Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2)}	Principal Amount	Cost	Fair Value
<u>Non-Control / Non-Affiliate Investments:</u>					
1WorldSync, Inc. (2.2%)* ^{(7) (8) (10)}	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 07/19, Due 07/25)	\$ 16,434,014	\$ 16,184,672	\$ 16,434,014
			16,434,014	16,184,672	16,434,014
Accelerate Learning, Inc. (1.0%)* ^{(7) (8) (10)}	Education Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/18, Due 12/24)	7,567,965	7,485,604	7,429,314
			7,567,965	7,485,604	7,429,314
Acclime Holdings HK Limited (0.2%)* ^{(3) (7) (8) (16)}	Business Services	First Lien Senior Secured Term Loan (LIBOR + 6.5%, 7.0% Cash, Acquired 08/21, Due 07/27)	1,211,310	1,137,872	1,146,517
			1,211,310	1,137,872	1,146,517
Accurus Aerospace Corporation (3.2%)* ^{(7) (8) (11)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, 1.50% PIK, Acquired 10/18, Due 10/24)	24,873,702	24,684,100	24,015,559
			24,873,702	24,684,100	24,015,559
ADB Safegate (0.7%)* ^{(3) (8) (10)}	Aerospace & Defense	Second Lien Senior Secured Term Loan (LIBOR + 7.75%, 8.8% Cash, Acquired 08/21, Due 07/25)	5,500,000	5,091,328	5,105,815
			5,500,000	5,091,328	5,105,815
Advantage Software Company (The), LLC (0.0%)* ⁽⁷⁾	Advertising, Printing & Publishing	Class A1 Partnership Units (8,717.76 units, Acquired 12/21)		280,379	280,379
		Class A2 Partnership Units (2,248.46 units, Acquired 12/21)		72,350	72,350
		Class B1 Partnership Units (8,717.76 units, Acquired 12/21)		9,006	9,006
		Class B2 Partnership Units (2,248.46 units, Acquired 12/21)		2,322	2,322
				364,057	364,057
Aftermath Bidco Corporation (1.3%)* ^{(7) (8) (10)}	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 04/19, Due 04/25)	9,425,284	9,298,664	9,302,756
			9,425,284	9,298,664	9,302,756
Air Canada 2020-2 Class B Pass Through Trust (0.9%)*	Airlines	Structured Secured Note - Class B (9.0% Cash, Acquired 09/20, Due 10/25)	6,170,321	6,170,321	6,822,282
			6,170,321	6,170,321	6,822,282
Air Comm Corporation, LLC (1.5%)* ^{(7) (8) (10)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 06/21, Due 07/27)	11,539,605	11,265,477	11,279,635
			11,539,605	11,265,477	11,279,635
AIT Worldwide Logistics Holdings, Inc. (1.0%)* ⁽⁷⁾	Transportation Services	Second Lien Senior Secured Term Loan (LIBOR + 7.75%, 8.5% Cash, Acquired 04/21, Due 04/29) ^{(8) (10)}	6,460,345	6,324,652	6,460,345
		Partnership Units (348.68 units, Acquired 04/21)		348,678	688,918
			6,460,345	6,673,330	7,149,263
Alpine US Bidco LLC (2.4%)* ^{(7) (8) (10)}	Agricultural Products	Second Lien Senior Secured Term Loan (LIBOR + 9.0%, 9.8% Cash, Acquired 05/21, Due 05/29)	18,156,509	17,642,081	17,974,944
			18,156,509	17,642,081	17,974,944
Amtech LLC (0.5%)* ^{(7) (8)}	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 11/27) ⁽⁹⁾	4,090,909	3,957,893	3,954,545
		Revolver (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 11/27) ⁽¹⁰⁾		(13,268)	(13,636)
			4,090,909	3,944,625	3,940,909
Anagram Holdings, LLC (2.2%)* ⁽³⁾	Chemicals, Plastics, & Rubber	First Lien Senior Secured Note (10.0% Cash, 5.0% PIK, Acquired 08/20, Due 08/25)	14,395,213	13,459,291	16,050,670
			14,395,213	13,459,291	16,050,670
AnalytiChem Holding GmbH (0.3%)* ^{(3) (7) (8) (14)}	Chemicals	First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 6.3% Cash, Acquired 11/21, Due 11/28)	2,800,958	2,580,095	2,575,751
			2,800,958	2,580,095	2,575,751
Anju Software, Inc. (1.8%)* ^{(7) (8) (9)}	Application Software	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.3% Cash, Acquired 02/19, Due 02/25)	13,527,812	13,355,243	13,284,312
			13,527,812	13,355,243	13,284,312

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021

Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2)}	Principal Amount	Cost	Fair Value
AP Aristotle Holdings, LLC (0.2%) ⁽⁷⁾	Oil Field Services	Subordinated Term Loan (19.8% Cash, Acquired 12/21, Due 06/25)	\$ 1,883,461	\$ 1,890,302	\$ 1,853,945
			1,883,461	1,890,302	1,853,945
Apex Bidco Limited (0.3%) ^{(3) (7)}	Business Equipment & Services	First Lien Senior Secured Term Loan (GBP LIBOR + 6.25%, 6.8% Cash, Acquired 01/20, Due 01/27) ^{(8) (12)}	1,973,818	1,868,706	1,969,871
		Subordinated Senior Unsecured Term Loan (8.0% PIK, Acquired 01/20, Due 07/27)	277,738	264,032	277,738
			2,251,556	2,132,738	2,247,609
Aptus 1829. GmbH (0.6%) ^{(3) (7)}	Chemicals, Plastics, & Rubber	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, Acquired 09/21, Due 09/27) ^{(8) (14)}	4,655,991	4,716,681	4,552,419
		Preferred Stock (13 shares, Acquired 09/21)		119,828	111,378
		Common Stock (48 shares, Acquired 09/21)		11,983	11,434
			4,655,991	4,848,492	4,675,231
Apus Bidco Limited (0.5%) ^{(3) (7) (8) (17)}	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan (SONIA + 5.5%, 5.5% Cash, Acquired 02/21, Due 03/28)	3,901,705	3,873,560	3,822,621
			3,901,705	3,873,560	3,822,621
AQA Acquisition Holding, Inc. (2.7%) ^{(7) (8) (10)}	High Tech Industries	Second Lien Senior Secured Term Loan (LIBOR + 7.5%, 8.0% Cash, Acquired 03/21, Due 03/29)	20,000,000	19,510,261	20,000,000
			20,000,000	19,510,261	20,000,000
Aquavista Watersides 2 LTD (1.0%) ^{(3) (7) (8) (17)}	Transportation Services	First Lien Senior Secured Term Loan (SONIA + 6.0%, 6.1% Cash, Acquired 12/21, Due 12/28)	6,041,660	5,696,275	5,766,009
		Second Lien Senior Secured Term Loan (SONIA + 10.5% PIK, Acquired 12/21, Due 12/28)	1,510,415	1,446,466	1,465,103
		Revolver (SONIA + 6.0%, 6.1% Cash, Acquired 12/21, Due 12/22)		(4,252)	(5,035)
			7,552,075	7,138,489	7,226,077
Arch Global Precision LLC (1.2%) ^{(7) (8) (10)}	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 4.8% Cash, Acquired 04/19, Due 04/26)	9,247,611	9,243,613	9,247,611
			9,247,611	9,243,613	9,247,611
Archimede (1.1%) ^{(3) (7) (8) (14)}	Consumer Services	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 10/20, Due 10/27)	8,415,278	8,760,514	8,254,959
			8,415,278	8,760,514	8,254,959
Argus Bidco Limited (0.5%) ^{(3) (7) (8)}	High Tech Industries	First Lien Senior Secured Term Loan (SONIA + 5.5%, 5.8% Cash, Acquired 12/20, Due 12/27) ⁽¹⁶⁾	2,682,222	2,559,483	2,682,222
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 5.8% Cash, Acquired 05/21, Due 12/27) ⁽¹⁰⁾	671,922	653,387	671,922
			3,354,144	3,212,870	3,354,144
Armstrong Transport Group (Pele Buyer, LLC) (0.5%) ^{(7) (8) (10)}	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 06/19, Due 06/24)	4,019,862	3,961,175	3,939,465
			4,019,862	3,961,175	3,939,465
ASPEQ Heating Group LLC (1.1%) ^{(7) (8) (9)}	Building Products, Air & Heating	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 11/19, Due 11/25)	8,463,895	8,377,060	8,463,895
			8,463,895	8,377,060	8,463,895
Astra Bidco Limited (0.7%) ^{(3) (7) (8) (16)}	Healthcare	First Lien Senior Secured Term Loan (SONIA + 5.75%, 5.8% Cash, Acquired 11/21, Due 11/28)	5,785,660	5,478,502	5,534,948
			5,785,660	5,478,502	5,534,948
Auxi International (0.3%) ^{(3) (7) (8)}	Commercial Finance	First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 6.3% Cash, Acquired 12/19, Due 12/26) ⁽¹³⁾	1,592,080	1,520,648	1,439,240
		First Lien Senior Secured Term Loan (SONIA + 6.25%, 6.3% Cash, Acquired 04/21, Due 12/26) ⁽¹⁷⁾	907,482	897,284	820,363
			2,499,562	2,417,932	2,259,603
Avance Clinical Bidco Pty Ltd (0.8%) ^{(3) (7) (8) (20)}	Healthcare	First Lien Senior Secured Term Loan (BBSY + 5.5%, 6.0% Cash, Acquired 11/21, Due 11/27)	6,456,649	6,039,823	6,158,029
			6,456,649	6,039,823	6,158,029

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021

Portfolio Company ⁽⁶⁾	Industry	Type of Investment ⁽¹⁾⁽²⁾	Principal Amount	Cost	Fair Value
AVSC Holding Corp. (1.6%)*	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 4.3% Cash, 0.25% PIK, Acquired 08/18, Due 03/25) ⁽⁸⁾⁽¹⁰⁾	\$ 4,866,634	\$ 4,405,273	\$ 4,457,837
		First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, 1.0% PIK, Acquired 08/18, Due 10/26) ⁽⁸⁾⁽¹⁰⁾	748,248	692,634	692,930
		First Lien Senior Secured Term Loan (5.0% Cash, 10.0% PIK, Acquired 11/20, Due 10/26)	5,513,525	5,399,114	6,403,959
			11,128,407	10,497,021	11,554,726
Azalea Buyer, Inc. (0.8%)* ⁽⁷⁾	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 11/21, Due 11/27) ⁽¹⁰⁾	4,605,769	4,495,830	4,494,423
		Subordinated Term Loan (12.0% PIK, Acquired 11/21, Due 05/28)	1,259,615	1,234,657	1,234,423
		Common Stock (192,307.7 shares, Acquired 11/21)		192,308	192,308
		Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 11/21, Due 11/27) ⁽⁹⁾		(9,476)	(9,615)
			5,865,384	5,913,319	5,911,539
Bariacum S.A. (0.8%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾	Consumer Products	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 11/21, Due 11/28)	6,482,038	6,236,161	6,244,364
			6,482,038	6,236,161	6,244,364
BDP International, Inc. (f/k/a BDP Buyer, LLC) (2.0%)* ⁽⁷⁾⁽⁸⁾⁽⁹⁾	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/18, Due 12/24)	14,849,238	14,642,747	14,626,499
			14,849,238	14,642,747	14,626,499
Benify (Bennevis AB) (0.2%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁸⁾	High Tech Industries	First Lien Senior Secured Term Loan (STIBOR + 5.25%, 5.3% Cash, Acquired 07/19, Due 07/26)	1,286,109	1,222,031	1,286,109
			1,286,109	1,222,031	1,286,109
Beyond Risk Management, Inc. (0.3%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Other Financial	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.3% Cash, Acquired 10/21, Due 09/27)	2,426,667	2,335,532	2,326,667
			2,426,667	2,335,532	2,326,667
Bidwax (1.0%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, Acquired 02/21, Due 02/28)	7,960,398	8,062,475	7,741,487
			7,960,398	8,062,475	7,741,487
BigHand UK Bidco Limited (0.1%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾	High Tech Industries	First Lien Senior Secured Term Loan (GBP LIBOR + 5.25%, 5.4% Cash, Acquired 01/21, Due 01/28)	908,791	879,693	878,365
			908,791	879,693	878,365
Black Diamond Equipment Rentals LLC (1.5%)* ⁽⁷⁾⁽²⁵⁾	Equipment Rental	Second Lien Loan (12.5% Cash, Acquired 12/20, Due 06/22)	10,000,000	10,000,000	10,000,000
		Warrant (4.17 units, Acquired 12/20)		1,010,000	863,949
			10,000,000	11,010,000	10,863,949
Bounteous, Inc. (0.6%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/21, Due 08/27)	4,911,434	4,751,788	4,756,398
			4,911,434	4,751,788	4,756,398
Brightline Trains Florida LLC (0.7%)* ⁽⁷⁾	Transportation	Senior Secured Note (8.0% Cash, Acquired 08/21, Due 01/28)	5,000,000	5,000,000	5,005,000
			5,000,000	5,000,000	5,005,000
Brightpay Limited (0.3%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾	Technology	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 10/21, Due 10/28)	1,917,970	1,883,003	1,861,862
			1,917,970	1,883,003	1,861,862
BrightSign LLC (1.9%)* ⁽⁷⁾	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 10/27) ⁽⁸⁾⁽¹⁰⁾	12,811,105	12,686,575	12,682,994
		LLC units (1,107,492.71 units, Acquired 10/21)		1,107,493	1,135,180
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 10/27) ⁽⁹⁾⁽¹⁰⁾		(12,847)	(13,290)
			12,811,105	13,781,221	13,804,884
British Airways 2020-1 Class B Pass Through Trust (0.1%)*	Airlines	Structured Secured Note - Class B (8.4% Cash, Acquired 11/20, Due 11/28)	809,722	809,722	915,587
			809,722	809,722	915,587

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021

Portfolio Company ⁽⁶⁾	Industry	Type of Investment ⁽¹⁾⁽²⁾	Principal Amount	Cost	Fair Value
British Engineering Services Holdco Limited (2.1%)* ⁽⁸⁾⁽⁹⁾	Commercial Services & Supplies	First Lien Senior Secured Term Loan (SONIA + 6.75%, 7.0% Cash, Acquired 12/20, Due 12/27)	\$ 15,530,143	\$ 15,080,745	\$ 15,405,902
		Revolver (SONIA + 6.75%, 7.0% Cash, Acquired 12/20, Due 06/22)		(1,565)	(4,900)
			15,530,143	15,079,180	15,401,002
Brown Machine Group Holdings, LLC (0.9%)* ⁽⁷⁾⁽⁸⁾⁽⁹⁾	Industrial Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 10/18, Due 10/24)	6,633,915	6,587,022	6,633,915
			6,633,915	6,587,022	6,633,915
Cadent, LLC (f/k/a Cross MediaWorks) (0.9%)* ⁽⁷⁾⁽⁸⁾⁽⁹⁾	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 09/18, Due 09/23)	6,913,258	6,888,254	6,913,258
			6,913,258	6,888,254	6,913,258
CAi Software, LLC (1.2%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/21, Due 12/28)	9,057,014	8,876,923	8,875,874
		Revolver (LIBOR + 6.25%, 7.3% Cash, Acquired 12/21, Due 12/28)	—	(18,723)	(18,860)
			9,057,014	8,858,200	8,857,014
Canadian Orthodontic Partners Corp.(0.2%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽²¹⁾	Healthcare	First Lien Senior Secured Term Loan (CDOR + 6.5%, 7.5% Cash, Acquired 06/21, Due 03/26)	1,640,011	1,696,743	1,625,340
			1,640,011	1,696,743	1,625,340
Carlson Travel, Inc (1.2%)*	Business Travel Management	First Lien Senior Secured Note (8.5% Cash, Acquired 11/21, Due 11/26)	6,050,181	5,654,462	6,161,383
		Common Stock (94,155 shares, Acquired 11/21)		1,655,434	3,083,576
			6,050,181	7,309,896	9,244,959
Centralis Finco S.a.r.l. (0.1%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾	Diversified Financial Services	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 05/20, Due 05/27)	806,661	738,691	806,661
			806,661	738,691	806,661
Ceres Pharma NV (0.6%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁵⁾	Pharmaceuticals	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 10/21, Due 10/28)	4,555,832	4,443,959	4,354,688
			4,555,832	4,443,959	4,354,688
Cineworld Group PLC (0.5%)* ⁽³⁾	Leisure Products	Super Senior Secured Term Loan (7.0% Cash, 8.3% PIK, Acquired 11/20, Due 05/24)	1,786,456	1,591,243	2,127,562
		Super Senior Secured Term Loan (LIBOR + 8.25%, 9.3% Cash, Acquired 07/21, Due 05/24) ⁽⁸⁾⁽¹¹⁾	993,503	960,951	1,054,356
		Warrants (553,375 units, Acquired 12/20)		101,602	243,594
			2,779,959	2,653,796	3,425,512
Classic Collision (Summit Buyer, LLC) (1.7%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Auto Collision Repair Centers	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/20, Due 01/26)	12,586,816	12,383,725	12,448,217
			12,586,816	12,383,725	12,448,217
CM Acquisitions Holdings Inc. (2.6%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Internet & Direct Marketing	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 05/19, Due 05/25)	19,105,620	18,896,879	19,105,620
			19,105,620	18,896,879	19,105,620
CMT Opco Holding, LLC (Concept Machine) (0.6%)* ⁽⁷⁾	Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/20, Due 01/25) ⁽⁸⁾⁽¹⁰⁾	4,144,368	4,090,219	3,999,315
		LLC Units (8,782 units, Acquired 01/20)		351,709	227,366
			4,144,368	4,441,928	4,226,681
Coastal Marina Holdings, LLC (2.4%)* ⁽⁷⁾	Other Financial	Subordinated Term Loan (10.0% PIK, Acquired 11/21, Due 11/31)	17,607,836	15,965,060	15,965,704
		LLC Units (547,591 units, Acquired 11/21)		1,642,774	1,642,773
			17,607,836	17,607,834	17,608,477
Cobham Slip Rings SAS (0.6%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Diversified Manufacturing	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.4% Cash, Acquired 11/21, Due 11/28)	4,303,474	4,199,148	4,195,887
			4,303,474	4,199,148	4,195,887

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2)}	Principal Amount	Cost	Fair Value
Command Alkon (Project Potter Buyer, LLC) (1.9%)* ⁽⁷⁾	Software	First Lien Senior Secured Term Loan (LIBOR + 8.25%, 9.3% Cash, Acquired 04/20, Due 04/27) ^{(8) (9)}	\$ 13,778,715	\$ 13,290,020	\$ 13,658,353
		Class A Units (90.384 units, Acquired 04/20)		90,384	100,961
		Class B Units (33,324.69 units, Acquired 04/20)		—	185,852
			13,778,715	13,380,404	13,945,166
Contabo Finco S.À R.L. (0.8%)* ^{(3) (7) (8) (16)}	Internet Software & Services	First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 11/21, Due 10/26)	5,949,094	5,818,536	5,830,113
			5,949,094	5,818,536	5,830,113
Coyo Uprising GmbH (0.6%)* ^{(3) (7)}	Technology	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, Acquired 09/21, Due 09/28) ^{(8) (14)}	4,061,503	4,050,409	3,937,732
		Class A Units (440.0 units, Acquired 09/21)		205,333	586,704
		Class B Units (191.0 units, Acquired 09/21)		445,883	252,276
			4,061,503	4,701,625	4,776,712
Crash Champions (1.9%)* ^{(7) (8) (10)}	Automotive	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 05/21, Due 08/25)	14,567,197	14,040,003	13,967,572
			14,567,197	14,040,003	13,967,572
CSL DualCom (0.2%)* ^{(3) (7) (8) (13)}	Tele-communications	First Lien Senior Secured Term Loan (GBP LIBOR + 5.5%, 5.5% Cash, Acquired 09/20, Due 09/27)	1,341,450	1,203,183	1,300,964
			1,341,450	1,203,183	1,300,964
Custom Alloy Corporation (4.0%)* ^{(7) (24) (25)}	Manufacturer of Pipe Fittings & Forgings	Second Lien Loan (15.0% PIK, Acquired 12/20, Due 04/22)	45,000,185	37,043,142	27,450,113
		Revolver (15.0% PIK, Acquired 12/20, Due 04/22)	4,255,152	3,737,652	2,595,643
			49,255,337	40,780,794	30,045,756
CVL 3 (1.3%)* ^{(3) (7) (8)}	Capital Equipment	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28) ⁽¹⁰⁾	5,913,439	5,724,352	5,765,603
		First Lien Senior Secured Term Loan (SOFR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28) ⁽²²⁾	3,382,200	3,297,974	3,297,645
		6-Month Bridge Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 06/22) ⁽¹⁴⁾	796,040	771,808	788,079
			10,091,679	9,794,134	9,851,327
CW Group Holdings, LLC (0.4%)* ⁽⁷⁾	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 01/21, Due 01/27) ^{(8) (10)}	2,817,419	2,762,181	2,773,516
		LLC Units (161,290.32 units, Acquired 01/21)		161,290	112,097
			2,817,419	2,923,471	2,885,613
Dart Buyer, Inc. (1.6%)* ^{(3) (7) (8) (10)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 04/19, Due 04/25)	12,217,300	12,047,482	11,733,921
			12,217,300	12,047,482	11,733,921
DecksDirect, LLC (0.1%)* ⁽⁷⁾	Building Materials	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 12/21, Due 12/26) ^{(8) (9)}	727,273	712,749	712,727
		Revolver (LIBOR + 6.0%, 7.0% Cash, Acquired 12/21, Due 12/26) ^{(8) (10)}		(4,357)	(4,364)
		LLC Units (1,280.8 units, Acquired 12/21)		54,545	54,549
			727,273	762,937	762,912
Discovery Education, Inc. (1.6%)* ^{(7) (8) (10)}	Publishing	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 10/20, Due 10/26)	11,815,226	11,625,619	11,815,226
			11,815,226	11,625,619	11,815,226
Distinct Holdings, Inc. (0.9%)* ^{(7) (8) (9)}	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 04/19, Due 12/23)	6,880,088	6,840,597	6,714,966
			6,880,088	6,840,597	6,714,966
Dragon Bidco (0.4%)* ^{(3) (7) (8) (15)}	Technology	First Lien Senior Secured Term Loan (EURIBOR + 6.75%, 6.8% Cash, Acquired 04/21, Due 04/28)	2,729,279	2,811,548	2,676,462
			2,729,279	2,811,548	2,676,462
DreamStart Bidco SAS (d/b/a SmartTrade) (0.3%)* ^{(6) (7) (8) (15)}	Diversified Financial Services	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 03/20, Due 03/27)	2,418,426	2,294,573	2,385,347
			2,418,426	2,294,573	2,385,347

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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ⁽¹⁾⁽²⁾	Principal Amount	Cost	Fair Value
Dune Group (0.2%)* ⁽³⁾⁽⁷⁾⁽⁸⁾	Health Care Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.0% Cash, Acquired 09/21, Due 09/28) ⁽¹⁰⁾	\$ 1,230,280	\$ 1,204,767	\$ 1,202,086
		First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 09/21, Due 09/28) ⁽¹⁴⁾	131,453	104,801	113,210
			1,361,733	1,309,568	1,315,296
Dwyer Instruments, Inc. (0.6%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Electric	First Lien Senior Secured Term Loan (LIBOR + 5.50%, 6.3% Cash, Acquired 07/21, Due 07/27)	4,562,902	4,451,732	4,515,611
			4,562,902	4,451,732	4,515,611
Echo Global Logistics, Inc. (2.0%)* ⁽⁷⁾	Air Transportation	Second Lien Senior Secured Term Loan (LIBOR + 7.25%, 8.0% Cash, Acquired 11/21, Due 11/29) ⁽⁸⁾⁽¹⁰⁾	14,469,027	14,210,471	14,215,819
		Partnership Equity (530.92 units, Acquired 11/21)		530,973	530,970
			14,469,027	14,741,444	14,746,789
Eilkay, LLC (0.7%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 09/21, Due 09/27)	4,987,500	4,891,525	4,897,630
			4,987,500	4,891,525	4,897,630
EMI Porta Holdco LLC (1.2%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Diversified Manufacturing	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	9,576,271	9,140,733	9,135,593
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)		(58,526)	(59,322)
			9,576,271	9,082,207	9,076,271
Entact Environmental Services, Inc. (0.8%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Environmental Industries	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 02/21, Due 12/25)	5,704,863	5,656,971	5,630,699
			5,704,863	5,656,971	5,630,699
EPS NASS Parent, Inc. (0.8%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Electrical Components & Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 04/21, Due 04/28)	5,812,941	5,695,455	5,714,871
			5,812,941	5,695,455	5,714,871
Eshipping, LLC (0.8%)* ⁽⁷⁾⁽⁸⁾	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 11/27) ⁽⁹⁾	5,965,459	5,799,040	5,795,187
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 12/27) ⁽⁹⁾	254,813	225,848	225,085
			6,220,272	6,024,888	6,020,272
F24 (Stairway BidCo GmbH) (0.2%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾	Software Services	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 08/20, Due 08/27)	1,620,521	1,648,879	1,620,521
			1,620,521	1,648,879	1,620,521
Ferrellgas L.P. (0.4%)* ⁽³⁾⁽⁷⁾	Oil & Gas Equipment & Services	OpCo Preferred Units (2,886 units, Acquired 03/21)		2,799,420	3,145,740
				2,799,420	3,145,740
Fineline Technologies, Inc. (0.2%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Consumer Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 02/21, Due 02/28)	1,305,719	1,282,956	1,305,719
			1,305,719	1,282,956	1,305,719
FitzMark Buyer, LLC (0.6%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Cargo & Transportation	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 12/20, Due 12/26)	4,269,265	4,196,714	4,183,880
			4,269,265	4,196,714	4,183,880
Flexential Issuer, LLC (2.1%)*	Information Technology	Structured Secured Note - Class C (6.9% Cash, Acquired 11/21, Due 11/51)	16,000,000	14,817,114	15,608,750
			16,000,000	14,817,114	15,608,750
FragilePak LLC (0.7%)* ⁽⁷⁾	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 05/21, Due 05/27) ⁽⁸⁾⁽⁹⁾	4,696,562	4,519,341	4,540,910
		Partnership Units (937.5 units, Acquired 05/21)		937,500	925,895
			4,696,562	5,456,841	5,466,805
Front Line Power Construction LLC (0.5%)*	Construction Machinery	First Lien Senior Secured Term Loan (LIBOR + 12.5%, 13.5% Cash, Acquired 11/21, Due 11/28) ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	4,000,000	3,872,045	3,880,000
		Common Stock (50,848 shares, Acquired 11/21)		130,171	111,357
			4,000,000	4,002,216	3,991,357

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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2)}	Principal Amount	Cost	Fair Value
FSS Buyer LLC (0.9%) ⁽⁷⁾	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 08/21, Due 08/28) ^{(8) (10)}	\$ 6,912,504	\$ 6,772,675	\$ 6,789,614
		LP Interest (1,160.9 units, Acquired 08/21)		11,609	29,998
		LP Units (5,104.32 units, Acquired 08/21)		51,043	131,891
			6,912,504	6,835,327	6,951,503
GTM Intermediate Holdings, Inc. (2.0%) ^{(7) (25)}	Medical Equipment Manufacturer	Second Lien Loan (11.0% Cash, 1.0% PIK, Acquired 12/20, Due 12/24)	11,500,057	11,448,900	11,500,057
		Series A Preferred Units (1,434,472.41 units)		2,166,331	2,290,223
		Series C Preferred Units (715,649.59 units)		1,080,770	1,184,037
			11,500,057	14,696,001	14,974,317
Gulf Finance, LLC (0.1%) ^{(8) (9)}	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan (LIBOR + 6.75%, 7.8% Cash, Acquired 11/21, Due 08/26)	831,512	798,761	774,345
			831,512	798,761	774,345
Hawaiian Airlines 2020-1 Class B Pass Through Certificates (1.0%)*	Airlines	Structured Secured Note - Class B (11.3% Cash, Acquired 08/20, Due 09/25)	6,092,593	6,092,593	7,213,140
			6,092,593	6,092,593	7,213,140
Heartland Veterinary Partners, LLC (1.2%) ⁽⁷⁾	Healthcare	Subordinated Term Loan (11.0% PIK, Acquired 11/21, Due 11/28)	9,342,857	9,096,286	9,092,857
			9,342,857	9,096,286	9,092,857
Heartland, LLC (1.9%) ^{(7) (8) (10)}	Business Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 08/19, Due 08/25)	14,075,213	13,976,486	13,793,708
			14,075,213	13,976,486	13,793,708
Heavy Construction Systems Specialists, LLC (1.0%) ^{(7) (8) (10)}	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 11/21, Due 11/27)	7,368,228	7,198,830	7,220,864
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 11/21, Due 11/27)		(54,310)	(52,635)
			7,368,228	7,144,520	7,168,229
Heilbron (E/k/a Sucsez (Bolt Bidco B.V.)) (1.2%) ^{(8) (7)}	Insurance	First Lien Senior Secured Term Loan (EURIBOR + 5.0%, 5.0% Cash, Acquired 09/19, Due 09/26)	8,789,013	9,380,255	8,611,809
			8,789,013	9,380,255	8,611,809
Highpoint Global LLC (0.7%) ^{(7) (25)}	Government Services	Second Lien Note (12.0% Cash, 2.0% PIK, Acquired 12/20, Due 09/22)	5,416,251	5,395,020	5,416,251
			5,416,251	5,395,020	5,416,251
Home Care Assistance, LLC (0.5%) ^{(7) (8) (10)}	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 03/21, Due 03/27)	3,829,723	3,761,710	3,753,128
			3,829,723	3,761,710	3,753,128
HTI Technology & Industries (3.0%) ^{(7) (25)}	Electronic Component Manufacturing	Second Lien Note (12.0% Cash, 4.8% PIK, Acquired 12/20, Due 09/24)	22,746,455	22,095,749	22,215,294
			22,746,455	22,095,749	22,215,294
HW Holdeo, LLC (Hanley Wood LLC) (1.8%) ^{(7) (8) (9)}	Advertising	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/18, Due 12/24)	13,436,978	13,189,273	13,136,978
			13,436,978	13,189,273	13,136,978
IGL Holdings III Corp. (0.6%) ^{(7) (8) (10)}	Commercial Printing	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/20, Due 11/26)	4,323,538	4,230,531	4,268,131
			4,323,538	4,230,531	4,268,131
IM Analytics Holding, LLC (d/b/a NVT) (0.9%) ^{(7) (8)}	Electronic Instruments & Components	First Lien Senior Secured Term Loan (LIBOR + 7.0%, 8.0% Cash, Acquired 11/19, Due 11/23) ⁽¹⁰⁾	8,126,270	8,084,935	6,602,594
		Warrant (68,950 units, Acquired 11/19)		—	—
			8,126,270	8,084,935	6,602,594
IM Square (0.9%) ^{(3) (7) (8) (15)}	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 05/21, Due 04/28)	7,050,638	7,231,653	6,937,828
			7,050,638	7,231,653	6,937,828

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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2)}	Principal Amount	Cost	Fair Value
Infonika Holdings GmbH (1.2%)* ^{(3) (7) (8) (14)}	Technology	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 11/21, Due 11/28)	\$ 9,243,120	\$ 8,946,900	\$ 8,988,934
			9,243,120	8,946,900	8,988,934
Innovad Group II BV (0.8%)* ^{(3) (7) (8) (14)}	Beverage, Food & Tobacco	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 04/21, Due 04/28)	6,255,611	6,320,818	5,875,843
			6,255,611	6,320,818	5,875,843
INOS 19-090 GmbH (0.7%)* ^{(3) (7) (8) (14)}	Aerospace & Defense	First Lien Senior Secured Term Loan (EURIBOR + 6.13%, 6.1% Cash, Acquired 12/20, Due 12/27)	5,271,103	5,495,469	5,263,297
			5,271,103	5,495,469	5,263,297
ISS#2, LLC (d/b/a Industrial Services Solutions) (0.9%)* ^{(7) (8) (10)}	Commercial Services & Supplies	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 02/20, Due 02/26)	6,736,785	6,639,355	6,406,683
			6,736,785	6,639,355	6,406,683
ITI Intermodal, Inc. (0.1%)* ^{(7) (8)}	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) ⁽⁹⁾	721,407	704,989	704,918
		Revolver (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) ⁽⁹⁾		(2,468)	(2,480)
			721,407	702,521	702,438
Jade Bidco Limited (Jane's) (0.3%)* ^{(3) (7) (8) (11)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 4.5% Cash, 2.0% PIK, Acquired 11/19, Due 12/26)	2,315,363	2,257,104	2,315,363
			2,315,363	2,257,104	2,315,363
Jaguar Merger Sub Inc. (0.3%)* ^{(7) (8) (10)}	Other Financial	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 09/24)	2,542,556	2,486,904	2,486,264
		Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 09/24)		(6,055)	(6,127)
			2,542,556	2,480,849	2,480,137
Jedson Engineering, Inc. (0.4%)* ^{(7) (25)}	Engineering & Construction Management	First Lien Loan (12.0% Cash, Acquired 12/20, Due 06/24)	2,650,000	2,650,000	2,650,000
			2,650,000	2,650,000	2,650,000
JetBlue 2019-1 Class B Pass Through Trust (0.6%)*	Airlines	Structured Secured Note - Class B (8.0% Cash, Acquired 08/20, Due 11/27)	4,165,079	4,165,079	4,805,415
			4,165,079	4,165,079	4,805,415
JF Acquisition, LLC (0.5%)* ^{(7) (8) (10)}	Automotive	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 05/21, Due 07/24)	3,865,876	3,763,334	3,711,241
			3,865,876	3,763,334	3,711,241
Kano Laboratories LLC (1.2%)* ⁽⁷⁾	Chemicals, Plastics & Rubber	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 11/20, Due 11/26) ^{(8) (11)}	9,001,571	8,773,232	8,727,599
		Partnership Equity (203.2 units, Acquired 11/20)		203,198	205,053
			9,001,571	8,976,430	8,932,652
Kene Acquisition, Inc. (En Engineering) (1.0%)* ^{(7) (8) (9)}	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 08/19, Due 08/26)	7,224,659	7,124,765	7,080,166
			7,224,659	7,124,765	7,080,166
Kid Distro Holdings, LLC (1.3%)* ⁽⁷⁾	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 10/21, Due 10/27) ^{(8) (10)}	9,361,702	9,167,507	9,174,468
		Partnership Equity (637,677.11 units, Acquired 10/21)		638,298	637,677
			9,361,702	9,805,805	9,812,145
Kona Buyer, LLC (1.2%)* ^{(7) (8) (10)}	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 12/20, Due 12/27)	8,993,949	8,785,068	8,993,949
			8,993,949	8,785,068	8,993,949
LAF International (0.2%)* ^{(3) (7) (8) (15)}	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 03/21, Due 03/28)	1,478,360	1,543,254	1,446,412
			1,478,360	1,543,254	1,446,412

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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ⁽¹⁾⁽²⁾	Principal Amount	Cost	Fair Value
Lambir Bidco Limited (0.9%)* ⁽⁷⁾	Healthcare	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 12/21, Due 12/28) ⁽⁸⁾⁽¹⁴⁾	\$ 5,016,807	\$ 4,770,361	\$ 4,809,863
		Second Lien Senior Secured Term Loan (12.0% PIK, Acquired 12/21, Due 06/29)	1,417,248	1,363,346	1,374,730
		Revolver (EURIBOR + 6.0%, 6.0% Cash, Acquired 12/21, Due 12/24) ⁽¹⁴⁾	313,550	292,375	294,737
			6,747,605	6,426,082	6,479,330
Learfield Communications, LLC (1.1%)*	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 4.3% Cash, Acquired 08/20, Due 12/23) ⁽⁸⁾⁽⁹⁾	135,377	95,441	127,861
		First Lien Senior Secured Term Loan (LIBOR + 3.0%, 3.0% Cash, 10.2% PIK, Acquired 08/20, Due 12/23) ⁽¹⁰⁾	7,953,923	7,909,077	7,958,934
			8,089,300	8,004,518	8,086,795
Legal Solutions Holdings (0.8%)* ⁽⁷⁾⁽²⁴⁾⁽²⁵⁾	Business Services	Senior Subordinated Loan (16.0% PIK, Acquired 12/20, Due 03/22)	11,835,622	10,129,207	5,917,811
			11,835,622	10,129,207	5,917,811
LivTech Purchaser, Inc. (0.1%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Business Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/21, Due 12/25)	918,023	907,776	910,023
			918,023	907,776	910,023
Marmoutier Holding B.V. (0.3%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾	Consumer Products	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 12/21, Due 12/28)	1,944,392	1,872,008	1,879,782
		Revolver (EURIBOR + 5.0%, 5.0% Cash, Acquired 12/21, Due 06/27)		(4,417)	(4,456)
			1,944,392	1,867,591	1,875,326
MC Group Ventures Corporation (0.6%)* ⁽⁷⁾	Business Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 07/21, Due 06/27) ⁽⁸⁾⁽¹⁰⁾	3,687,290	3,598,064	3,655,758
		Partnership Units (746.66 units, Acquired 06/21)		746,662	761,119
			3,687,290	4,344,726	4,416,877
Media Recovery, Inc. (SpotSee) (1.0%)* ⁽⁷⁾⁽⁸⁾	Containers, Packaging & Glass	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/19, Due 11/25) ⁽¹⁰⁾	2,933,019	2,892,443	2,933,019
		First Lien Senior Secured Term Loan (GBP LIBOR + 6.0%, 7.0% Cash, Acquired 12/20, Due 11/25) ⁽¹²⁾	4,442,371	4,302,804	4,442,371
			7,375,390	7,195,247	7,375,390
Medical Solutions Parent Holdings, Inc. (0.6%)* ⁽⁸⁾⁽¹⁰⁾	Healthcare	Second Lien Senior Secured Term Loan (LIBOR + 7.0%, 7.5% Cash, Acquired 11/21, Due 11/29)	4,421,053	4,377,383	4,362,120
			4,421,053	4,377,383	4,362,120
MNS Buyer, Inc. (0.1%)* ⁽⁷⁾	Construction & Building	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 08/21, Due 08/27) ⁽⁸⁾⁽⁹⁾	920,769	903,330	904,707
		Partnership Units (76.92 Units, Acquired 08/21)	—	76,923	78,462
			920,769	980,253	983,169
Modern Star Holdings Bidco Pty Limited. (1.1%)* ⁽⁸⁾⁽⁷⁾⁽⁸⁾	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (BBSY + 6.25%, 6.8% Cash, Acquired 12/20, Due 12/26)	8,368,295	8,280,623	8,299,196
			8,368,295	8,280,623	8,299,196
MSG National Properties (0.3%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Hotel, Gaming, & Leisure	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.0% Cash, Acquired 11/20, Due 11/25)	2,437,141	2,378,186	2,485,884
			2,437,141	2,378,186	2,485,884
Murphy Midco Limited (0.7%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾	Media, Diversified & Production	First Lien Senior Secured Term Loan (GBP LIBOR + 4.75%, 4.8% Cash, Acquired 11/20, Due 11/27)	5,252,188	4,951,281	5,104,200
			5,252,188	4,951,281	5,104,200
Music Reports, Inc. (1.0%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 08/20, Due 08/26)	7,462,000	7,287,999	7,312,760
			7,462,000	7,287,999	7,312,760

Barings BDC, Inc.
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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ⁽¹⁾⁽²⁾	Principal Amount	Cost	Fair Value
Narda Acquisitionco., Inc. (0.8%) ^{*(7)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 12/27) ⁹⁾⁽¹⁰⁾	\$ 5,679,612	\$ 5,581,205	\$ 5,580,218
		Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 12/27) ⁹⁾⁽¹⁰⁾		(22,669)	(22,937)
		Class A Preferred Stock (4,587.38 shares, Acquired 12/21)		458,738	458,738
		Class B Common Stock (509.71 shares, Acquired 12/21)		50,971	50,971
			5,679,612	6,068,245	6,066,990
Navia Benefit Solutions, Inc. (0.4%) ^{*(7)(8)(10)}	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 02/21, Due 02/27)	2,727,200	2,668,002	2,703,272
			2,727,200	2,668,002	2,703,272
Nexus Underwriting Management Limited (0.2%) ^{*(3)(7)} (8)(17)	Other Financial	First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 12/21, Due 10/28)	1,691,418	1,619,658	1,630,029
		First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 12/21, Due 04/22)	103,483	102,210	100,896
			1,794,901	1,721,868	1,730,925
NGS US Finco, LLC (f/k/a Dresser Natural Gas Solutions) (0.6%) ^{*(7)(8)(9)}	Energy Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 10/18, Due 10/25)	4,752,671	4,734,086	4,676,629
			4,752,671	4,734,086	4,676,629
Northstar Recycling, LLC (0.3%) ^{*(7)(8)(10)}	Environmental Industries	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 10/21, Due 09/27)	2,500,000	2,451,774	2,450,000
			2,500,000	2,451,774	2,450,000
OA Buyer, Inc. (1.1%) ^{*(7)}	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 6.8% Cash, Acquired 12/21, Due 12/28) ⁹⁾⁽¹⁰⁾	8,500,512	8,331,137	8,330,502
		Revolver (LIBOR + 6.0%, 6.8% Cash, Acquired 12/21, Due 12/28) ⁹⁾⁽¹⁰⁾		(26,502)	(26,625)
		Partnership Units (210,920.11 units, Acquired 12/21)		210,920	210,920
			8,500,512	8,515,555	8,514,797
Odeon Cinemas Group Limited (0.5%) ^{*(3)(7)}	Hotel, Gaming, & Leisure	First Lien Senior Secured Term Loan (10.8% Cash, Acquired 02/21, Due 08/23)	3,953,779	4,054,629	4,032,855
			3,953,779	4,054,629	4,032,855
OG III B.V. (0.4%) ^{*(3)(7)(8)(14)}	Containers & Glass Products	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 06/21, Due 06/28)	2,916,043	2,996,732	2,842,746
			2,916,043	2,996,732	2,842,746
Omni Intermediate Holdings, LLC (1.5%) ^{*(7)(8)(9)}	Transportation	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/20, Due 12/26)	11,831,351	11,460,888	11,491,251
			11,831,351	11,460,888	11,491,251
Options Technology Ltd. (0.3%) ^{*(3)(7)(8)(10)}	Computer Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 12/19, Due 12/25)	2,313,396	2,281,827	2,267,128
			2,313,396	2,281,827	2,267,128
Oracle Vision Bidco Limited (0.4%) ^{*(3)(7)(8)(17)}	Healthcare	First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 06/21, Due 05/28)	3,100,064	3,140,808	3,027,730
			3,100,064	3,140,808	3,027,730
Origin Bidco Limited (0.1%) ^{*(3)(7)(8)}	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 06/21, Due 06/28) ¹⁰⁾	597,094	581,734	583,730
		First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 06/21, Due 06/28) ¹⁴⁾	377,231	393,795	368,788
			974,325	975,529	952,518
OSP Hamilton Purchaser, LLC (0.3%) ^{*(7)(8)}	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/21, Due 12/27) ⁹⁾	2,280,849	2,235,301	2,235,232
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 12/21, Due 12/27) ¹⁰⁾		(3,725)	(3,731)
			2,280,849	2,231,576	2,231,501
Pacific Health Supplies Bidco Pty Limited (1.1%) ^{*(3)(7)} (9)(16)	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (BBSY + 6.0%, 6.5% Cash, Acquired 12/20, Due 12/25)	8,778,969	8,730,244	8,529,382
			8,778,969	8,730,244	8,529,382

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2)}	Principal Amount	Cost	Fair Value
Pare SAS (SAS Maurice MARLE) (0.6%) ^{(3) (7) (14)}	Health Care Equipment	First Lien Senior Secured Term Loan (EURIBOR + 6.75%, 6.8% Cash, Acquired 12/19, Due 12/26)	\$ 4,637,501	\$ 4,477,701	\$ 4,637,501
			4,637,501	4,477,701	4,637,501
Patriot New Midco 1 Limited (Forensic Risk Alliance) (0.9%) ^{(3) (7) (8)}	Diversified Financial Services	First Lien Senior Secured Term Loan (LIBOR + 6.75%, 7.8% Cash, Acquired 02/20, Due 02/27) ⁽¹⁰⁾	3,764,151	3,685,238	3,591,000
		First Lien Senior Secured Term Loan (EURIBOR + 6.75%, 6.8% Cash, Acquired 02/20, Due 02/27) ⁽¹⁴⁾	3,215,992	3,016,760	3,068,057
			6,980,143	6,701,998	6,659,057
PDQ.Com Corporation (1.2%) ⁽⁷⁾	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/21, Due 08/27) ^{(8) (10)}	9,061,874	8,710,392	8,706,642
		Class A-2 Partnership Units (26.32 units, Acquired 08/21)		28,795	29,003
			9,061,874	8,739,187	8,735,645
Permaconn Bidco Ltd (2.0%) ^{(3) (7) (8) (19)}	Tele-communications	First Lien Senior Secured Term Loan (BBSY + 6.5%, 6.5% Cash, Acquired 12/21, Due 12/27)	15,011,565	14,385,637	14,598,747
			15,011,565	14,385,637	14,598,747
Polara Enterprises, LLC (0.6%) ⁽⁷⁾	Capital Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) ^{(8) (10)}	4,242,634	4,158,730	4,157,781
		Revolver (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) ^{(8) (10)}		(10,763)	(10,905)
		Partnership Units (3,820.44 units, Acquired 12/21)		382,044	382,044
			4,242,634	4,530,011	4,528,920
Policy Services Company, LLC (5.9%) ⁽⁷⁾	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, 4.0% PIK, Acquired 12/21, Due 06/26) ^{(8) (10)}	45,830,921	44,017,961	44,007,782
		Warrants - Class A (28,260 units, Acquired 12/21)		—	—
		Warrants - Class B (9,537 units, Acquired 12/21)		—	—
		Warrants - Class CC (980 units, Acquired 12/21)		—	—
		Warrants - Class D (2,520 units, Acquired 12/21)		—	—
			45,830,921	44,017,961	44,007,782
Premium Franchise Brands, LLC (2.0%) ^{(7) (8) (10)}	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/20, Due 12/26)	14,852,588	14,597,414	14,555,536
			14,852,588	14,597,414	14,555,536
Premium Invest (0.5%) ^{(3) (7) (8) (14)}	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 06/21, Due 06/28)	4,093,919	4,113,303	4,009,539
			4,093,919	4,113,303	4,009,539
Preqin MC Limited (0.4%) ^{(3) (7) (8) (23)}	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan (SOFR + 5.5%, 5.5% Cash, Acquired 08/21, Due 07/28)	2,789,005	2,695,392	2,763,904
			2,789,005	2,695,392	2,763,904
Process Equipment, Inc. (ProcessBarron) (0.8%) ^{(7) (8) (10)}	Industrial Air & Material Handling Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 03/19, Due 03/25)	6,173,594	6,115,253	5,945,171
			6,173,594	6,115,253	5,945,171
Professional Datasolutions, Inc. (PDI) (0.2%) ^{(7) (8) (10)}	Application Software	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 03/19, Due 10/24)	1,836,485	1,833,488	1,808,938
			1,836,485	1,833,488	1,808,938
Protego Bidco B.V. (0.5%) ^{(3) (7) (8) (14)}	Aerospace & Defense	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 03/21, Due 03/27)	2,227,493	2,268,899	2,194,658
		First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 03/21, Due 03/28)	1,547,820	1,560,666	1,494,928
			3,775,313	3,829,565	3,689,586
QPE7 SPV1 BidCo Pty Ltd (0.2%) ^{(3) (7) (8) (20)}	Consumer Cyclical	First Lien Senior Secured Term Loan (BBSY + 5.5%, 6.0% Cash, Acquired 09/21, Due 09/26)	1,631,514	1,563,925	1,604,782
			1,631,514	1,563,925	1,604,782
Questel Unite (0.9%) ^{(3) (7) (8) (10)}	Business Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.8% Cash, Acquired 12/20, Due 12/27)	6,892,270	6,802,056	6,850,916
			6,892,270	6,802,056	6,850,916

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ⁽¹⁾⁽²⁾	Principal Amount	Cost	Fair Value
Recovery Point Systems, Inc. (1.6%)* ⁽⁷⁾	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.5%, 7.5% Cash, Acquired 08/20, Due 08/26) ⁽⁹⁾⁽¹⁰⁾	\$ 11,648,329	\$ 11,460,318	\$ 11,648,329
		Partnership Equity (187,235 units, Acquired 03/21)		187,235	149,788
			11,648,329	11,647,553	11,798,117
Renovation Parent Holdings, LLC (0.7%)* ⁽⁷⁾	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 11/21, Due 11/27) ⁽⁹⁾⁽¹¹⁾	4,854,369	4,735,241	4,733,010
		Partnership Equity (197,368.42 units, Acquired 11/21)		197,368	203,289
			4,854,369	4,932,609	4,936,299
REP SEKO MERGER SUB LLC (1.0%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/20, Due 12/26)	7,614,000	7,416,155	7,477,972
			7,614,000	7,416,155	7,477,972
Resonetics, LLC (0.5%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Health Care Equipment	Second Lien Senior Secured Term Loan (LIBOR + 7.0%, 7.8% Cash, Acquired 04/21, Due 04/29)	4,010,677	3,933,633	3,930,463
			4,010,677	3,933,633	3,930,463
Reward Gateway (UK) Ltd (0.4%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁷⁾	Precious Metals & Minerals	First Lien Senior Secured Term Loan (SONIA + 6.75%, 6.8% Cash, Acquired 08/21, Due 06/28)	2,869,039	2,806,803	2,775,848
			2,869,039	2,806,803	2,775,848
Riedel Beheer B.V. (0.3%)* ⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾	Food & Beverage	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28)	1,898,944	1,834,819	1,842,512
		Revolver (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 06/28)		(4,558)	(4,594)
		Super Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28)	229,711	222,459	223,394
			2,128,655	2,052,720	2,061,312
RPX Corporation (1.0%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 10/20, Due 10/25)	7,611,875	7,425,686	7,455,360
			7,611,875	7,425,686	7,455,360
Ruffalo Noel Levitz, LLC (1.3%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Media Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 01/19, Due 05/24)	9,543,326	9,524,259	9,543,326
			9,543,326	9,524,259	9,543,326
Safety Products Holdings, LLC (1.6%)* ⁽⁷⁾	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 12/20, Due 12/26) ⁽⁹⁾⁽¹⁰⁾	12,025,850	11,797,759	11,755,269
		Preferred Stock (372.1 shares, Acquired 12/20)		372,088	509,836
			12,025,850	12,169,847	12,265,105
Scaled Agile, Inc. (0.2%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 12/21, Due 12/28)	1,747,991	1,705,099	1,704,707
		Revolver (LIBOR + 5.5%, 6.3% Cash, Acquired 12/21, Due 12/28)		(6,668)	(6,716)
			1,747,991	1,698,431	1,697,991
Serta Simmons Bedding LLC (1.4%)* ⁽⁸⁾⁽⁹⁾	Home Furnishings	Super Priority First Out (LIBOR + 7.5%, 8.5% Cash, Acquired 6/20, Due 08/23)	7,350,068	7,228,566	7,409,162
		Super Priority Second Out (LIBOR + 7.5%, 8.5% Cash, Acquired 6/20, Due 08/23)	3,607,287	3,374,478	3,364,805
			10,957,355	10,603,044	10,773,967
SISU ACQUISITIONCO., INC. (0.9%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/20, Due 12/26)	7,009,139	6,869,135	6,770,828
			7,009,139	6,869,135	6,770,828
Smartling, Inc. (2.2%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 11/27)	16,470,588	16,102,057	16,094,118
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 11/27)		(22,958)	(23,529)
			16,470,588	16,079,099	16,070,589
Smile Brands Group Inc. (0.6%)* ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.3% Cash, Acquired 10/18, Due 10/25)	4,593,488	4,570,887	4,553,465
		First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.3% Cash, Acquired 12/20, Due 10/25)		(11,854)	(5,704)
			4,593,488	4,559,033	4,547,761

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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2)}	Principal Amount	Cost	Fair Value
SN BUYER, LLC (2.5%)* ^{(7) (8) (9)}	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/20, Due 12/26)	\$ 18,394,134	\$ 18,079,537	\$ 18,394,134
			18,394,134	18,079,537	18,394,134
Springbrook Software (SBRK Intermediate, Inc.) (1.4%)* ^{(7) (8) (10)}	Enterprise Software & Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/19, Due 12/26)	10,345,662	10,179,244	10,345,662
			10,345,662	10,179,244	10,345,662
SPT Acquico Limited (0.1%)* ^{(3) (7) (8) (10)}	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 01/21, Due 12/27)	658,312	643,744	658,312
			658,312	643,744	658,312
SSCP Pegasus Midco Limited (0.4%)* ^{(3) (7) (8) (12)}	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (GBP LIBOR + 6.75%, 6.8% Cash, Acquired 12/20, Due 11/27)	2,754,170	2,487,755	2,722,148
			2,754,170	2,487,755	2,722,148
Starmeer B.V. (1.0%)* ^{(3) (7) (8) (10)}	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.4%, 6.9% Cash, Acquired 10/21, Due 04/27)	7,500,000	7,390,652	7,387,500
			7,500,000	7,390,652	7,387,500
Superjet Buyer, LLC (3.0%)* ^{(7) (8) (10)}	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	23,174,707	22,711,214	22,711,213
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)		(36,506)	(36,506)
			23,174,707	22,674,708	22,674,707
Syniverse Holdings, Inc. (2.3%)* ^{(8) (10)}	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/18, Due 03/23)	17,314,396	16,493,137	17,191,810
			17,314,396	16,493,137	17,191,810
Syntax Systems Ltd (0.3%)* ^{(3) (7) (8) (9)}	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 10/28)	2,055,730	2,018,017	2,015,842
		Revolver (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 10/26)	442,229	432,475	432,117
			2,497,959	2,450,492	2,447,959
TA SL Cayman Aggregator Corp. (0.3%)* ⁽⁷⁾	Technology	Subordinated Term Loan (8.8% PIK, Acquired 07/21, Due 07/28)	1,994,681	1,957,088	1,960,329
		Common Stock (1,227.79 shares, Acquired 07/21)		49,876	64,911
			1,994,681	2,006,964	2,025,240
Techone B.V. (1.1%)* ^{(3) (7) (8) (14)}	Technology	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 11/21, Due 11/28)	8,725,849	8,427,621	8,441,314
		Revolver (EURIBOR + 5.5%, 5.5% Cash, Acquired 11/21, Due 05/28)	108,060	96,551	97,254
			8,833,909	8,524,172	8,538,568
Tencarva Machinery Company, LLC (0.7%)* ^{(7) (8) (10)}	Capital Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27)	5,485,512	5,374,529	5,374,012
		Revolver (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27)		(19,644)	(19,750)
			5,485,512	5,354,885	5,354,262
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC) (0.5%)* ⁽⁷⁾	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 10/21, Due 12/27)* ^{(8) (10)}	847,007	776,281	775,960
		Revolver (LIBOR + 4.25%, 5.3% Cash, Acquired 10/21, Due 12/27)* ^{(9) (10)}		(14,394)	(14,466)
		Subordinated Term Loan (7.8% PIK, Acquired 10/21, Due 10/28)	3,333,333	3,267,904	3,266,667
			4,180,340	4,029,791	4,028,161
The Hilb Group, LLC (2.7%)* ^{(7) (8) (10)}	Insurance Brokerage	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/19, Due 12/26)	20,279,107	19,879,692	19,873,525
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 12/19, Due 12/26)	54,535	(1,347)	(2,020)
			20,333,642	19,878,345	19,871,505
Total Safety U.S. Inc. (0.9%)* ^{(8) (11)}	Diversified Support Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/19, Due 08/25)	6,583,183	6,393,013	6,482,394
			6,583,183	6,393,013	6,482,394

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021

Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2)}	Principal Amount	Cost	Fair Value
Transit Technologies LLC (0.8%)* ^{(7) (8) (10)}	Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 02/20, Due 02/25)	\$ 6,035,305	\$ 5,945,913	\$ 5,845,889
			6,035,305	5,945,913	5,845,889
Transportation Insight, LLC (1.5%)* ^{(7) (8) (9)}	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 4.6% Cash, Acquired 08/18, Due 12/24)	11,329,748	11,260,323	11,159,802
			11,329,748	11,260,323	11,159,802
Trident Maritime Systems, Inc. (2.0%)* ^{(7) (8) (10)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 02/21, Due 02/27)	14,887,500	14,665,396	14,887,500
			14,887,500	14,665,396	14,887,500
Truck-Lite Co., LLC (2.0%)* ^{(7) (8) (10)}	Automotive Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/19, Due 12/26)	15,001,601	14,622,710	14,610,774
			15,001,601	14,622,710	14,610,774
Trystar, LLC (1.6%)* ⁽⁷⁾	Power Distribution Solutions	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 09/18, Due 09/23) ^{(8) (10)}	11,987,848	11,777,295	11,778,060
		Class A LLC Units (440.97 units, Acquired 09/18)		480,874	412,027
			11,987,848	12,258,169	12,190,087
Turbo Buyer, Inc. (1.1%)* ^{(7) (8) (10)}	Finance Companies	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/21, Due 12/25)	8,430,000	8,226,186	8,220,000
			8,430,000	8,226,186	8,220,000
Turf Products, LLC (1.2%)* ^{(7) (25)}	Landscaping & Irrigation Equipment Distributor	Senior Subordinated Debt (10.0% Cash, Acquired 12/20, Due 10/23)	8,697,056	8,383,962	8,627,480
			8,697,056	8,383,962	8,627,480
Turnberry Solutions, Inc. (0.6%)* ^{(7) (8) (10)}	Consumer Cyclical	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 07/21, Due 09/26)	4,500,000	4,406,122	4,422,501
			4,500,000	4,406,122	4,422,501
U.S. Gas & Electric, Inc. (0.2%)* ^{(7) (25)}	Energy Services	Second Lien Loan (9.5% Cash, Acquired 12/20, Due 07/25)	2,285,250	1,785,250	1,785,250
		Second Lien Loan (9.5% Cash, Acquired 12/20, Due 07/25) ⁽⁶⁾	2,485,469	—	—
			4,770,719	1,785,250	1,785,250
U.S. Silica Company (0.2%)* ^{(3) (8) (9)}	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 5.0% Cash, Acquired 08/18, Due 05/25)	1,472,106	1,474,267	1,436,687
			1,472,106	1,474,267	1,436,687
UKFast Leaders Limited (1.6%)* ^{(3) (7) (8) (16)}	Technology	First Lien Senior Secured Term Loan (SONIA + 7.0%, 7.1% Cash, Acquired 09/20, Due 9/27)	12,311,660	11,399,095	12,090,050
			12,311,660	11,399,095	12,090,050
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.) (2.2%)* ^{(7) (8) (10)}	Legal Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/18, Due 11/24)	16,221,755	16,065,447	16,221,755
			16,221,755	16,065,447	16,221,755
Utac Ceram (0.7%)* ^{(3) (7) (8)}	Business Services	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 09/20, Due 09/27) ⁽¹⁴⁾	1,705,800	1,706,086	1,673,224
		First Lien Senior Secured Term Loan (LIBOR + 5.25%, 5.5% Cash, Acquired 02/21, Due 09/27) ⁽¹⁰⁾	3,517,700	3,455,739	3,450,522
			5,223,500	5,161,825	5,123,746
Validity, Inc. (0.6%)* ^{(7) (8) (9)}	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 4.8% Cash, Acquired 07/19, Due 05/25)	4,783,146	4,686,773	4,764,014
			4,783,146	4,686,773	4,764,014
VistaJet Pass Through Trust 2021-1B (0.7%)*	Airlines	Structured Secured Note - Class B (6.3% Cash, Acquired 11/21, Due 02/29)	5,000,000	5,000,000	4,905,485
			5,000,000	5,000,000	4,905,485
Vital Buyer, LLC (1.1%)* ⁽⁷⁾	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 06/21, Due 06/28) ^{(8) (10)}	7,802,143	7,656,443	7,676,443
		Partnership Units (16,442.9 units, Acquired 06/21)		164,429	170,924
			7,802,143	7,820,872	7,847,367

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021

Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2)}	Principal Amount	Cost	Fair Value
W2O Holdings, Inc. (0.3%) ^{(7) (8) (10)}	Healthcare Technology	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 10/20, Due 06/25)	\$ 2,152,276	\$ 2,090,468	\$ 2,152,276
			2,152,276	2,090,468	2,152,276
Woodland Foods, LLC (1.8%) ⁽⁷⁾	Food & Beverage	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27) ^{(8) (10)}	11,512,234	11,284,684	11,281,989
		Revolver (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27) ^{(8) (10)}	172,203	127,886	127,362
		Common Stock (1,663,307.18 shares, Acquired 12/21)		1,663,307	1,663,307
			11,684,437	13,075,877	13,072,658
World 50, Inc. (1.6%) ^{(7) (8) (9)}	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 01/20, Due 01/26)	3,279,976	3,202,135	3,279,976
		First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 09/20, Due 01/26)	9,008,913	8,849,217	8,873,780
			12,288,889	12,051,352	12,153,756
Subtotal Non-Control / Non-Affiliate Investments (200.9%)			1,518,707,323	1,494,030,725	1,490,112,663
<u>Affiliate Investments:</u>⁽⁴⁾					
Eclipse Business Capital, LLC (13.4%) ⁽⁷⁾	Banking, Finance, Insurance, & Real Estate	Second Lien Senior Secured Term Loan (7.5% Cash, Acquired 07/21, Due 07/28)	4,545,455	4,502,418	4,738,230
		Revolver (LIBOR + 7.25%, Acquired 07/21, Due 07/28) ⁽⁹⁾	1,818,182	1,690,996	1,818,182
		LLC Units (89,447,396 units, Acquired 07/21)		89,849,519	92,667,503
			6,363,637	96,042,933	99,223,915
Jocassee Partners LLC (5.1%) ^{(8) (3)}	Investment Funds & Vehicles	9.1% Member Interest, Acquired 06/19		30,158,270	37,601,490
				30,158,270	37,601,490
JSC Tekers Holdings (0.8%) ^{(7) (3) (25)}	Real Estate Management	Preferred Stock (9,159,085 shares, Acquired 12/20)		4,753,000	6,197,037
		Common Stock (3,201 shares, Acquired 12/20)		—	—
				4,753,000	6,197,037
Security Holdings B.V. (6.3%) ^{(7) (3) (25)}	Electrical Engineering	Bridge Loan (5.0% PIK, Acquired 12/20, Due 02/27)	5,451,205	5,451,207	5,451,205
		Senior Subordinated Loan (3.1% PIK, Acquired 12/20, Due 05/22)	9,524,617	9,524,617	9,524,617
		Senior Unsecured Term Loan (6.0% Cash, 9.0% PIK, Acquired 04/21, Due 04/25)	7,306,508	7,638,612	7,306,507
		Common Stock (900 shares, Acquired 12/20)		21,264,000	24,825,075
			22,282,330	43,878,436	47,107,404
Thompson Rivers LLC (11.3%) ^{(8) (3)}	Investment Funds & Vehicles	15.90% Member Interest, Acquired 06/20		79,414,272	84,438,256
				79,414,272	84,438,256
Waccamaw River LLC (1.8%) ^{(8) (3)}	Investment Funds & Vehicles	20% Member Interest, Acquired 02/21		13,720,000	13,500,686
				13,720,000	13,500,686
Subtotal Affiliate Investments (38.8%)			28,645,967	267,966,911	288,068,788
<u>Control Investments:</u>⁽⁵⁾					
MVC Automotive Group GmbH (2.0%) ^{(7) (3) (25)}	Automotive	Bridge Loan (6.0% Cash, Acquired 12/20, Due 06/26)	7,149,166	7,149,166	7,149,166
		Common Equity Interest (18,000 shares, Acquired 12/20)		9,553,000	7,699,434
			7,149,166	16,702,166	14,848,600
MVC Private Equity Fund LP (1.0%) ^{(8) (3) (25)}	Investment Funds & Vehicles	General Partnership Interest		224,978	187,513
		Limited Partnership Interest		8,899,284	7,376,388
				9,124,262	7,563,901
Subtotal Control Investments (3.0%)			7,149,166	25,826,428	22,412,501
Total Investments, December 31, 2021 (242.7%)*			\$ 1,554,502,456	\$ 1,787,824,064	\$ 1,800,593,952

Barings BDC, Inc.
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December 31, 2021

Derivative Instruments

Credit Support Agreement(a)(b)(d)

Description	Counter Party	Settlement Date(c)	Notional Amount	Value	Unrealized Appreciation (Depreciation)
Credit Support Agreement	Barings LLC	01/01/31	\$ 23,000,000	\$ 15,400,000	\$ 1,800,000
Total Credit Support Agreement, December 31, 2021					\$ 1,800,000

- (a) The MVC Credit Support Agreement covers all of the investments acquired by Barings BDC, Inc. ("the Company") from MVC Capital, Inc. ("MVC") in connection with the MVC Acquisition (as defined in "Note 1 – Organization, Business and Basis of Presentation") and any investments received by the Company in connection with the restructuring, amendment, extension or other modification (including the issuance of new securities) of any of the investments acquired by the Company from MVC in connection with the MVC Acquisition (collectively, the "Reference Portfolio"). Each investment that is included in the Reference Portfolio is denoted in the above Schedule of Investments with footnote (25).
- (b) The Company and Barings LLC entered into a Credit Support Agreement pursuant to which Barings LLC agreed to provide credit support to the Company in the amount of up to \$23.0 million.
- (c) Settlement Date means the earlier of (1) January 1, 2031 or (2) the date on which the entire Reference Portfolio has been realized or written off.
- (d) See "Note 2 – Agreements and Related Party Transactions" for additional information regarding the MVC Credit Support Agreement.

Foreign Currency Forward Contracts:

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
Foreign currency forward contract (AUD)	AS\$31,601,341	\$22,849,503	Bank of America, N.A.	01/06/22	\$ 126,319
Foreign currency forward contract (AUD)	AS\$2,098,659	\$1,507,742	HSBC Bank USA	01/06/22	18,092
Foreign currency forward contract (AUD)	\$20,727,370	AS\$28,700,000	Citibank N.A.	01/06/22	(139,026)
Foreign currency forward contract (AUD)	\$3,579,961	AS\$5,000,000	HSBC Bank USA	04/08/22	(55,300)
Foreign currency forward contract (AUD)	\$18,247,151	AS\$25,385,697	Bank of America, N.A.	04/08/22	(214,805)
Foreign currency forward contract (CAD)	C\$3,229,673	\$2,527,527	Bank of America, N.A.	01/06/22	29,309
Foreign currency forward contract (CAD)	C\$3,000,000	\$2,425,209	HSBC Bank USA	01/06/22	(50,198)
Foreign currency forward contract (CAD)	\$4,881,155	C\$6,229,673	HSBC Bank USA	01/06/22	(50,693)
Foreign currency forward contract (CAD)	\$2,506,088	C\$3,203,161	Bank of America, N.A.	04/08/22	(28,983)
Foreign currency forward contract (DKK)	2,142,838kr.	\$326,309	Bank of America, N.A.	01/06/22	1,343
Foreign currency forward contract (DKK)	\$335,107	2,142,838kr.	Bank of America, N.A.	01/06/22	7,455
Foreign currency forward contract (DKK)	\$322,726	2,115,990kr.	Bank of America, N.A.	04/08/22	(1,490)
Foreign currency forward contract (EUR)	€52,582,593	\$59,524,358	Bank of America, N.A.	01/06/22	274,882
Foreign currency forward contract (EUR)	€5,019,529	\$5,701,273.9	HSBC Bank USA	04/08/22	18,430
Foreign currency forward contract (EUR)	\$24,721,638	€21,500,000	Bank of America, N.A.	01/06/22	270,891
Foreign currency forward contract (EUR)	\$14,562,667	€12,900,000	HSBC Bank USA	01/06/22	(107,781)
Foreign currency forward contract (EUR)	\$20,655,383	€18,182,593	BNP Paribas SA	01/06/22	(22,663)
Foreign currency forward contract (EUR)	\$60,413,175	€53,264,857	Bank of America, N.A.	04/08/22	(281,606)
Foreign currency forward contract (EUR)	\$1,129,597	€1,000,000	HSBC Bank USA	04/08/22	(9,893)
Foreign currency forward contract (EUR)	\$8,513,639	€7,500,000	BNP Paribas SA	04/08/22	(32,537)
Foreign currency forward contract (GBP)	£9,900,000	\$13,219,519	Bank of America, N.A.	01/06/22	189,513
Foreign currency forward contract (GBP)	\$13,348,815	£9,900,000	BNP Paribas SA	01/06/22	(60,217)
Foreign currency forward contract (GBP)	\$6,121,622	£4,598,707	Bank of America, N.A.	04/08/22	(104,366)
Foreign currency forward contract (SEK)	1,791,942kr	\$198,154	HSBC Bank USA	01/07/22	(230)
Foreign currency forward contract (SEK)	\$203,853	1,791,942kr	Bank of America, N.A.	01/07/22	5,928
Foreign currency forward contract (SEK)	\$207,483	1,874,724kr	HSBC Bank USA	04/08/22	244
Total Foreign Currency Forward Contracts, December 31, 2021					\$ (217,382)

* Fair value as a percentage of net assets.

- (1) All debt investments are income producing, unless otherwise noted. Eclipse Business Capital, LLC, Ferrellgas L.P., Kano Laboratories LLC, Thompson Rivers LLC and Waccamaw River LLC equity investments are income producing. All other equity and any equity-linked investments are non-income producing. The Company's Board of Directors (the "Board") 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 (the "1940 Act"), based on, among other things, the input of the Company's external investment adviser, Barings LLC ("Barings"), the Company's Audit Committee and independent valuation firms that have been engaged to assist in the valuation of the Company's middle-market investments. In addition, 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

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021

to LIBOR, EURIBOR, GBP LIBOR, BBSY, STIBOR, CDOR, SOFR, SONIA 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.

- (2) All of the Company's portfolio company investments (including joint venture investments), which as of December 31, 2021 represented 242.0% of the Company's net assets, are subject to legal restrictions on sales. The acquisition date represents the date of the Company's initial investment in the relevant portfolio company.
- (3) Investment is not a qualifying investment as defined under Section 55(a) of the 1940 Act. Non-qualifying assets represent 25.7% of total investments at fair value as of December 31, 2021. 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) As defined in the 1940 Act, the Company is deemed to be an "affiliated person" of the portfolio company as the Company owns between 5% or more, up to 25% (inclusive), of the portfolio company's voting securities ("non-controlled affiliate"). Transactions related to investments in non-controlled "Affiliate Investments" for the year ended December 31, 2021 were as follows:

Portfolio Company	Type of Investment(a)	December 31, 2020		Gross Additions		Amount of Realized		Amount of Unrealized		December 31, 2021 Value	Amount of Interest or Dividends Credited to Income(d)
		Value	(b)	Gross Reductions (c)	(Loss)	Gain (Loss)	(Loss)	Gain (Loss)			
Advantage Insurance, Inc. ^(e)	Preferred Stock (587,001 shares)	5,946,641	\$	—	(5,870,010)	(76,631)	\$	—	\$	—	71,500
		5,946,641		—	(5,870,010)	(76,631)		—		—	71,500
Eclipse Business Capital, LLC ^(e)	Second Lien Senior Secured Term Loan (7.5% Cash)	—	4,502,420	—	—	235,810	4,738,230	169,899			
	Revolver (LIBOR + 7.25%)	—	1,690,997	—	—	127,185	1,818,182	52,983			
	LLC units (89,447,396 units)	—	89,849,519	—	—	2,817,984	92,667,503	3,581,825			
		—	96,042,936	—	—	3,180,979	99,223,915	3,804,707			
Jocassee Partners LLC	9.1% Member Interest	22,623,820	10,000,000	—	—	4,977,670	37,601,490	—			
		22,623,820	10,000,000	—	—	4,977,670	37,601,490	—			
JSC Tekers Holdings ^(e)	Preferred Stock (9,159,085 shares)	4,753,000	—	(4)	—	1,444,041	6,197,037	—			
		—	—	—	—	—	—	—			
		4,753,000	—	(4)	—	1,444,041	6,197,037	—			
Security Holdings B.V. ^(e)	Bridge Loan (5.0% PIK 5/31/2021)	5,187,508	263,697	—	—	—	5,451,205	276,345			
		8,746,454	778,163	—	—	—	9,524,617	285,318			
		—	8,831,162	(1,168,250)	(24,300)	(332,105)	7,306,507	819,588			
		21,329,370	—	—	—	3,495,705	24,825,075	—			
		35,263,332	9,873,022	(1,168,250)	(24,300)	3,163,600	47,107,404	1,381,251			
Thompson Rivers LLC	15.90% Member Interest	10,011,840	69,414,271	—	—	5,012,145	84,438,256	4,776,145			
		10,011,840	69,414,271	—	—	5,012,145	84,438,256	4,776,145			
Waccamaw River LLC ^(e)	20% Member Interest	—	13,762,417	(68,188)	—	(193,543)	13,500,686	280,000			
		—	13,762,417	(68,188)	—	(193,543)	13,500,686	280,000			
Total Affiliate Investments		\$	78,598,633	199,992,646	(7,106,452)	(100,931)	17,584,892	288,068,788	10,313,603		

- (a) Eclipse Business Capital, LLC, Thompson Rivers LLC and Waccamaw River LLC equity investments are income producing. All other equity and any equity-linked investments are non-income producing.
- (b) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.
- (c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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- (d) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Affiliate category.
(e) The fair value of the investment was determined using significant unobservable inputs.

- (5) As defined in the 1940 Act, the Company is deemed to be both an "affiliated person" and "control" the portfolio company because it owns more than 25% of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions as of and during the year ended December 31, 2021 in which the portfolio company is deemed to be a "Control Investment" of the Company were as follows:

Portfolio Company	Type of Investment(a)	December 31, 2020 Value	Gross Additions (b)	Gross Reductions (c)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	December 31, 2021 Value	Amount of Interest or Dividends Credited to Income(d)
MVC Automotive Group GmbH ^(e)	Common Equity Interest	\$ 9,582,368	\$ —	\$ —	\$ —	(1,882,934)	\$ 7,699,434	\$ —
	Bridge Loan (6.0% Cash 12/31/2021)	7,149,166	—	—	—	—	7,149,166	434,908
		16,731,534	—	—	—	(1,882,934)	14,848,600	434,908
MVC Private Equity Fund LP	Limited Partnership Interest	8,899,284	—	—	—	(1,522,896)	7,376,388	—
	General Partnership Interest	224,978	—	—	—	(37,465)	187,513	642,609
		9,124,262	—	—	—	(1,560,361)	7,563,901	642,609
Waccamaw River LLC	50% Member Interest	—	4,500,000	(4,474,229)	—	(25,771)	—	—
Total Control Investments		\$ 25,855,796	\$ 4,500,000	\$ (4,474,229)	\$ —	\$ (3,469,066)	\$ 22,412,501	\$ 1,077,517

- (a) Equity and equity-linked investments are non-income producing, unless otherwise noted.
(b) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.
(c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.
(d) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Control category.
(e) The fair value of the investment was determined using significant unobservable inputs.

- (6) Some or all of the investment is or will be encumbered as security for the Company's \$875.0 million senior secured credit facility with ING Capital LLC initially entered into in February 2019 (as amended, restated and otherwise modified from time to time, the "February 2019 Credit Facility").
(7) The fair value of the investment was determined using significant unobservable inputs.
(8) Debt investment includes interest rate floor feature.
(9) The interest rate on these loans is subject to 1 Month LIBOR, which as of December 31, 2021 was 0.10125%.
(10) The interest rate on these loans is subject to 3 Month LIBOR, which as of December 31, 2021 was 0.20913%.
(11) The interest rate on these loans is subject to 6 Month LIBOR, which as of December 31, 2021 was 0.33875%.
(12) The interest rate on these loans is subject to 3 Month GBP LIBOR, which as of December 31, 2021 was 0.26225%.
(13) The interest rate on these loans is subject to 6 Month GBP LIBOR, which as of December 31, 2021 was 0.47363%.
(14) The interest rate on these loans is subject to 3 Month EURIBOR, which as of December 31, 2021 was -0.57200%.
(15) The interest rate on these loans is subject to 6 Month EURIBOR, which as of December 31, 2021 was -0.54600%.
(16) The interest rate on these loans is subject to 3 Month SONIA, which as of December 31, 2021 was 0.33830%.
(17) The interest rate on these loans is subject to 6 Month SONIA, which as of December 31, 2021 was 0.49870%.
(18) The interest rate on these loans is subject to 3 Month STIBOR, which as of December 31, 2021 was -0.00050%.
(19) The interest rate on these loans is subject to 1 Month BBSY, which as of December 31, 2021 was 0.01500%.
(20) The interest rate on these loans is subject to 3 Month BBSY, which as of December 31, 2021 was 0.06770%.
(21) The interest rate on these loans is subject to 3 Month CDOR, which as of December 31, 2021 was 0.51750%.
(22) The interest rate on these loans is subject to 3 Month SOFR, which as of December 31, 2021 was 0.09125%.
(23) The interest rate on these loans is subject to 6 Month SOFR, which as of December 31, 2021 was 0.19947%.
(24) Non-accrual investment.
(25) Investment was purchased as part of the MVC Acquisition and is part of the Reference Portfolio for purposes of the MVC Credit Support Agreement.
(26) In 2017, MVC received \$5.7 million of 9.5% second lien callable notes due in 2025, in lieu of an escrow to satisfy any indemnification claims associated with MVC's sale of its equity investment in U.S. Gas & Electric ("U.S. Gas"). Effective January 1, 2018, the cost basis of the U.S. Gas second lien loan was decreased by approximately \$3.0 million due to a working capital adjustment. This loan is still subject to indemnification adjustments.

See accompanying notes.

Barings BDC, Inc.
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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
<u>Non-Control / Non-Affiliate Investments:</u>					
1WorldSync, Inc. (4.0%)* ^{(7) (9) (12)}	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 07/19, Due 07/25)	\$ 29,000,000	\$ 28,490,102	\$ 28,420,000
			29,000,000	28,490,102	28,420,000
Accelerate Learning, Inc. (1.0%)* ^{(7) (9) (12)}	Education Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/18, Due 12/24)	7,567,965	7,461,410	7,258,435
			7,567,965	7,461,410	7,258,435
Accurus Aerospace Corporation (2.9%)* ^{(7) (9) (12)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 10/18, Due 10/24)	24,500,000	24,251,575	20,506,500
			24,500,000	24,251,575	20,506,500
ADE Holding (d/b/a AD Education) (0.8%)* ^{(3) (7) (9) (19)}	Education Services	First Lien Senior Secured Term Loan (EURIBOR + 5.0%, 5.0% Cash, Acquired 01/20, Due 01/27)	5,459,746	4,977,557	5,459,746
			5,459,746	4,977,557	5,459,746
AEP Holdings, Inc. (1.8%)* ^{(7) (9)}	Wholesale	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 6.8% Cash, Acquired 11/20, Due 11/25) ⁽¹⁸⁾	4,362,794	4,143,810	4,275,538
		First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/20, Due 11/25) ⁽¹²⁾	8,902,516	8,727,725	8,724,466
			13,265,310	12,871,535	13,000,004
Aftermath Bidco Corporation (1.3%)* ^{(7) (9) (12)}	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 04/19, Due 04/25)	9,425,284	9,265,301	9,335,155
			9,425,284	9,265,301	9,335,155
Ahead DB Borrower, LLC. (0.3%)* ^{(7) (9) (12)}	Technology Distributors	Second Lien Senior Secured Term Loan (LIBOR + 8.5%, 9.5% Cash, Acquired 10/20, Due 10/28)	2,139,295	2,076,161	2,075,117
			2,139,295	2,076,161	2,075,117
Air Canada 2020-2 Class B Pass Through Trust (1.1%)*	Airlines	Structured Secured Note - Class B (9.0% Cash, Acquired 09/20, Due 10/25)	7,500,000	7,500,000	8,077,169
			7,500,000	7,500,000	8,077,169
American Dental Partners, Inc. (1.3%)* ^{(7) (9) (12)}	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 11/18, Due 03/23)	9,800,000	9,786,672	9,396,240
			9,800,000	9,786,672	9,396,240
American Scaffold, Inc. (1.3%)* ^{(7) (9) (12)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 09/19, Due 09/25)	9,686,750	9,509,443	9,686,750
			9,686,750	9,509,443	9,686,750
Anagram Holdings, LLC (2.2%)* ⁽³⁾	Chemicals, Plastics, & Rubber	First Lien Senior Secured Note (10.0% Cash, 5.0% PIK, Acquired 08/20, Due 08/25)	13,673,780	12,565,289	15,588,108
			13,673,780	12,565,289	15,588,108
Anchorage Capital CLO Ltd: Series 2013-1A (0.3%)* ⁽³⁾	Structured Finance	Structured Secured Note - Class DR (LIBOR + 6.8%, 7.0% Cash, Acquired 03/20, Due 10/30)	2,000,000	1,743,066	2,000,156
			2,000,000	1,743,066	2,000,156
Anju Software, Inc. (1.9%)* ^{(7) (12)}	Application Software	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.4% Cash, Acquired 02/19, Due 02/25)	13,701,182	13,442,543	13,385,963
			13,701,182	13,442,543	13,385,963
Apex Bidco Limited (0.3%)* ^{(3) (7)}	Business Equipment & Services	First Lien Senior Secured Term Loan (GBP LIBOR + 6.50%, 7.0% Cash, Acquired 01/20, Due 01/27) ^{(9) (15)}	1,992,033	1,851,359	1,950,974
		Subordinated Senior Unsecured Term Loan (8.0% PIK, Acquired 01/20, Due 07/27)	258,955	241,837	253,618
			2,250,988	2,093,196	2,204,592
AQA Acquisition Holding, Inc. (f/k/a SmartBear) (0.7%)* ^{(7) (9) (12)}	High Tech Industries	Second Lien Senior Secured Term Loan (LIBOR + 8.0%, 9.0% Cash, Acquired 10/18, Due 05/24)	4,959,088	4,877,581	4,959,088
			4,959,088	4,877,581	4,959,088
Arch Global Precision LLC (2.3%)* ^{(7) (12)}	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.0% Cash, Acquired 04/19, Due 04/26)	16,649,218	16,496,045	16,557,510
			16,649,218	16,496,045	16,557,510

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
Archimede (0.4%)* ^{(3) (7) (9) (17)}	Consumer Services	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 10/20, Due 10/27)	\$ 2,677,354	\$ 2,510,391	\$ 2,610,420
			2,677,354	2,510,391	2,610,420
Argus Bidco Limited (0.8%)* ^{(3) (7) (9) (15)}	High Tech Industries	First Lien Senior Secured Term Loan (GBP LIBOR + 5.5%, 5.8% Cash, Acquired 12/20, Due 12/27)	5,715,005	5,383,300	5,543,555
			5,715,005	5,383,300	5,543,555
Armstrong Transport Group (Pele Buyer, LLC) (1.0%)* ^{(7) (9) (12)}	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 06/19, Due 06/24)	5,354,941	5,277,976	5,302,778
		First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 07/20, Due 06/24)	2,000,318	1,964,493	2,000,318
			7,355,259	7,242,469	7,303,096
Ascensus Specialties, LLC (1.0%)* ^{(7) (9) (10)}	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 4.9% Cash, Acquired 09/19, Due 09/26)	7,019,401	6,959,939	6,978,909
			7,019,401	6,959,939	6,978,909
ASPEQ Heating Group LLC (1.2%)* ^{(7) (9) (12)}	Building Products, Air & Heating	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 11/19, Due 11/25)	8,945,499	8,833,249	8,862,629
			8,945,499	8,833,249	8,862,629
Auxi International (0.2%)* ^{(3) (7) (9) (19)}	Commercial Finance	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 12/19, Due 12/26)	1,712,970	1,514,901	1,682,438
			1,712,970	1,514,901	1,682,438
AVSC Holding Corp. (1.4%)* ^{(9) (12)}	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 4.3% Cash, 0.25% PIK, Acquired 08/18, Due 03/25)	4,904,496	4,313,104	4,165,780
		First Lien Senior Secured Term Loan (LIBOR + 4.50%, 5.5% Cash, 1.0% PIK, Acquired 08/18, Due 03/25)	748,116	682,722	665,823
		First Lien Senior Secured Term Loan (5.0% Cash, 10.0% PIK, Acquired 11/20, Due 10/26)	4,951,086	4,816,560	5,668,994
			10,603,698	9,812,386	10,500,597
Bass Pro Group, LLC (0.3%)* ^{(9) (12)}	General Merchandise Stores	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 5.8% Cash, Acquired 03/20, Due 09/24)	1,979,540	1,793,950	1,983,083
			1,979,540	1,793,950	1,983,083
BDP International, Inc. (f/k/a BDP Buyer, LLC) (4.8%)* ^{(7) (9) (12)}	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/18, Due 12/24)	34,937,500	34,387,459	34,238,750
			34,937,500	34,387,459	34,238,750
Beacon Pointe Advisors, LLC (0.1%)* ^{(7) (9) (12)}	Asset Manager & Custody Bank	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 03/20, Due 03/26)	631,591	611,703	631,591
			631,591	611,703	631,591
Benify (Bennevis AB) (0.2%)* ^{(3) (7) (9) (20)}	High Tech Industries	First Lien Senior Secured Term Loan (STIBOR + 5.25%, 5.3% Cash, Acquired 07/19, Due 07/26)	1,588,980	1,366,586	1,576,555
			1,588,980	1,366,586	1,576,555
Black Diamond Equipment Rentals LLC (1.2%)* ^{(7) (23)}	Equipment Rental	Second Lien Loan (12.5% Cash, Acquired 12/20, Due 06/22)	7,500,000	7,500,000	7,500,000
		Warrant (1.0 unit, Acquired 12/20)		847,000	847,000
			7,500,000	8,347,000	8,347,000
British Airways 2020-1 Class B Pass Through Trust (0.2%)*	Airlines	Structured Secured Note - Class B (8.4% Cash, Acquired 11/20, Due 11/28)	1,500,000	1,500,000	1,661,827
			1,500,000	1,500,000	1,661,827
British Engineering Services Holdco Limited (1.1%)* ^{(7) (9) (13)}	Commercial Services & Supplies	First Lien Senior Secured Term Loan (GBP LIBOR + 5.25%, 5.5% Cash, Acquired 12/20, Due 12/27)	8,667,451	7,989,566	8,191,066
			8,667,451	7,989,566	8,191,066
Brown Machine Group Holdings, LLC (0.7%)* ^{(7) (9) (12)}	Industrial Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 10/18, Due 10/24)	5,286,022	5,241,933	5,286,022
			5,286,022	5,241,933	5,286,022
Cadent, LLC (f/k/a Cross MediaWorks) (1.0%)* ^{(7) (9) (12)}	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 09/18, Due 09/23)	7,532,846	7,490,785	7,361,851
			7,532,846	7,490,785	7,361,851

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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
Carlson Travel, Inc (1.0%)*	Business Travel Management	First Lien Senior Secured Note (6.8% Cash, Acquired 09/20, Due 12/25)	\$ 3,000,000	\$ 2,362,500	\$ 2,471,250
		Super Senior Senior Secured Term Loan (10.5% Cash, Acquired 12/20, Due 3/25)	4,239,000	4,149,608	4,376,768
		Common Stock (1,962 units, Acquired 11/20) ⁽⁷⁾		88,290	68,670
			7,239,000	6,600,398	6,916,688
Carlyle Aviation Partners Ltd. (0.2%)*	Structured Finance	Structured Secured Note, Series 2019-2 - Class A (3.4% Cash, Acquired 3/20, Due 11/39)	912,844	826,343	863,003
		Structured Secured Note, Series 2018-2 - Class A (4.5% Cash, Acquired 3/20, Due 11/38)	432,194	391,920	408,302
			1,345,038	1,218,263	1,271,305
Centralis Finco S.a.r.l. (0.1%)* ^{(3) (7) (9) (18)}	Diversified Financial Services	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 05/20, Due 05/27)	867,913	732,995	867,913
			867,913	732,995	867,913
Cineworld Group PLC (1.1%)* ^{(3) (9) (13)}	Leisure Products	First Lien Senior Secured Term Loan (LIBOR + 2.50%, 2.8% Cash, Acquired 04/20, Due 02/25)	9,070,729	5,915,501	6,121,290
		Super Senior Secured Term Loan (7.0% Cash, 8.3% PIK, Acquired 11/20, Due 05/24)	1,618,242	1,446,976	1,920,318
		Warrants (553,375 units, Acquired 12/20)		101,602	166,416
			10,688,971	7,464,079	8,208,024
Classic Collision (Summit Buyer, LLC) (1.6%)* ^{(7) (9) (12)}	Auto Collision Repair Centers	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 01/20, Due 01/26)	12,006,341	11,774,075	11,820,664
			12,006,341	11,774,075	11,820,664
CM Acquisitions Holdings Inc. (3.4%)* ^{(7) (9) (13)}	Internet & Direct Marketing	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 05/19, Due 05/25)	24,655,278	24,287,477	24,196,657
			24,655,278	24,287,477	24,196,657
CMT Opeo Holding, LLC (Concept Machine) (0.6%)* ^{(7) (9) (12)}	Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/20, Due 01/25)	4,425,935	4,351,646	4,097,088
		LLC Units (8,309 units, Acquired 01/20)		332,904	230,492
			4,425,935	4,684,550	4,327,580
Command Alkon (Project Potter Buyer, LLC) (3.0%)* ^{(7) (9) (10)}	Software	First Lien Senior Secured Term Loan (LIBOR + 8.25%, 9.3% Cash, Acquired 04/20, Due 04/27)	22,166,804	21,527,201	21,501,800
		Class A Units (90,384 units, Acquired 04/20)		90,384	93,510
		Class B Units (33,324.69 units, Acquired 04/20)		—	8,165
			22,166,804	21,617,585	21,603,475
Confie Seguros Holding II Co. (0.3%)* ^{(9) (12)}	Insurance Brokerage Services	Second Lien Senior Secured Term Loan (LIBOR + 8.5%, 8.7% Cash, Acquired 10/19, Due 11/25)	2,500,000	2,370,563	2,233,600
			2,500,000	2,370,563	2,233,600
Contabo Finco S.Á R.L. (0.2%)* ^{(3) (7) (9) (18)}	Internet Software & Services	First Lien Senior Secured Term Loan (EURIBOR + 4.75%, 4.8% Cash, Acquired 10/19, Due 10/26)	1,483,377	1,310,386	1,454,918
			1,483,377	1,310,386	1,454,918
CSL DualCom (0.5%)* ^{(3) (7) (9) (15)}	Tele-communications	First Lien Senior Secured Term Loan (GBP LIBOR + 5.5%, 5.6% Cash, Acquired 09/20, Due 09/27)	3,776,936	3,339,563	3,646,170
			3,776,936	3,339,563	3,646,170
Custom Alloy Corporation (4.8%)* ^{(7) (23)}	Manufacturer of Pipe Fittings & Forgings	Second Lien Loan (15.0% PIK, Acquired 12/20, Due 04/22)	39,391,300	31,434,257	31,434,257
		Revolver (15.0% PIK, Acquired 12/20, Due 04/21)	3,745,808	3,228,308	3,228,308
			43,137,108	34,662,565	34,662,565
Dart Buyer, Inc. (1.7%)* ^{(3) (7) (9) (12)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 04/19, Due 04/25)	12,310,907	12,092,929	12,188,061
			12,310,907	12,092,929	12,188,061
Diamond Sports Group, LLC (0.1%)* ^{(9) (10)}	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 3.4% Cash, Acquired 03/20, Due 08/26)	989,975	790,536	872,208
			989,975	790,536	872,208

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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
Discovery Education, Inc. (3.7%) ^{(7) (9) (10)}	Publishing	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 10/20, Due 10/26)	\$ 27,000,000	\$ 26,538,991	\$ 26,527,500
			27,000,000	26,538,991	26,527,500
Distinct Holdings, Inc. (1.0%) ^{(7) (9) (10)}	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 04/19, Due 12/23)	7,516,792	7,453,665	7,475,638
			7,516,792	7,453,665	7,475,638
DreamStart Bidco SAS (d/b/a SmartTrade) (0.3%) ^{(8) (7)}	Diversified Financial Services	First Lien Senior Secured Term Loan (EURIBOR + 4.5%, 4.5% Cash, 1.8% PIK, Acquired 03/20, Due 03/27)	2,232,173	1,939,189	2,176,655
			2,232,173	1,939,189	2,176,655
Dukane IAS, LLC (0.6%) ^{(7) (23)}	Welding Equipment Manufacturer	Second Lien Note (10.5% Cash, 2.5% PIK, Acquired 12/20, Due 12/24)	4,604,374	4,604,374	4,604,374
			4,604,374	4,604,374	4,604,374
Envision Healthcare Corp. (0.4%) ^{(9) (10)}	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 3.9% Cash, Acquired 03/20, Due 10/25)	3,156,772	2,259,339	2,623,688
			3,156,772	2,259,339	2,623,688
Exeter Property Group, LLC (2.6%) ^{(7) (9) (10)}	Real Estate	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 4.7% Cash, Acquired 02/19, Due 08/24)	19,363,647	19,100,177	18,976,374
			19,363,647	19,100,177	18,976,374
F24 (Stairway BidCo GmbH) (0.3%) ^{(3) (7) (9) (18)}	Software Services	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, Acquired 08/20, Due 08/27)	1,855,625	1,734,062	1,805,715
			1,855,625	1,734,062	1,805,715
FitzMark Buyer, LLC (0.5%) ^{(7) (9) (10)}	Cargo & Transportation	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/20, Due 12/26)	3,529,412	3,429,854	3,429,412
			3,529,412	3,429,854	3,429,412
Foundation Risk Partners, Corp. (1.4%) ^{(7) (9) (12)}	Financial Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 09/20, Due 11/23)	8,789,777	8,575,855	8,576,718
		Second Lien Senior Secured Term Loan (LIBOR + 8.50%, 9.5% Cash, Acquired 09/20, Due 11/24)	1,722,222	1,588,593	1,602,355
			10,511,999	10,164,448	10,179,073
GoldenTree Loan Opportunities IX, Limited: Series 2014-9A (0.2%) ^{(6) (3) (9) (12)}	Structured Finance	Structured Secured Note - Class DR2 (LIBOR + 3.0%, 3.2% Cash, Acquired 03/20, Due 10/29)	1,250,000	916,935	1,231,963
			1,250,000	916,935	1,231,963
GTM Intermediate Holdings, Inc. (0.9%) ^{(7) (23)}	Medical Equipment Manufacturer	Second Lien Loan (11.0% Cash, 1.0% PIK, Acquired 12/20, Due 11/24)	5,115,750	5,064,593	5,064,593
		Common Stock (2 shares, Acquired 12/20)		1,078,778	1,078,778
			5,115,750	6,143,371	6,143,371
Gulf Finance, LLC (0.1%) ^{(9) (10)}	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 10/18, Due 08/23)	1,048,305	944,246	788,105
			1,048,305	944,246	788,105
Hawaiian Airlines 2020-1 Class B Pass Through Certificates (1.1%)*	Airlines	Structured Secured Note - Class B (11.3% Cash, Acquired 08/20, Due 09/25)	7,500,000	7,500,000	7,738,286
			7,500,000	7,500,000	7,738,286
Heartland, LLC (1.2%) ^{(7) (9) (12)}	Commercial Services & Supplies	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 08/19, Due 08/25)	8,831,018	8,667,194	8,582,892
			8,831,018	8,667,194	8,582,892
Heilbron (f/k/a Sucsez (Bolt Bidco B.V.)) (1.6%) ^{(8) (7)}	Insurance	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 09/19, Due 09/26) ⁽¹⁹⁾	10,413,655	9,216,174	10,266,128
		First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 6.3% Cash, Acquired 07/20, Due 09/26) ⁽¹⁸⁾	1,092,757	820,169	1,092,757
			11,506,412	10,036,343	11,358,885
Highbridge Loan Management Ltd: Series 2014A-19 (0.1%) ^{(3) (9) (12)}	Structured Finance	Structured Secured Note - Class E (LIBOR + 6.75%, 7.0% Cash, Acquired 03/20, Due 07/30)	1,000,000	833,749	978,180
			1,000,000	833,749	978,180

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
Highpoint Global LLC (0.7%)* ^{(7) (23)}	Government Services	Second Lien Note (12.0% Cash, 2.0% PIK, Acquired 12/20, Due 09/22)	\$ 5,307,799	\$ 5,286,568	\$ 5,286,568
			5,307,799	5,286,568	5,286,568
Holley Performance Products (Holley Purchaser, Inc.) (2.4%)* ^{(7) (9) (12)}	Automotive Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 5.2% Cash, Acquired 10/18, Due 10/25)	16,936,387	16,754,221	16,936,387
			16,936,387	16,754,221	16,936,387
HTI Technology & Industries (1.70%)* ^{(7) (23)}	Electronic Component Manufacturing	Second Lien Note (12.0% Cash, 4.8% PIK, Acquired 12/20, Due 09/24)	12,619,964	12,115,165	12,115,165
			12,619,964	12,115,165	12,115,165
HW Holdco, LLC (Hanley Wood LLC) (1.0%)* ^{(7) (9) (12)}	Advertising	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 12/18, Due 12/24)	7,527,218	7,396,115	7,527,218
			7,527,218	7,396,115	7,527,218
Hyperion Materials & Technologies, Inc. (1.9%)* ^{(7) (9)}	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 08/19, Due 08/26)	13,855,795	13,643,767	13,700,560
			13,855,795	13,643,767	13,700,560
IGL Holdings III Corp. (1.9%)* ^{(7) (9) (12)}	Commercial Printing	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/20, Due 11/26)	14,025,147	13,635,887	13,626,360
			14,025,147	13,635,887	13,626,360
IM Analytics Holding, LLC (d/b/a NVT) (1.0%)* ^{(7) (9)}	Electronic Instruments & Components	First Lien Senior Secured Term Loan (LIBOR + 7.0%, 8.0% Cash, Acquired 11/19, Due 11/23)	8,209,191	8,147,872	6,982,738
		Warrant (68,950 units, Acquired 11/19)	—	—	—
			8,209,191	8,147,872	6,982,738
INOS 19-090 GmbH (1.7%)* ^{(3) (7) (9) (18)}	Aerospace & Defense	First Lien Senior Secured Term Loan (EURIBOR + 6.1%, 6.1% Cash, Acquired 12/20, Due 10/27)	12,275,911	11,888,699	11,934,913
			12,275,911	11,888,699	11,934,913
Institutional Shareholder Services, Inc. (0.7%)* ^{(7) (9) (12)}	Diversified Support Services	Second Lien Senior Secured Term Loan (LIBOR + 8.5%, 8.7% Cash, Acquired 03/19, Due 03/27)	4,951,685	4,830,132	4,951,685
			4,951,685	4,830,132	4,951,685
International Precision Components (1.0%)* ^{(7) (23)}	Plastic Injection Molding	Second Lien Loan (12.0% Cash, 2.0% PIK, Acquired 12/20, Due 10/24)	7,000,000	6,895,000	6,895,000
			7,000,000	6,895,000	6,895,000
ISS#2, LLC (d/b/a Industrial Services Solutions) (0.9%)* ^{(7) (9) (12)}	Commercial Services & Supplies	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 02/20, Due 02/26)	6,819,551	6,700,432	6,300,583
			6,819,551	6,700,432	6,300,583
Jade Bidco Limited (Jane's) (1.7%)* ^{(3) (7) (9)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 4.8% Cash, 2.0% PIK, Acquired 11/19, Due 12/26) ⁽¹³⁾	10,538,414	10,291,098	10,353,797
		First Lien Senior Secured Term Loan (EURIBOR + 4.5%, 4.5% Cash, 2.0% PIK, Acquired 11/19, Due 12/26) ⁽¹⁹⁾	2,057,007	1,813,166	2,020,971
			12,595,421	12,104,264	12,374,768
Jedson Engineering, Inc. (0.4%)* ^{(7) (8) (23)}	Engineering & Construction Management	First Lien Loan (12.0% Cash, 3.0% PIK, Acquired 12/20, Due 06/22)	9,560,423	3,000,000	3,000,000
			9,560,423	3,000,000	3,000,000
JetBlue 2019-1 Class B Pass Through Trust (0.7%)*	Airlines	Structured Secured Note - Class B (8.0% Cash, Acquired 08/20, Due 11/27)	4,721,693	4,721,693	5,048,044
			4,721,693	4,721,693	5,048,044
Kano Laboratories LLC (1.4%)* ^{(7) (9) (12)}	Chemicals, Plastics & Rubber	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 11/20, Due 09/26)	9,873,095	9,589,856	9,584,754
		Partnership Equity (227.2 units, Acquired 11/20)	—	227,198	227,200
			9,873,095	9,817,054	9,811,954
Kenan Advantage Group Inc. (0.6%)* ^{(9) (10)}	Trucking	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 4.0% Cash, Acquired 08/18, Due 07/22)	4,265,453	4,263,951	4,217,125
			4,265,453	4,263,951	4,217,125

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2020

Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
Kene Acquisition, Inc. (En Engineering) (1.0%)* ^{(7) (9) (12)}	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 08/19, Due 08/26)	\$ 7,298,712	\$ 7,173,784	\$ 7,202,679
			7,298,712	7,173,784	7,202,679
Kona Buyer, LLC (4.8%)* ^{(7) (9) (12)}	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 12/20, Due 12/27)	35,000,000	34,132,135	34,125,000
			35,000,000	34,132,135	34,125,000
LAC Intermediate, LLC (f/k/a Lighthouse Autism Center) (1.3%)* ^{(7) (9) (12)}	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 10/18, Due 10/24)	9,218,032	9,083,136	8,987,581
		Class A LLC Units (154,320 units, Acquired 10/18)		154,320	184,312
			9,218,032	9,237,456	9,171,893
Learfield Communications, LLC (1.0%)*	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 4.3% Cash, Acquired 08/20, Due 12/23) ^{(9) (10)}	136,803	96,446	123,073
		First Lien Senior Secured Term Loan (LIBOR + 3.00%, 3.2% Cash, 10.0% PIK, Acquired 08/20, Due 12/23) ⁽¹²⁾	7,181,368	7,117,163	7,133,468
			7,318,171	7,213,609	7,256,541
Legal Solutions Holdings (1.3%)* ^{(7) (23)}	Business Services	Senior Subordinated Loan (6.0% Cash, 10.0% PIK, Acquired 12/20, Due 03/22)	10,398,126	9,597,471	9,597,471
			10,398,126	9,597,471	9,597,471
MB2 Dental Solutions, LLC (1.0%)* ^{(7) (9) (12)}	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 6.5%, 6.7% Cash, Acquired 09/19, Due 09/23)	7,443,622	7,381,819	7,443,622
			7,443,622	7,381,819	7,443,622
Media Recovery, Inc. (SpotSee) (1.3%)* ^{(7) (9) (12)}	Containers, Packaging & Glass	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/19, Due 11/25)	9,179,626	8,873,020	9,018,983
			9,179,626	8,873,020	9,018,983
Modern Star Holdings Bidco Pty Limited. (1.4%)* ^{(3) (7) (9)}	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (BBSY + 6.25%, 6.8% Cash, Acquired 12/20, Due 12/26)	10,482,797	9,973,821	10,101,881
			10,482,797	9,973,821	10,101,881
MSG National Properties (0.3%)* ^{(3) (7) (9) (12)}	Hotel, Gaming, & Leisure	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.0% Cash, Acquired 11/20, Due 11/25)	2,461,759	2,389,417	2,474,068
			2,461,759	2,389,417	2,474,068
Murphy Midco Limited (1.3%)* ^{(3) (7) (9) (16)}	Media, Diversified & Production	First Lien Senior Secured Term Loan (GBP LIBOR + 5.50%, 5.5% Cash, Acquired 11/20, Due 11/27)	9,904,416	9,228,222	9,508,239
			9,904,416	9,228,222	9,508,239
Music Reports, Inc. (0.8%)* ^{(7) (9) (10)}	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 08/20, Due 08/26)	5,592,972	5,459,912	5,469,461
			5,592,972	5,459,912	5,469,461
Neuberger Berman CLO Ltd: Series 2020-36A (0.3%)* ⁽³⁾	Structured Finance	Structured Secured Note - Class E (LIBOR + 7.81%, 8.0% Cash, Acquired 03/20, Due 04/33)	2,500,000	2,476,562	2,501,790
			2,500,000	2,476,562	2,501,790
NGS US Finco, LLC (f/k/a Dresser Natural Gas Solutions) (1.6%)* ^{(7) (9) (10)}	Energy Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 10/18, Due 10/25)	11,855,804	11,813,315	11,645,956
			11,855,804	11,813,315	11,645,956
Omni Intermediate Holdings, LLC (1.4%)* ^{(7) (9) (10)}	Transportation	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/20, Due 12/26)	10,000,000	9,700,263	9,700,000
			10,000,000	9,700,263	9,700,000
Options Technology Ltd. (1.3%)* ^{(3) (7) (9) (12)}	Computer Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 12/19, Due 12/25)	9,796,552	9,583,342	9,633,049
			9,796,552	9,583,342	9,633,049
Pacific Health Supplies Bidco Pty Limited (2.5%)* ^{(3) (7) (9)}	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (BBSY + 6.0%, 6.5% Cash, Acquired 12/20, Due 12/25)	18,489,367	17,237,355	17,919,335
			18,489,367	17,237,355	17,919,335
Pare SAS (SAS Maurice MARLE) (0.7%)* ^{(3) (7) (9) (19)}	Health Care Equipment	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, 1.5% PIK, Acquired 12/19, Due 12/26)	4,817,430	4,305,403	4,683,024
			4,817,430	4,305,403	4,683,024

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
Patriot New Midco 1 Limited (Forensic Risk Alliance) (1.2%)* ^{(3) (7) (9)}	Diversified Financial Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 02/20, Due 02/27) ⁽¹²⁾	\$ 4,489,471	\$ 4,372,581	\$ 4,388,907
		First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 02/20, Due 02/27) ⁽¹⁸⁾	4,126,940	3,579,755	4,034,496
			8,616,411	7,952,336	8,423,403
PerTronix, LLC (1.1%)* ^{(7) (9) (13)}	Automotive	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 10/20, Due 10/26)	8,308,515	8,186,879	8,183,887
			8,308,515	8,186,879	8,183,887
Playtika Holding Corp. (0.5%)* ^{(9) (12)}	Leisure, Amusement & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 03/20, Due 12/24)	3,800,000	3,536,230	3,818,582
			3,800,000	3,536,230	3,818,582
Premier Technical Services Group (Project Graphite) (0.4%)* ^{(3) (7) (9) (15)}	Construction & Engineering	First Lien Senior Secured Term Loan (GBP LIBOR + 6.75%, 7.3% Cash, Acquired 08/19, Due 06/26)	3,108,900	2,681,906	3,039,998
			3,108,900	2,681,906	3,039,998
Premium Franchise Brands, LLC (3.4%)* ^{(7) (9) (12)}	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/20, Due 12/26)	25,000,000	24,501,666	24,500,000
			25,000,000	24,501,666	24,500,000
Process Equipment, Inc. (ProcessBarron) (0.8%)* ^{(7) (9) (12)}	Industrial Air & Material Handling Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 03/19, Due 03/25)	6,173,594	6,090,812	5,612,414
			6,173,594	6,090,812	5,612,414
Professional Datasolutions, Inc. (PDI) (2.3%)* ^{(7) (9) (12)}	Application Software	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 03/19, Due 10/24)	16,924,678	16,905,254	16,628,496
			16,924,678	16,905,254	16,628,496
PSC UK Pty Ltd. (0.4%)* ^{(3) (7) (9) (15)}	Insurance Services	First Lien Senior Secured Term Loan (GBP LIBOR + 6.0%, 6.5% Cash, Acquired 11/19, Due 10/24)	2,684,817	2,439,292	2,614,299
			2,684,817	2,439,292	2,614,299
Questel Unite (3.1%)* ^{(3) (7) (9) (18)}	Business Services	First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 7.3% Cash, Acquired 12/20, Due 12/27)	22,451,369	21,728,443	21,905,058
			22,451,369	21,728,443	21,905,058
Radwell International, LLC (1.9%)* ^{(7) (9) (12)}	Wholesale	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/20, Due 12/26)	14,264,053	13,916,962	13,914,053
			14,264,053	13,916,962	13,914,053
Recovery Point Systems, Inc. (1.6%)* ^{(7) (9) (10)}	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.5%, 7.5% Cash, Acquired 03/20, Due 07/26)	11,795,776	11,572,084	11,766,287
			11,795,776	11,572,084	11,766,287
REP SEKO MERGER SUB LLC (1.2%)* ^{(7) (9) (10)}	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/20, Due 12/26)	8,545,455	8,290,487	8,345,456
			8,545,455	8,290,487	8,345,456
RPX Corporation (2.4%)* ^{(7) (9) (12)}	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 10/20, Due 10/25)	17,500,000	17,110,715	17,106,250
			17,500,000	17,110,715	17,106,250
RR Ltd: Series 2019-6A (0.3%)* ^{(3) (12)}	Structured Finance	Structured Secured Note - Class D (LIBOR + 6.75%, 7.0% Cash, Acquired 03/20, Due 04/30)	2,000,000	1,661,539	2,000,124
			2,000,000	1,661,539	2,000,124
Ruffalo Noel Levitz, LLC (1.3%)* ^{(7) (9) (12)}	Media Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 01/19, Due 05/22)	9,616,736	9,552,719	9,567,718
			9,616,736	9,552,719	9,567,718
Safety Products Holdings, LLC (2.5%)* ^{(9) (12)}	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 12/20, Due 12/26) ⁽⁷⁾	18,108,567	17,559,056	17,555,609
		Common Stock (424.1 units, Acquired 12/20)		424,088	424,090
			18,108,567	17,983,144	17,979,699
Scaled Agile, Inc. (0.7%)* ^{(7) (9) (10)}	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 06/19, Due 06/24)	4,845,720	4,807,839	4,797,263
			4,845,720	4,807,839	4,797,263

Barings BDC, Inc.
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Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
Serta Simmons Bedding LLC (1.5%)* ^{(9) (10)}	Home Furnishings	Super Priority First Out (LIBOR + 7.5%, 8.5% Cash, Acquired 6/20, Due 08/23)	\$ 7,424,499	\$ 7,234,063	\$ 7,498,744
		Super Priority Second Out (LIBOR + 7.5%, 8.5% Cash, Acquired 6/20, Due 08/23)	3,643,817	3,379,870	3,272,913
			11,068,316	10,613,933	10,771,657
SISU ACQUISITIONCO., INC. (2.2%)* ^{(7) (9) (12)}	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/20, Due 12/26)	16,132,835	15,811,282	15,810,178
			16,132,835	15,811,282	15,810,178
SMA Holdings, Inc. (1.0%)* ^{(7) (23)}	Consulting	First Lien Loan (11.0% Cash, Acquired 12/20, Due 06/24)	7,000,000	6,720,000	6,720,000
		Warrants (2.0 units, Acquired 12/20)		286,781	286,781
			7,000,000	7,006,781	7,006,781
Smile Brands Group Inc. (2.1%)* ^{(7) (9) (12)}	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 5.17%, 5.4% Cash, Acquired 10/18, Due 10/24)	5,880,607	5,842,184	5,824,154
		First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/20, Due 10/24)	9,310,993	9,030,258	9,024,500
			15,191,600	14,872,442	14,848,654
SN BUYER, LLC (4.8%)* ^{(7) (9) (12)}	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/20, Due 11/26)	35,000,000	34,304,393	34,300,000
			35,000,000	34,304,393	34,300,000
Springbrook Software (SBRK Intermediate, Inc.) (1.3%)* ^{(7) (9) (12)}	Enterprise Software & Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/19, Due 12/26)	9,349,719	9,152,983	9,201,599
			9,349,719	9,152,983	9,201,599
SSCP Pegasus Midco Limited (2.3%)* ^{(3) (7) (9) (16)}	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (GBP LIBOR + 6.75%, 6.8% Cash, Acquired 12/20, Due 11/27)	17,664,989	16,498,614	16,733,353
			17,664,989	16,498,614	16,733,353
Syniverse Holdings, Inc. (2.2%)* ^{(9) (12)}	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/18, Due 03/23)	17,480,454	16,048,735	15,749,365
			17,480,454	16,048,735	15,749,365
Team Health Holdings, Inc. (0.8%)* ^{(9) (10)}	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 3.8% Cash, Acquired 09/18, Due 02/24)	6,822,785	6,659,174	6,058,906
			6,822,785	6,659,174	6,058,906
The Hilb Group, LLC (2.1%)* ^{(7) (9)}	Insurance Brokerage	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/19, Due 12/26) ⁽¹¹⁾	11,667,719	11,413,365	11,541,707
		First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 12/19, Due 12/26) ⁽¹²⁾	3,602,001	3,374,934	3,373,303
			15,269,720	14,788,299	14,915,010
Total Safety U.S. Inc. (0.9%)* ⁽¹²⁾	Diversified Support Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/19, Due 08/25)	6,857,482	6,611,003	6,576,325
			6,857,482	6,611,003	6,576,325
Transit Technologies LLC (0.7%)* ^{(7) (9) (12)}	Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.0% Cash, Acquired 02/20, Due 02/25)	6,035,305	5,859,123	5,221,746
			6,035,305	5,859,123	5,221,746
Transportation Insight, LLC (3.3%)* ^{(7) (9) (12)}	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 4.6% Cash, Acquired 08/18, Due 12/24)	24,506,875	24,346,335	23,899,105
			24,506,875	24,346,335	23,899,105
Truck-Lite Co., LLC (3.0%)* ^{(7) (9) (12)}	Automotive Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/19, Due 12/26)	22,352,885	21,960,470	21,791,827
			22,352,885	21,960,470	21,791,827
Trystar, LLC (2.5%)* ^{(7) (9) (12)}	Power Distribution Solutions	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 09/18, Due 09/23)	17,596,398	17,384,658	17,288,461
		Class A LLC Units (384.5 units, Acquired 09/18)		395,995	339,474
			17,596,398	17,780,653	17,627,935

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2020

Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
Tuf-Tug, Inc. (0.1%)* ^{(7) (23)}	Safety Equipment Manufacturer	Common Stock (24.6 shares, Acquired 12/20)		\$ 385,047	\$ 385,047
				385,047	385,047
Turf Products, LLC (1.2%)* ^{(7) (23)}	Landscaping & Irrigation Equipment Distributor	Senior Subordinated Debt (10.0% Cash, Acquired 12/20, Due 10/23)	\$ 8,697,056	8,383,962	8,383,962
			8,697,056	8,383,962	8,383,962
U.S. Gas & Electric, Inc. (0.2%)* ^{(7) (23)}	Energy Services	Second Lien Loan (9.5% Cash, Acquired 12/20, Due 07/25)	2,285,250	1,785,250	1,785,250
		Second Lien Loan (9.5% Cash, Acquired 12/20, Due 07/25) ⁽⁴⁾	2,485,469	—	—
			4,770,719	1,785,250	1,785,250
U.S. Silica Company (0.2%)* ^{(3) (9) (10)}	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 5.0% Cash, Acquired 08/18, Due 05/25)	1,487,525	1,490,312	1,299,724
			1,487,525	1,490,312	1,299,724
UKFast Leaders Limited (3.3%)* ^{(3) (7) (9) (14)}	Technology	First Lien Senior Secured Term Loan (GBP LIBOR + 6.75%, 6.8% Cash, Acquired 09/20, Due 9/27)	24,226,278	22,140,865	23,625,466
			24,226,278	22,140,865	23,625,466
USF Holdings LLC (U.S. Farathane, LLC) (0.4%)* ^{(9) (12)}	Auto Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 4.5% Cash, Acquired 08/18, Due 12/21)	3,088,580	3,092,541	2,849,214
			3,088,580	3,092,541	2,849,214
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.) (2.1%)* ^{(7) (9) (12)}	Legal Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/18, Due 11/24)	16,388,428	16,165,710	15,226,488
			16,388,428	16,165,710	15,226,488
Utac Ceram (0.2%)* ^{(3) (7) (9) (18)}	Business Services	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 09/20, Due 09/27)	1,713,064	1,524,242	1,651,143
			1,713,064	1,524,242	1,651,143
Validity, Inc. (0.6%)* ^{(7) (9) (10)}	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 4.9% Cash, Acquired 07/19, Due 05/25)	5,025,862	4,896,882	4,586,098
			5,025,862	4,896,882	4,586,098
W2O Holdings, Inc. (0.0%)* ^{(7) (9)}	Healthcare Technology	Undrawn Delayed Draw Term Loan (LIBOR + 5.0%, 5.0% Cash, Acquired 10/20, Due 06/25)	—	(115,981)	(104,214)
			—	(115,981)	(104,214)
Winebow Group, LLC, (The) (2.1%)* ^{(9) (10)}	Consumer Goods	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 4.8% Cash, Acquired 11/19, Due 07/21)	10,599,445	10,113,510	9,690,543
		Second Lien Senior Secured Term Loan (LIBOR + 7.5%, 8.5% Cash, Acquired 10/19, Due 01/22)	7,141,980	4,813,864	5,713,584
			17,741,425	14,927,374	15,404,127
World 50, Inc. (1.7%)* ^{(7) (9) (10)}	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 01/20, Due 01/26)	3,313,191	3,218,141	3,313,191
		First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 09/20, Due 01/26)	9,100,607	8,905,025	8,940,436
			12,413,798	12,123,166	12,253,627
Subtotal Non-Control / Non-Affiliate Investments (184.7%)			1,378,776,392	1,318,614,617	1,325,783,281
<u>Affiliate Investments⁽⁴⁾</u>					
Advantage Insurance, Inc. (0.8%)* ^{(7) (23)}	Banking, Finance, Insurance, & Real Estate	Preferred Stock (587,001 shares, Acquired 12/20)		5,946,641	5,946,641
				5,946,641	5,946,641
Jocassee Partners LLC (3.2%)* ⁽³⁾	Investment Funds & Vehicles	9.1% Member Interest, Acquired 06/19		20,158,270	22,623,820
				20,158,270	22,623,820
JSC Tekers Holdings (0.7%)* ^{(3) (7) (23)}	Real Estate Management	Preferred Stock (9,159,085 shares, Acquired 12/20)		4,753,000	4,753,000
		Common Stock (3,201 shares, Acquired 12/20)		—	—
				4,753,000	4,753,000

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2020

Portfolio Company ⁽⁶⁾	Industry	Type of Investment ^{(1) (2) (6)}	Principal Amount	Cost	Fair Value
Security Holdings B.V. (4.9%)* ^{(3) (7) (23)}	Electrical Engineering	Bridge Loan (5.0% PIK, Acquired 12/20, Due 05/22)	\$ 5,187,506	\$ 5,187,508	\$ 5,187,508
		Senior Subordinated Loan (3.1% PIK, Acquired 12/20, Due 05/22)	8,746,454	8,746,454	8,746,454
		Common Stock (1,099.5 shares, Acquired 12/20)		21,264,000	21,329,370
			13,933,960	35,197,962	35,263,332
Thompson Rivers LLC (1.4%)* ⁽³⁾	Investment Funds & Vehicles	10% Member Interest, Acquired 06/20		10,000,000	10,011,840
				10,000,000	10,011,840
Subtotal Affiliate Investments (11.0%)			13,933,960	76,055,873	78,598,633
<u>Control Investments:</u> ⁽²⁾					
MVC Automotive Group GmbH (2.3%)* ^{(3) (7) (23)}	Other Diversified Financial Services	Bridge Loan (6.0% Cash, Acquired 12/20, Due 12/21)	7,149,166	7,149,166	7,149,166
		Common Equity Interest (18,000 shares, Acquired 12/20)		9,553,000	9,582,368
			7,149,166	16,702,166	16,731,534
MVC Private Equity Fund LP (1.3%)* ^{(3) (23)}	Investment Funds & Vehicles	General Partnership Interest		224,978	224,978
		Limited Partnership Interest		8,899,284	8,899,284
				9,124,262	9,124,262
Subtotal Control Investments (3.6%)			7,149,166	25,826,428	25,855,796
<u>Short-Term Investments:</u>					
BlackRock, Inc. (4.2%)*	Money Market Fund	BlackRock Liquidity Temporary Fund (0.08% yield)		30,000,000	30,000,000
				30,000,000	30,000,000
JPMorgan Chase & Co. (5.0%)*	Money Market Fund	JPMorgan Prime Money Market Fund (0.09% yield)		35,558,227	35,558,227
				35,558,227	35,558,227
Subtotal Short-Term Investments (9.1%)				65,558,227	65,558,227
Total Investments, December 31, 2020 (208.4%)*			\$ 1,399,859,518	\$ 1,486,055,145	\$ 1,495,795,937

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2020

Derivative Instruments

Credit Support Agreement(a)(b)(d)

Description	Counter Party	Settlement Date(c)	Notional Amount	Value	Unrealized Appreciation (Depreciation)
Credit Support Agreement	Barings LLC	01/01/31	\$ 23,000,000	\$ 13,600,000	\$ —
Total Credit Support Agreement, December 31, 2020					\$ —

- (a) The MVC Credit Support Agreement covers all of the investments acquired by the Company from MVC Capital, Inc. ("MVC") in connection with the MVC Acquisition (as defined in "Note 10 – MVC Capital, Inc. Acquisition") and any investments received by the Company in connection with the restructuring, amendment, extension or other modification (including the issuance of new securities) of any of the investments acquired by the Company from MVC in connection with the MVC Acquisition (collectively, the "Reference Portfolio"). Each investment that is included in the Reference Portfolio is denoted in the above Schedule of Investments with footnote (23).
- (b) The Company and Barings LLC entered into a Credit Support Agreement pursuant to which Barings LLC agreed to provide credit support to the Company in the amount of up to \$23.0 million.
- (c) Settlement Date means the earlier of (1) January 1, 2031 and (2) the date on which the entire Reference Portfolio has been realized or written off.
- (d) See "Note 2 – Agreements and Related Party Transactions" for additional information regarding the MVC Credit Support Agreement.

Foreign Currency Forward Contracts:

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Settlement Date	Unrealized Appreciation (Depreciation)
Foreign currency forward contract (AUD)	\$8,471,304	AS\$11,378,670	01/05/21	\$ (309,049)
Foreign currency forward contract (AUD)	AS\$11,378,670	\$8,610,504	01/05/21	169,849
Foreign currency forward contract (AUD)	\$148,019	AS\$193,882	04/06/21	(1,698)
Foreign currency forward contract (EUR)	\$13,472,749	€11,406,604	01/05/21	(483,801)
Foreign currency forward contract (EUR)	€11,406,604	\$13,518,023	01/05/21	438,526
Foreign currency forward contract (EUR)	\$561,754	€456,604	04/06/21	1,944
Foreign currency forward contract (GBP)	\$13,554,607	£10,215,299	01/05/21	(409,190)
Foreign currency forward contract (GBP)	£10,215,299	\$13,717,678	01/05/21	246,118
Foreign currency forward contract (GBP)	\$13,109,849	£9,672,758	04/06/21	(119,769)
Foreign currency forward contract (SEK)	\$141,603	1,259,406kr	01/05/21	(11,748)
Foreign currency forward contract (SEK)	1,259,406kr	\$152,396	01/05/21	955
Foreign currency forward contract (SEK)	\$164,325	1,356,628kr	04/06/21	(1,028)
Total Foreign Currency Forward Contracts, December 31, 2020				\$ (478,891)

* 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 Company's Board of Directors (the "Board") 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, (the "1940 Act") based on, among other things, the input of the Company's external investment adviser, Barings LLC ("Barings"), the Company's Audit Committee and independent valuation firms that have been engaged to assist in the valuation of the Company's middle-market investments. In addition, 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 LIBOR, EURIBOR, GBP LIBOR, BBSY, STIBOR 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.
- (2) All of the Company's portfolio company investments (including joint venture and short-term investments), which as of December 31, 2020 represented 208.4% of the Company's net assets, are subject to legal restrictions on sales. The acquisition date represents the date of the Company's initial investment in the relevant portfolio company.
- (3) Investment is not a qualifying investment as defined under Section 55(a) of the 1940 Act. Non-qualifying assets represent 23.4% of total investments at fair value as of December 31, 2020. 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).

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2020

- (4) As defined in the 1940 Act, the Company is deemed to be an “affiliated person” of the portfolio company as the Company owns between 5% or more, up to 25%(inclusive), of the portfolio company's voting securities (“non-controlled affiliate”). Transactions related to investments in non-controlled “Affiliate Investments” for the year ended December 31, 2020 were as follows:

Portfolio Company	Type of Investment(a)	Amount of Interest or				December 31, 2019 Gross Additions (c)	December 31, 2020		
		Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	Dividends Credited to Income(b)	Value				
Ge Insurance, Inc. ^(e)	Preferred Stock (587,001 shares)	—\$	\$—	—\$	\$—	5,946,641	—\$	5,946,641	
		—	—	—	—	5,946,641	—	5,946,641	
Partners LLC	9.1% Member Interest	—	2,394,007	—	10,229,813	12,394,007	—	22,623,820	
		—	2,394,007	—	10,229,813	12,394,007	—	22,623,820	
ers Holdings ^(e)	Common Stock (3,201 shares)	—	—	—	—	—	—	—	
	Preferred Stock (9,159,085 shares)	—	—	—	—	4,753,000	—	4,753,000	
		—	—	—	—	4,753,000	—	4,753,000	
Holdings B.V. ^(e)	Bridge Loan (5.0% PIK)	—	—	—	—	5,187,508	—	5,187,508	
	Senior Subordinated Loan (3.1% PIK)	—	—	—	—	8,746,454	—	8,746,454	
	Common Stock (1,099.5 shares)	—	65,370	—	—	21,329,370	—	21,329,370	
		—	65,370	—	—	35,263,332	—	35,263,332	
on Rivers LLC	10% Member Interest	—	11,840	—	—	10,011,840	—	10,011,840	
		—	11,840	—	—	10,011,840	—	10,011,840	
Total Affiliate Investments		\$	—\$	2,471,317	—\$	10,229,813	68,368,820	—\$	78,598,633

(a) Equity and equity-linked investments are non-income producing, unless otherwise noted.

(b) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Affiliate category.

(c) 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.

(d) 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.

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

- (5) As defined in the 1940 Act, the Company is deemed to be both an “affiliated person” and “control” the portfolio company because it owns more than 25% of the portfolio company’s outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions as of and during the year ended December 31, 2020 in which the portfolio company is deemed to be a “Control Investment” of the Company are as follows:

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2020

Portfolio Company	Type of Investment	Amount of Realized Gain (a)	Amount of Unrealized Gain (Loss)	Amount of Interest or Dividends Credited December 31, 2019	Gross Additions Value	Gross Reductions (c)	December 31, 2020 Value
Automotive Group							
GmbH ^(e)	Common Equity Interest (18,000 shares)	\$ —	\$ 29,368	\$ —	\$ —	9,582,368	\$ —
	Bridge Loan (6.0% PIK)	—	—	9,532	—	7,149,166	—
		—	29,368	9,532	—	16,731,534	—
Private Equity Fund LP ^(e)							
	Limited Partnership Interest	—	—	—	—	8,899,284	—
	General Partnership Interest	—	—	5,292	—	224,978	—
		—	—	5,292	—	9,124,262	—
Control Investments	\$	\$ —	\$ 29,368	\$ 14,824	\$ —	\$ 25,855,796	\$ —

- (a) Equity and equity-linked investments are non-income producing, unless otherwise noted.
- (b) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Control category.
- (c) 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.
- (d) 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.
- (e) The fair value of the investment was determined using significant unobservable inputs.
- (6) Some or all of the investment is or will be encumbered as security for the Company's \$800.0 million senior secured credit facility with ING Capital LLC initially entered into in February 2019 (as amended, restated and otherwise modified from time to time, the "February 2019 Credit Facility").
- (7) The fair value of the investment was determined using significant unobservable inputs.
- (8) Non-accrual investment.
- (9) Debt investment includes interest rate floor feature.
- (10) The interest rate on these loans is subject to 1 Month LIBOR, which as of December 31, 2020 was 0.14388%.
- (11) The interest rate on these loans is subject to 2 Month LIBOR, which as of December 31, 2020 was 0.19038%.
- (12) The interest rate on these loans is subject to 3 Month LIBOR, which as of December 31, 2020 was 0.23838%.
- (13) The interest rate on these loans is subject to 6 Month LIBOR, which as of December 31, 2020 was 0.25763%.
- (14) The interest rate on these loans is subject to 2 month GBP LIBOR, which as of December 31, 2020 was 0.06088%.
- (15) The interest rate on these loans is subject to 3 Month GBP LIBOR, which as of December 31, 2020 was 0.02550%.
- (16) The interest rate on these loans is subject to 6 Month GBP LIBOR, which as of December 31, 2020 was 0.02988%.
- (17) The interest rate on these loans is subject to 1 Month EURIBOR, which as of December 31, 2020 was -0.55400%.
- (18) The interest rate on these loans is subject to 3 Month EURIBOR, which as of December 31, 2020 was -0.54500%.
- (19) The interest rate on these loans is subject to 6 Month EURIBOR, which as of December 31, 2020 was -0.526%.
- (20) The interest rate on these loans is subject to 3 Month STIBOR, which as of December 31, 2020 was -0.08500%.
- (21) The interest rate on these loans is subject to 1 Month BBSY, which as of December 31, 2020 was 0.01000%.
- (22) The interest rate on these loans is subject to 3 Month BBSY, which as of December 31, 2020 was 0.01000%.
- (23) Investment was purchased as part of the MVC Acquisition and is part of the Reference Portfolio for purposes of the MVC Credit Support Agreement.
- (24) In 2017, MVC Capital, Inc. received \$5.7 million of 9.5% second lien callable notes due in 2025, in lieu of an escrow to satisfy any indemnification claims associated with MVC Capital, Inc's sale of its equity investment in U.S. Gas & Electric. Effective January 1, 2018, the cost basis of the U.S. Gas second lien loan was decreased by approximately \$3.0 million due to a working capital adjustment. This loan is still subject to indemnification adjustments.

See accompanying notes.

Barings BDC, Inc.
Notes to Consolidated Financial Statements

1. Organization, Business, Basis of Presentation and Summary of Significant Accounting Policies

Organization and Business

Barings BDC, Inc. (the "Company") and its wholly-owned subsidiaries 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 (the "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 (the "Externalization 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 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 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 the Company's common stock at the greater of the Company's then-current net asset value 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 the Company's stockholders at the Company's July 24, 2018 special meeting of stockholders.

The Company's former 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") were 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 Company recognized a loss on extinguishment of debt of \$3.5 million related to the repayment of its outstanding SBA-guaranteed debentures. Triangle SBIC, Triangle SBIC II, and Triangle SBIC III were dissolved during the year ended December 31, 2019.

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."

In connection with the Externalization Closing, the following events occurred:

- On August 2, 2018, the Company entered into an investment advisory agreement (the "Original Advisory Agreement") and an administration agreement (the "Administration Agreement") with the Adviser pursuant to which the Adviser serves as the Company's investment adviser and administrator and manages its investment portfolio which initially consisted primarily of the cash proceeds received in connection with the Asset Sale Transaction.
- On August 2, 2018, the Company issued 8,529,917 shares of the Company's common stock to the Adviser at a price of \$11.723443 per share, or an aggregate of \$100.0 million in cash, in a private transaction

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") and/or Rule 506 of Regulation D thereunder (the "Stock Issuance").

- On August 2, 2018, the Company entered into a registration rights agreement with the Adviser with respect to the shares of the Company's common stock acquired in the Stock Issuance.
- On August 7, 2018, the Company launched a \$50.0 million issuer tender offer (the "Tender Offer"). Pursuant to the Tender Offer, on September 11, 2018, the Company purchased 4,901,961 shares of the Company's common stock at a purchase price of \$10.20 per share, for an aggregate cost of approximately \$50.0 million, excluding fees and expenses relating to the Tender Offer. The shares of common stock purchased in the Tender Offer represented approximately 8.7% of the Company's issued and outstanding shares as of September 6, 2018.
- On September 24, 2018, the Adviser entered into a Rule 10b5-1 Purchase Plan, (the "10b5-1 Plan"), that qualified for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Pursuant to the 10b5-1 Plan, an independent broker made purchases of shares of the Company's common stock on the open market on behalf of the Adviser in accordance with purchase guidelines specified in the 10b5-1 Plan. The 10b5-1 Plan was established in accordance with the Adviser's obligation under the Externalization Agreement to enter into a trading plan pursuant to which the Adviser 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, the Adviser fulfilled its obligations under the 10b5-1 Plan to purchase an aggregate amount of \$50.0 million in shares of the Company's common stock and the 10b5-1 Plan terminated in accordance with its terms. Upon completion of the 10b5-1 Plan, the Adviser had purchased 5,084,302 shares of the Company's common stock pursuant to the 10b5-1 Plan and as of December 31, 2021, owned a total of 13,639,681 shares of our common stock, or 20.9% of the total shares outstanding.

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 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 the Original 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 investment 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 Amended and Restated Advisory Agreement (as defined in "Note 2 - Agreements and Related Party Transactions") (and, prior to January 1, 2021, under the terms of the Original Advisory Agreement) and the Administration Agreement. See "Note 2 - Agreements and Related Party Transactions" for additional information regarding the Company's investment advisory agreement and 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 the Company and its wholly-owned subsidiaries have been eliminated in consolidation. The Company is an investment company and, therefore, applies the specialized accounting and reporting guidance in Accounting Standards Codification ("ASC") Topic 946, Financial Services – Investment Companies. ASC Topic 946 states that consolidation by the Company of an investee that is not an investment company is not appropriate, except when 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 below under

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Significant Accounting Policies - Valuation of Investments with any adjustments to fair value recognized as “Net unrealized appreciation (depreciation)” on the Consolidated Statements of Operations.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). All financial data and information included in these financial statements have been presented on the basis described above. 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 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 March 2020, the FASB issued Accounting Standards Update, 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting (“ASU 2020-04”). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company is currently evaluating the impact of adopting ASU 2020-04 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 during the 2019 fiscal year (the “2019 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 traded 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 traded below 90% of NAV per share.

The 2019 Share Repurchase Plan was 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 2019 Share Repurchase Plan. The 2019 Share Repurchase Plan was 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 was 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 2019 Share Repurchase Plan. During the year ended December 31, 2019, the Company repurchased a total of 2,333,261 shares of its common stock in the open market under the 2019 Share Repurchase Plan at an average price of \$10.01 per share, including broker commissions.

On February 27, 2020, the Board approved an open-market share repurchase program for the 2020 fiscal year (the “2020 Share Repurchase Program”). Under the 2020 Share Repurchase Program, the Company was authorized during fiscal year 2020 to repurchase up to a maximum of 5.0% of the amount of shares outstanding as of February 27, 2020 if shares traded below NAV per share, subject to liquidity and regulatory constraints.

Purchases under the 2020 Share Repurchase Program were made in open-market transactions and included transactions being executed by a broker selected by the Company that had been delegated the authority to repurchase shares on the Company's behalf in the open market in accordance with applicable rules under the Exchange Act, including Rules 10b5-1 and 10b-18 thereunder, and pursuant to, and under the terms and limitations of, the 2020 Share Repurchase Program. During the year ended December 31, 2020, the Company repurchased a total of 989,050 shares of its common stock in the open market under the 2020 Share Repurchase Program at an average price of \$7.21 per share, including broker commissions.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

In connection with the completion of the Company's acquisition of MVC Capital, Inc. ("MVC"), a Delaware corporation, on December 23, 2020 (the "MVC Acquisition"), the Company committed to make open-market purchases of shares of its common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of the Company's then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program will occur during the 12-month period commencing upon the filing of the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and will be made in accordance with applicable legal, contractual and regulatory requirements. During the year ended December 31, 2021, the Company did not repurchase any shares under the authorized program.

Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Valuation of Investments

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. 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 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 observable 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 if so, 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.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

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 independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, the Adviser will utilize alternative methods in accordance with internal pricing procedures established by the Adviser's pricing committee.

At least annually, the Adviser conducts reviews of the primary pricing vendors to validate that the inputs used in the vendors' pricing process are deemed to be market observable. While the Adviser is not provided access to proprietary models of the vendors, the reviews have included on-site walkthroughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The review also includes an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations, a process the Adviser continues to perform annually. In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. The Adviser believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (i.e. exit prices).

The Company's money market fund investments are generally valued using Level 1 inputs and its equity investments listed on an exchange or on the NASDAQ National Market System are valued using Level 1 inputs, using the last quoted sale price of that day. The Company's syndicated senior secured loans and structured products are generally valued using Level 2 inputs, which are generally valued at the bid quotation obtained from dealers in loans by an independent pricing service. The Company's middle-market, private debt and equity investments are generally valued using Level 3 inputs.

Independent Valuation

For the year ended December 31, 2019, the Company engaged an independent valuation firm to provide third-party valuation consulting services at the end of each fiscal quarter which consisted of certain limited procedures that the Company identified and requested the valuation firm to perform (hereinafter referred to as the "Procedures"). The Procedures generally consisted of a review of the quarterly fair values of the Company's middle-market investments, and were generally performed with respect to each investment every quarter beginning in the quarter after the investment was made.

Beginning with the first quarter of 2020, the Company revised its valuation process to require that the Procedures generally be performed with respect to each middle-market investment at least once in every calendar year and for new investments, at least once in the twelve-month period subsequent to the initial investment. In addition, the Procedures were generally performed with respect to an investment where there was a significant change in the fair value or performance of the investment.

Beginning with the fourth quarter of 2020, the fair value of loans and equity investments that are not syndicated or for which market quotations are not readily available, including middle-market loans, are generally submitted to independent providers to perform an independent valuation on those loans and equity investments as of the end of each quarter. Such loans and equity investments are initially held at cost, as that is a reasonable approximation of fair value on the acquisition date, and monitored for material changes that could affect the valuation (for example, changes in interest rates or the credit quality of the borrower). At the quarter end following the initial acquisition, such loans and equity investments are generally sent to a valuation provider which will determine the fair value of each investment. The independent valuation providers apply various methods (synthetic

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

rating analysis, discounting cash flows, and re-underwriting analysis) to establish the rate of return a market participant would require (the “discount rate”) as of the valuation date, given market conditions, prevailing lending standards and the perceived credit quality of the issuer. Future expected cash flows for each investment are discounted back to present value using these discount rates in the discounted cash flow analysis. A range of values will be provided by the valuation provider and Barings will determine the point within that range that it will use in making valuation recommendations to the Board, and will report to the Board on its rationale for each such determination. Barings uses its internal valuation model as a comparison point to validate the price range provided by the valuation provider and, where applicable, in determining the point within that range that it will use in making valuation recommendations to the Board. If Barings’ pricing committee disagrees with the price range provided, it may make a fair value recommendation to the Board that is outside of the range provided by the independent valuation provider, and will notify the Board of any such override and the reasons therefore. In certain instances, we may determine that it is not cost-effective, and as a result is not in the stockholders’ best interests, to request an independent valuation firm to perform an independent valuation 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. Pursuant to these procedures, the Board determines in good faith whether 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.

Valuation 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. An independent pricing service provider is the preferred source of pricing a loan, however, to the extent the independent pricing service provider price is unavailable or not relevant and reliable, the Company will utilize alternative approaches such as broker quotes or manual prices. 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.

Valuation of Investments in Jocassee, Thompson Rivers, Waccamaw River and MVC Private Equity Fund LP

As Jocassee, Thompson Rivers, Waccamaw River and MVC Private Equity Fund LP are investment companies with no readily determinable fair values, the Company estimates the fair value of the Company’s investments in these entities using net asset value of each company and the Company’s ownership percentage as a practical expedient. The net asset value is determined in accordance with the specialized accounting guidance for investment companies.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Level 3 Unobservable Inputs

The following tables summarize the significant unobservable inputs the Company used in the valuation of its Level 3 debt and equity securities as of December 31, 2021 and 2020. The weighted average range of unobservable inputs is based on fair value of investments.

December 31, 2021:	Fair Value	Valuation Model	Level 3 Input	Range of Inputs	Weighted Average	Impact to Valuation from an Increase in Input
Senior debt and 1 st lien notes ⁽¹⁾	\$ 717,374,281	Yield Analysis	Market Yield	5.2% – 33.5%	7.7%	Decrease
	416,010,236	Recent Transaction	Transaction Price	96.5% – 99.0%	97.7%	Increase
Subordinated debt and 2 nd lien notes ⁽²⁾	107,345,323	Yield Analysis	Market Yield	5.3% – 19.0%	11.5%	Decrease
	64,895,063	Market Approach	Adjusted EBITDA Multiple	0.6x – 9.0x	5.67x	Increase
	40,353,543	Recent Transaction	Transaction Price	97.0% – 100.0%	98.0%	Increase
Equity shares ⁽³⁾	137,393,404	Market Approach	Adjusted EBITDA Multiple	5.5x – 54.0x	13.1x	Increase
	6,197,037	Expected Transaction ⁽⁴⁾	Transaction Price	\$6,197,037	\$6,197,037	Increase
	4,545,542	Recent Transaction	Transaction Price	\$1.0 – \$1,000	\$140.03	Increase
Equity warrants	863,949	Market Approach	Adjusted EBITDA Multiple	5.0x-6.0x	6.0x	Increase

- (1) Excludes investments with an aggregate fair value amounting to \$3,938,412, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (2) Excludes investments with an aggregate fair value amounting to \$17,974,944, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (3) Excludes investments with an aggregate fair value amounting to \$3,145,740, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (4) Estimated proceeds expected to be received under legally binding asset purchase agreement for sale of real estate held by portfolio company.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

December 31, 2020:	Fair Value	Valuation Model	Level 3 Input	Range of Inputs	Weighted Average	Impact to Valuation from an Increase in Input
Senior debt and 1 st lien notes ⁽¹⁾	\$ 650,550,710	Yield Analysis	Market Yield	4.7% – 16.2%	7.4%	Decrease
		Liquidation Analysis				
	3,000,000		Adjusted EBITDA Multiple	0.05x – 0.15x	0.10x	Increase
		Recent Transaction	Transaction Price	96.0% – 100.0%	97.8%	Increase
Subordinated debt and 2 nd lien notes ⁽²⁾	109,851,771	Yield Analysis	Market Yield	6.0% – 26.0%	16.7%	Decrease
	13,933,960	Market Approach				
	4,959,088		Adjusted EBITDA Multiple	5.0x – 6.0x	5.50x	Increase
		Recent Transaction	Transaction Price	100%	100%	Increase
Equity shares ⁽³⁾	39,178,157	Market Approach				
	4,752,997		Adjusted EBITDA Multiple	0.8x – 11.8x	4.80x	Increase
		Real Estate - Cost Approach	Replacement Cost (CZK/m2)	1,237 to 1,892	1,892	Increase
		Real Estate - Cost Approach	Depreciation Factor	0.50 to 1.00	0.81	Increase
		Real Estate - Income Approach	Market Rent CZK/Year	CZK5,011,718 to CZK8,700,000	CZK5,011,718	Increase
		Real Estate - Income Approach	Cap Rate	6.0% to 7.0%	6.5%	Decrease
		Real Estate - Income Approach	Adj. Factor for Development Zone	n/a	1.15	Increase
		227,200				
			Transaction Price	\$1,000	\$1,000	Increase
Equity warrants	1,133,781	Market Approach	Adjusted EBITDA Multiple	4.8x-9.0x	6.0x	Increase

(1) Excludes investments with an aggregate fair value amounting to \$2,474,068, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.

(2) Excludes investments with an aggregate fair value amounting to \$2,075,117, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.

(3) Excludes investments with an aggregate fair value amounting to \$68,670, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.

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 generally 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.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

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 (i.e., securities with the right to elect directors) and/or has the power to exercise control over the management or policies of such portfolio company. Generally, under the 1940 Act, "Affiliate Investments" that are not otherwise "Control Investments" are defined as investments in which the Company owns at least 5.0%, up to 25.0% (inclusive), of the voting securities and does not have the power to exercise control over the management or policies of such portfolio company.

Short-Term Investments

Short-term investments represent investments in money market funds.

Deferred Financing Fees

Costs incurred to issue debt are capitalized and are amortized over the term of the debt agreements using the effective interest method.

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. As of December 31, 2021, the Company had two investments that were on non-accrual. As of December 31, 2020, the Company had one investment that was on non-accrual. Dividend income is recorded on the ex-dividend date.

Payment-in-Kind Interest

The Company currently holds, and expects to hold in the future, some loans in its portfolio that contain payment-in-kind ("PIK") interest provisions. PIK interest, computed at the contractual rate specified in each loan agreement, is periodically 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.

PIK interest, which is a non-cash source of income at the time of recognition, is included in the Company's taxable income and therefore affects the amount the Company is required to distribute to its stockholders to maintain its tax treatment as a RIC for federal income tax purposes, even though the Company has not yet collected the cash. Generally, when current cash 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 PIK interest income on that loan for financial

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

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 accrued and uncollected PIK interest when it is determined that the PIK interest is no longer collectible.

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 years ended December 31, 2021, 2020 and 2019 was as follows:

	Year Ended December 31		
	2021	2020	2019
Recurring Fee Income:			
Amortization of loan origination fees	\$ 4,620,259	\$ 2,179,859	\$ 914,197
Management, valuation and other fees	2,185,600	867,465	275,510
Total Recurring Fee Income	6,805,859	3,047,324	1,189,707
Non-Recurring Fee Income:			
Prepayment fees	474,499	84,151	59,617
Acceleration of unamortized loan origination fees	4,823,674	536,906	694,971
Advisory, loan amendment and other fees	916,212	412,255	172,525
Total Non-Recurring Fee Income	6,214,385	1,033,312	927,113
Total Fee Income	\$ 13,020,244	\$ 4,080,636	\$ 2,116,820

Compensation Expenses

Compensation expenses generally include salaries, discretionary compensation, equity-based compensation and benefits.

General and Administrative Expenses

General and administrative expenses include administrative costs, facilities costs, insurance, legal and accounting expenses, expenses reimbursable to the Adviser under the terms of the Administration Agreement and other costs related to operating as a publicly-traded company.

Segments

The Company lends to and invests in customers in various industries. The Company separately evaluates the performance of each of its lending and investment relationships. However, because each of these loan and investment relationships has similar business and economic characteristics, they have been aggregated into a single lending and investment segment. All applicable segment disclosures are included in or can be derived from the Company's financial statements.

Concentration of Credit Risk

As of both December 31, 2021 and 2020, there were no individual investments representing greater than 10% of the fair value of the Company's portfolio. As of December 31, 2021 and December 31, 2020, the Company's largest single portfolio company investment, excluding short-term investments, represented approximately 5.5% and 2.5%, respectively, of the fair value of the Company's portfolio, exclusive of short-term investments. Income, consisting of interest, dividends, fees, other investment income and realization of gains or losses, can fluctuate

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

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.

The Company places its cash with financial institutions and, at times, cash may exceed insured limits under applicable law.

As of December 31, 2021, all of the Company's assets were or will be pledged as collateral for the February 2019 Credit Facility.

Investments Denominated in Foreign Currency

As of December 31, 2021 the Company held one investment that was denominated in Canadian dollars, one investment that was denominated in Danish kroner, five investments that were denominated in Australian dollars, one investment that was denominated in Swedish kronas, 36 investments that were denominated in Euros and 18 investments that were denominated in British pounds sterling. As of December 31, 2020, the Company held two investments that were denominated in Australian dollars, one investment that was denominated in Swedish kronas, 17 investments that were denominated in Euros and 11 investments that were denominated in British pounds sterling.

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 separately report 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 Consolidated Statements of Operations.

In addition, during the years ended December 31, 2021 and 2020, the Company entered into forward currency contracts primarily to help mitigate the impact that an adverse change in foreign exchange rates would have on net interest income from the Company's investments and related borrowings denominated in foreign currencies. Net unrealized appreciation or depreciation on foreign currency contracts are included in "Net unrealized appreciation (depreciation) - foreign currency transactions" and net realized gains or losses on forward currency contracts are included in "Net realized gains (losses) - foreign currency transactions" in the 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 U.S. Dollar.

Dividends and Distributions

Dividends and distributions to common stockholders are approved by the Board and dividends payable are recorded on the ex-dividend date.

The Company has adopted a dividend reinvestment plan ("DRIP") that provides for reinvestment of dividends on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, when the Company declares a dividend, stockholders who have not opted out of the DRIP will have their dividends automatically reinvested in shares of the Company's common stock, rather than receiving cash dividends.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The table below summarizes the Company's dividends and distributions in the three years ended December 31, 2021:

Declared	Record	Payable	Per Share Amount	Amount Paid in Cash	Amount Settled via Newly Issued Shares	Total
February 27, 2019	March 13, 2019	March 20, 2019	\$ 0.12	\$ 6,107,000	\$ —	\$ 6,107,000
May 9, 2019	June 12, 2019	June 19, 2019	0.13	6,541,000	—	6,541,000
July 26, 2019	September 11, 2019	September 18, 2019	0.14	6,935,000	—	6,935,000
October 29, 2019	December 11, 2019	December 18, 2019	0.15	7,345,000	—	7,345,000
Total 2019 dividends and distributions			\$ 0.54	\$ 26,928,000	\$ —	\$ 26,928,000
February 27, 2020	March 11, 2020	March 18, 2020	\$ 0.16	\$ 7,824,000	\$ —	\$ 7,824,000
April 30, 2020	June 10, 2020	June 17, 2020	0.16	7,674,000	—	7,674,000
August 5, 2020	September 9, 2020	September 16, 2020	0.16	7,674,000	—	7,674,000
November 9, 2020	November 25, 2020	December 2, 2020	0.17	8,153,000	—	8,153,000
Total 2020 dividends and distributions			\$ 0.65	\$ 31,325,000	\$ —	\$ 31,325,000
February 7, 2021	March 10, 2021	March 17, 2021	\$ 0.19	\$ 12,410,056	\$ —	\$ 12,410,056
May 6, 2021	June 9, 2021	June 16, 2021	0.20	13,063,217	—	13,063,217
August 5, 2021	September 8, 2021	September 15, 2021	0.21	13,716,378	—	13,716,378
November 9, 2021	November 24, 2021	December 1, 2021	0.22	14,369,539	—	14,369,539
Total 2021 dividends and distributions			\$ 0.82	\$ 53,559,190	\$ —	\$ 53,559,190

Per Share Amounts

Per share amounts included in the Consolidated Statements of Operations are computed by dividing net investment income and net increase in net assets resulting from operations by the weighted average number of shares of common stock outstanding for the period. As the Company has no common stock equivalents outstanding, diluted per share amounts are the same as basic per share amounts. Net asset value per share is computed by dividing total net assets by the number of common shares outstanding as of the end of the period.

2. Agreements and Related Party Transactions

On August 2, 2018, the Company entered into the Original Advisory Agreement and the Administration Agreement with the Adviser, an investment adviser registered under the Investment Advisers Act of 1940, as amended. In connection with the MVC Acquisition (as defined in "Note 10 – MVC Capital, Inc. Acquisition"), on December 23, 2020, the Company entered into an amended and restated investment advisory agreement (the "Amended and Restated Advisory Agreement") with the Adviser, following approval of the Amended and Restated Advisory Agreement by the Company's stockholders at its December 23, 2020 special meeting of stockholders. The terms of the Amended and Restated Advisory Agreement became effective on January 1, 2021.

The Amended and Restated Advisory Agreement amended the Original Advisory Agreement to, among other things, (i) reduce the annual base management fee payable to the Adviser from 1.375% to 1.250% of the Company's gross assets, (ii) reset the commencement date for the rolling 12-quarter "look-back" provision used to calculate the income incentive fee and incentive fee cap to January 1, 2021 from January 1, 2020 and (iii) describe the fact that the Company may enter into guarantees, sureties and other credit support arrangements with respect to one or more of its investments, including the impact of these arrangements on the income incentive fee cap.

Investment Advisory Agreement

Pursuant to the Amended and Restated 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;

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Notes to Consolidated Financial Statements — (Continued)

(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 Amended and Restated 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 Amended and Restated Advisory Agreement or otherwise as an investment adviser of the Company. The Adviser's services under the Amended and Restated 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 Amended and Restated Advisory Agreement is not adversely affected.

The Adviser has entered into a personnel-sharing arrangement with its affiliate, Baring International Investment Limited ("BIIL"). BIIL is a wholly-owned subsidiary of Baring Asset Management Limited, which in turn is an indirect, wholly-owned subsidiary of the Adviser. Pursuant to this arrangement, certain employees of BIIL may serve as "associated persons" of the Adviser and, in this capacity, subject to the oversight and supervision of the Adviser, may provide research and related services, and discretionary investment management and trading services (including acting as portfolio managers) to the Company on behalf of the Adviser. This arrangement is based on no-action letters of the staff of the Securities and Exchange Commission (the "SEC") that permit SEC-registered investment advisers to rely on and use the resources of advisory affiliates or "participating affiliates," subject to the supervision of that SEC-registered investment adviser. BIIL is a "participating affiliate" of the Adviser, and the BIIL employees are "associated persons" of the Adviser.

Under the Amended and Restated 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.

Pre-January 1, 2021 Base Management Fee

For the period from January 1, 2020 through December 31, 2020, the Base Management Fee was calculated based on the Company's gross assets, including the MVC Credit Support Agreement, assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of 1.375%. The annual rate of the Base Management Fee was 1.125% for the period commencing on January 1, 2019 through December 31, 2019.

The Base Management Fee was payable quarterly in arrears on a calendar quarter basis. The Base Management Fee was 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 were appropriately pro-rated.

Post-December 31, 2020 Base Management Fee

Beginning January 1, 2021, the Base Management Fee is calculated based on the Company's gross assets, including the MVC Credit Support Agreement, assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of 1.25%. The Base Management Fee is payable quarterly in arrears on a calendar quarter basis. The Base Management Fee will be calculated based on the average value of the Company's gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. Base Management Fees for any partial month or quarter will be appropriately pro-rated.

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For the year ended December 31, 2021, the Base Management Fee determined in accordance with the terms of the Amended and Restated Advisory Agreement was approximately \$19.5 million. For the years ended December 31, 2020 and December 31, 2019, the Base Management Fee determined in accordance with the terms of the Original Advisory Agreement was approximately \$14.3 million and \$12.1 million, respectively. As of December 31, 2021, the Base Management Fee of \$5.4 million for the three months ended December 31, 2021 was unpaid and included in "Base management fees payable" in the accompanying Consolidated Balance Sheets. As of December 31, 2020, the Base Management Fee of \$3.4 million for the three months ended December 31, 2020 was unpaid and included in "Base management fees payable" in the accompanying Consolidated Balance Sheets.

Pre-January 1, 2021 Incentive Fee

For the period from August 2, 2018 through December 31, 2020, under the Original Advisory Agreement, the Incentive Fee was comprised of two parts: (1) a portion based on the Company's pre-incentive fee net investment income (the "Pre-2021 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 "Pre-2021 Capital Gains Fee").

The Pre-2021 Income-Based Fee was calculated as follows:

- (i) For each quarter from and after August 2, 2018 through December 31, 2019 (the "Pre-2020 Period"), the Pre-2021 Income-Based Fee was 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 were being calculated. In respect of the Pre-2020 Period, "Pre-Incentive Fee Net Investment Income" meant 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 included, 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 did 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 Pre-2021 Income-Based Fee was 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 referred to as the "Pre-2021 Trailing Twelve Quarters") for which such fees were being calculated and was 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" meant 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 Pre-2021 Trailing Twelve Quarters, minus the Company's operating expenses for such Pre-2021 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 Pre-2021 Trailing Twelve Quarters. Pre-Incentive Fee Net Investment Income included, 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 did 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

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Notes to Consolidated Financial Statements — (Continued)

end of the calendar quarter for which such fees were being calculated, was 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 paid the Adviser the Pre-2021 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 Pre-2021 Income-Based Fee for any calendar quarter in which the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) did not exceed the hurdle rate;

(b) With respect to the Post-2019 Period, no Pre-2021 Income-Based Fee for any calendar quarter in which the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) did 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 exceeded the hurdle rate but was less than 2.5% (10% annualized) (the "Pre-2020 Catch-Up Amount"). The Pre-2020 Catch-Up Amount was 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) reached 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 exceeded the hurdle rate but was less than 2.5% (10% annualized) (the "Post-2019 Catch-Up Amount"). The Post-2019 Catch-Up Amount was 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) reached 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 exceeded 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 exceeded the Post-2019 Catch-Up Amount.

However, with respect to the Post-2019 Period, the Pre-2021 Income-Based Fee paid to the Adviser would in no event be in excess of the Pre-2021 Incentive Fee Cap. With respect to the Post-2019 Period, the "Pre-2021 Incentive Fee Cap" for any quarter was an amount equal to (a) 20% of the Cumulative Net Return (as defined below) during the relevant Pre-2021 Trailing Twelve Quarters minus (b) the aggregate Pre-2021 Income-Based Fee that was paid in respect of the first eleven calendar quarters (or the portion thereof) included in the relevant Pre-2021 Trailing Twelve Quarters.

Cumulative Net Return meant (x) the aggregate net investment income in respect of the relevant Pre-2021 Trailing Twelve Quarters minus (y) any Net Capital Loss (as defined below), if any, in respect of the relevant Pre-2021 Trailing Twelve Quarters. If, in any quarter, the Pre-2021 Incentive Fee Cap was zero or a negative value, the Company paid no Pre-2021 Income-Based Fee to the Adviser for such quarter. If, in any quarter, the Pre-2021 Incentive Fee Cap for such quarter was a positive value but was less than the Pre-2021 Income-Based Fee that was payable to the Adviser for such quarter (before giving effect to the Pre-2021 Incentive Fee Cap) calculated as described above, the Company paid a Pre-2021 Income-Based Fee to the Adviser equal to the Pre-2021 Incentive

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Fee Cap for such quarter. If, in any quarter, the Pre-2021 Incentive Fee Cap for such quarter was equal to or greater than the Pre-2021 Income-Based Fee that was payable to the Adviser for such quarter (before giving effect to the Pre-2021 Incentive Fee Cap) calculated as described above, the Company paid an Pre-2021 Income-Based Fee to the Adviser equal to the Pre-2021 Income-Based Fee calculated as described above for such quarter without regard to the Pre-2021 Incentive Fee Cap.

Net Capital Loss in respect of a particular period meant 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 Pre-2021 Capital Gains Fee was determined and payable in arrears as of the end of each calendar year, commencing with the calendar year ended on December 31, 2018, and was 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 was positive at the end of such year, then the Pre-2021 Capital Gains Fee payable for such year was equal to 20% of such amount, less the cumulative aggregate amount of Pre-2021 Capital Gains Fees paid in all prior years. If such amount was negative, then there was no Pre-2021 Capital Gains Fee payable for such year.

Post-December 31, 2020 Incentive Fee

Beginning January 1, 2021, the Incentive Fee continues to consist of two components that are independent of each other, with the result that one component may be payable even if the other is not. Under the Amended and Restated Advisory Agreement, a portion of the Incentive Fee is based on the Company's income (the "Income-Based Fee") and a portion is based on the Company's capital gains (the "Capital Gains Fee"), each as described below:

- (i) The Income-Based Fee will be determined and paid quarterly in arrears based on the amount by which (x) the aggregate "Pre-Incentive Fee Net Investment Income" (as defined below) in respect of the current calendar quarter and the eleven preceding calendar quarters beginning with the calendar quarter that commences on or after January 1, 2021, as the case may be (or the appropriate portion thereof in the case of any of the Company's first eleven calendar quarters that commences on or after January 1, 2021) (in either case, the "Trailing Twelve Quarters") exceeds (y) the Hurdle Amount (as defined below) in respect of the Trailing Twelve Quarters. The Hurdle Amount will be determined on a quarterly basis, and will be calculated by multiplying 2.0% (8% annualized) by the aggregate of the Company's net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. For this purpose, under the Amended and Restated Advisory Agreement, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including, without limitation, any accrued income that we have not yet received in cash and any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses accrued during the calendar quarter (including, without limitation, the Base Management Fee, administration expenses and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Income-Based Fee and the Capital Gains Fee). For the avoidance of doubt, Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation:

The calculation of the Income-Based Fee for each quarter is as follows:

- (A) No Income-Based Fee will be payable to the Adviser in any calendar quarter in which the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters does not exceed the Hurdle Amount;
- (B) 100% of the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters, if any, that exceeds the Hurdle Amount but is less than or equal to an amount (the "Catch-Up Amount") determined on a quarterly basis by multiplying 2.5% (10% annualized) by the

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Company's net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. The Catch-Up Amount is intended to provide the Adviser with an incentive fee of 20% on all of the Company's Pre-Incentive Fee Net Investment Income when the Company's Pre-Incentive Fee Net Investment Income reaches the Catch-Up Amount for the Trailing Twelve Quarters; and

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

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

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

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

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

Under the Amended and Restated Advisory Agreement, the "cumulative aggregate realized capital gains" are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in the Company's portfolio when sold and (b) the accreted or amortized cost basis of such investment.

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

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

Under the Amended and Restated Advisory Agreement, the “accreted or amortized cost basis of an investment” shall mean the accreted or amortized cost basis of such investment as reflected in the Company's financial statements.

For the year ended December 31, 2021, the Income-Based Fee determined in accordance with the terms of the Amended and Restated Advisory Agreement was \$14.7 million. As of December 31, 2021, the Income-Based Fee of \$4.1 million for the three months ended December 31, 2021 was unpaid and included in “Incentive management fees payable” in the accompanying Consolidated Balance Sheet. The Company did not pay any Pre-2021 Income-Based Fee for the years ended December 31, 2020 and 2019.

The Company did not incur any capital gains fees for the years ended December 31, 2021, 2020 and 2019.

Payment of Company Expenses

Under the Amended and Restated 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 Amended and Restated 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 relating to the Company's operations and transactions, including, without limitation, those items listed in the Amended and Restated Advisory Agreement, will be borne by the Company.

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 oversight by the Board, arranges for the services of, and oversees, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, valuation experts, 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 will reimburse Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount to be negotiated and mutually agreed to by the Company and Barings quarterly in arrears. In no event will the agreed-upon quarterly expense amount exceed the amount of expenses that would otherwise be reimbursable by the Company under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. 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

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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 methods 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 years ended December 31, 2021 and 2020, the Company incurred and was invoiced by the Adviser for expenses of approximately \$2.5 million and \$1.6 million, respectively, under the terms of the Administration Agreement. For the year ended December 31, 2019, the Company incurred and was invoiced by the Adviser for expenses of approximately \$2.3 million. As of December 31, 2021, the administrative expenses of \$0.8 million incurred for the three months ended December 31, 2021 were unpaid and included in "Administrative fees payable" in the accompanying Consolidated Balance Sheets. As of December 31, 2020, the administrative expenses of \$0.7 million incurred for the three months ended December 31, 2020 were unpaid and included in "Administrative fees payable" in the accompanying Consolidated Balance Sheets.

MVC Credit Support Agreement

In connection with the MVC Acquisition, on December 23, 2020, promptly following the closing of the MVC Merger (as defined in "Note 10 – MVC Capital, Inc. Acquisition"), the Company entered into a Credit Support Agreement (the "MVC Credit Support Agreement") with the Adviser, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. A summary of the material terms of the MVC Credit Support Agreement are as follows:

- The MVC Credit Support Agreement covers all of the investments in the Reference Portfolio.
- The Adviser has an obligation to provide credit support to the Company in an amount equal to the excess of (1) the aggregate realized and unrealized losses on the Reference Portfolio over (2) the aggregate realized and unrealized gains on the Reference Portfolio, in each case from the date of the closing of the MVC Merger through the Designated Settlement Date (up to a \$23.0 million cap) (such amount, the "Covered Losses"). For purposes of the MVC Credit Support Agreement, "Designated Settlement Date" means the earlier of (1) January 1, 2031 and (2) the date on which the entire Reference Portfolio has been realized or written off. No credit support is required to be made by the Adviser to the Company under the MVC Credit Support Agreement if the aggregate realized and unrealized gains on the Reference Portfolio exceed realized and unrealized losses of the Reference Portfolio on the Designated Settlement Date.
- The Adviser will settle any credit support obligation under the MVC Credit Support Agreement as follows. If the Covered Losses are greater than \$0.00, then, in satisfaction of the Adviser's obligation set forth in the MVC Credit Support Agreement, the Adviser will irrevocably waive during the Waiver Period (as defined below) (1) the incentive fees payable under the Amended and Restated Advisory Agreement (including any incentive fee calculated on an annual basis during the Waiver Period), and (2) in the event that Covered Losses exceed such incentive fee, the base management fees payable under the Amended and Restated Advisory Agreement. The "Waiver Period" means the four quarterly measurement periods immediately following the quarter in which the Designated Settlement Date occurs. If the Covered Losses exceed the aggregate amount of incentive fees and base management fees waived by the Adviser during the Waiver Period, then, on the date on which the last incentive fee or base management fee payment would otherwise be due during the Waiver Period, the Adviser shall make a cash payment to the Company equal to the

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

positive difference between the Covered Losses and the aggregate amount of incentive fees and base management fees previously waived by the Adviser during the Waiver Period.

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

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

When the Company and the Adviser entered into the MVC Credit Support Agreement, it was accounted for as a deemed contribution from the Adviser and was included in "Additional paid-in capital" in the accompanying Consolidated Balance Sheets. In addition, the MVC Credit Support Agreement is accounted for as a derivative in accordance with ASC 815, *Derivatives and Hedging*, and is included in "Credit support agreement" in the accompanying Consolidated Balance Sheets.

3. Investments

Portfolio Composition

The Company invests predominately in senior secured private debt investments in well-established middle-market businesses that operate across a wide range of industries, as well as syndicated senior secured loans, structured product investments, bonds and other fixed income securities. Structured product investments include collateralized loan obligations and asset-backed securities. The Adviser's existing SEC co-investment exemptive relief under the 1940 Act 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.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

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

	Cost	Percent of Total Portfolio	Fair Value	Percent of Total Portfolio	Percent of Total Net Assets
December 31, 2021:					
Senior debt and 1 st lien notes	\$ 1,217,899,217	68 %	\$ 1,221,597,953	68 %	165 %
Subordinated debt and 2 nd lien notes	253,550,848	14	240,036,808	13	32
Structured products	37,054,829	2	40,270,659	2	6
Equity shares	145,790,765	8	154,476,657	9	21
Equity warrants	1,111,602	—	1,107,543	—	—
Investments in joint ventures / PE fund	132,416,803	8	143,104,332	8	19
	<u>\$ 1,787,824,064</u>	<u>100 %</u>	<u>\$ 1,800,593,952</u>	<u>100 %</u>	<u>243 %</u>
December 31, 2020:					
Senior debt and 1 st lien notes	\$ 1,167,436,742	79 %	\$ 1,171,250,512	79 %	163 %
Subordinated debt and 2 nd lien notes	137,776,808	9	138,767,120	9	19
Structured products	30,071,808	2	32,508,845	2	5
Equity shares	44,693,645	3	44,651,114	3	6
Equity warrants	1,235,383	—	1,300,197	—	—
Investment in joint venture	39,282,532	3	41,759,922	3	6
Short-term investments	65,558,227	4	65,558,227	4	9
	<u>\$ 1,486,055,145</u>	<u>100 %</u>	<u>\$ 1,495,795,937</u>	<u>100 %</u>	<u>208 %</u>

During the year ended December 31, 2021, the Company made 112 new investments totaling \$1,069.4 million, made investments in existing portfolio companies totaling \$234.0 million, made a new joint venture equity investment totaling \$13.7 million, made an additional investments existing joint venture equity portfolio companies totaling \$79.4 million and made an \$89.8 million equity co-investment alongside certain affiliates in a portfolio company focused on directly originated, senior-secured asset-based loans to middle-market companies.

During the year ended December 31, 2020, the Company made 76 new investments totaling \$743.2 million, purchased \$185.0 million of investments as part of the MVC Acquisition, made investments in existing portfolio companies totaling \$114.6 million, made a new joint venture equity investment totaling \$10.0 million and made an additional investment in one existing joint venture equity portfolio company totaling \$10.0 million.

During the year ended December 31, 2019, the Company made 43 new investments totaling \$425.9 million, investments in existing portfolio companies totaling \$14.0 million and made one new joint venture equity investment totaling \$10.2 million.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Industry Composition

The industry composition of investments at fair value at December 31, 2021 and December 31, 2020, excluding short-term investments, was as follows:

	December 31, 2021	Percent of Portfolio	December 31, 2020	Percent of Portfolio
Aerospace and Defense	\$ 91,128,494	5.1 %	\$ 82,501,170	5.8 %
Automotive	55,875,164	3.1	61,581,980	4.3
Banking, Finance, Insurance and Real Estate	208,397,175	11.6	99,099,552	6.9
Beverage, Food and Tobacco	38,984,756	2.2	15,404,126	1.1
Capital Equipment	42,916,165	2.4	30,899,579	2.2
Chemicals, Plastics, and Rubber	32,234,304	1.8	32,378,972	2.3
Construction and Building	62,083,040	3.4	59,861,616	4.2
Consumer goods: Durable	47,315,953	2.6	38,165,784	2.7
Consumer goods: Non-durable	28,305,788	1.6	28,081,580	2.0
Containers, Packaging and Glass	10,218,137	0.6	9,018,983	0.6
Energy: Electricity	12,190,087	0.7	17,627,935	1.2
Energy: Oil and Gas	5,774,031	0.3	788,105	0.1
Environmental Industries	8,080,699	0.4	—	—
Healthcare and Pharmaceuticals	134,285,598	7.5	142,708,050	10.0
High Tech Industries	139,590,064	7.7	152,413,985	10.6
Hotel, Gaming and Leisure	27,552,728	1.5	10,682,093	0.7
Investment Funds and Vehicles	143,104,333	7.9	41,759,922	2.9
Media: Advertising, Printing and Publishing	46,414,314	2.6	54,123,033	3.8
Media: Broadcasting and Subscription	7,440,621	0.4	6,464,741	0.4
Media: Diversified and Production	52,886,896	2.9	48,200,216	3.4
Metals and Mining	10,684,298	0.6	17,857,236	1.2
Retail	—	—	1,983,083	0.1
Services: Business	342,757,761	19.0	209,974,914	14.7
Services: Consumer	65,801,151	3.7	54,450,324	3.8
Structured Products	24,661,909	1.4	32,508,845	2.3
Telecommunications	45,181,572	2.5	43,021,001	3.0
Transportation: Cargo	86,964,435	4.8	91,132,943	6.4
Transportation: Consumer	12,231,077	0.7	—	—
Utilities: Electric	12,856,773	0.7	8,987,929	0.6
Utilities: Oil and Gas	4,676,629	0.3	11,645,956	0.8
Wholesale	—	—	26,914,057	1.9
Total	\$ 1,800,593,952	100.0 %	\$ 1,430,237,710	100.0 %

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The following table presents the Company's investment portfolio at fair value as of December 31, 2021 and 2020, categorized by the ASC Topic 820 valuation hierarchy, as previously described:

Fair Value at December 31, 2021				
	Level 1	Level 2	Level 3	Total
Senior debt and 1 st lien notes	\$ —	\$ 84,275,024	\$ 1,137,322,929	\$ 1,221,597,953
Subordinated debt and 2 nd lien notes	—	9,467,935	230,568,873	240,036,808
Structured products	—	40,270,659	—	40,270,659
Equity shares	111,357	3,083,577	151,281,723	154,476,657
Equity warrants	—	243,594	863,949	1,107,543
Short-term investments	—	—	—	—
Investments subject to leveling	<u>\$ 111,357</u>	<u>\$ 137,340,789</u>	<u>\$ 1,520,037,474</u>	<u>\$ 1,657,489,620</u>
Investments in joint ventures / PE fund(1)				143,104,332
				<u>\$ 1,800,593,952</u>

Fair Value at December 31, 2020				
	Level 1	Level 2	Level 3	Total
Senior debt and 1 st lien notes	\$ —	\$ 115,533,401	\$ 1,055,717,111	\$ 1,171,250,512
Subordinated debt and 2 nd lien notes	—	7,947,184	130,819,936	138,767,120
Structured products	—	32,508,845	—	32,508,845
Equity shares	—	424,090	44,227,024	44,651,114
Equity warrants	—	166,416	1,133,781	1,300,197
Short-term investments	65,558,227	—	—	65,558,227
Investments subject to leveling	<u>\$ 65,558,227</u>	<u>\$ 156,579,936</u>	<u>\$ 1,231,897,852</u>	<u>\$ 1,454,036,015</u>
Investments in joint ventures / PE fund(1)				41,759,922
				<u>\$ 1,495,795,937</u>

- (1) The Company's investments in Jocassee, Thompson Rivers, Waccamaw River and the MVC Private Equity Fund LP are measured at fair value using net asset value and have not been categorized in the fair value hierarchy. The fair value amount presented in this table is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

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 years ended December 31, 2021 and 2020:

Year Ended December 31, 2021:	Senior Debt and 1st Lien Notes	Subordinated Debt and 2nd Lien Notes	Equity Shares	Equity Warrants	Total
Fair value, beginning of period	\$ 1,055,717,111	\$ 130,819,936	\$ 44,227,024	\$ 1,133,781	\$ 1,231,897,852
New investments	1,096,052,639	151,300,891	103,526,450	163,000.00	1,351,042,980
Transfers into (out of) Level 3, net	(2,629,679)	2,233,600	3,223,510.00	—	2,827,431
Proceeds from sales of investments	(736,674,890)	(13,683,500)	(7,964,049)	(450,000)	(758,772,439)
Loan origination fees received	(26,844,600)	(3,659,741)	—	—	(30,504,341)
Principal repayments received	(255,215,358)	(32,131,013)	—	—	(287,346,371)
Payment-in-kind interest	865,462	8,503,991	—	—	9,369,453
Accretion of loan premium/discount	15,607	222,447	—	—	238,054
Accretion of deferred loan origination revenue	8,584,545	602,604	—	—	9,187,149
Realized gain (loss)	(575,227)	(36,487)	949,693	163,219	501,198
Unrealized appreciation (depreciation)	(1,972,681)	(13,603,855)	7,319,095	(146,051)	(8,403,492)
Fair value, end of period	<u>\$ 1,137,322,929</u>	<u>\$ 230,568,873</u>	<u>\$ 151,281,723</u>	<u>\$ 863,949</u>	<u>\$ 1,520,037,474</u>

Year Ended December 31, 2020:	Senior Debt and 1st Lien Notes	Subordinated Debt and 2nd Lien Notes	Equity Shares	Equity Warrants	Total
Fair value, beginning of period	\$ 555,500,307	\$ 12,011,965	\$ 760,716	\$ —	\$ 568,272,988
New investments	735,177,116	4,027,048	862,277	—	740,066,441
Investments acquired in MVC merger	9,720,000	122,082,933	42,980,466	1,133,781	175,917,180
Transfers into (out of) Level 3, net	19,074,284	(2,677,220)	—	—	16,397,064
Proceeds from sales of investments	(209,685,651)	(444,978)	(78,992)	—	(210,209,621)
Loan origination fees received	(17,726,770)	(19,808)	—	—	(17,746,578)
Principal repayments received	(37,416,476)	(5,104,857)	—	—	(42,521,333)
Payment-in-kind interest	249,907	41,753	—	—	291,660
Accretion of loan premium/discount	17,936	1,045	—	—	18,981
Accretion of deferred loan origination revenue	2,631,269	44,571	—	—	2,675,840
Realized gain (loss)	1,544,794	(35,357)	(10,019)	—	1,499,418
Unrealized appreciation (depreciation)	(3,369,605)	892,841	(287,424)	—	(2,764,188)
Fair value, end of period	<u>\$ 1,055,717,111</u>	<u>\$ 130,819,936</u>	<u>\$ 44,227,024</u>	<u>\$ 1,133,781</u>	<u>\$ 1,231,897,852</u>

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 Consolidated Statements of Operations.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Pre-tax net unrealized depreciation on Level 3 investments of \$3.8 million during the year ended December 31, 2021 was related to portfolio company investments that were still held by the Company as of December 31, 2021. Pre-tax net unrealized depreciation on Level 3 investments of \$4.9 million during the year ended December 31, 2020 was related to portfolio company investments that were still held by the Company as of December 31, 2020.

Exclusive of short-term investments, during the year ended December 31, 2021, the Company made investments of approximately \$1,410.5 million in portfolio companies to which it was not previously contractually committed to provide such financing. During the year ended December 31, 2021, the Company made investments of \$70.0 million in companies to which it was previously committed to provide such financing.

Exclusive of short-term investments, during the year ended December 31, 2020, the Company made investments of approximately \$1,030.5 million in portfolio companies (including \$185.0 million from the MVC Acquisition), to which it was not previously contractually committed to provide such financing. During the year ended December 31, 2020, the Company made investments of \$32.4 million in companies to which it was previously committed to provide such financing.

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 invests in a highly diversified asset mix including senior secured, middle-market, private debt investments, syndicated senior secured loans and structured product investments. 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 total value of Jocassee's investment portfolio was \$1,258.2 million as of December 31, 2021, as compared to \$869.6 million as of December 31, 2020. As of December 31, 2021, Jocassee's investments had an aggregate cost of \$1,242.2 million, as compared to \$839.5 million as of December 31, 2020. As of December 31, 2021 and December 31, 2020, the Jocassee investment portfolio consisted of the following investments:

	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
December 31, 2021:				
Senior debt and 1 st lien notes	\$ 1,084,501,574	87 %	\$ 1,085,171,923	86 %
Subordinated debt and 2nd lien notes	23,607,437	2 %	24,010,554	2 %
Structured products	4,568,790	— %	5,409,080	1 %
Equity shares	5,447,983	1 %	3,887,352	— %
Equity warrants	31,451	— %	75,406	— %
Investment in joint ventures	111,489,807	9 %	127,092,288	10 %
Short-term investments	12,571,932	1 %	12,571,932	1 %
	<u>\$ 1,242,218,974</u>	<u>100 %</u>	<u>\$ 1,258,218,535</u>	<u>100 %</u>
December 31, 2020:				
Senior debt and 1 st lien notes	\$ 686,341,760	81 %	\$ 714,747,405	82 %
Subordinated debt and 2nd lien notes	10,079,164	1	10,170,127	1
Structured products	22,981,004	3	25,626,147	3
Equity shares	6,964,845	1	5,829,554	1
Equity warrants	31,451	—	51,515	—
Investment in joint ventures	90,000,000	11	90,106,560	10
Short-term investments	23,093,064	3	23,093,055	3
	<u>\$ 839,491,288</u>	<u>100 %</u>	<u>\$ 869,624,363</u>	<u>100 %</u>

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Notes to Consolidated Financial Statements — (Continued)

As of December 31, 2021 and December 31, 2020, the weighted average yield on the principal amount of Jocassee's outstanding debt investments was approximately 5.3% and 4.4%, respectively. The weighted average yield on the principal amount of all of Jocassee's outstanding investments (including equity and equity-linked investments and short-term investments) was approximately 4.8% and 3.8% as of December 31, 2021 and December 31, 2020, respectively.

The industry composition of Jocassee's investments at fair value at December 31, 2021 and December 31, 2020, excluding short-term investments, was as follows:

	December 31, 2021		December 31, 2020	
	\$	5.8 %	\$	2.5 %
Aerospace and Defense	71,856,682		21,044,217	
Automotive	18,625,991	1.5	15,520,985	1.8
Banking, Finance, Insurance and Real Estate	109,961,068	8.8	80,759,836	9.6
Beverage, Food and Tobacco	30,351,648	2.5	24,931,070	2.9
Capital Equipment	17,006,354	1.4	19,953,788	2.4
Chemicals, Plastics, and Rubber	24,665,132	2.0	26,419,508	3.1
Construction and Building	14,505,666	1.2	14,979,023	1.8
Consumer goods: Durable	10,293,735	0.8	14,256,411	1.7
Consumer goods: Non-durable	23,886,104	1.9	4,749,797	0.6
Containers, Packaging and Glass	25,276,979	2.0	16,742,506	2.0
Energy: Electricity	10,570,961	0.8	5,897,687	0.7
Energy: Oil and Gas	5,091,154	0.4	4,602,739	0.5
Environmental Industries	7,562,679	0.6	2,697,765	0.3
Forest Products & Paper	474,674	—	—	—
Healthcare and Pharmaceuticals	128,494,962	10.3	84,624,495	10.0
High Tech Industries	171,959,733	13.8	75,759,051	8.9
Hotel, Gaming and Leisure	35,382,908	2.8	49,013,967	5.8
Investment Funds and Vehicles	127,092,288	10.2	90,106,560	10.6
Media: Advertising, Printing and Publishing	18,422,570	1.5	9,761,091	1.2
Media: Broadcasting and Subscription	37,839,637	3.0	40,885,203	4.8
Media: Diversified and Production	21,059,457	1.7	12,950,796	1.5
Metals and Mining	5,791,736	0.5	1,645,763	0.2
Retail	14,420,299	1.2	15,962,027	1.9
Services: Business	151,722,574	12.2	87,474,340	10.3
Services: Consumer	55,156,390	4.4	40,177,219	4.7
Structured Product	5,409,080	0.4	17,515,085	2.1
Telecommunications	36,036,221	2.9	48,768,364	5.8
Transportation: Cargo	49,102,935	3.9	4,927,508	0.6
Transportation: Consumer	6,546,191	0.5	7,730,907	0.9
Utilities: Electric	3,265,429	0.3	5,720,376	0.7
Utilities: Oil and Gas	6,870,267	0.6	—	—
Wholesale	945,099	0.1	953,224	0.1
Total	\$ 1,245,646,603	100.0 %	\$ 846,531,308	100.0 %

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The geographic composition of Jocassee's investments at fair value at December 31, 2021 and December 31, 2020, excluding short-term investments, was as follows:

	December 31, 2021		December 31, 2020	
	\$	%	\$	%
Australia	16,509,299	1.3	—	—
Austria	1,115,024	0.1	1,181,240	0.1
Belgium	14,813,432	1.2	3,940,942	0.5
Canada	8,506,813	0.7	5,691,085	0.7
Denmark	6,959,844	0.6	4,839,238	0.6
Finland	47,992,207	3.9	2,328,122	0.3
France	3,391,221	0.3	77,599,427	9.1
Germany	6,356,605	0.5	41,184,179	4.9
Hong Kong	2,272,125	0.2	—	—
Ireland	123,816,362	9.9	2,440,052	0.3
Italy	113,895,808	9.1	607,762	0.1
Luxembourg	4,766,248	0.4	2,512,059	0.3
Netherlands	3,743,457	0.3	26,905,224	3.2
Panama	—	—	965,149	0.1
Spain	1,224,851	0.1	11,163,151	1.3
Sweden	32,149,538	2.6	13,169,200	1.6
Switzerland	965,247	0.1	13,208,446	1.6
United Kingdom	5,305,027	0.4	76,748,680	9.0
USA	851,863,495	68.4	562,047,352	66.3
Total	\$ 1,245,646,603	100.0 %	\$ 846,531,308	100.0 %

Jocassee's subscription facility with Bank of America N.A., which is non-recourse to the Company, had approximately \$176.3 million and \$204.9 million outstanding as of December 31, 2021 and December 31, 2020, respectively. Jocassee's credit facility with Citibank, N.A., which is non-recourse to the Company, had approximately \$342.8 million and \$113.1 million outstanding as of December 31, 2021 and December 31, 2020, respectively. Jocassee's term debt securitization, which is non-recourse to the Company, had approximately \$323.1 million and \$302.3 million outstanding as of December 31, 2021 and December 31, 2020, respectively.

The Company may sell portions of its investments via assignment to Jocassee. Since inception, as of December 31, 2021, and December 31, 2020, the Company had sold \$698.5 million and \$162.2 million, respectively, of its investments to Jocassee. For both the years ended December 31, 2021 and December 31, 2020, the Company realized a loss on the sales of its investments to Jocassee of \$1.4 million. As of December 31, 2021 and December 31, 2020, the Company had \$216.9 million and \$44.2 million, respectively, in unsettled receivables due from Jocassee that were included in "Receivable from unsettled transactions" in the accompanying Consolidated Balance Sheets. The sale of the investments met the criteria set forth in ASC 860, *Transfers and Servicing* for treatment as a sale and satisfies the following conditions:

- Assigned investments have been isolated from the Company, and put presumptively beyond the reach of the Company and its creditors, even in bankruptcy or other receivership;
- each participant has the right to pledge or exchange the assigned investments it received, and no condition both constrains the participant from taking advantage of its right to pledge or exchange and provides more than a trivial benefit to the Company; and
- the Company, its consolidated affiliates or its agents do not maintain effective control over the assigned investments through either: (i) an agreement that entitles and/or obligates the Company to

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

repurchase or redeem the assets before maturity, or (ii) the ability to unilaterally cause the holder to return specific assets, other than through a cleanup call.

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 substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Jocassee as it is not a substantially wholly owned investment company subsidiary. In addition, the Company does not control Jocassee due to the allocation of voting rights among Jocassee members.

As of December 31, 2021 and December 31, 2020, Jocassee had the following contributed capital and unfunded commitments from its members:

	As of December 31, 2021	As of December 31, 2020
Total contributed capital by Barings BDC, Inc.	\$ 30,000,000	\$ 20,000,000
Total contributed capital by all members	\$ 330,000,000	\$ 220,000,000
Total unfunded commitments by Barings BDC, Inc.	\$ 20,000,000	\$ 30,000,000
Total unfunded commitments by all members	\$ 220,000,000	\$ 330,000,000

Thompson Rivers LLC

On April 28, 2020, Thompson Rivers LLC (“Thompson Rivers”) was formed as a Delaware limited liability company. On May 13, 2020, the Company entered into a limited liability company agreement governing Thompson Rivers. Under Thompson Rivers’ current operating agreement, as amended to date, the Company has a capital commitment of \$75.0 million of equity capital to Thompson Rivers, all of which has been funded as of December 31, 2021. As of December 31, 2021, aggregate commitments to Thompson Rivers by the Company and the other members under the current operating agreement total \$450.0 million, all of which has been funded.

For the year ended December 31, 2021, Thompson Rivers declared \$37.5 million in dividends, of which \$4.8 million was recognized as dividend income in the Company’s Consolidated Statement of Operations.

As of December 31, 2021, Thompson Rivers had \$3.1 billion in Ginnie Mae early buyout loans and \$220.6 million in cash. As of December 31, 2020, Thompson Rivers had \$715.2 million in Ginnie Mae early buyout loans. As of December 31, 2021, Thompson Rivers had 15,617 outstanding loans with an average unpaid balance of \$0.2 million and weighted average coupon of 4.01%. As of December 31, 2020, Thompson Rivers had 3,023 outstanding loans with an average unpaid balance of \$0.2 million and weighted average coupon of 4.65%.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

As of December 31, 2021 and December 31, 2020, the Thompson Rivers investment portfolio consisted of the following investments:

	Cost	Percentage of Total Portfolio		Fair Value	Percentage of Total Portfolio
December 31, 2021:					
Federal Housing Administration (“FHA”) loans	\$ 2,799,868,603	93 %	\$	2,839,495,339	93 %
Veterans Affairs (“VA”) loans	224,659,875	7 %		223,540,415	7 %
	<u>\$ 3,024,528,478</u>	<u>100 %</u>	\$	<u>3,063,035,754</u>	<u>100 %</u>
December 31, 2020:					
Federal Housing Administration (“FHA”) loans	\$ 712,854,085	100 %	\$	712,854,085	100 %
	<u>\$ 712,854,085</u>	<u>100 %</u>	\$	<u>712,854,085</u>	<u>100 %</u>

Thompson Rivers’ repurchase agreement with JPMorgan Chase Bank, which is non-recourse to the Company, had approximately \$694.8 million and \$670.1 million outstanding as of December 31, 2021 and December 31, 2020, respectively. Thompson Rivers’ repurchase agreement with Bank of America N.A., which is non-recourse to the Company, had approximately \$1,245.2 million outstanding as of December 31, 2021. Thompson Rivers’ repurchase agreement with Barclays Bank, which is non-recourse to the Company, had approximately \$933.1 million outstanding as of December 31, 2021.

The Company has determined that Thompson Rivers 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 substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Thompson Rivers as it is not a substantially wholly owned investment company subsidiary. In addition, the Company does not control Thompson Rivers due to the allocation of voting rights among Thompson Rivers members.

As of December 31, 2021 and December 31, 2020, Thompson Rivers had the following contributed capital and unfunded commitments from its members:

	As of December 31, 2021	As of December 31, 2020
Total contributed capital by Barings BDC, Inc.	\$ 79,414,272 (1)	\$ 10,000,000
Total contributed capital by all members	\$ 482,120,173 (2)	\$ 100,000,000 (3)
Total unfunded commitments by Barings BDC, Inc.	\$ —	\$ —
Total unfunded commitments by all members	\$ —	\$ —

(1) Includes \$4.4 million of dividend re-investments.

(2) Includes dividend re-investments of \$32.1 million and \$162.3 million of total contributed capital by related parties.

(3) Includes \$90.0 million of total contributed capital by related parties.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Waccamaw River LLC

On January 4, 2021, Waccamaw River LLC (“Waccamaw River”) was formed as a Delaware limited liability company. On February 8, 2021, the Company entered into a limited liability company agreement governing Waccamaw River. Under Waccamaw River’s current operating agreement, as amended to date, the Company has a capital commitment of \$25.0 million of equity capital to Waccamaw River, of which approximately \$19.0 million (including approximately \$5.3 million of recallable return of capital) has been funded as of December 31, 2021. As of December 31, 2021, aggregate commitments to Waccamaw River by the Company and the other members under the current operating agreement total \$125.0 million, of which \$82.6 million (including \$14.0 million of recallable return of capital) has been funded.

For the year ended December 31, 2021, Waccamaw River declared \$1.4 million in dividends, of which \$0.3 million was recognized as dividend income in the Company’s Consolidated Statement of Operations. As of December 31, 2021, Waccamaw River had \$60.8 million in unsecured consumer loans and \$4.9 million in cash. As of December 31, 2021, Waccamaw River had 5,500 outstanding loans with an average loan size of \$11,280, remaining average life to maturity of 46.5 months and weighted average interest rate of 10.9%.

The Company has determined that Waccamaw River 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 substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Waccamaw River as it is not a substantially wholly owned investment company subsidiary. In addition, the Company does not control Waccamaw River due to the allocation of voting rights among Waccamaw River members.

As of December 31, 2021, Waccamaw River had the following contributed capital and unfunded commitments from its members:

	As of December 31, 2021
Total contributed capital by Barings BDC, Inc.	\$ 19,000,000
Total contributed capital by all members	\$ 82,620,000 (1)
Total return of capital (recallable) by Barings BDC, Inc.	\$ (5,280,000)
Total return of capital (recallable) by all members	\$ (14,020,000) (2)
Total unfunded commitments by Barings BDC, Inc.	\$ 11,280,000
Total unfunded commitments by all members	\$ 56,400,000 (3)

- (1) Includes \$48.2 million of total contributed capital by related parties.
(2) Includes (\$7.0) million of total return of capital (recallable) by related parties.
(3) Includes \$33.8 million of unfunded commitments by related parties.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Eclipse Business Capital Holdings LLC

On July 8, 2021, the Company made an equity investment in Eclipse Business Capital Holdings LLC (“Eclipse”) of \$89.8 million, a second lien senior secured loan of \$4.5 million and unfunded revolver of \$13.6 million, alongside other related party affiliates. As of December 31, 2021, \$1.8 million of the revolver was funded. Eclipse conducts its business through Eclipse Business Capital LLC. Eclipse is one of the country’s leading independent asset-based lending (“ABL”) platforms that provides financing to middle-market borrowers in the U.S. and Canada. Eclipse provides revolving lines of credit and term loans ranging in size from \$10 – \$125 million that are secured by collateral such as accounts receivable, inventory, equipment, or real estate. Eclipse lends to both privately-owned and publicly-traded companies across a range of industries, including manufacturing, retail, automotive, oil & gas, services, distribution, and consumer products. The addition of Eclipse to the portfolio allows the Company to participate in an asset class and commercial finance operations that offer differentiated income returns as compared to directly originated loans. Eclipse is led by a seasoned team of ABL experts.

The Company has determined that Eclipse is not an investment company under ASC, Topic 946, *Financial Services - Investment Companies*. Under ASC 810-10-15-12(d), an investment company generally does not consolidate an investee that is not an investment company. Thus, the Company is not required to consolidate Eclipse. Instead the Company accounts for its investment in Eclipse in accordance with ASC 946-320, presented as a single investment measured at fair value.

4. Borrowings

The Company had the following borrowings outstanding as of December 31, 2021 and 2020:

Issuance Date	Maturity Date	Interest Rate as of December 31, 2021	December 31, 2021	December 31, 2020
Credit Facilities:				
February 21, 2019	February 21, 2024	2.100%	\$ 655,189,256	\$ 719,660,707
Total Credit Facilities			<u>\$ 655,189,256</u>	<u>\$ 719,660,707</u>
Notes:				
September 24, 2020 - August 2025 Notes	August 4, 2025	4.660%	\$ 25,000,000	\$ 25,000,000
September 29, 2020 - August 2025 Notes	August 4, 2025	4.660%	25,000,000	25,000,000
November 5, 2020 - Series B Notes	November 4, 2025	4.250%	62,500,000	62,500,000
November 5, 2020 - Series C Notes	November 4, 2027	4.750%	112,500,000	112,500,000
February 25, 2021 Series D Notes	February 26, 2026	3.410%	80,000,000	—
February 25, 2021 Series E Notes	February 26, 2028	4.060%	70,000,000	—
November 23, 2021 - November 2026 Notes	November 23, 2026	3.300%	350,000,000	—
Less: Deferred financing fees			(7,443,704)	(664,334)
Total Notes			<u>\$ 717,556,296</u>	<u>\$ 224,335,666</u>

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 was to function as the Company’s special purpose, bankruptcy-remote, financing subsidiary. On August 3, 2018, BSF entered into the August 2018 Credit Facility (as subsequently amended in December 2018 and in February 2020) with Bank of America, N.A., as 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

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

August 2018 Credit Facility were 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 was held in the custody of State Street Bank and Trust Company, as collateral administrator.

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. Effective August 14, 2019, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$250.0 million to \$177.0 million. Effective October 29, 2019, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$177.0 million to \$150.0 million. Effective January 21, 2020, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$150.0 million to \$80.0 million. Effective April 23, 2020, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$80.0 million to \$30.0 million. Finally, effective June 26, 2020, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$30.0 million to zero. 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 Company's Consolidated Statements of Operations.

On February 21, 2020, the Company extended the maturity date of the August 2018 Credit Facility from August 3, 2020 to August 3, 2021. On June 30, 2020, following the repayment of all borrowings, interest, and fees payable thereunder and at the election of the Company, the August 2018 Credit Facility was terminated, including all commitments and obligations of Bank of America, N.A. to lend or make advances to BSF. In addition, the Security Agreement was terminated and all security interests in the assets of BSF in favor of the lenders were terminated. As a result of these terminations, all obligations of BSF under the August 2018 Credit Facility and Security Agreement were fully discharged.

All borrowings under the August 2018 Credit Facility bore 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 was 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 depended on the term of the borrowing under the August 2018 Credit Facility, which could be either one month or three months, and could not be less than zero. BSF was required to pay commitment fees on the unused portion of the August 2018 Credit Facility. BSF could prepay any borrowing at any time without premium or penalty, except that BSF could have been liable for certain funding breakage fees if prepayments occurred prior to expiration of the relevant interest period. BSF could also permanently reduce all or a portion of the commitment amount under the August 2018 Credit Facility without penalty.

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

Borrowings of BSF were considered borrowings by the Company 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 were non-recourse to the Company.

The August 2018 Credit Facility was terminated at the Company's election on June 30, 2020.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

February 2019 Credit Facility

On February 21, 2019, the Company entered into the February 2019 Credit Facility (as subsequently amended in December 2019) 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. Effective on November 4, 2021, the Company increased aggregate commitments under the February 2019 Credit Facility to \$875.0 million from \$800.0 million pursuant to the accordion feature under the February 2019 Credit Facility, which allows for an increase in the total commitments to an aggregate of \$1.2 billion 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. Following the termination on June 30, 2020 of Barings BDC Senior Funding I, LLC's ("BSF") credit facility entered into in August 2018 with Bank of America, N.A. (the "August 2018 Credit Facility"), BSF became a subsidiary guarantor and its assets secure the February 2019 Credit Facility. The revolving period of the February 2019 Credit Facility ends on February 21, 2023, followed by a one-year repayment 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 1.00% (or 1.25% if the Company no longer maintains an investment grade credit rating), (ii) the applicable LIBOR rate plus 2.00% (or 2.25% if the Company no longer maintains an investment grade credit rating), (iii) for borrowings denominated in certain foreign currencies other than Australian dollars, the applicable currency rate for the foreign currency as defined in the credit agreement plus 2.00% (or 2.25% if the Company no longer maintains an investment grade credit rating) or (iv) for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.20% (or 2.45% if the Company no longer maintains 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 applicable currency rate plus 1.0% and (v) 1.0%. The applicable LIBOR and currency rates depend on the currency and term of the draw under the February 2019 Credit Facility, and cannot be less than zero.

In addition, the Company pays a commitment fee of (i) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than two-thirds of total commitments or (ii) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than two-thirds 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 stockholders' 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 December 31, 2021, the Company was in compliance with all covenants under the February 2019 Credit Facility.

As of December 31, 2021, the Company had U.S. dollar borrowings of \$377.0 million outstanding under the February 2019 Credit Facility with an interest rate of 2.125% (one month LIBOR of 0.125%), borrowings denominated in Swedish kronas of 12.8kr million (\$1.4 million U.S. dollars) with an interest rate of 2.000% (one month STIBOR of 0.000%), borrowings denominated in British pounds sterling of £68.3 million (\$92.5 million U.S. dollars) with an average interest rate of 2.125% (one month GBP LIBOR of 0.125%), borrowings denominated in Australian dollars of A\$36.6 million (\$26.6 million U.S. dollars) with an interest rate of 2.250% (one month AUD Screen Rate of 0.250%) and borrowings denominated in Euros of €138.6 million (\$157.6 million U.S. dollars) with

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

an interest rate of 2.00% (one month EURIBOR of 0.000%). The borrowings denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date. The impact resulting from changes in foreign exchange rates on the February 2019 Credit Facility borrowings is included in "Net unrealized appreciation (depreciation) - foreign currency transactions" in the Company's Consolidated Statements of Operations.

As of December 31, 2020, the Company had U.S. dollar borrowings of \$472.0 million outstanding under the February 2019 Credit Facility with a weighted average interest rate of 2.188% (weighted average one month LIBOR of 0.188%), borrowings denominated in Swedish kronas of 12.8kr million (\$1.6 million U.S. dollars) with an interest rate of 2.000% (one month STIBOR of 0.000%), borrowings denominated in British pounds sterling of £69.3 million (\$94.8 million U.S. dollars) with a weighted average interest rate of 2.063% (weighted average one month GBP LIBOR of 0.063%), borrowings denominated in Australian dollars of A\$36.6 million (\$28.2 million U.S. dollars) with a weighted average interest rate of 2.250% (weighted average one month AUD Screen Rate of 0.050%) and borrowings denominated in Euros of €100.6 million (\$123.1 million U.S. dollars) with a weighted average interest rate of 2.00% (weighted average one month EURIBOR of 0.000%). The borrowings denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date. The impact resulting from changes in foreign exchange rates on the February 2019 Credit Facility borrowings is included in "Net unrealized appreciation (depreciation) - foreign currency transactions" in the Company's Consolidated Statements of Operations.

As of December 31, 2021 and 2020, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was \$655.2 million and \$719.7 million, respectively. 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.

Debt Securitization

On May 9, 2019, the Company completed a \$449.3 million term debt securitization (the "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 were 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 (the "Class A-1 2019 Notes"), which bore interest at the three-month LIBOR plus 1.02%; \$51.5 million of AA(sf) Class A-2 Senior Secured Floating Rate 2019 Notes (the "Class A-2 2019 Notes"), which bore interest at the three-month LIBOR plus 1.65%; and \$101.0 million of Subordinated 2019 Notes which did not bear interest and were 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 were scheduled to mature on April 15, 2027; however, the 2019 Notes could 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 were the secured obligations of the Issuers, the Subordinated 2019 Notes were the unsecured obligations of BBDC Static CLO Ltd., and the indenture governing the 2019 Notes included customary covenants and events of default. The 2019 Notes were not registered under the Securities Act or any state securities or "blue sky" laws and could not be offered or sold in the United States absent registration with the SEC or an applicable exemption from registration.

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

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The Class A-1 2019 Notes and the Class A-2 2019 Notes issued in connection with the Debt Securitization had 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.

During the year ended December 31, 2019, \$30.0 million of the Class A-1 2019 Notes were repaid. During the year ended December 31, 2020, the remaining 2019 Notes were repaid in full, with the final repayment on October 15, 2020. In connection with these repayments, the pro rata portion of the unamortized deferred financing costs related to the 2019 Notes was written off and recognized as a loss on extinguishment of debt in the Company's Consolidated Statements of Operations.

August 2025 Notes

On August 3, 2020, the Company entered into a Note Purchase Agreement (the "August 2020 NPA") with Massachusetts Mutual Life Insurance Company governing the issuance of (1) \$50.0 million in aggregate principal amount of Series A senior unsecured notes due August 2025 (the "Series A Notes due 2025") with a fixed interest rate of 4.66% per year, and (2) up to \$50.0 million in aggregate principal amount of additional senior unsecured notes due August 2025 with a fixed interest rate per year to be determined (the "Additional Notes" and, collectively with the Series A Notes due 2025, the "August 2025 Notes"), in each case, to qualified institutional investors in a private placement. An aggregate principal amount of \$25.0 million of the Series A Notes due 2025 was issued on September 24, 2020 and an aggregate principal amount of \$25.0 million of the Series A Notes due 2025 was issued on September 29, 2020, both of which will mature on August 4, 2025 unless redeemed, purchased or prepaid prior to such date by the Company in accordance with their terms. Interest on the August 2025 Notes is due semiannually in March and September, beginning in March 2021. In addition, the Company is obligated to offer to repay the August 2025 Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the August 2020 NPA, the Company may redeem the August 2025 Notes in whole or in part at any time or from time to time at the Company's option at par plus accrued interest to the prepayment date and, if redeemed on or before November 3, 2024, a make-whole premium. The August 2025 Notes are guaranteed by certain of the Company's subsidiaries, and are the Company's general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

On November 4, 2020, the Company amended the August 2020 NPA to reduce the aggregate principal amount of unissued Additional Notes from \$50.0 million to \$25.0 million.

The August 2020 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company's status as a BDC within the meaning of the 1940 Act, certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments, minimum shareholders' equity, maximum net debt to equity ratio and minimum asset coverage ratio. The August 2020 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under our other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of an event of default, the holders of at least 66-2/3% in principal amount of the August 2025 Notes at the time outstanding may declare all August 2025 Notes then outstanding to be immediately due and payable. As of December 31, 2021, the Company was in compliance with all covenants under the August 2020 NPA.

The August 2025 Notes were offered in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The August 2025 Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

As of both December 31, 2021 and 2020, the fair value of the outstanding August 2025 Notes was \$52.2 million. The fair value determination of the August 2025 Notes was based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

November Notes

On November 4, 2020, the Company entered into a Note Purchase Agreement (the “November 2020 NPA”) governing the issuance of (1) \$62.5 million in aggregate principal amount of Series B senior unsecured notes due November 2025 (the “Series B Notes”) with a fixed interest rate of 4.25% per year and (2) \$112.5 million in aggregate principal amount of Series C senior unsecured notes due November 2027 (the “Series C Notes”) and, collectively with the Series B Notes, the “November Notes”) with a fixed interest rate of 4.75% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable November Notes do not satisfy certain investment grade conditions and/or (y) 1.50% per year, to the extent the ratio of the Company’s secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The November Notes were delivered and paid for on November 5, 2020. The Series B Notes will mature on November 4, 2025, and the Series C Notes will mature on November 4, 2027 unless redeemed, purchased or prepaid prior to such date by the Company in accordance with their terms. Interest on the November Notes is due semiannually in May and November, beginning in May 2021. In addition, the Company is obligated to offer to repay the November Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the November 2020 NPA, the Company may redeem the Series B Notes and the Series C Notes in whole or in part at any time or from time to time at the Company’s option at par plus accrued interest to the prepayment date and, if redeemed on or before May 4, 2025, with respect to the Series B Notes, or on or before May 4, 2027, with respect to the Series C Notes, a make-whole premium. The November Notes are guaranteed by certain of the Company’s subsidiaries, and are the Company’s general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

The November 2020 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company’s status as a BDC within the meaning of the 1940 Act, certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments, minimum shareholders’ equity, maximum net debt to equity ratio and minimum asset coverage ratio. The November 2020 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under our other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of an event of default, the holders of at least 66-2/3% in principal amount of the November Notes at the time outstanding may declare all November Notes then outstanding to be immediately due and payable. As of December 31, 2021, the Company was in compliance with all covenants under the November 2020 NPA.

The November Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The November Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of both December 31, 2021 and 2020, the fair value of the outstanding Series B Notes and the Series C Notes was \$64.1 million and \$115.3 million, respectively. The fair value determinations of the Series B Notes and Series C Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

February Notes

On February 25, 2021, the Company entered into a Note Purchase Agreement (the “February 2021 NPA”) governing the issuance of (1) \$80.0 million in aggregate principal amount of Series D senior unsecured notes due February 26, 2026 (the “Series D Notes”) with a fixed interest rate of 3.41% per year and (2) \$70.0 million in

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

aggregate principal amount of Series E senior unsecured notes due February 26, 2028 (the “Series E Notes” and, collectively with the Series D Notes, the “February Notes”) with a fixed interest rate of 4.06% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable February Notes do not satisfy certain investment grade rating conditions and/or (y) 1.50% per year, to the extent the ratio of the Company’s secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The February Notes were delivered and paid for on February 26, 2021.

The Series D Notes will mature on February 26, 2026, and the Series E Notes will mature on February 26, 2028 unless redeemed, purchased or prepaid prior to such date by the Company in accordance with the terms of the February 2021 NPA. Interest on the February Notes is due semiannually in February and August of each year, beginning in August 2021. In addition, the Company is obligated to offer to repay the February Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the February 2021 NPA, the Company may redeem the Series D Notes and the Series E Notes in whole or in part at any time or from time to time at the Company’s option at par plus accrued interest to the prepayment date and, if redeemed on or before August 26, 2025, with respect to the Series D Notes, or on or before August 26, 2027, with respect to the Series E Notes, a make-whole premium. The February Notes are guaranteed by certain of the Company’s subsidiaries, and are the Company’s general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

The February 2021 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, information reporting, maintenance of the Company’s status as a BDC within the meaning of the 1940 Act, and certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments. In addition, the February 2021 NPA contains the following financial covenants: (a) maintaining a minimum obligors’ net worth, measured as of each fiscal quarter end; (b) not permitting the Company’s asset coverage ratio, as of the date of the incurrence of any debt for borrowed money or the making of any cash dividend to shareholders, to be less than the statutory minimum then applicable to the Company under the 1940 Act; and (c) not permitting the Company’s net debt to equity ratio to exceed 2.0x, measured as of each fiscal quarter end.

The February 2021 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under other indebtedness or that of the Company’s subsidiary guarantors, certain judgments and orders, and certain events of bankruptcy. Upon the occurrence of certain events of default, the holders of at least 66-2/3% in principal amount of the February Notes at the time outstanding may declare all February Notes then outstanding to be immediately due and payable. As of December 31, 2021, the Company was in compliance with all covenants under the February 2021 NPA.

The February Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The February Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2021, the fair value of the outstanding Series D Notes and the Series E Notes was \$79.2 million and \$68.7 million, respectively. The fair value determinations of the Series D Notes and Series E Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

November 2026 Notes

On November 23, 2021, the Company and U.S. Bank National Association (the “Trustee”) entered into an Indenture (the “Base Indenture”) and a Supplemental Indenture (the “First Supplemental Indenture” and, together with the Base Indenture, the “Indenture”). The First Supplemental Indenture relates to the Company’s issuance of \$350.0 million aggregate principal amount of its 3.300% notes due 2026 (the “November 2026 Notes”).

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The November 2026 Notes will mature on November 23, 2026 and may be redeemed in whole or in part at the Company's option at any time or from time to time at the redemption prices set forth in the Indenture. The November 2026 Notes bear interest at a rate of 3.300% per year payable semi-annually on May 23 and November 23 of each year, commencing on May 23, 2022. The November 2026 Notes are general unsecured obligations of the Company that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the November 2026 Notes, rank pari passu with all existing and future unsecured unsubordinated indebtedness issued by the Company, rank effectively junior to any of the Company's secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness, and rank structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries, financing vehicles or similar facilities.

The Indenture contains certain covenants, including covenants requiring the Company to comply with the asset coverage requirements of Section 18(a)(1)(A) as modified by Section 61(a)(1) and (2) of the 1940 Act, whether or not it is subject to those requirements, and to provide financial information to the holders of the November 2026 Notes and the Trustee if the Company is no longer subject to the reporting requirements under the Exchange Act. These covenants are subject to important limitations and exceptions that are described in the Indenture.

In addition, on the occurrence of a "change of control repurchase event," as defined in the Indenture, the Company will generally be required to make an offer to purchase the outstanding November 2026 Notes at a price equal to 100% of the principal amount of such November 2026 Notes plus accrued and unpaid interest to the repurchase date.

As of December 31, 2021, the fair value of the outstanding November 2026 Notes was \$346.8 million. The fair value determinations of the November 2026 Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

5. Income Taxes

The Company has elected for federal income tax purposes to be treated, and intends to qualify annually, 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.

Depending on the level of investment company taxable income ("ICTI") and net capital gains, if any, or taxable income, the Company may choose to carry forward undistributed taxable income and pay a 4% nondeductible U.S. federal excise tax on certain undistributed income unless the Company distributes, in a timely manner, an amount at least equal to the sum of (i) 98% of net ordinary income for each calendar year, (ii) 98.2% of the amount by which capital gains exceed capital losses (adjusted for certain ordinary losses) for the one-year period ending October 31 in that calendar year and (iii) certain undistributed amounts from previous years on which the Company paid no U.S. federal income tax. Any such carryover of taxable income must be distributed before the end of that next tax year through a dividend declared prior to filing of the tax return related to the year which generated such taxable income not to be subject to U.S. federal income tax. For the years ended December 31, 2021 and 2020, we recorded a net expense of \$7,495 and \$0.1 million, respectively, for U.S. federal excise tax.

Taxable income generally differs from increase in net assets resulting from operations due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized gains or losses, as unrealized gains or losses are generally not included in taxable income until they are realized. The Company makes certain adjustments to the classification of net assets as a result of permanent book-to-tax differences, which include differences in the book and tax basis of certain assets and liabilities, and nondeductible federal taxes or losses among other items. To the extent these differences are permanent, they are charged or credited to additional paid in capital, or total distributable earnings (loss), as appropriate.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

During the years ended December 31, 2021, 2020 and 2019, the Company reclassified for book purposes amounts arising from permanent book/tax differences primarily related to differences in the tax basis and book basis of investments sold, merger adjustments and non-deductible excise taxes paid during the year as follows:

	December 31,		
	2021	2020	2019
Additional paid-in capital	\$ 1,628,875	\$ 3,878,798	\$ (7,773,706)
Total distributable earnings (loss)	\$ (1,628,875)	\$ (3,878,798)	\$ 7,773,706

Tax positions taken or expected to be taken in the course of preparing the Company's tax returns are evaluated to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than not threshold would be recorded as a tax benefit or expense in the current year. Management has analyzed the Company's tax positions taken, or to be taken, on federal income tax returns for all open tax years (fiscal years 2018-2020), and has concluded that the provision for uncertain tax positions in the Company's financial statements is appropriate.

For income tax purposes, distributions paid to stockholders are reported as ordinary income, long-term capital gains, return of capital or a combination thereof. The tax character of distributions paid for the years ended December 31, 2021, 2020 and 2019 was as follows:

	Year Ended December 31,		
	2021	2020	2019
Ordinary income	\$ 51,910,038	\$ 31,325,222	\$ 26,927,706
Tax return of capital	1,649,152	—	—
Distributions on a tax basis	\$ 53,559,190	\$ 31,325,222	\$ 26,927,706

At December 31, 2021, 2020 and 2019, the components of distributable earnings on a tax basis detailed below differ from the amounts reflected in the Company's Consolidated Balance Sheets by temporary and other book/tax differences, primarily relating to accruals of defaulted debt investment interest and the tax treatment of certain partnership investments, as follows:

	December 31,		
	2021	2020	2019
Undistributed net investment income	\$ —	\$ 1,712,779	\$ 2,537,913
Accumulated capital losses	(304,240,560)	(312,322,988)	(267,368,444)
Other permanent differences relating to the Company's formation	1,975,543	1,975,543	1,975,543
Other temporary differences	67,837	(4)	(4)
Unrealized depreciation	16,375,859	(1,333,169)	(20,085,620)
Components of distributable earnings at year end	\$ (285,821,321)	\$ (309,967,839)	\$ (282,940,612)

Tax information for the fiscal year ended December 31, 2021 is estimated and is not considered final until the Company files its tax return.

Under current law, the Company may carry forward net capital losses indefinitely to use to offset capital gains realized in future years. As of December 31, 2021, the Company estimates that it will have a capital loss carryforward of approximately \$304.2 million (\$5.7 million of short-term capital losses and \$298.5 million of long-term capital losses), none of which will expire. Because of the loss limitation rules of the Code, some of the tax basis losses may be limited in their use. The unused balance will be carried forward and utilized as gains are realized, subject to such limitations. As of December 31, 2020, the Company estimates that it will have a capital loss carryforward of approximately \$312.3 million (\$6.4 million of short-term capital losses and \$305.9 million of long-term capital losses), none of which will expire. In addition, MVC had a capital loss carryforward of \$3.8 million as of the merger date.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

For federal income tax purposes, the cost of investments owned as of December 31, 2021 and December 31, 2020 was approximately \$1,792.1 million and \$1,486.0 million, respectively. As of December 31, 2021, net unrealized depreciation on the Company's investments (tax basis) was approximately \$16.4 million, consisting of gross unrealized appreciation, where the fair value of the Company's investments exceeds their tax cost, of approximately \$45.6 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately \$29.2 million. As of December 31, 2020, net unrealized depreciation on the Company's investments (tax basis) was approximately \$1.3 million, consisting of gross unrealized appreciation, where the fair value of the Company's investments exceeds their tax cost, of approximately \$23.4 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately \$24.7 million.

In addition, the Company has wholly-owned taxable subsidiaries (the "Taxable Subsidiaries"), which hold certain portfolio investments that are listed on the Consolidated Schedules of Investments. The Taxable Subsidiaries are 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 Subsidiaries. The purpose of the Taxable Subsidiaries 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 Subsidiaries, 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 Subsidiaries, their income is taxed to the Taxable Subsidiaries and does not flow through to the RIC, thereby helping the Company preserve its RIC tax treatment and resultant tax advantages. The Taxable Subsidiaries are not consolidated for income tax purposes and may generate income tax expense as a result of their ownership of the portfolio companies. This income tax expense or benefit, if any, is reflected in the Company's Consolidated Statements of Operations. Additionally, any unrealized appreciation related to portfolio investments held by the Taxable Subsidiaries (net of unrealized depreciation related to portfolio investments held by the Taxable Subsidiaries) is reflected net of applicable federal and state income taxes, if any, in the Company's Consolidated Statements of Operations, with the related deferred tax assets or liabilities, if any, included in "Accounts payable and accrued liabilities" in the Company's Consolidated Balance Sheets.

As of December 31, 2021, the Company had a deferred tax asset of \$8.3 million pertaining to operating losses, related to its investments and a deferred tax asset of \$0.3 million pertaining to tax basis differences related to certain partnership interests. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. Given the losses generated by the entity, the deferred tax assets have been offset by a valuation allowance of \$8.6 million. As of December 31, 2020, the Company had a deferred tax asset of \$8.6 million pertaining to operating losses, related to its investments. Given the losses generated by the entity, the deferred tax asset has been offset by a valuation allowance of \$8.6 million.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

6. Derivative Instruments

MVC Credit Support Agreement

In connection with the MVC Acquisition, on December 23, 2020, promptly following the closing of the MVC Merger, the Company and the Adviser entered into the MVC Credit Support Agreement, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. See "Note 2 - Agreements and Related Party Transactions" for additional information regarding the MVC Credit Support Agreement. Net unrealized appreciation or depreciation on the MVC Credit Support Agreement is included in "Net unrealized appreciation (depreciation) - credit support agreement" in the accompanying Consolidated Statements of Operations.

The following tables present the fair value and aggregate unrealized depreciation of the MVC Credit Support Agreement as of December 31, 2021 and 2020:

As of December 31, 2021: Description	Counter Party	Settlement Date	Notional Amount	Value	Unrealized Appreciation (Depreciation)
MVC Credit Support Agreement	Barings LLC	01/01/31	\$ 23,000,000	\$ 15,400,000	\$ 1,800,000
Total MVC Credit Support Agreement					\$ 1,800,000

As of December 31, 2020: Description	Counter Party	Settlement Date	Notional Amount	Value	Unrealized Appreciation (Depreciation)
MVC Credit Support Agreement	Barings LLC	01/01/31	\$ 23,000,000	\$ 13,600,000	\$ —
Total MVC Credit Support Agreement					\$ —

As of December 31, 2021 and 2020, the fair value of the MVC Credit Support Agreement was \$15.4 million and \$13.6 million, respectively, and is included in "Credit support agreement" in the accompanying Consolidated Balance Sheets. The fair value of the MVC Credit Support Agreement was determined based on an income approach, with the primary inputs being the enterprise value, the continuously annual risk-free interest rate, a measure of expected asset volatility, and the expected time until an exit event for each portfolio company in the Referenced Portfolio, which are all Level 3 inputs.

Foreign Currency Forward Contracts

The Company enters into forward currency contracts from time to time to primarily help mitigate the impact that an adverse change in foreign exchange rates would have on net interest income from the Company's investments and related borrowings denominated in foreign currencies. Net unrealized appreciation or depreciation on foreign currency contracts are included in "Net unrealized appreciation (depreciation) - foreign currency transactions" and net realized gains or losses on forward currency contracts are included in "Net realized gains (losses) - foreign currency transactions" in the Consolidated Statements of Operations. Forward currency contracts are considered undesignated derivative instruments.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The following tables present the Company's foreign currency forward contracts as of December 31, 2021 and 2020:

As of December 31, 2021: Description	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets (Liabilities)	Balance Sheet Location of Net Amounts
Foreign currency forward contract (AUD)	A\$31,601,341	\$22,849,503	01/06/22	\$ 126,319	Prepaid expenses and other assets
Foreign currency forward contract (AUD)	A\$2,098,659	\$1,507,742	01/06/22	18,092	Prepaid expenses and other assets
Foreign currency forward contract (AUD)	\$20,727,370	A\$28,700,000	01/06/22	(139,026)	Derivative liability
Foreign currency forward contract (AUD)	\$3,579,961	A\$5,000,000	04/08/22	(55,300)	Derivative liability
Foreign currency forward contract (AUD)	\$18,247,151	A\$25,385,697	04/08/22	(214,805)	Derivative liability
Foreign currency forward contract (CAD)	C\$3,229,673	\$2,527,527	01/06/22	29,309	Prepaid expenses and other assets
Foreign currency forward contract (CAD)	C\$3,000,000	\$2,425,209	01/06/22	(50,198)	Derivative liability
Foreign currency forward contract (CAD)	\$4,881,155	C\$6,229,673	01/06/22	(50,693)	Derivative liability
Foreign currency forward contract (CAD)	\$2,506,088	C\$3,203,161	04/08/22	(28,983)	Derivative liability
Foreign currency forward contract (DKK)	2,142,838kr.	\$326,309	01/06/22	1,343	Prepaid expenses and other assets
Foreign currency forward contract (DKK)	\$335,107	2,142,838kr.	01/06/22	7,455	Prepaid expenses and other assets
Foreign currency forward contract (DKK)	\$322,726	2,115,990kr.	04/08/22	(1,490)	Derivative liability
Foreign currency forward contract (EUR)	€52,582,593	\$59,524,358	01/06/22	274,882	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	€5,019,529	\$5,701,273.9	04/08/22	18,430	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	\$24,721,638	€21,500,000	01/06/22	270,891	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	\$14,562,667	€12,900,000	01/06/22	(107,781)	Derivative liability
Foreign currency forward contract (EUR)	\$20,655,383	€18,182,593	01/06/22	(22,663)	Derivative liability
Foreign currency forward contract (EUR)	\$60,413,175	€53,264,857	04/08/22	(281,606)	Derivative liability
Foreign currency forward contract (EUR)	\$1,129,597	€1,000,000	04/08/22	(9,893)	Derivative liability
Foreign currency forward contract (EUR)	\$8,513,639	€7,500,000	04/08/22	(32,537)	Derivative liability
Foreign currency forward contract (GBP)	£9,900,000	\$13,219,519	01/06/22	189,513	Prepaid expenses and other assets
Foreign currency forward contract (GBP)	\$13,348,815	£9,900,000	01/06/22	(60,217)	Derivative liability
Foreign currency forward contract (GBP)	\$6,121,622	£4,598,707	04/08/22	(104,366)	Derivative liability
Foreign currency forward contract (SEK)	1,791,942kr	\$198,154	01/07/22	(230)	Derivative liability
Foreign currency forward contract (SEK)	\$203,853	1,791,942kr	01/07/22	5,928	Prepaid expenses and other assets
Foreign currency forward contract (SEK)	\$207,483	1,874,724kr	04/08/22	244	Prepaid expenses and other assets
Total				<u>\$ (217,382)</u>	

As of December 31, 2020: Description	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets (Liabilities)	Balance Sheet Location of Net Amounts
Foreign currency forward contract (AUD)	\$8,471,304	A\$11,378,670	01/05/21	\$ (309,049)	Derivative liability
Foreign currency forward contract (AUD)	A\$11,378,670	\$8,610,504	01/05/21	169,849	Prepaid expenses and other assets
Foreign currency forward contract (AUD)	\$148,019	A\$193,882	04/06/21	(1,698)	Derivative liability
Foreign currency forward contract (EUR)	\$13,472,749	€11,406,604	01/05/21	(483,801)	Derivative liability
Foreign currency forward contract (EUR)	€11,406,604	\$13,518,023	01/05/21	438,526	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	\$561,754	€456,604	04/06/21	1,944	Derivative liability
Foreign currency forward contract (GBP)	\$13,554,607	£10,215,299	01/05/21	(409,190)	Derivative liability
Foreign currency forward contract (GBP)	£10,215,299	\$13,717,678	01/05/21	246,118	Prepaid expenses and other assets
Foreign currency forward contract (GBP)	\$13,109,849	£9,672,758	04/06/21	(119,769)	Derivative liability
Foreign currency forward contract (SEK)	\$141,603	1,259,406kr	01/05/21	(11,748)	Derivative liability
Foreign currency forward contract (SEK)	1,259,406kr	\$152,396	01/05/21	955	Prepaid expenses and other assets
Foreign currency forward contract (SEK)	\$164,325	1,356,628kr	04/06/21	(1,028)	Derivative liability
Total				<u>\$ (478,891)</u>	

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

As of December 31, 2021 and 2020, the total fair value of the Company's foreign currency forward contracts was \$(0.2) million and \$(0.5) million, respectively. The fair values of the Company's foreign currency forward contracts are based on unadjusted prices from independent pricing services and independent indicative broker quotes, which are Level 2 inputs.

7. Transactions with Controlled Companies

During the year ended December 31, 2021 and 2020, the Company received management and other fees from the MVC PE Fund of \$0.6 million and \$5,292, respectively. These fees were recognized as fee income in the Company's Consolidated Statements of Operations.

8. 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. As of December 31, 2021 and 2020, the Company believed that it had adequate financial resources to satisfy its unfunded commitments. The balances of unused commitments to extend financing as of December 31, 2021 and 2020 were as follows:

Portfolio Company	Investment Type	December 31, 2021	December 31, 2020
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	\$ 1,178,571	\$ —
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	110,119	—
ADE Holding(1)(3)	Committed Capex Line	—	91,814
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	10,801	—
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	1,448,107	—
Amtech Software(1)(2)	Delayed Draw Term Loan	2,727,273	—
Amtech Software(1)(2)	Revolver	681,818	—
AnalytiChem Holding GmbH(1)(2)(3)	Delayed Draw Term Loan	6,207,333	—
Anju Software, Inc.(1)	Delayed Draw Term Loan	—	1,981,371
Aquavista Watersides 2 LTD(1)(4)	Bridge Revolver	503,472	—
Aquavista Watersides 2 LTD(1)(4)	Acquisition Facility	3,146,698	—
Arch Global Precision, LLC(1)	Delayed Draw Term Loan	—	4,193,475
Astra Bidco Limited(1)(2)(4)	Delayed Draw Term Loan	2,571,405	—
Avance Clinical Bidco Pty Ltd(1)(5)	Delayed Draw Term Loan	3,497,352	—
Azalea Buyer, Inc.(1)(2)	Delayed Draw Term Loan	961,538	—
Azalea Buyer, Inc.(1)(2)	Revolver	480,769	—
Bariacum S.A(1)(3)	Acquisition Facility	2,160,679	—
Beacon Pointe Advisors, LLC(1)	Delayed Draw Term Loan	—	363,636
Beyond Risk Management, Inc.(1)(2)	Delayed Draw Term Loan	2,573,333	—
BigHand UK Bidco Limited(1)(2)(4)	Acquisition Facility	378,348	—
Bounteous, Inc.(1)	Delayed Draw Term Loan	2,840,367	—
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	431,799	—
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	143,933	—
BrightSign LLC(1)	Revolver	1,328,991	—
British Engineering Services Holdco Limited(1)(4)	Acquisition Facility	—	7,006,008
British Engineering Services Holdco Limited(1)(4)	Bridge Revolver	612,525	618,177
CAi Software, LLC(1)(2)	Revolver	942,986	—
Canadian Orthodontic Partners Corp.(1)(2)(6)	Acquisition Facility	166,685	—

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Portfolio Company	Investment Type	December 31, 2021	December 31, 2020
Centralis Finco S.a.r.l.(1)(3)	Acquisition Facility	\$ 460,949	\$ 495,950
Ceres Pharma NV(1)(3)	Delayed Draw Term Loan	2,148,974	—
Classic Collision (Summit Buyer, LLC)(1)	Delayed Draw Term Loan	392,619	1,672,446
CM Acquisitions Holdings Inc.(1)	Delayed Draw Term Loan	—	1,551,602
Coastal Marina Holdings, LLC(1)	PIK Tranche B Term Loan	1,311,220	—
Coastal Marina Holdings, LLC(1)	Tranche A Term Loan	3,575,892	—
Command Alkon (Project Potter Buyer, LLC)(1)	Delayed Draw Term Loan	6,018,078	—
Contabo Finco S.À R.L.(1)(3)	Delayed Draw Term Loan	—	228,211
Coyo Uprising GmbH(1)(3)	Delayed Draw Term Loan	893,523	—
Crash Champions, LLC(1)(2)	Delayed Draw Term Loan	5,420,303	—
CSL Dualcom(1)(4)	Acquisition Term Loan	997,972	1,007,182
Dart Buyer, Inc.(1)(2)	Delayed Draw Term Loan	2,430,569	2,430,569
DecksDirect, LLC(1)(2)	Revolver	218,182	—
DreamStart Bidco SAS(1)(3)	Acquisition Facility	616,916	995,640
Dune Group(1)(3)	Delayed Draw Term Loan	664,587	—
Dwyer Instruments, Inc.(1)	Delayed Draw Term Loan	691,712	—
Eclipse Business Capital, LLC(1)	Revolver	11,818,182	—
EMI Porta Holdco LLC(1)(2)	Delayed Draw Term Loan	12,457,627	—
EMI Porta Holdco LLC(1)(2)	Revolver	2,966,102	—
EPS NASS Parent, Inc.(1)	Delayed Draw Term Loan	583,051	—
eShipping, LLC(1)(2)	Delayed Draw Term Loan	2,548,131	—
eShipping, LLC(1)(2)	Revolver	1,231,597	—
F24 (Stairway BidCo GmbH)(1)(2)(3)	Delayed Draw Term Loan	405,130	323,840
FitzMark Buyer, Inc.(1)(2)	Delayed Draw Term Loan	—	1,470,588
Foundation Risk Partners, Corp.(1)	Delayed Draw Term Loan	—	4,984,771
Fineline Technologies, Inc.(1)	Delayed Draw Term Loan	180,000	—
FragilePak LLC(1)	Delayed Draw Term Loan	2,354,167	—
Heartland, LLC(1)(2)	Delayed Draw Term Loan	—	5,347,666
Heartland Veterinary Partners, LLC(1)(2)	Delayed Draw Term Loan	657,143	—
Heavy Construction Systems Specialists, LLC(1)	Revolver	2,631,772	—
Heilbron (f/k/a Sucsez (Bolt Bidco B.V.))(1)(2)(3)	Accordion Facility	—	10,225,081
HW Holdco, LLC (Hanley Wood LLC)(1)(2)	Delayed Draw Term Loan	1,563,022	—
IGL Holdings III Corp.(1)	Delayed Draw Term Loan	1,217,221	5,914,219
Innovad Group II BV(1)(2)(3)	Delayed Draw Term Loan	1,824,551	—
INOS 19-090 GmbH(1)(2)(3)	Acquisition Facility	2,535,457	2,727,980
Jocassee Partners LLC	Joint Venture	20,000,000	30,000,000
ITI Intermodal, Inc.(1)(2)	Delayed Draw Term Loan	103,058	—
ITI Intermodal, Inc.(1)(2)	Revolver	124,006	—
Jaguar Merger Sub Inc.(1)(2)	Delayed Draw Term Loan	1,960,784	—
Jaguar Merger Sub Inc.(1)(2)	Revolver	490,196	—
Kano Laboratories LLC(1)(2)	Delayed Draw Term Loan	153,064	—
Kano Laboratories LLC(1)(2)	Delayed Draw Term Loan	4,543,950	4,543,950
Kene Acquisition, Inc.(1)(2)	Delayed Draw Term Loan	—	322,928
LAF International(1)(2)(3)	Acquisition Facility	341,160	—

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Portfolio Company	Investment Type	December 31, 2021	December 31, 2020
Lambir Bidco Limited(1)(3)	Bridge Revolver	\$ 940,651	\$ —
Lambir Bidco Limited(1)(3)	Delayed Draw Term Loan	1,881,303	—
LivTech Purchaser, Inc.(1)	Delayed Draw Term Loan	81,977	—
Marmoutier Holding B.V.(1)(3)	Delayed Draw Term Loan	405,082	—
Marmoutier Holding B.V.(1)(3)	Revolver	162,033	—
MC Group Ventures Corporation(1)	Delayed Draw Term Loan	817,250	—
Modern Star Holdings Bidco Pty Limited(1)(5)	Capex Term Loan	1,038,302	2,315,967
Murphy Midco Limited(1)(4)	Delayed Draw Term Loan	2,617,027	3,301,472
Narda Acquisitionco., Inc.(1)(2)	Revolver	1,310,680	—
Navia Benefit Solutions, Inc.(1)	Delayed Draw Term Loan	1,260,800	—
Nexus Underwriting Management Limited(1)(4)	Revolver	103,483	—
Nexus Underwriting Management Limited(1)(4)	Acquisition Facility	540,919	—
OA Buyer, Inc.(1)(2)	Revolver	1,331,244	—
OG III B.V.(1)(2)(3)	Acquisition CapEx Facility	686,294	—
Omni Intermediate Holdings, LLC(1)	Delayed Draw Term Loan	816,892	—
Omni Intermediate Holdings, LLC(1)	Delayed Draw Term Loan	4,356,757	—
Options Technology Ltd.(1)(2)	Delayed Draw Term Loan	—	2,604,080
OSP Hamilton Purchaser, LLC(1)(2)	Revolver	186,567	—
Pacific Health Supplies Bidco Pty Limited(1)(2)(5)	CapEx Term Loan	1,282,566	1,535,025
PDQ.Com Corporation(1)(2)	Delayed Draw Term Loan	289,389	—
PDQ.Com Corporation(1)(2)	Delayed Draw Term Loan	10,947,692	—
Polara Enterprises, L.L.C.(1)(2)	Revolver	545,234	—
Policy Services Company, LLC(1)(2)	Delayed Draw Term Loan	6,944,079	—
Premier Technical Services Group(1)(4)	Acquisition Facility	—	1,197,505
Premium Invest(1)(2)(3)	Acquisition Facility	1,933,240	—
Protego Bidco B.V.(1)(2)(3)	Delayed Draw Term Loan	844,265	—
PSC UK Pty Ltd.(1)(4)	GBP Acquisition Facility	—	535,157
QPE7 SPV1 BidCo Pty Ltd(1)(5)	Acquisition Term Loan	373,449	—
Questel Unite(1)(3)	Cap Acquisition Facility	—	10,300,913
Radwell International, LLC(1)	Delayed Draw Term Loan	—	3,235,947
Rep Seko Merger Sub LLC(1)	Delayed Draw Term Loan	1,454,545	1,454,546
Reward Gateway (UK) Ltd(1)(2)(4)	Acquisition Facility	1,061,336	—
Riedel Beheer B.V.(1)(3)	Revolver	229,711	—
Riedel Beheer B.V.(1)(3)	Delayed Draw Term Loan	153,141	—
Safety Products Holdings, LLC(1)	Delayed Draw Term Loan	—	6,467,345
Scaled Agile, Inc.(1)(2)	Delayed Draw Term Loan	416,188	—
Scaled Agile, Inc.(1)(2)	Revolver	335,821	—
Security Holdings B.V.(1)(3)	Delayed Draw Term Loan	2,274,399	—
Security Holdings B.V.(1)(3)	Revolver	1,137,200	—
Smartling, Inc.(1)(2)	Delayed Draw Term Loan	2,352,941	—
Smartling, Inc.(1)(2)	Revolver	1,176,471	—
Smile Brands Group, Inc.(1)(2)	Delayed Draw Term Loan	654,691	2,148,691
Springbrook Software (SBRK Intermediate, Inc.)(1)	Delayed Draw Term Loan	2,372,538	3,489,026
SSCP Pegasus Midco Limited(1)(4)	Delayed Draw Term Loan	5,251,478	13,389,546

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Portfolio Company	Investment Type	December 31, 2021	December 31, 2020
Superjet Buyer, LLC(1)	Revolver	\$ 1,825,293	\$ —
Syntax Systems Ltd(1)(2)	Revolver	568,965	—
Syntax Systems Ltd(1)(2)	Delayed Draw Term Loan	1,933,077	—
Techone B.V.(1)(3)	Delayed Draw Term Loan	1,620,901	—
Techone B.V.(1)(3)	Revolver	432,240	—
Tencarva Machinery Company, LLC(1)(2)	Delayed Draw Term Loan	885,903	—
Tencarva Machinery Company, LLC(1)(2)	Revolver	1,128,585	—
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)(2)	Delayed Draw Term Loan	2,811,186	—
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)(2)	Revolver	826,620	—
The Hilb Group, LLC(1)(2)	Delayed Draw Term Loan	2,773,208	5,545,939
Transit Technologies LLC(1)(2)	Delayed Draw Term Loan	1,857,017	6,035,305
Truck-Lite Co., LLC(1)(2)	Delayed Draw Term Loan	4,539,745	—
Turbo Buyer, Inc.(1)(2)	Delayed Draw Term Loan	2,070,000	—
USLS Acquisition, Inc.(1)	Delayed Draw Term Loan	—	450,466
Utac Ceram(1)(2)(3)	Delayed Draw Term Loan	—	743,327
Waccamaw River(2)	Joint Venture	11,280,000	—
W2O Holdings, Inc.(1)	Delayed Draw Term Loan	3,831,517	—
Woodland Foods, Inc.(1)(2)	Revolver	2,069,868	5,989,298
Total unused commitments to extend financing		\$ 234,657,529	\$ 159,236,659

- (1) The Company's estimate of the fair value of the current investments in these portfolio companies includes an analysis of the fair value of any unfunded commitments.
(2) 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.
(3) Actual commitment amount is denominated in Euros. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
(4) Actual commitment amount is denominated in British pounds sterling. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
(5) Actual commitment amount is denominated in Australian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
(6) Actual commitment amount is denominated in Canadian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

In the normal course of business, the Company guarantees certain obligations in connection with its portfolio companies (in particular, certain controlled portfolio companies). Under these guarantee arrangements, payments may be required to be made to third parties if such guarantees are called upon or if the portfolio companies were to default on their related obligations, as applicable. As of December 31, 2021 and 2020, we had guaranteed €9.9 million (\$11.3 million U.S. dollars and \$12.1 million U.S. dollars, respectively) relating to credit facilities among Erste Bank and MVC Automotive Group GmbH ("MVC Auto"). The Company would be required to make payments to Erste Bank if MVC Auto were to default on their related payment obligations. None of the credit facility guarantees are recorded as a liability on the Company's Consolidated Balance Sheets, as such the credit facility liabilities are considered in the valuation of the investments in MVC Auto. The guarantees denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

In addition, as of December 31, 2020, we agreed to cash collateralize a \$3.5 million letter of credit for Security Holdings B.V. The \$3.5 million cash collateralization is reflected as "Restricted cash" on the accompanying Consolidated Balance Sheets as of December 31, 2020. The letter of credit expired on April 30, 2021, and as of December 31, 2021, none of the Company's cash was restricted.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Neither the Company, the Adviser, nor the Company's subsidiaries are currently subject to any material pending legal proceedings, other than ordinary routine litigation incidental to their respective businesses. The Company, the Adviser, and the Company's subsidiaries may from time to time, however, be involved in litigation arising out of operations in the normal course of business or otherwise, including in connection with strategic transactions. Furthermore, third parties may seek to impose liability on the Company in connection with the activities of its portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, the Company does not expect any current matters will materially affect its financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on the Company's financial condition or results of operations in any future reporting period.

COVID-19 Developments

During the year ended December 31, 2021, the Coronavirus and the COVID-19 pandemic continued to have a significant impact on the U.S and global economies. To the extent the Company's portfolio companies are adversely impacted by the effects of the COVID-19 pandemic, it may have a material adverse impact on the Company's future net investment income, the fair value of its portfolio investments, its financial condition and the results of operations and financial condition of the Company's portfolio companies.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

9. Financial Highlights

	Year Ended December 31,				
	2021	2020	2019	2018	2017
Per share data:					
Net asset value at beginning of period	\$ 10.99	\$ 11.66	\$ 10.98	\$ 13.43	\$ 15.13
Net investment income(1)	0.90	0.64	0.61	—	1.55
Net realized loss on investments / foreign currency(1)	(0.05)	(0.79)	(0.08)	(3.17)	(1.11)
Net unrealized appreciation (depreciation) on investments / foreign currency(1)	0.34	0.38	0.64	1.08	(1.04)
Total increase (decrease) from investment operations(1)	1.19	0.23	1.17	(2.09)	(0.60)
Dividends paid to stockholders from net investment income	(0.79)	(0.65)	(0.54)	(0.41)	(1.65)
Tax return of capital to stockholders	(0.03)	—	—	(0.02)	—
Total dividends and distributions paid	(0.82)	(0.65)	(0.54)	(0.43)	(1.65)
Common stock offerings	—	(0.63)	—	—	0.61
Deemed contribution - CSA	—	0.28	—	—	—
Deemed contribution - Barings LLC	—	0.07	—	—	—
Purchase of shares in tender offer	—	—	—	0.13	—
Purchases of shares in share repurchase plan	—	0.05	0.07	—	—
Stock-based compensation(1)	—	—	—	0.17	(0.01)
Shares issued pursuant to Dividend Reinvestment Plan	—	—	—	—	0.01
Loss on extinguishment of debt(1)	—	(0.06)	(0.01)	(0.21)	—
Benefit from (provision for) taxes(1)	—	—	(0.01)	0.02	(0.02)
Other	—	0.04	—	(0.04)	(0.04)
Net asset value at end of period	\$ 11.36	\$ 10.99	\$ 11.66	\$ 10.98	\$ 13.43
Market value at end of period(2)	\$ 11.02	\$ 9.20	\$ 10.28	\$ 9.01	\$ 9.49
Shares outstanding at end of period	65,316,085	65,316,085	48,950,803	51,284,064	47,740,832
Net assets at end of period	\$ 741,930,763	\$ 717,804,524	\$ 570,874,709	\$ 562,967,287	\$ 641,275,374
Average net assets	\$ 739,250,121	\$ 517,740,268	\$ 579,198,975	\$ 628,154,942	\$ 667,188,287
Ratio of total expenses, prior to waiver of base management fee, including loss on extinguishment of debt and benefit from (provision for) taxes, to average net assets (3)	10.33 %	8.33 %	7.90 %	14.54 %	7.74 %
Ratio of total expenses, net of base management fee waived, including loss on extinguishment of debt and benefit from (provision for) taxes, to average net assets(3)	10.33 %	8.33 %	7.90 %	14.31 %	7.74 %
Ratio of net investment income to average net assets	7.98 %	5.99 %	5.27 %	(0.01)%	10.83 %
Portfolio turnover ratio(4)	68.63 %	67.80 %	113.99 %	228.49 %	37.02 %
Total return(5)	29.34 %	(2.17)%	20.27 %	18.18 %	(42.15)%

- (1) Weighted average per share data—basic and diluted; per share data was derived by using the weighted average shares outstanding during the applicable period.
- (2) Represents the closing price of the Company's common stock on the last day of the period.
- (3) Does not include expenses of underlying investment companies, including joint ventures and short-term investments.
- (4) Portfolio turnover ratio as of December 31, 2021 and 2020 excludes the impact of short-term investments. Portfolio turnover ratio as of December 31, 2020 excludes the impact of the MVC Acquisition.
- (5) 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.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

10. MVC Capital, Inc. Acquisition

On December 23, 2020, the Company completed its acquisition of MVC pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the "MVC Merger Agreement"), dated as of August 10, 2020, with MVC, Mustang Acquisition Sub, Inc., a Delaware corporation and our wholly owned subsidiary ("Acquisition Sub"), and Barings. To effect the acquisition, Acquisition Sub merged with and into MVC, with MVC surviving the merger as our wholly owned subsidiary (the "First MVC Merger"). Immediately thereafter, MVC merged with and into the Company, with the Company as the surviving company (the "Second MVC Merger" and, together with the First MVC Merger, the "MVC Merger"). The Merger has been treated as a "reorganization" within the meaning of Section 368(a)(1)(A) of the Code.

Pursuant to the MVC Merger Agreement, MVC stockholders received the right to the following merger consideration in exchange for each share of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger (other than shares of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger that were held by a subsidiary of MVC or held, directly or indirectly, by the Company or the Acquisition Sub), in accordance with the MVC Merger Agreement: (i) an amount in cash from Barings, without interest, equal to \$0.39492, and (ii) 0.9790836 shares of the Company's common stock, which ratio gave effect to the Euro-dollar exchange rate adjustment mechanism in the MVC Merger Agreement, plus cash in lieu of fractional shares. The Company issued approximately 17,354,332 shares of its common stock to MVC's then-existing stockholders in connection with the MVC Merger, thereby resulting in the Company's then-existing stockholders owning approximately 73.4% of the combined company and MVC's then-existing stockholders owning approximately 26.6% of the combined company.

In connection with the closing of the MVC Merger on December 23, 2020, the Board affirmed the Company's commitment to open-market purchases of shares of its common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of the Company's then most recently disclosed net asset value per share. Any repurchases pursuant to the authorized program will occur during the 12-month period that commenced upon the filing of the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and will be made in accordance with applicable legal, regulatory and contractual requirements, including covenants under the February 2019 Credit Facility. During the year ended December 31, 2021, the Company did not repurchase any shares under the authorized program.

In connection with the MVC Acquisition, on December 23, 2020, following the closing of the MVC Merger, the Company entered into the Amended and Restated Advisory Agreement with Barings, effective January 1, 2021. Promptly following the closing of the MVC Merger, the Company also entered into the MVC Credit Support Agreement with Barings. See "Note 2 - Agreements and Related Party Transactions" for more information regarding the Amended and Restated Advisory Agreement and the MVC Credit Support Agreement.

In connection with the closing of the MVC Merger, MVC notified U.S. Bank National Association ("U.S. Bank"), the trustee for MVC Capital's 6.25% Senior Notes due 2022 (the "MVC Notes"), of the election to redeem the remaining \$95.0 million in aggregate principal amount of the MVC Notes outstanding at a price equal to 100% of the principal amount of the MVC Notes, plus accrued and unpaid interest on the Notes to, but excluding, the date of redemption, and the Company caused the discharge of the MVC Notes by entering into a Satisfaction and Discharge of Indenture, dated December 23, 2020, with respect to the indenture governing the MVC Notes. The trustee provided notice of such redemption to the holders of the MVC Notes in accordance with the terms of the indenture governing the MVC Notes. The redemption was completed on January 22, 2021 and was funded with trust funds deposited with U.S. Bank in trust for such purpose.

The MVC Acquisition was accounted for in accordance with the asset acquisition method of accounting as detailed in ASC 805-50 *Business Combinations-Related Issues*. Under asset acquisition accounting, acquiring assets in groups not only requires ascertaining the cost of the asset (or net assets), but also allocating that cost to the individual assets (or individual assets and liabilities) that make up the group. Per ASC 805-50-30-1, the acquired assets (as a group) are recognized based on their cost to the acquiring entity, which generally includes transaction costs of the asset acquisition, and no gain or loss is recognized unless the fair value of noncash assets given as consideration differs from the assets carrying amounts on the acquiring entity's records. ASC 805-50-30-2 goes on to say asset acquisitions in which the consideration given is cash are measured by the amount of cash paid.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

However, if the consideration given is not in the form of cash (that is, in the form of noncash assets, liabilities incurred, or equity interests issued), measurement is based on the cost to the acquiring entity or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and, thus, more reliably measured.

The fair value of the merger consideration paid by the Company was allocated to the assets acquired and liabilities assumed based on their relative fair values as of the date of acquisition and did not give rise to goodwill. Since the fair value of the net assets acquired exceeded the fair value of the merger consideration paid by the Company, the Company recognized a deemed contribution from the Adviser.

The following table summarizes the allocation of the purchase price to the assets acquired and liabilities assumed as a result of the MVC Acquisition:

Common stock issued by the Company	\$	160,354,027
Cash consideration paid by the Company(1)		7,633,267
Deemed contribution from Barings LLC(2)		3,254,849
Total purchase price	\$	171,242,143
Assets acquired:		
Investments(3)	\$	185,041,442
Cash		71,267,327
Other assets(4)		10,961,944
Total assets acquired	\$	267,270,713
Liabilities assumed(5)		(96,028,570)
Net assets acquired	\$	171,242,143

- (1) During the year ended December 31, 2020, the Company incurred \$7.6 million in professional fees and other costs related to the MVC Acquisition. For the year ended December 31, 2020, these costs included \$2.5 million one-time investment banking fees.
- (2) Non-cash operating activity included in "Acquisition of MVC Capital, net of cash acquired" on the Company's Consolidated Statements of Cash Flows
- (3) Investments acquired were recorded at fair value, which is also the Company's initial cost basis
- (4) Other assets acquired in the MVC Acquisition consisted of the following:

Interest receivable	\$	9,530,086
Fees receivable		927,889
Escrow receivable		500,000
Other assets		3,969
Total	\$	10,961,944

- (5) Liabilities assumed in the MVC Acquisition consisted of the following:

Notes payable(a)	\$	93,815,587
Accrued interest payable		1,138,023
Other liabilities		1,074,960
Total	\$	96,028,570

- (a) On December 23, 2020, MVC and the Company deposited with the trustee for the MVC Notes funds from cash on hand sufficient to satisfy all obligations remaining to the redemption date for the MVC Notes under the indenture, and the trustee for the MVC Notes entered into a Satisfaction and Discharge of Indenture with the Company with respect to the indenture governing the MVC Notes. The redemption was completed on January 22, 2021 with such trust funds.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

11. Sierra Acquisition

On September 21, 2021, the Company entered into an Agreement and Plan of Merger (the “Sierra Merger Agreement”) by and among the Company, Mercury Acquisition Sub, Inc., a Maryland corporation and a direct wholly owned subsidiary of the Company (“Sierra Acquisition Sub”), Sierra Income Corporation, a Maryland corporation (“Sierra”), and Barings. The Sierra Merger Agreement provides that, on the terms and subject to the conditions set forth in the Sierra Merger Agreement, Sierra Acquisition Sub will merge with and into Sierra, with Sierra continuing as the surviving company and as a wholly owned subsidiary of the Company (the “First Sierra Merger”) and, immediately thereafter, Sierra will merge with and into the Company, with the Company continuing as the surviving company (the “Second Sierra Merger” and, together with the First Sierra Merger, the “Sierra Merger”). The Board and the board of directors of Sierra, including all of the respective independent directors, have approved the Sierra Merger Agreement and the transactions contemplated therein. The parties to the Sierra Merger Agreement intend the Sierra Merger to be treated as a “reorganization” within the meaning of Section 368(a) of the Code.

In the First Sierra Merger, each share of Sierra common stock issued and outstanding immediately prior to the effective time of the First Sierra Merger (excluding any shares cancelled pursuant to the Sierra Merger Agreement) will be converted into the right to receive (i) \$0.9783641 per share in cash, without interest, from Barings (such amount of cash, the “Sierra Cash Consideration”) and (ii) 0.44973 of a validly issued, fully paid and non-assessable share of the Company’s common stock (the “Sierra Share Consideration” and, together with the Sierra Cash Consideration, the “Sierra Merger Consideration”).

The Sierra Merger Agreement contains representations, warranties and covenants, including, among others, covenants relating to the operation of each of the Company’s and Sierra’s businesses during the period prior to the closing of the Sierra Merger. The Company and Sierra have agreed to convene and hold stockholder meetings for the purpose of obtaining the approvals required of the Company’s and Sierra’s stockholders, respectively, and the Board and the board of directors of Sierra have agreed to recommend that their respective stockholders approve the applicable proposals (as described below).

The Sierra Merger Agreement provides that Sierra shall not, and shall cause its subsidiaries and instruct its representatives not to, directly or indirectly, solicit proposals relating to alternative transactions, or, subject to certain exceptions, initiate or participate in discussions or negotiations regarding, or provide information with respect to, any proposal for an alternative transaction. However, the Sierra board of directors may, subject to certain conditions, change its recommendation to the Sierra stockholders or, on payment of a termination fee of \$11.0 million to the Company and the reimbursement of up to \$2.0 million in expenses incurred by the Company and Barings, terminate the Sierra Merger Agreement and enter into an Alternative Acquisition Agreement (as defined in the Sierra Merger Agreement) for a Superior Proposal (as defined in the Sierra Merger Agreement) if it determines in good faith, after consultation with its outside legal counsel, that failure to do so would be inconsistent with the directors’ duties under applicable law.

Consummation of the First Sierra Merger, which is currently anticipated to occur during the first quarter of fiscal year 2022, is subject to certain customary closing conditions, including (1) approval of the First Sierra Merger by the holders of at least a majority of the outstanding shares of Sierra common stock entitled to vote thereon, (2) approval of the issuance of the Company’s common stock to be issued in the First Sierra Merger by a majority of the votes cast by the Company stockholders on the matter at the Company stockholders meeting, (3) approval of the issuance of the Company’s common stock in connection with the First Sierra Merger at a price below the then-current net asset value per share of the Company common stock, if applicable, by the vote specified in Section 63(2)(A) of the 1940 Act, (4) the absence of certain legal impediments to the consummation of the Sierra Merger, (5) effectiveness of the registration statement for the Company common stock to be issued as consideration in the First Sierra Merger, (6) approval for listing on the NYSE of the Company common stock to be issued as consideration in the First Sierra Merger, (7) subject to certain materiality standards, the accuracy of the representations and warranties and compliance with the covenants of each party to the Sierra Merger Agreement, and (8) required regulatory approvals (including expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or early termination thereof).

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Barings, as party to the Sierra Merger Agreement, agreed to vote all shares of the Company common stock over which it has voting power (other than in its fiduciary capacity) in favor of the proposals to be submitted by the Company to its stockholders for approval relating to the Sierra Merger.

In addition, the Company and Sierra will take steps necessary to provide for the repayment at closing of Sierra's existing loan agreement. The Sierra Merger Agreement also contains certain termination rights in favor of the Company and Sierra, including if the First Sierra Merger is not completed on or before March 31, 2022 or if the requisite approvals of the Company stockholders or Sierra stockholders are not obtained.

Further, the Company will enter into an amendment and restatement of the Amended and Restated Advisory Agreement, effective as of the closing of the Sierra Merger, to raise the annualized hurdle rate thereunder from 8.0% to 8.25%. Following the closing of the Sierra Merger, the Company will also enter into a credit support agreement with Barings, for the benefit of the combined company, to protect against net cumulative unrealized and realized losses of up to \$100.0 million on the acquired Sierra investment portfolio over the next ten years.

The Company is expected to account for the Sierra Merger as an asset acquisition in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, *Business Combinations-Related Issues*. Under asset acquisition accounting, acquiring assets in groups not only requires ascertaining the cost of the asset (or net assets), but also allocating that cost to the individual assets (or individual assets and liabilities) that make up the group. Per ASC 805-50-30-1, the acquired assets (as a group) are recognized based on their cost to the acquiring entity, which generally includes transaction costs of the asset acquisition, and no gain or loss is recognized unless the fair value of noncash assets given as consideration differs from the assets carrying amounts on the acquiring entity's records. ASC 805-50-30-2 goes on to say asset acquisitions in which the consideration given is cash are measured by the amount of cash paid. However, if the consideration given is not in the form of cash (that is, in the form of noncash assets, liabilities incurred, or equity interests issued), measurement is based on the cost to the acquiring entity or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and, thus, more reliably measured.

If the fair value of the net assets to be acquired exceeds the fair value of the Sierra Merger Consideration to be paid by the Company, then the Company would recognize a deemed contribution from Barings in an amount up to approximately \$100.0 million. If the fair value of net assets to be acquired exceeds the fair value of the Sierra Merger Consideration to be paid by the Company and by Barings, then the Company would also recognize a purchase accounting gain. Alternatively, if the fair value of the net assets to be acquired is less than the fair value of the portion of the Sierra Merger Consideration to be paid by the Company, then the Company would recognize a purchase accounting loss. The Company expects any potential gain or loss would be classified as unrealized on the statement of operations until the underlying assets are sold.

The cost of the group of assets acquired in an asset acquisition is allocated to the individual assets acquired or liabilities assumed based on their relative fair values of net identifiable assets acquired other than "non-qualifying" assets (for example cash) and does not give rise to goodwill. The final allocation of the purchase price will be determined after the Sierra Merger is completed and after completion of a final analysis to determine the estimated relative fair values of the acquired assets and liabilities.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

12. Selected Quarterly Financial Data (Unaudited)

The following tables set forth certain quarterly financial information for each of the eight quarters in the two years ended December 31, 2021. Results for any quarter are not necessarily indicative of results for the full year or for any future quarter.

	Quarter Ended			
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Total investment income	\$ 30,593,231	\$ 33,153,488	\$ 34,983,825	\$ 36,604,830
Net investment income	14,374,134	14,557,658	14,857,019	15,171,528
Net increase in net assets resulting from operations	22,488,279	29,308,031	14,410,382	11,478,737
Net investment income per share	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.23
	Quarter Ended			
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Total investment income	\$ 18,679,598	\$ 16,139,764	\$ 16,329,142	\$ 19,882,564
Net investment income	7,294,069	6,529,129	7,952,605	9,212,001
Net increase (decrease) in net assets resulting from operations	(112,521,747)	54,748,708	43,177,627	22,772,205
Net investment income per share	\$ 0.15	\$ 0.14	\$ 0.17	\$ 0.19

13. Subsequent Events

Subsequent to December 31, 2021, the Company made approximately \$126.3 million of new commitments, of which \$104.8 million closed and funded. The \$104.8 million of investments consists of \$75.8 million of first lien senior secured debt investments and \$28.9 million of equity and joint venture investments. The weighted average yield of the debt investments was 6.3%. In addition, the Company funded \$7.9 million of previously committed revolvers and delayed draw term loans.

On February 1, 2022, the Board declared a quarterly distribution of \$0.23 per share payable on February 23, 2022 to holders of record as of February 16, 2022.

**AMENDMENT NO. 2 TO SENIOR
SECURED REVOLVING CREDIT AGREEMENT**

This AMENDMENT NO. 2 (this “Amendment”) dated as of December 29, 2021, by and among BARINGS BDC, INC., a Maryland corporation (the “Borrower”), ING CAPITAL LLC, as administrative agent for the Lenders (as defined below) under the Credit Agreement (in such capacity, together with its successors in such capacity, the “Administrative Agent”), the Lenders party hereto and solely for purposes of Section 2.9, the entities identified as Subsidiary Guarantors on the signature pages hereto (the “Subsidiary Guarantors”, and together with the Borrower, the “Obligors”), is made with respect to the Senior Secured Revolving Credit Agreement, dated as of February 21, 2019 (as amended by the Amendment No. 1 to Senior Secured Credit Agreement, dated as of December 3, 2019, and as further amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among the Borrower, the several banks and other financial institutions or entities from time to time party to the Credit Agreement as lenders (the “Lenders”) and the Administrative Agent. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement (as amended hereby).

WITNESSETH:

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent amend certain provisions of the Credit Agreement and the Lenders signatory hereto and the Administrative Agent have agreed to do so on the terms and subject to the conditions contained in this Amendment.

NOW THEREFORE, in consideration of the promises and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION I AMENDMENTS TO CREDIT AGREEMENT

Effective as of the Amendment No. 2 Effective Date (as defined below), and subject to the terms and conditions set forth below, the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~ or ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text or double-underlined text) as set forth in the Credit Agreement attached hereto as Exhibit A.

SECTION II MISCELLANEOUS

2.1. Conditions to Effectiveness of Amendment. This Amendment shall become effective as of the date (the “Amendment No. 2 Effective Date”) on which the Borrower and each Subsidiary Guarantor party hereto have satisfied each of the following conditions precedent (unless a condition shall have been waived in accordance with Section 9.02 of the Credit Agreement):

(a) Executed Counterparts. The Administrative Agent shall have received from each party hereto either (1) a counterpart of this Amendment signed on behalf of such party or (2) written evidence satisfactory to the Administrative Agent (which may include telecopy

transmission or electronic mail of a signed signature page to this Amendment) that such party has signed a counterpart of this Amendment.

(b) Fees and Expenses. The Borrower shall have paid in full to the Administrative Agent and the Lenders all fees and expenses owing related to this Amendment and the Credit Agreement owing, incurred and invoiced on or prior to the Amendment No. 2 Effective Date due to any Lender on the Amendment No. 2 Effective Date.

(c) Other Documents. The Administrative Agent shall have received such other documents, instruments, certificates, opinions and information as the Administrative Agent may reasonably request in form and substance reasonably satisfactory to the Administrative Agent.

The contemporaneous exchange and release of executed signature pages by each of the Persons contemplated to be a party hereto shall render this Amendment effective and any such exchange and release of such executed signature pages by all such persons shall constitute satisfaction or waiver (as applicable) of any condition precedent to such effectiveness set forth above.

2.2. Representations and Warranties. To induce the other parties hereto to enter into this Amendment, the Borrower represents and warrants to the Administrative Agent and each of the Lenders that, as of the Amendment No. 2 Effective Date and after giving effect to this Amendment:

(a) This Amendment has been duly authorized, executed and delivered by the Borrower and the Subsidiary Guarantors, and constitutes a legal, valid and binding obligation of the Borrower and the Subsidiary Guarantors enforceable in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The Credit Agreement, as amended by this Amendment, constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) The execution, delivery and performance by the Borrower and the Subsidiary Guarantors of this Amendment, and the consummation of the transactions contemplated hereby, (i) are within each of the Borrower's and each Subsidiary Guarantor's corporate powers, (ii) do not require any consent or approval of registration or filing with, or any other action by, any Governmental Authority, except for (x) such as have been or will be obtained or made and are in full force and effect and (y) filings and recordings in respect of the Liens created pursuant to the Security Documents, (iii) will not violate any applicable law or regulation or the charters, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority (including the Investment Company Act and the rules, regulations and orders issued by the SEC thereunder), (iv) will not

violate or result in a default in any material respect under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or assets, or give rise to a right thereunder to require any payment to be made by any such Person, and (v) except for Liens created pursuant to the Security Documents, will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

(c) The representations and warranties set forth in Article III of the Credit Agreement as amended by this Amendment and the representations and warranties in each other Loan Document are true and correct in all material respects (other than any representation or warranty already qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects) on and as of the Amendment No. 2 Effective Date or as to any such representations and warranties that refer to a specific date, as of such specific date.

(d) No Default or Event of Default has occurred or is continuing under the Credit Agreement.

2.3. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment constitutes the entire contract between and among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of this Amendment by telecopy or electronic mail shall be effective as delivery of a manually executed counterpart of this Amendment.

2.4. Payment of Expenses. The Borrower agrees to pay and reimburse, pursuant to Section 9.03 of the Credit Agreement, the Administrative Agent for all of its reasonable and documented out-of-pocket costs and expenses incurred in connection with this Amendment.

2.5. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

2.6. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

2.7. Incorporation of Certain Provisions. The provisions of Sections 9.01, 9.07, 9.09 and 9.12 of the Credit Agreement are hereby incorporated by reference *mutatis mutandis* as if fully set forth herein.

2.8. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the Collateral Agent, the Borrower or the Subsidiary Guarantors under the Credit Agreement or any other Loan Document, and, except as expressly set forth herein, shall not alter, modify, amend or in any way affect any of the other terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Person to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. This Amendment shall apply and be effective only with respect to the provisions amended herein of the Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof,” “herein” or words of similar import shall mean and be a reference to the Credit Agreement as amended by this Amendment and each reference in any other Loan Document shall mean the Credit Agreement as amended hereby. This Amendment shall constitute a Loan Document.

2.9. Consent and Affirmation. Without limiting the generality of the foregoing, by its execution hereof, each of the Borrower and each Subsidiary Guarantor hereby to the extent applicable as of the Amendment No. 2 Effective Date (i) consents to this Amendment and the transactions contemplated hereby, (ii) agrees that the Guarantee and Security Agreement and each of the other Security Documents is in full force and effect, (iii) confirms its guarantee (solely in the case of each Subsidiary Guarantor) and affirms its obligations under the Guarantee and Security Agreement and confirms its grant of a security interest in its assets as Collateral for the Secured Obligations (as defined in the Guarantee and Security Agreement), and (iv) acknowledges and affirms that such guarantee and/or grant, as applicable, is in full force and effect in respect of, and to secure, the Secured Obligations (as defined in the Guarantee and Security Agreement).

[Signature pages follow]

[Amendment No. 2 to Revolving Credit Agreement]

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

BARINGS BDC, INC., as Borrower

By: /s/ Jonathan Landsberg
Name: Jonathan Landsberg
Title: Treasurer

[Amendment No. 2 to Revolving Credit Agreement]

ENERGY HARDWARE HOLDINGS, INC., as Subsidiary Guarantor

By: /s/ Jonathan Landsberg
Name: Jonathan Landsberg
Title: Treasurer

BARINGS BDC FINANCE I, LLC,
as Subsidiary Guarantor

By: /s/ Jonathan Landsberg
Name: Jonathan Landsberg
Title: Treasurer

BARINGS BDC SENIOR FUNDING I LLC,
as Subsidiary Guarantor

By: /s/ Jonathan Landsberg
Name: Jonathan Landsberg
Title: Treasurer

[Amendment No. 2 to Revolving Credit Agreement]

ING CAPITAL LLC, as Administrative Agent, Issuing Bank and a Lender

By: /s/ Grace Fu
Name: Grace Fu
Title: Managing Director

By: /s/ Ruben De Saegher
Name: Ruben De Saegher
Title: Vice President

[Amendment No. 2 to Revolving Credit Agreement]

JPMORGAN CHASE BANK N.A., as a Lender

By: /s/ Jay Cyr
Name: Jay Cyr
Title: Executive Director

By: _____
Name:
Title:

Bank of Montreal, as a Lender

By: /s/ Amy Prager
Name: Amy Prager
Title: Director

Fifth Third Bank, National Association, as a Lender

By: /s/ Christine Reyling
Name: Christine Reyling
Title: SVP, Managing Director

[Amendment No. 2 to Revolving Credit Agreement]

STATE STREET BANK AND TRUST COMPANY, as a Lender

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

[Amendment No. 2 to Revolving Credit Agreement]

REGIONS BANK as a Lender

By: /s/ Hichem Kerma
Name: Hichem Kerma
Title: Managing Director

[Amendment No. 2 to Revolving Credit Agreement]

MIZUHO BANK, LTD., as a Lender

By: /s/ Donna DeMagistris
Name: Donna DeMagistris
Title: Executive Director

[Amendment No. 2 to Revolving Credit Agreement]

CIT Group, as a Lender

By: /s/ Robert L. Klein
Name: Robert L. Klein
Title: Director

[Amendment No. 2 to Revolving Credit Agreement]

TIAA, FSB, as a Lender

By: /s/ Martin O'Brien
Name: Martin O'Brien
Title: Director

By: /s/
Name:
Title:

[Amendment No. 2 to Revolving Credit Agreement]

Bank Of America, N.A., as a Lender

By: /s/ Sidhima Daruka
Name: Sidhima Daruka
Title: Vice President

[Amendment No. 2 to Revolving Credit Agreement]

SG Americas Securities LLC, as a Lender

By: /s/ Rob Roberto
Name: Rob Roberto
Title: Chairman, Financial Institutions
Americas

By: /s/
Name:
Title:

[Amendment No. 2 to Revolving Credit Agreement]

BNP Paribas, as a Lender

By: /s/ Robert Musetti
Name: Robert Musetti
Title: Managing Director

By: /s/ Joanna Bak
Name: Joanna Bak
Title: Business Manager

[Amendment No. 2 to Revolving Credit Agreement]

Citibank, N.A., as a Lender

By: /s/ Erik Anderson
Name: Erik Anderson
Title: Vice President

[Amendment No. 2 to Revolving Credit Agreement]

PINNACLE BANK N.A., as a Lender

By: /s/ Alex K. Turner
Name: Alex K. Turner
Title: Senior Vice President

By: /s/
Name:
Title:

[Amendment No. 2 to Revolving Credit Agreement]

Wells Fargo Bank, N.A., as a Lender

By: /s/ Megan Griffin
Name: Megan Griffin
Title: Director

[Amendment No. 2 to Revolving Credit Agreement]

EXHIBIT A

SENIOR SECURED
REVOLVING CREDIT AGREEMENT

dated as of

February 21, 2019,

as amended by Amendment No. 1 to Senior Secured Revolving Credit Agreement, dated as of December 3, 2019 [and by Amendment No. 2 to Senior Secured Revolving Credit Agreement, dated as of December 29, 2021](#)

among

BARINGS BDC, INC.

as Borrower

The LENDERS Party Hereto

ING CAPITAL LLC
as Administrative Agent

ING CAPITAL LLC,
JPMORGAN CHASE BANK, N.A.
BANK OF MONTREAL and
FIFTH THIRD BANK, [NATIONAL ASSOCIATION](#)
as Joint Lead Arrangers and Joint Bookrunners

and

JPMORGAN CHASE BANK, N.A.

as Syndication Agent

and

BANK OF MONTREAL and
FIFTH THIRD BANK, [NATIONAL ASSOCIATION](#)
as Documentation Agents

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EXHIBIT D	-	Form of Borrowing Request
EXHIBIT E	-	Form of Interest Election Request

SENIOR SECURED REVOLVING CREDIT AGREEMENT dated as of February 21, 2019 (this “Agreement”), among BARINGS BDC, INC., a Maryland corporation (the “Borrower”), the LENDERS party hereto, and ING CAPITAL LLC, as Administrative Agent.

WHEREAS, the Borrower has requested that the Lenders (as defined herein) extend credit to the Borrower from time to time pursuant to the commitments as set forth herein and the Lenders have agreed to extend such credit upon the terms and conditions hereof.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan is, or the Loans constituting such Borrowing are, bearing interest at a rate determined by reference to the Alternate Base Rate.

“Adjusted Borrowing Base” means the Borrowing Base minus the aggregate amount of Cash and Cash Equivalents included in the Borrowing Base.

“Adjusted Covered Debt Balance” means, on any date, the aggregate Covered Debt Amount on such date minus the aggregate amount of Cash and Cash Equivalents included in the Borrowing Base (excluding any Cash held by the Administrative Agent pursuant to Section 2.04(k)).

“Adjusted Daily Simple RFR” means, (i) with respect to any RFR Borrowing denominated in Pounds Sterling, an interest rate per annum equal to the greater of (x) the sum of (A) the Daily Simple RFR for Pounds Sterling, plus (B) the SONIA Adjustment and (y) zero, and (ii) with respect to any RFR Borrowing denominated in Swiss Francs, an interest rate per annum equal to the greater of (x) the sum of (A) Daily Simple RFR for Swiss Francs, plus (B) the SARON Adjustment and (y) zero.

“Adjusted Eurocurrency Rate” means, for the Interest Period for any Eurocurrency Borrowing, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (i) (a) the Eurocurrency Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate for such Interest Period and (ii) zero.

“Administrative Agent” means ING, in its capacity as administrative agent for the Lenders hereunder, and its successors in such capacity as provided in Section 8.06.

“Administrative Agent’s Account” means, for each Currency, an account in respect of such Currency designated by the Administrative Agent in a notice to the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Advance Rate” has the meaning assigned to such term in Section 5.13.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. Anything herein to the contrary notwithstanding, the term “Affiliate” shall not include any Person that constitutes an Investment held by any such Person in the ordinary course of business. For the avoidance of doubt, the term “Affiliate” shall include the Investment Advisor.

“Affiliate Agreements” means, collectively, (a) the Investment Advisory Agreement, dated as of August 2, 2018, between the Borrower and Barings and (b) the Administration Agreement, dated as of August 2, 2018, between the Borrower and Barings.

“Agent External Value” has the meaning assigned to such term in Section 5.12(b)(iii)(A).

“Agency Account” has the meaning assigned to such term in Section 5.08(c)(v).

“Agreed Foreign Currency” means, at any time, any of Canadian Dollars, Euros, Pounds Sterling, AUD, New Zealand Dollars, Swiss Francs, Danish Krone, Norwegian Krone and Swedish Krona and, with the agreement of each Multicurrency Lender, any other Foreign Currency, so long as, in respect of any such specified Foreign Currency or other Foreign Currency, at such time (a) such Foreign Currency is dealt with in the London interbank deposit market or, in the case of Canadian Dollars, AUD, New Zealand Dollars, Danish Krone, Norwegian Krone and Swedish Krona, the relevant local market for obtaining quotations, (b) such Foreign Currency is freely transferable and convertible into Dollars in the London foreign exchange market and (c) no central bank or other governmental authorization in the country of issue of such Foreign Currency (including, in the case of the Euro, any authorization by the European Central Bank) is required to permit use of such Foreign Currency by any Multicurrency Lender for making any Loan hereunder or to permit the Issuing Bank to issue (or to make payment under) any Letter of Credit denominated in such Foreign Currency and/or to permit the Borrower to borrow and repay the principal thereof and to pay the interest thereon (or to repay any LC Disbursement under a Letter of Credit denominated in such Foreign Currency), unless such authorization has been obtained and is in full force and effect.

“Agreement” has the meaning assigned to such term in the preamble of this Agreement.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate for such day plus 1/2 of 1%, (c) the Overnight Bank Funding Rate plus 1/2 of 1%, (d) the Adjusted Eurocurrency Rate for deposits in Dollars for a period of three (3) months plus 1% and (e) 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate, Overnight Bank Funding Rate, or such Adjusted Eurocurrency Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate, Overnight Bank Funding Rate, or such Adjusted Eurocurrency Rate, as the case may be.

“Amendment No. 1 Effective Date” means December 3, 2019.

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction from time to time relating to bribery or corruption.

“Applicable Dollar Percentage” means, with respect to any Dollar Lender, the percentage of the total Dollar Commitments represented by such Dollar Lender’s Dollar Commitments. If the Dollar Commitments have terminated or expired, the Applicable Dollar Percentage shall be determined based upon the Dollar Commitments most recently in effect, giving effect to any assignments pursuant to Section 9.04(b).

“Applicable External Value” shall mean with respect to any Unquoted Investment, the most recent Borrower External Unquoted Value determined with respect to such Unquoted Investment; provided, however, if an Agent External Value with respect to such Unquoted Investment is more recent than such Borrower External Unquoted Value, then the term “Applicable External Value” shall mean the most recent Agent External Value obtained with respect to such Unquoted Investment.

“Applicable Margin” means a per annum rate determined on a daily basis according to the following pricing grid:

	Eurocurrency Loans	RFR Loans	ABR Loans
During any period that the Ratings Condition is 2.25% not satisfied		<u>2.25%</u>	1.25%
During any period that the Ratings Condition is 2.00% satisfied		<u>2.00%</u>	1.00%

Any change in the Applicable Margin as a result of a change in the Ratings Condition shall be effective as of the effective date of the change in the Borrower's Credit Rating.

"Applicable Multicurrency Percentage" means, with respect to any Multicurrency Lender, the percentage of the total Multicurrency Commitments represented by such Multicurrency Lender's Multicurrency Commitments. If the Multicurrency Commitments have terminated or expired, the Applicable Multicurrency Percentage shall be determined based upon the Multicurrency Commitments most recently in effect, giving effect to any assignments pursuant to Section 9.04(b).

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitments. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments pursuant to Section 9.04(b).

"Approved Dealer" means (a) in the case of any Eligible Portfolio Investment that is not a U.S. Government Security, a bank or a broker-dealer registered under the Securities Exchange Act of 1934 of nationally recognized standing or an Affiliate thereof, as set forth on Schedule 1.01(a), (b) in the case of a U.S. Government Security, any primary dealer in U.S. Government Securities and (c) in the case of any foreign Portfolio Investment, any foreign broker-dealer of internationally recognized standing or an Affiliate thereof, in the case of each of clauses (a), (b) and (c) above, as set forth on Schedule 1.01(a) or any other bank or broker-dealer acceptable to the Administrative Agent in its reasonable determination.

"Approved Pricing Service" means (a) a pricing or quotation service as set forth in Schedule 1.01(a) or (b) any other pricing or quotation service (i) approved by the Directing Body of the Borrower, (ii) designated in writing by the Borrower to the Administrative Agent (which designation shall be accompanied by a copy of a resolution of the Directing Body of the Borrower that such pricing or quotation service has been approved by the Borrower), and (iii) acceptable to the Administrative Agent in its reasonable determination.

"Approved Third-Party Appraiser" means any Independent nationally recognized third-party appraisal firm (a) designated by the Borrower in writing to the Administrative Agent (which designation shall be accompanied by a copy of a resolution of the Directing Body of the Borrower that such firm has been approved by the Borrower for purposes of assisting the Directing Body of the Borrower in making valuations of portfolio assets to determine the Borrower's compliance with the applicable provisions of the Investment Company Act) and (b) acceptable to the Administrative Agent in its reasonable discretion; provided that, if any proposed appraiser requests or requires a non-reliance letter, confidentiality agreement or similar agreement prior to allowing the Administrative Agent to review any written valuation report, such Person shall only be deemed an Approved Third-Party Appraiser if the Administrative Agent and such Approved Third-Party Appraiser shall have entered into such a letter or agreement. Subject to the foregoing, it is understood and agreed that, so long as the same are Independent third-party appraisal firms approved by the Directing Body of the Borrower, Alvarez & Marsal, Houlihan Lokey Howard & Zukin Capital, Inc., Duff & Phelps LLC, Murray,

Devine and Company, Lincoln Partners Advisors, LLC, Stout Risius Ross, LLC and Valuation Research Corporation are acceptable to the Administrative Agent solely to the extent they are not serving as the Independent Valuation Provider.

“Asset Sale” means a sale, lease or sub lease (as lessor or sublessor), sale and leaseback, assignment, conveyance, transfer or other disposition to, or any exchange of property with, any Person, in one transaction or a series of transactions, of all or any part of any Obligor’s assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired; provided, however, the term “Asset Sale” as used in this Agreement shall not include the disposition of Portfolio Investments originated by the Borrower and promptly transferred to a Financing Subsidiary pursuant to the terms of Section 6.03(e) or 6.03(i) hereof.

“Assignment and Assumption” means an Assignment and Assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04(b)), and accepted by the Administrative Agent as provided in Section 9.04 in the form of Exhibit A or any other form reasonably approved by the Administrative Agent.

“Assuming Lender” has the meaning assigned to such term in Section 2.07(e)(i).

“AUD” and “A\$” refers to the lawful currency of The Commonwealth of Australia.

“AUD Rate” means for any Loans in AUD, (a) the AUD Screen Rate plus (b) 0.20%.

“AUD Screen Rate” means, with respect to any Interest Period, the average bid reference rate administered by the Australian Financial Markets Association (or any other Person that takes over the administration of such rate) for AUD bills of exchange with a tenor equal in length to such Interest Period as displayed on page BBSY of the Reuters screen (or, in the event such rate does not appear on such Reuters page, on any successor or substitute on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion) on or about 11:00 a.m. (Sydney, Australia time) on the first day of such Interest Period. If the AUD Screen Rate shall be less than zero, the AUD Screen Rate shall be deemed to be zero for purposes of this Agreement.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Revolver Termination Date and the date of termination of the Commitments in accordance with this Agreement.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“Average COF Rate” has the meaning assigned to such term in Section 2.12(a).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable ~~EEA~~ Resolution Authority in respect of any liability of an ~~EEA~~ Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bank Loans” has the meaning assigned to such term in Section 5.13.

“Barings” means Barings LLC, a Delaware limited liability company.

“Benchmark” means, initially, ~~the LIBOR Screen Rate (or, if applicable, the Interpolated Rate)~~ with respect to (a) Pounds Sterling and Swiss Francs, the Daily Simple RFR for the applicable Currency and (b) any other Currency, the applicable Eurocurrency Rate; provided that if a ~~Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark~~ replacement of the Benchmark has occurred pursuant to Section 2.12(d), then “Benchmark” means the applicable Benchmark Replacement to the extent ~~that~~ such Benchmark Replacement has ~~become effective pursuant to Section 2.11(d)~~ replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“Benchmark Replacement” means, for any Available Tenor:

(1) For purposes of clause (i) of Section 2.12(d), the first alternative set forth in the order below that can be determined by the Administrative Agent; provided that, in the case of any Loan denominated in an Agreed Foreign Currency, “Benchmark Replacement” shall mean the alternative set forth in clause (2) below:

(a) in the case of any Eurocurrency Borrowing denominated in Dollars, the sum of: (i) Term SOFR and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month’s duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months’ duration, and 0.42826% (42.826 basis points) for an Available Tenor of six-months’ duration; and

(b) in the case of any Eurocurrency Borrowing denominated in Dollars, the sum of: (i) Daily Simple SOFR and (ii) 0.11448% (11.448 basis points).

~~“Benchmark Replacement” means~~(2) For purposes of clause (ii) of Section 2.12(d), the sum of: (a) the alternate benchmark rate (which may include Term SOFR) and (b) a spread adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and the Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the existing Benchmark, including any applicable recommendations made by the Relevant Governmental Body, for syndicated credit facilities and (b) the Benchmark Replacement Adjustment, denominated in the applicable Currency at such time;

provided that, if the Benchmark Replacement as so determined pursuant to clause (1) or (2) above would be less than zero the Floor, the Benchmark Replacement will be deemed to be zero the Floor for the purposes of this Agreement and the other Loan Documents.

~~“Benchmark Replacement Adjustment” means, with respect to any replacement of any then existing Benchmark with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the applicable Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the applicable Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities at such time;~~

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement or the Daily Simple RFR, any technical, administrative or operational changes (including changes to the definition of “ABR”, the definition of “Business Day”, the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, the formula for calculating any successor rates identified pursuant to the definition of “Daily Simple RFR” and other technical, administrative or operational matters) that the Administrative Agent decides (in consultation with the Borrower) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement or Daily Simple RFR and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the such Benchmark Replacement or Daily Simple RFR exists, in such other manner of administration as the Administrative Agent

decides ~~(in consultation with the Borrower)~~ is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means the earlier to occur of the following events ~~with respect to the applicable Benchmark:~~

~~(1) in the case of clauses (1) or (2) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the applicable Benchmark permanently or indefinitely ceases to provide the applicable Benchmark; or~~

~~(2) in the case of clause (3) of the definition of “Benchmark Transition Event”, the date of the public statement or publication of information referenced therein.~~

“Benchmark Transition Event” means ~~the occurrence of one or more of the following events with respect to the applicable Benchmark:~~

~~(1) a public statement or publication of information by or on behalf of the administrator of the applicable Benchmark announcing that such administrator has ceased or will cease to provide the applicable Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the applicable Benchmark;~~

~~(2) “Benchmark Transition Event” means, with respect to any then-current Benchmark other than the LIBOR Screen Rate for any Eurocurrency Borrowing denominated in Dollars, the occurrence of a public statement or publication of information by the or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of the applicable such Benchmark, the U.S. Federal Reserve System Board, the NYFRB, an insolvency official with jurisdiction over the administrator for the applicable such Benchmark, a resolution authority with jurisdiction over the administrator for the applicable Benchmark, which states that the such Benchmark, announcing or stating that (a) such administrator of the applicable Benchmark has ceased or will cease on a specified date to provide the applicable all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to administrator that will continue to provide the applicable Benchmark; or provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.~~

~~(3) a public statement or publication of information by the regulatory supervisor for the administrator of the applicable Benchmark announcing that the applicable Benchmark is no longer representative.~~

“Benchmark Transition Start Date” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective

event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Lender) and the Lenders.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the applicable Benchmark and solely to the extent that the applicable Benchmark has not been replaced with a Benchmark Replacement, the period (x) beginning at the time such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the applicable Benchmark for all purposes in accordance with Section 2.12(d) and (y) ending at the time that a Benchmark Replacement has replaced the then-existing Benchmark for all purposes hereunder pursuant to Section 2.12(d).

“Beneficial Ownership Certification” means a certification regarding a beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Board of Directors” means, with respect to any person, (a) in the case of any corporation, the board of directors of such person, (b) in the case of any limited liability company, the board of managers (or the equivalent) of such person, or if there is none, the Board of Directors of the managing member of such Person, (c) in the case of any partnership, the Board of Directors (or the equivalent) of the general partner of such person and (d) in any other case, the functional equivalent of the foregoing.

“Borrower” has the meaning assigned to such term in the preamble to this Agreement.

“Borrower External Unquoted Value” has the meaning assigned to such term in Section 5.12(b)(ii)(B)(y).

“Borrowing” means (a) all ABR Loans of the same Class made, converted or continued on the same date, (b) all RFR Loans of the same Class denominated in the same

Currency and/or ~~(b)~~(c) all Eurocurrency Loans of the same Class denominated in the same Currency that have the same Interest Period.

“Borrowing Base” has the meaning assigned to such term in Section 5.13.

“Borrowing Base Certificate” means a certificate of a Financial Officer of the Borrower, substantially in the form of Exhibit B and appropriately completed.

“Borrowing Base Deficiency” means, at any date on which the same is determined, the amount, if any, that the aggregate Covered Debt Amount as of such date exceeds the Borrowing Base as of such date.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03, substantially in the form of Exhibit D hereto or such other form as is reasonably satisfactory to the Administrative Agent.

“Broadly Syndicated Loan” has the meaning assigned to such term in Section 5.13.

“Business Day” means any day (a) that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed, (b) when used in connection with a Eurocurrency Loan for a LIBOR Quoted Currency or in Euros, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in such LIBOR Quoted Currency or in Euros; and in addition, with respect to any date for the payment or purchase of, or the fixing of an interest rate in relation to, any Non-LIBOR Quoted Currency, the term “Business Day” shall also exclude any day on which banks are not open for general business in the Principal Financial Center of the country of such Non-LIBOR Quoted Currency and, if the Borrowings or LC Disbursements which are the subject of such a borrowing, drawing, payment, reimbursement or rate selection are denominated in Euros, the term “Business Day” shall also exclude any day on which the TARGET2 payment system is not open for the settlement of payment in Euros, ~~and~~ and (c) when used in relation to RFR Loans or any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings in the applicable Currency of such RFR Loan, the term “Business Day” shall also exclude any day that is not an RFR Business Day.

“Calculation Amount” has the meaning assigned to such term in Section 5.12(b)(iii)(B).

“Canadian Dollar” means the lawful money of Canada.

“Canadian Prime Rate” means, on any day, the rate determined by the Administrative Agent to be the higher of (i) the rate equal to the PRIMCAN index rate that appears on the Bloomberg screen at 10:15 a.m. Toronto time on such day (or, in the event that the PRIMCAN index is not published by Bloomberg, any other information service that publishes such index from time to time, as selected by the Administrative Agent in its reasonable discretion) and (ii) the CDOR Rate for one month, plus 1% per annum. Any change in the Canadian Prime Rate due to a change in the PRIMCAN index or the CDOR Rate shall be

effective from and including the effective date of such change in the PRIMCAN Index or the CDOR Rate, respectively.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or finance leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash” means any immediately available funds in Dollars or in any currency other than Dollars (measured in terms of the Dollar Equivalent thereof) which is a freely convertible currency.

“Cash Collateralize” means, with respect to a Letter of Credit, the pledge and deposit of immediately available funds (or, if the Issuing Bank shall agree in its sole discretion, other credit support) in the Currency of the Letter of Credit under which such LC Exposure arises into a cash collateral account (the “Letter of Credit Collateral Account”) maintained with (or on behalf of) the Administrative Agent in an amount equal to one hundred and two percent (102%) of the face amount of such Letter of Credit (or such other amount as may be specified in any applicable provision hereof) as collateral pursuant to documentation in form and substance satisfactory to the Administrative Agent and the Issuing Bank. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means investments (other than Cash) that are one or more of the following obligations:

- (a) Short-Term U.S. Government Securities;
- (b) investments in commercial paper maturing within 180 days from the date of acquisition thereof and having, at such date of acquisition, a credit rating of at least A-1 from S&P and at least P-1 from Moody’s;
- (c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within 180 days from the date of acquisition thereof (i) issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof or under the laws of a Permitted Foreign Jurisdiction; provided that such certificates of deposit, banker’s acceptances and time deposits are held in a securities account (as defined in the Uniform Commercial Code) through which the Collateral Agent can perfect a security interest therein and (ii) having, at such date of acquisition, a credit rating of at least A-1 from S&P and at least P-1 from Moody’s;
- (d) fully collateralized repurchase agreements with a term of not more than 30 days from the date of acquisition thereof for U.S. Government Securities and

entered into with (i) a financial institution satisfying the criteria described in clause (c) of this definition or (ii) an Approved Dealer having (or being a member of a consolidated group having) at such date of acquisition, a credit rating of at least A-1 from S&P and at least P-1 from Moody's;

(e) certificates of deposit or bankers' acceptances with a maturity of ninety (90) days or less of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than \$1,000,000,000; and

(f) investments in money market funds and mutual funds, which invest substantially all of their assets in Cash or assets of the types described in clauses (a) through (e) above;

provided, that (i) in no event shall Cash Equivalents include any obligation that provides for the payment of interest alone (for example, interest-only securities or "IOs"); (ii) if any of Moody's or S&P changes its rating system, then any ratings included in this definition shall be deemed to be an equivalent rating in a successor rating category of Moody's or S&P, as the case may be; (iii) Cash Equivalents (other than U.S. Government Securities, certificates of deposit or repurchase agreements) shall not include any such investment representing more than 25% of total assets of the Obligor in any single issuer; and (iv) in no event shall Cash Equivalents include any obligation that is not denominated in Dollars or in an Agreed Foreign Currency.

"CDOR Rate" means, on any day and for any period, an annual rate of interest equal to the average rate applicable to Canadian Dollar bankers' acceptances for the applicable period that appears on the Reuters Screen CDOR Page (or, in the event such rate does not appear on such page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion), rounded to the nearest 1/100th of 1% (with .005% being rounded up), at approximately 10:15 a.m. Toronto time on such day, or if such day is not a Business Day, then on the immediately preceding Business Day (the "CDOR Screen Rate"); provided that if such CDOR Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"CDOR Screen Rate" has the meaning assigned to such term in the definition of the term "CDOR Rate".

"CFC" means a Subsidiary that is a "controlled foreign corporation" directly or indirectly owned by an Obligor within the meaning of Section 957 of the Code.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof) other than the Investment Advisor of shares representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower, (b) the occupation of a majority of the seats (other than vacant seats) on the Board of Directors of the

Borrower by Persons who were not (A) members of the Board of Directors of the Borrower as of the later of (x) the Effective Date and (y) the corresponding date of the previous year, (B) approved, selected or nominated to become members of the Board of Directors of the Borrower by the Board of Directors of the Borrower of which a majority consisted of individuals described in clause (A), or (C) approved, selected or nominated to become members of the Board of Directors of the Borrower by the Board of Directors of the Borrower of which a majority consisted of individuals described in clause (A) and individuals described in clause (B) or (c) the acquisition of direct or indirect Control of the Borrower by any Person or group other than the Investment Advisor.

“Change in Law” means (a) the adoption of any law, rule or regulation or treaty after the Effective Date, (b) any change in any law, rule or regulation or treaty or in the interpretation, implementation or application thereof by any Governmental Authority after the Effective Date or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 2.13(b) or Section 2.18(a), by such Lender’s or the Issuing Bank’s holding company, if any, or by any lending office of such Lender) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Effective Date; provided that, notwithstanding anything herein to the contrary, (I) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives in connection therewith and (II) all requests, rules, guidelines or directives promulgated by the Bank For International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” regardless of the date enacted, adopted, issued, promulgated or implemented.

“CIBOR Rate” means, in the case of any Eurocurrency Borrowing denominated in DKK, with respect to any Interest Period, a rate per annum equal to the Copenhagen Interbank Offered Rate administered by the Finance Denmark (or any other person that takes over administration of that rate) for deposits in DKK with a term equivalent to such Interest Period as displayed on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion (the “CIBOR Screen Rate”) as of 11:00 a.m. Copenhagen, Denmark time two Business Days prior to the commencement of such Interest Period. If the CIBOR Rate shall be less than zero, the CIBOR Rate shall be deemed to be zero for purposes of this agreement.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans constituting such Borrowing, are Dollar Loans or Multicurrency Loans; when used in reference to any Lender, refers to whether such Lender is a Dollar Lender or a Multicurrency Lender; and when used in reference to any Commitment, refers to whether such Commitment is a Dollar Commitment or a Multicurrency Commitment.

“Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time.

“COF Rate” has the meaning assigned to such term in Section 2.12(a).

“Collateral” has the meaning assigned to such term in the Guarantee and Security Agreement.

“Collateral Agent” means ING in its capacity as Collateral Agent under the Guarantee and Security Agreement, and includes any successor Collateral Agent thereunder.

“Commitment” means, collectively, the Dollar Commitments and the Multicurrency Commitments.

“Commitment Increase” has the meaning assigned to such term in Section 2.07(e)(i).

“Commitment Increase Date” has the meaning assigned to such term in Section 2.07(e)(i).

“Consolidated Asset Coverage Ratio” means, on a consolidated basis for Borrower and its Subsidiaries, the ratio which the value of total assets, less all liabilities and indebtedness not represented by Senior Securities, bears to the aggregate amount of Senior Securities representing indebtedness of the Borrower and its Subsidiaries (all as determined pursuant to the Investment Company Act and any orders of the SEC issued to the Borrower thereunder). For clarity, the calculation of the Consolidated Asset Coverage Ratio shall be made in accordance with any exemptive order issued by the SEC under Section 6(c) of the Investment Company Act relating to the exclusion of any Indebtedness of any SBIC Subsidiary from the definition of Senior Securities only so long as (a) such order is in effect, (b) no obligations have become due and owing pursuant to the terms of any Permitted SBIC Guarantee and (c) such Indebtedness is owed to the SBA.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Control Account” has the meaning assigned to such term in Section 5.08(c)(ii).

“Control Agreement” means that certain Control Agreement, dated as of the date hereof, by and among the Borrower, Energy Hardware Holdings, Inc., the Collateral Agent and the Custodian.

“Covenant-Lite Loan” has the meaning assigned to such term in Section 5.13.

“Covered Debt Amount” means, on any date, the sum of (x) all of the Credit Exposures of all Lenders on such date, plus (y) the aggregate principal amount (including any increase in the aggregate principal amount resulting from payable-in-kind interest) of Other Covered Indebtedness outstanding on such date minus (z) LC Exposure that has been Cash Collateralized or LC Exposure that has been backstopped in a manner reasonably satisfactory to the Administrative Agent. For the avoidance of doubt, for purposes of calculating the Covered

Debt Amount, any convertible securities included in the Covered Debt Amount will be included at the then outstanding principal balance thereof.

“Covered Taxes” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (ii) to the extent not otherwise described in clause (i), Other Taxes.

“Credit Default Swap” means any credit default swap entered into as a means to hedge the default risk of bonds, notes, loans, debentures or securities of the Borrower or any Obligor.

“Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Dollar Credit Exposure and Multicurrency Credit Exposure at such time (including, for the avoidance of doubt, the Loans and LC Exposure surviving after the Revolver Termination Date).

“Credit Rating” means the rating assigned by a Rating Agency to the senior unsecured long term indebtedness of a Person.

“Currency” means Dollars or any Foreign Currency.

“Custodian” means State Street Bank and Trust Company, or any other financial institution mutually agreeable to the Collateral Agent and the Borrower, as custodian holding documentation for Portfolio Investments, and accounts of the Obligors holding Portfolio Investments, on behalf of the Obligors and, pursuant to the Control Agreement, the Collateral Agent. The term “Custodian” includes any agent or sub-custodian acting on behalf of the Custodian pursuant to the terms of the Custodian Agreement.

“Custodian Account” means an account subject to a Custodian Agreement.

“Custodian Agreement” means (i) that certain Control Agreement, dated as of the date hereof, entered into by and between the Borrower and the Custodian and (ii) such other control agreements as may be entered into by and among an Obligor, the Collateral Agent and a Custodian, in form and substance reasonably satisfactory to the Administrative Agent and the Borrower.

“Daily Simple RFR” means, for any day (an “RFR Rate Day”), an interest rate per annum equal to, for any RFR Loan denominated in (a) Pounds Sterling, SONIA for the day that is five (5) RFR Business Days prior to (x) if such RFR Rate Day is an RFR Business Day, such RFR Rate Day, or (y) if such RFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Rate Day, and (b) Swiss Francs, SARON for the day that is five (5) RFR Business Days prior to (x) if such RFR Rate Day is an RFR Business Day, such RFR Rate Day, or (y) if such RFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Rate Day. Any change in Daily Simple RFR due to a change in the applicable RFR shall be effective from and including the effective date of such change in the RFR without notice to the Borrower.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Danish Krone” or (“DKK”) is the lawful currency of Denmark.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulted Obligation” has the meaning assigned to such term in Section 5.13.

“Defaulting Lender” means any Lender that has, as reasonably determined by the Administrative Agent, (a) failed to fund any portion of its Loans or participations in Letters of Credit within two (2) Business Days of the date required to be funded by it hereunder, unless, in the case of any Loans, such Lender notifies the Administrative Agent and the Borrower in writing that such Lender’s failure is based on such Lender’s reasonable determination that the conditions precedent to funding such Loan under this Agreement have not been met, such conditions have not otherwise been waived in accordance with the terms of this Agreement and such Lender has advised the Administrative Agent and the Borrower in writing (with reasonable detail of those conditions that have not been satisfied) prior to the time at which such funding was to have been made, (b) notified the Borrower, the Administrative Agent, the Issuing Bank or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement that it does not intend to comply with its funding obligations under this Agreement (unless such writing or public statement states that such position is based on such Lender’s reasonable determination that one or more conditions precedent to funding (which conditions precedent, together with the applicable default, if any, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) failed, within three (3) Business Days after request by the Administrative Agent or the Borrower to confirm in writing to the Administrative Agent and the Borrower that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans or participations in then outstanding Letters of Credit (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount (other than a *de minimis* amount) required to be paid by it hereunder within two (2) Business Days of the date when due, unless the subject of a good faith dispute, or (e) other than via an Undisclosed Administration, either (i) has been adjudicated as, or determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent or has a parent company that has been adjudicated as, or determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent, (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar

Person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or (iii) become the subject of a Bail-In Action (unless in the case of any Lender referred to in this clause (e), the Borrower, the Administrative Agent and the Issuing Bank shall be satisfied in the exercise of their respective reasonable discretion that such Lender intends, and has all approvals required to enable it, to continue to perform its obligations as a Lender hereunder); provided that a Lender shall not qualify as a Defaulting Lender solely as a result of the acquisition or maintenance of an ownership interest in such Lender or its parent company, or of the exercise of control over such Lender or any Person controlling such Lender, by a Governmental Authority or instrumentality thereof, or solely as a result of an Undisclosed Administration, so long as such ownership interest or Undisclosed Administration does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

“DIP Loan” has the meaning assigned to such term in Section 5.13.

“Directing Body” means the Borrower’s Board of Directors (or appropriate committee thereof with the necessary delegated authority).

“Disqualified Equity Interests” means Equity Interests of the Borrower that after issuance are subject to any agreement between the holder of such Equity Interests and the Borrower whereby the Borrower is required to purchase, redeem, retire, acquire, cancel or terminate such Equity Interests, other than (x) as a result of a change of control, or (y) in connection with any purchase, redemption, retirement, acquisition, cancellation or termination with, or in exchange for, shares of Equity Interests that are not Disqualified Equity Interests.

“Disqualified Lenders” means (i) any Person identified by name on the “Disqualified Lender” list provided by the Borrower to the Administrative Agent on or before the Effective Date as a direct competitor of the Borrower, (ii) any Person identified by name by the Borrower to the Administrative Agent as a direct competitor from time to time after the Effective Date that is approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) and (iii) any Affiliates of any such Person identified above that are either identified in writing to the Administrative Agent by the Borrower from time to time or readily identifiable solely based on similarity of such Affiliate’s name; provided that no update of the list of Disqualified Lenders shall apply retroactively to disqualify any parties that have previously acquired an assignment or participation interest in the Loan or Commitments (or any Person that, prior to such identification, has entered into a bona fide and binding trade for either of the foregoing and has not yet acquired such assignment or participation) pursuant to the terms hereof; provided, further that any designation of a Person as a Disqualified Lender shall

not be effective until the Business Day after written notice thereof is received by the Administrative Agent.

“Documentation Agents” means Bank of Montreal and Fifth Third.

“Dollar Commitment” means, with respect to each Dollar Lender, the commitment of such Dollar Lender to make Loans denominated in Dollars hereunder, expressed as an amount representing the maximum aggregate amount of such Lenders’ Dollar Credit Exposure permitted hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.07 or reduced from time to time pursuant to Section 2.09 or as otherwise provided in this Agreement and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The aggregate amount of each Lender’s Dollar Commitment as of the Amendment No. 1 Effective Date is set forth on Schedule 1.01(b) or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The aggregate amount of the Lenders’ Dollar Commitments as of the Amendment No. 1 Effective Date is \$300,000,000.

“Dollar Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Loans at such time made or incurred under such Lender’s Dollar Commitments.

“Dollar Equivalent” means, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in an Agreed Foreign Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of dollars with the Agreed Foreign Currency in the London foreign exchange market at or about 11:00 a.m. London time (or New York time, as applicable) on a particular day as displayed by ICE Data Services as the “ask price”, or as displayed on such other information service which publishes that rate of exchange from time to time in place of ICE Data Services (or if such service ceases to be available, the equivalent of such amount in dollars as determined by the Administrative Agent using any method of determination it deems reasonably appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems reasonably appropriate in its sole discretion.

“Dollar Lender” means the Persons listed on Schedule 1.01(b) as having Dollar Commitments and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption that provides for it to assume Dollar Commitments or to acquire Dollar Credit Exposure, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise in accordance with the terms hereof.

“Dollar Loan” means a Loan denominated in Dollars made by a Dollar Lender.

“Dollars” or “\$” refers to lawful money of the United States of America.

“Early Opt-in Effective Date” means, with respect to any Early Opt-In Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City

time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

“Early Opt-in Election” means, (a) in the case of a Benchmark Replacement in respect of Loans denominated in Dollars, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from the LIBOR Screen Rate and the provision by the Administrative Agent of written notice of such election to the Lenders; and

(b) in the case of a Benchmark Replacement in respect of Loans denominated in any Agreed Foreign Currency, the occurrence of:

(1) (i) a determination by the Administrative Agent ~~or~~, (ii) a notification by the Required Multicurrency Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Multicurrency Lenders have determined ~~that~~ or (iii) a request by the Borrower to the Administrative Agent to notify each of the other parties hereto that the Borrower has determined that at least five currently outstanding syndicated credit facilities denominated in the applicable Agreed Foreign Currency being executed at such time (as a result of amendment or as originally executed), or that include language similar to that contained in Section 2.12(d) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to ~~the~~ replace the applicable Benchmark, and

(2) (i) the joint election by the Administrative Agent ~~or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred~~ and the Borrower and the provision, ~~as applicable~~, by the Administrative Agent of written notice of such election to the ~~Borrower and the~~ Lenders or (ii) the joint election by the Required ~~Lenders~~ Multicurrency Lenders and the Borrower to trigger a fallback from the then-current Benchmark and the provision, if applicable, by the Required Multicurrency Lenders and the Borrower of written notice of such election to the Administrative Agent.

“EBITDA” has the meaning assigned to such term in Section 5.13.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established

in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“Eligible Liens” means any right of offset, banker’s lien, security interest or other like rights against the Portfolio Investments held by the Custodian pursuant to or in connection with its rights and obligations relating to the Custodian Account, provided that such rights are subordinated, pursuant to the terms of the Control Agreement, to the first priority perfected security interest in the Collateral created in favor of the Collateral Agent, except to the extent expressly provided therein.

“Eligible Portfolio Investment” means any Portfolio Investment held by any Obligor (and solely for purposes of determining the Borrowing Base, Cash (other than Cash Collateral) and Cash Equivalents held by any Obligor) that, in each case, meets all of the criteria set forth on Schedule 1.01(c) hereto; provided, that no Portfolio Investment, Cash or Cash Equivalent shall constitute an Eligible Portfolio Investment or be included in the Borrowing Base if the Collateral Agent does not at all times maintain a first priority, perfected Lien (subject to no other Liens other than Eligible Liens) on such Portfolio Investment, Cash or Cash Equivalent or if such Portfolio Investment, Cash or Cash Equivalent has not been or does not at all times continue to be Delivered (as defined in the Guarantee and Security Agreement). Without limiting the generality of the foregoing, it is understood and agreed that any Portfolio Investments that have been contributed or sold, purported to be contributed or sold or otherwise transferred to any Financing Subsidiary, Immaterial Subsidiary, CFC, Transparent Subsidiary or any other Person that is not a Subsidiary Guarantor, or held by any Financing Subsidiary, Immaterial Subsidiary, CFC, Transparent Subsidiary or any other Person that is not a Subsidiary Guarantor shall not be treated as Eligible Portfolio Investments until distributed, sold or otherwise transferred to any Obligor free and clear of all Liens (other than Eligible Liens). Notwithstanding the foregoing, nothing herein shall limit the provisions of Section 5.12(b)(i), which provide that, for purposes of this Agreement, all determinations of whether an Investment is to be included as an Eligible Portfolio Investment shall be determined on a Settlement-Date Basis, provided that no such Investment shall be included as an Eligible Portfolio Investment to the extent it has not been paid for in full.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest. As used in this Agreement, “Equity

Interests” shall not include convertible debt unless and until such debt has been converted to capital stock.

“Equity Repurchase Program” means that certain “at-the-market” equity repurchase program as approved by the Board of Directors of the Borrower from time to time.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(m) or (o) of the Code.

“ERISA Event” means (a) any “reportable event,” as defined in Section 4043 of ERISA, with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) with respect to any Plan, the failure to satisfy the minimum funding standards set forth in Section 412 of the Code or Section 302 of ERISA, whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan under Section 4041(c) or Section 4042 of ERISA; (f) the incurrence by the Borrower or any of its ERISA Affiliates of Withdrawal Liability; (g) the occurrence of any non-exempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA with respect to any Plan which would result in liability to a Lender; (h) the failure to make any required contribution to a Multiemployer Plan or to any Plan that would result in the imposition of a lien or other encumbrance or the provision of security under Section 412 or 430 of the Code or Section 302, 303 or 4068 of ERISA; or (i) the receipt by the Borrower or any ERISA Affiliate of any notice concerning a determination that a Multiemployer Plan is insolvent as defined in Title IV of ERISA.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“EURIBOR Screen Rate” means, for any Interest Period, in the case of any Eurocurrency Borrowing denominated in Euros, the European Interbank Offered Rate administered by the European Money Markets Institute (or any other entity which takes over the administration of that rate, or any such benchmark that would replace such rate) for the relevant period and displayed on Page EURIBOR01 of the Reuters Screen or, in the event that such rate does not appear on such Reuters page, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion (the “EURIBOR Screen Rate”); provided that, if the EURIBOR Screen Rate so

determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Euro” refers to the lawful money of the Participating Member States.

“Eurocurrency”, when used in reference to any Loan or Borrowing, refers to whether such Loan is, or the Loans constituting such Borrowing are, denominated in Dollars or an Agreed Foreign Currency and bearing interest at a rate determined by reference to the Adjusted Eurocurrency Rate. For clarity, a Loan or Borrowing bearing interest by reference to clause (d) of the definition of the Alternate Base Rate shall not be a Eurocurrency Loan or Eurocurrency Borrowing.

“Eurocurrency Rate” means, with respect to (A) any Eurocurrency Borrowing in any LIBOR Quoted Currency for any applicable Interest Period, the LIBOR Screen Rate as of the Specified Time on the Quotation Day for such LIBOR Quoted Currency and Interest Period and (B) any Eurocurrency Borrowing denominated in Euros for any applicable Interest Period, the EURIBOR Screen Rate as of the Specified Time on the Quotation Day for such Interest Period and (C) any Eurocurrency Borrowing in any Non-LIBOR Quoted Currency (other than Euros) and for any applicable Interest Period, the applicable Local Rate as of the Specified Time and on the Quotation Day for such Non-LIBOR Quoted Currency and Interest Period. If the applicable Screen Rate shall not be available for such Interest Period at the applicable time (the “Impacted Interest Period”), then the Eurocurrency Rate for such Interest Period for such Eurocurrency Borrowing shall be the Interpolated Rate at such time, subject to Section 2.12; provided, that if the applicable Screen Rate shall not be available with respect to any Eurocurrency Borrowing for any other reason, then the rate determined in accordance with Section 2.12 shall be the Eurocurrency Rate for such Eurocurrency Borrowing; provided, further that, if the Eurocurrency Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Event of Default” has the meaning assigned to such term in Article VII.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to the Administrative Agent, any Lender or the Issuing Bank or required to be withheld or deducted from a payment to the Administrative Agent, any Lender or the Issuing Bank, (a) Taxes imposed on (or measured by) its net income (however denominated) or franchise Taxes, in each case, imposed (i) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, or (ii) that are Other Connection Taxes, (b) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction in which the Borrower is located, (c) in the case of a Lender (other than an assignee pursuant to a request by the Borrower under Section 2.18(b)), any U.S. federal withholding Tax that is imposed on amounts payable to or for the account of such Lender pursuant to a law in effect at the time such Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive

additional amounts from the Borrower with respect to such withholding Tax pursuant to Section 2.15(a), (d) Taxes attributable to such recipient's failure to comply with Section 2.15(f), and (e) any withholding Taxes imposed under FATCA.

"External Quoted Value" has the meaning assigned to such term in Section 5.12(b)(ii)(A).

"FATCA" means Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and any fiscal or regulatory legislation, rules, or official practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

"FCA" has the meaning assigned to such term in Section 1.07.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it; provided, that if the Federal Funds Effective Rate is less than zero, such rate shall be zero for purposes of this Agreement.

~~"Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.~~

"Financial Officer" means the chief executive officer, president, chief operating officer, chief financial officer, chief legal officer, principal accounting officer, treasurer, assistant treasurer, controller or chief compliance officer of the Borrower, in each case, whom has been authorized by the Board of Directors of the Borrower to execute the applicable document or certificate.

"Financing Subsidiary" means (i) any Structured Subsidiary or (ii) any SBIC Subsidiary.

"First Lien Bank Loan" has the meaning assigned to such term in Section 5.13.

"Fitch" means Fitch Ratings, Inc. or any successor thereto.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Eurocurrency Rate.

“Foreign Currency” means at any time any currency other than Dollars.

“Foreign Currency Equivalent” means, at any time, with respect to any amount denominated in Dollars the equivalent amount thereof in the applicable Foreign Currency as reasonably determined by the Administrative Agent or the applicable Issuing Bank, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Foreign Currency with Dollars.

“Foreign Lender” means any Lender or Issuing Bank that is not a U.S. Person.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America, or of any other nation, or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business or customary indemnification agreements entered into in the ordinary course of business in connection with obligations that do not constitute Indebtedness. The amount of any Guarantee at any time shall be deemed to be an amount equal to the maximum stated or determinable amount of the primary obligation in respect of which such Guarantee is incurred, unless the terms of such Guarantee expressly provide that the maximum amount for which such Person may be liable thereunder is a lesser amount (in which case the amount of such Guarantee shall be deemed to be an amount equal to such lesser amount).

“Guarantee and Security Agreement” means that certain Guarantee, Pledge and Security Agreement, dated as of the Effective Date, among the Borrower, the Subsidiary

Guarantors, the Administrative Agent, each holder (or a representative, agent or trustee therefor) from time to time of any Secured Longer-Term Indebtedness, and the Collateral Agent.

“Guarantee Assumption Agreement” means a Guarantee Assumption Agreement substantially in the form of Exhibit B to the Guarantee and Security Agreement (or such other form that is reasonably acceptable to the Collateral Agent) between the Collateral Agent and an entity that pursuant to Section 5.08 is required to become a “Subsidiary Guarantor” under the Guarantee and Security Agreement (with such changes as the Administrative Agent shall request consistent with the requirements of Section 5.08, or to which the Collateral Agent shall otherwise consent).

“Hedging Agreement” means any interest rate protection agreement, Credit Default Swap, foreign currency exchange protection agreement, commodity price protection agreement or other credit, interest or currency exchange rate or commodity price hedging arrangement.

“High Yield Securities” has the meaning assigned to such term in Section 5.13.

“IBA” has the meaning assigned to such term in Section 1.07.

“Immaterial Subsidiaries” means those Subsidiaries of the Borrower that are designated as “Immaterial Subsidiaries” by the Borrower from time to time (it being understood that the Borrower may at any time change any such designation); provided that such designated Immaterial Subsidiaries shall collectively meet all of the following criteria as of the date of (x) the designation of each such Immaterial Subsidiary and (y) the most recent balance sheet required to be delivered pursuant to Section 5.01 (and the Borrower shall in each case deliver to the Administrative Agent a certificate of a Financial Officer to such effect setting forth reasonably detailed calculations demonstrating such compliance): (a) such Subsidiaries and their Subsidiaries do not hold any Eligible Portfolio Investment included in the Borrowing Base, (b) the aggregate assets of all such Subsidiaries and their Subsidiaries (on a consolidated basis) as of such date do not exceed an amount equal to 3% of the consolidated assets of the Borrower and its Subsidiaries as of such date; and (c) the aggregate revenues of all such Subsidiaries and their Subsidiaries (on a consolidated basis) for the fiscal quarter ending on such date do not exceed an amount equal to 3% of the consolidated revenues of the Borrower and its Subsidiaries for such period. Notwithstanding the foregoing, no Immaterial Subsidiary that is later designated as a Subsidiary Guarantor may be an Immaterial Subsidiary.

“Impacted Interest Period” has the meaning assigned to such term in the definition of “Eurocurrency Rate”.

“Increasing Lender” has the meaning assigned to such term in Section 2.07(e)(i).

“Indebtedness” of any Person means, without duplication, (a) (i) all obligations of such Person for borrowed money or (ii) with respect to deposits, loans or advances of any kind that are required to be accounted for under GAAP as a liability on the financial statements of an Obligor (other than deposits received in connection with a Portfolio Investment in the ordinary course of the Obligor’s business (including, but not limited to, any deposits or advances in

connection with expense reimbursement, prepaid agency fees, other fees, indemnification, work fees, tax distributions or purchase price adjustments)), (b) all obligations of such Person evidenced by bonds, debentures, notes or similar debt instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (other than trade accounts payable and accrued expenses in the ordinary course of business not past due for more than 90 days after the date on which such trade account payable was due or that are being contested in good faith), (e) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed (with the value of such debt being the lower of the outstanding amount of such debt and the fair market value of the property subject to such Lien), (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) the net amount such Person would be obligated for under any Hedging Agreement if such Hedging Agreement was terminated at the time of determination, (j) all obligations, contingent or otherwise, with respect to Disqualified Equity Interests, and (k) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor (or such Person is not otherwise liable for such Indebtedness). Notwithstanding the foregoing, "Indebtedness" shall not include (x) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset or Investment to satisfy unperformed obligations of the seller of such asset or Investment, (y) a commitment arising in the ordinary course of business to make a future Portfolio Investment or fund the delayed draw or unfunded portion of any existing Portfolio Investment or (z) indebtedness of an Obligor on account of the sale by an Obligor of the first out tranche of any First Lien Bank Loan that arises solely as an accounting matter under ASC 860, provided that such indebtedness (i) is non-recourse to the Borrower and its Subsidiaries and (ii) would not represent a claim against the Borrower or any of its Subsidiaries in a bankruptcy, insolvency or liquidation proceeding of the Borrower or its Subsidiaries, in each case in excess of the amount sold or purportedly sold.

"Independent" when used with respect to any specified Person means that Person (a) does not have any direct financial interest (other than ownership of a de minimis amount of the Equity Interests of such Person) or any material indirect financial interest in the Borrower or any of its Subsidiaries or Affiliates (including its investment advisor or any Affiliate thereof) and (b) is not an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions of the Borrower or any of its Subsidiaries or Affiliates (including its investment advisor or any Affiliate thereof).

"Independent Valuation Provider" means any of Alvarez & Marsal, Houlihan Lokey Howard & Zukin Capital, Inc., Duff & Phelps LLC, Murray, Devine and Company, Lincoln Partners Advisors, LLC, Stout Risius Ross, LLC and Valuation Research Corporation

and Stout, or any other Independent nationally recognized third-party appraisal firm selected by the Administrative Agent, and reasonably acceptable to the Borrower.

“Industry Classification Group” means (a) any of the Moody’s classification groups set forth on Schedule 1.01(d) hereto, together with any classification groups that may be subsequently established by Moody’s and provided by the Borrower to the Administrative Agent and (b) any additional industry group classifications established by the Borrower pursuant to Section 5.12.

“ING” means ING Capital LLC.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.06 substantially in the form of Exhibit E or such other form that is reasonably acceptable to the Administrative Agent.

“Interest Payment Date” means (a) with respect to any ABR Loan, each Quarterly Date ~~and~~, (b) with respect to any Eurocurrency Loan, the last day of each Interest Period therefor and, in the case of any Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at three-month intervals after the first day of such Interest Period ~~and (c) with respect to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month)~~.

“Interest Period” means, for any Eurocurrency Loan or Borrowing, the period commencing on the date of such Loan or Borrowing and ending on the numerically corresponding day in the calendar month that is one, ~~two~~, three or six months thereafter or, with respect to such portion of any Loan or Borrowing that is scheduled to be repaid on the Maturity Date, a period of less than one month’s duration commencing on the date of such Loan or Borrowing and ending on the Maturity Date, as specified in the applicable Borrowing Request or Interest Election Request; provided, that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period (other than an Interest Period that ends on the Maturity Date that is permitted to be of less than one month’s duration as provided in this definition) that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Loan initially shall be the date on which such Loan is made and thereafter shall be the effective date of the most recent conversion or continuation of such Loan, and the date of a Borrowing comprising Loans that have been converted or continued shall be the effective date of the most recent conversion or continuation of such Loans.

“Internal Value” has the meaning assigned to such term in Section 5.12(b)(ii)(C).

“Interpolated Rate” means, at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the applicable Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the applicable Screen Rate for the longest period (for which the applicable Screen Rate is available for the applicable currency) that is shorter than the Impacted Interest Period; and (b) the applicable Screen Rate for the shortest period (for which that applicable Screen Rate is available for the applicable currency) that exceeds the Impacted Interest Period, in each case, at such time.

“Investment” means, for any Person: (a) Equity Interests, bonds, notes, debentures or other securities of any other Person (including convertible securities) or any agreement to acquire any Equity Interests, bonds, notes, debentures or other securities of any other Person (including any “short sale” or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) deposits, advances, loans or other extensions of credit made to any other Person (including purchases of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person); or (c) Hedging Agreements.

“Investment Advisor” means (i) Barings, (ii) an Affiliate of Barings reasonably satisfactory to the Administrative Agent or (iii) another investment advisor reasonably satisfactory to the Administrative Agent and approved by the Required Lenders.

“Investment Company Act” means the Investment Company Act of 1940, as amended from time to time.

“Investment Policies” means the Borrower’s written investment objectives, policies, restrictions and limitations as in existence on the Effective Date, delivered to the Administrative Agent prior to the Effective Date, as may be amended or modified from time to time by a Permitted Policy Amendment.

“IRS” means the U.S. Internal Revenue Service.

“Issuing Bank” means ING, in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in [Section 2.04\(j\)](#).

“IVP Supplemental Cap” has the meaning assigned to such term in [Section 9.03\(a\)](#).

“Joint Lead Arrangers” means, collectively, ING, JPMorgan Chase Bank, N.A., Bank of Montreal and Fifth Third Bank, [National Association](#).

“Last Out Loan” has the meaning assigned to such term in [Section 5.13](#).

“LC Disbursement” means a payment made by the Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time (including any Letter of Credit for which a draft has been presented but not yet honored by the Issuing Bank) plus (b) the aggregate amount of all LC Disbursements in respect of such Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Multicurrency Percentage of the total LC Exposure at such time. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided that with respect to any Letter of Credit that, by its terms or a document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

“Lenders” means, collectively, the Dollar Lenders and the Multicurrency Lenders.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement.

“Letter of Credit Documents” means, with respect to any Letter of Credit, collectively, any application therefor and any other agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations, each as the same may be modified and supplemented and in effect from time to time.

“LIBOR Quoted Currency” means Dollars, ~~Pounds Sterling, Swiss Francs~~ and any ~~other~~ Agreed Foreign Currency other than Pounds Sterling, Euros, Canadian Dollars, AUD, New Zealand Dollars, Swiss Francs, Danish Krone, Norwegian Krone and Swedish Krona, in each case so long as there is a published LIBOR Screen Rate with respect thereto.

“LIBOR Screen Rate” means, for any Interest Period, in the case of any Eurocurrency Borrowing denominated in a LIBOR Quoted Currency, the London interbank offered rate administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for such LIBOR Quoted Currency for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters Screen or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion; provided that, if the LIBOR Screen Rate so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities (other than on market terms at fair

value so long as in the case of any Portfolio Investment, the Value used in determining the Borrowing Base is not greater than the purchase or call price), except in favor of the issuer thereof (and in the case of Portfolio Investments that are equity securities, excluding customary drag-along, tag-along, right of first refusal, restrictions on assignments or transfers and other similar rights in favor of other equity holders of the same issuer). For the avoidance of doubt, in the case of Investments that are loans or other debt obligations, customary restrictions on assignments or transfers thereof on customary and market based terms pursuant to the underlying documentation relating to such Investment shall not be deemed to be a "Lien".

"Loan Documents" means, collectively, this Agreement, the Letter of Credit Documents, any promissory notes delivered pursuant to Section 2.08(f) and the Security Documents.

~~"Loans" means the revolving loans made by the Lenders to the Borrower pursuant to this Agreement.~~

"Local Rate" means (i) for Loans or Letters of Credit in AUD, the AUD Rate, (ii) for Loans or Letters of Credit in NZD, the NZD Rate, (iii) for Loans or Letters of Credit in Canadian Dollars, the CDOR Rate, (iv) for Loans or Letters of Credit in Swedish Krona, the STIBOR Rate, (v) for Loans or Letters of Credit in Norwegian Krone, the NIBOR Rate and (vi) for Loans or Letters of Credit in Danish Krone, the CIBOR Rate.

"Local Screen Rate" means the AUD Screen Rate, the NZD Screen Rate, the CDOR Rate, the STIBOR Screen Rate, the NIBOR Screen Rate ~~and~~, the CIBOR Screen Rate, SONIA and SARON, collectively and individually as the context may require.

"Local Time" means, with respect to any Loan denominated in or any payment to be made in any Currency, the local time in the Principal Financial Center for the Currency in which such Loan is denominated or such payment is to be made.

"Long-Term U.S. Government Securities" has the meaning assigned to such term in Section 5.13.

~~"Loans" means the revolving loans made by the Lenders to the Borrower pursuant to this Agreement.~~

"Margin Stock" means "margin stock" within the meaning of Regulations D, T, U and X.

"Material Adverse Effect" means a material adverse effect on (a) the business, Portfolio Investments of the Obligors (taken as a whole) and other assets, liabilities (actual or contingent), operations or condition (financial or otherwise) of the Borrower and its Subsidiaries (other than any Financing Subsidiary), taken as a whole, or (b) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder or the ability of the Obligors to perform their respective obligations thereunder.

“Material Indebtedness” means (a) Indebtedness (other than the Loans, Letters of Credit and Hedging Agreements), of any one or more of the Borrower and its Subsidiaries (excluding any Specified CLO, but including each other Financing Subsidiary) in an aggregate outstanding principal amount exceeding \$20,000,000 and (b) obligations in respect of one or more Hedging Agreements or other swap or derivative transactions under which the maximum aggregate amount (after giving effect to any netting agreements) that the Borrower and its Subsidiaries would be required to pay if such Hedging Agreement(s) or other swap or derivative transactions were terminated at such time would exceed \$20,000,000.

“Maturity Date” means the date that is the one year anniversary of the Revolver Termination Date.

“Mezzanine Investments” has the meaning assigned to such term in Section 5.13.

“Moody’s” means Moody’s Investors Service, Inc. or any successor thereto.

“Multicurrency Commitment” means, with respect to each Multicurrency Lender, the commitment of such Multicurrency Lender to make Loans, and to acquire participations in Letters of Credit denominated in Dollars and in Agreed Foreign Currencies hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Multicurrency Credit Exposure hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.07 or reduced from time to time pursuant to Section 2.09 or as otherwise provided in this Agreement and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The aggregate amount of each Lender’s Multicurrency Commitment as of the Amendment No. 1 Effective Date is set forth on Schedule 1.01(b) or in the Assignment Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The aggregate amount of the Lenders’ Multicurrency Commitments as of the Amendment No. 1 Effective Date is \$500,000,000.

“Multicurrency Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Loans at such time, made or incurred under such Lender’s Multicurrency Commitments, and such Lender’s LC Exposure.

“Multicurrency Lender” means the Persons listed on Schedule 1.01(b) as having Multicurrency Commitments and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption that provides for it to assume a Multicurrency Commitment or to acquire Multicurrency Credit Exposure, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise in accordance with the terms hereof.

“Multicurrency Loan” means a Loan denominated in Dollars or in an Agreed Foreign Currency made under the Multicurrency Commitments.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA in respect of which the Borrower or any ERISA Affiliate makes or is required to make any contributions.

“National Currency” means the currency, other than the Euro, of a Participating Member State.

“Net Asset Sale Proceeds” means, with respect to any Asset Sale, an amount equal to (a) the sum of Cash payments and Cash Equivalents received by the Obligor from such Asset Sale (including any Cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received), minus (b) any costs, fees, commissions, premiums and expenses actually incurred by any Obligor directly incidental to such Asset Sale and payable in cash to a Person that is not an Affiliate of any Obligor (or if payable to an Affiliate, only to the extent such expenses are reasonable and customary), including reasonable legal fees and expenses, minus (c) all taxes paid or reasonably estimated to be payable by any Obligor (other than any income tax) as a result of such Asset Sale (after taking into account any applicable tax credits or deductions that are reasonably expected to be available), minus (d) reserves for indemnification, purchase price adjustments or analogous arrangements reasonably estimated by the Borrower or the relevant Subsidiary in connection with such Asset Sale; provided that (i) such reserved amount shall not be included in the Borrowing Base and (ii) if the amount of any estimated reserves pursuant to this clause (d) exceeds the amount actually required to be paid in cash in respect of indemnification, purchase price adjustments or analogous arrangements for such Asset Sale, the aggregate amount of such excess shall constitute Net Asset Sale Proceeds (as of the date the Borrower determines such excess exists), minus (e) payments of unassumed liabilities relating to the assets sold or otherwise disposed of at the time, or within 30 days after, the date of such Asset Sale.

“Net Return of Capital” means an amount equal to (i) (a) any Cash amount (and proceeds of any non-Cash amount) received by any Obligor at any time in respect of the outstanding principal of any Portfolio Investment (whether at stated maturity, by acceleration or otherwise), (b) without duplication of amounts received under clause (a), any Cash proceeds (including Cash proceeds of any non-Cash consideration) received by any Obligor at any time from the sale of any property or assets pledged as collateral in respect of any Portfolio Investment to the extent such Cash proceeds are less than or equal to the outstanding principal balance of such Portfolio Investment, (c) solely to the extent such proceeds, along with any such proceeds previously received (other than on account of taxes paid or reasonably estimated to be payable), are less than or equal to the Obligor’s investments therein, any cash amount (and Cash proceeds of any non-Cash amount) received by any Obligor at any time in respect of any Portfolio Investment that is an Equity Interest (x) upon the liquidation or dissolution of the Portfolio Company of such Portfolio Investment, (y) as a distribution of capital made on or in respect of such Portfolio Investment (other than, in the case of a Portfolio Investment that is capital stock, any distribution on account of actual taxes paid or reasonably estimated to be payable by an Obligor solely in its capacity as a holder of such Equity Interest (and not on account of such Obligor’s status as a RIC)), or (z) pursuant to the recapitalization or reclassification of the capital of the Portfolio Company of such Portfolio Investment or pursuant to the reorganization of such Portfolio Company or (d) any similar return of capital received by any Obligor in Cash (and Cash proceeds of any non-Cash amount) in respect of any Portfolio

Investment minus (ii) any costs, fees, commissions, premiums and expenses incurred by any Obligor directly incidental to such Cash receipts, including reasonable legal fees and expenses.

“New Zealand Dollars” and “NZD” refers to the lawful currency of New Zealand.

“NIBOR Rate” means, with respect to any Interest Period, in the case of any Eurocurrency Borrowing denominated in NOK, a rate per annum equal to the Norwegian Interbank Offered Rate administered by Norske Finansielle Referanser (or any other person that takes over administration of that rate) for deposits in NOK with a term equivalent to such Interest Period as displayed on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion (the “NIBOR Screen Rate”) as of 11:00 a.m. London time two Business Days prior to the commencement of such Interest Period. If the NIBOR Rate shall be less than zero, the NIBOR Rate shall be deemed to be zero for purposes of this agreement.

“Non-Consenting Lender” has the meaning assigned to such term in Section 9.02(d).

“Non-LIBOR Quoted Currency” means any Euros, Canadian Dollars, AUD, New Zealand Dollars, Danish Krone, Norwegian Krone and Swedish Krona.

“Norwegian Krone” and “NOK” refers to the lawful currency of Norway.

“NYFRB” means the Federal Reserve Bank of New York.

“NZD Rate” means, for any Loans in New Zealand Dollars, the (a) NZD Screen Rate plus (b) 0.30%.

“NZD Screen Rate” means, with respect to any Interest Period, the rate per annum determined by the Administrative Agent which is equal to the average bank bill reference rate as administered by the New Zealand Financial Markets Association (or any other Person that takes over the administration of such rate) for bills of exchange with a tenor equal in length to such Interest Period as displayed on page BKBM of the Reuters screen (or, in the event such rate does not appear on such page, on any successor or substitute page on such screen that displays such rate or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion) at or about 11:00 a.m. (Wellington, New Zealand time) on the first day of such Interest Period. If the NZD Screen Rate shall be less than zero, the NZD Screen Rate shall be deemed to be zero for purposes of this Agreement.

“Obligors” means, collectively, the Borrower and the Subsidiary Guarantors.

“Obligors’ Net Worth” means, at any date, Stockholders’ Equity at such date, minus the net asset value held by any Obligor in (x) any non-Obligor Subsidiary and (y) any joint venture except to the extent that the Collateral Agent maintains a first priority, perfected Lien

(subject to no other Liens other than Eligible Liens) in the Equity Interests of such joint venture owned by such Obligor.

“OFAC” has the meaning assigned to such term in [Section 3.20](#).

“Other Connection Taxes” means, with respect to any recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Covered Indebtedness” means, collectively, (i) Secured Longer-Term Indebtedness and (ii) and Unsecured Shorter-Term Indebtedness.

“Other Taxes” means any and all present or future stamp, court, documentary, intangible, recording or filing Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are imposed with respect to an assignment (other than an assignment made pursuant to [Section 2.18\(b\)](#)).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency transactions by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate); provided, that if the Overnight Bank Funding Rate is less than zero, such rate shall be zero for purposes of this Agreement.

“Participant” has the meaning assigned to such term in [Section 9.04\(f\)](#).

“Participant Register” has the meaning assigned to such term in [Section 9.04\(f\)](#).

“Participating Member State” means any member state of the European Community that adopts or has adopted the Euro as its lawful currency in accordance with the legislation of the European Union relating to the European Monetary Union.

[“Payment” has the meaning assigned to such term in Section 8.13\(b\).](#)

[“Payment Notice” has the meaning assigned to such term in Section 8.13\(b\).](#)

[“Payor” has the meaning assigned to such term in Section 8.13\(a\).](#)

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Performing” has the meaning assigned to such term in Section 5.13.

“Performing Covenant-Lite Loans” has the meaning assigned to such term in Section 5.13.

“Performing DIP Loans” has the meaning assigned to such term in Section 5.13.

“Performing First Lien Bank Loans” has the meaning assigned to such term in Section 5.13.

“Performing First Lien Middle Market Loans” has the meaning assigned to such term in Section 5.13.

“Performing High Yield Securities” has the meaning assigned to such term in Section 5.13.

“Performing Last Out Loans” has the meaning assigned to such term in Section 5.13.

“Performing Mezzanine Investments” has the meaning assigned to such term in Section 5.13.

“Performing Second Lien Bank Loans” has the meaning assigned to such term in Section 5.13.

“Permitted Equity Interests” means common stock of the Borrower that after its issuance is not subject to any agreement between the holder of such common stock and the Borrower where the Borrower is required to purchase, redeem, retire, acquire, cancel or terminate any such common stock at any time prior to the first anniversary of the later of the Maturity Date (as in effect from time to time) and the Termination Date.

“Permitted Foreign Jurisdiction” has the meaning assigned to such term in Section 5.13.

“Permitted Foreign Jurisdiction Portfolio Investment” has the meaning assigned to such term in Section 5.13.

“Permitted Liens” means (a) Liens imposed by any Governmental Authority for taxes, assessments or charges not yet due or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Borrower in accordance with GAAP; (b) Liens of clearing agencies, broker-dealers and similar Liens incurred in the ordinary course of business, provided that such Liens (i) attach only to the securities (or proceeds) being purchased or sold and (ii) secure only obligations incurred in connection with such purchase or sale, and not any obligation in connection with margin financing; (c) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmens’,

storage, landlord, and repairmen's Liens and other similar Liens arising in the ordinary course of business and securing obligations (other than Indebtedness for borrowed money) not yet due or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Borrower in accordance with GAAP; (d) Liens incurred or pledges or deposits made to secure obligations incurred in the ordinary course of business under workers' compensation laws, unemployment insurance or other similar social security legislation (other than in respect of employee benefit plans subject to ERISA) or to secure public or statutory obligations; (e) Liens securing the performance of, or payment in respect of, bids, insurance premiums, deductibles or co-insured amounts, tenders, government or utility contracts (other than for the repayment of borrowed money), surety, stay, customs and appeal bonds and other obligations of a similar nature incurred in the ordinary course of business; (f) Liens arising out of judgments or awards that have been in force for less than the applicable period for taking an appeal so long as such judgments or awards do not constitute an Event of Default; (g) customary rights of setoff and liens upon (i) deposits of cash in favor of banks or other depository institutions in which such cash is maintained in the ordinary course of business, (ii) cash and financial assets held in securities accounts in favor of banks and other financial institutions with which such accounts are maintained in the ordinary course of business and (iii) assets held by a custodian in favor of such custodian in the ordinary course of business, in the case of each of clauses (i) through (iii) above, securing payment of fees, indemnities, charges for returning items and other similar obligations; (h) Liens arising solely from precautionary filings of financing statements under the Uniform Commercial Code of the applicable jurisdictions in respect of operating leases entered into by the Borrower or any of its Subsidiaries in the ordinary course of business; (i) Eligible Liens; (j) Liens in favor of any escrow agent solely on and in respect of any cash earnest money deposits made by any Obligor in connection with any letter of intent or purchase agreement (to the extent that the acquisition or disposition with respect thereto is otherwise permitted hereunder); (k) zoning restrictions, easements, licenses, or other restrictions on the use of any real estate (including leasehold title), in each case which do not interfere with or affect in any material respect the ordinary course conduct of the business of the Borrower and its Subsidiaries; (l) purchase money Liens on specific equipment and fixtures, provided that (i) such Liens only attach to such equipment and fixtures and (ii) the Indebtedness secured thereby does not exceed the lesser of the cost and the fair market value of such equipment and fixtures at the time of the acquisition thereof; (m) deposits of money securing leases to which Borrower is a party as lessee made in the ordinary course of business; and (n) precautionary Liens and filing of financing statements under the Uniform Commercial Code covering assets sold or contributed to any Person not prohibited hereunder.

~~"Permitted Foreign Jurisdiction" has the meaning assigned to such term in Section 5.13.~~

~~"Permitted Foreign Jurisdiction Portfolio Investment" has the meaning assigned to such term in Section 5.13.~~

"Permitted Policy Amendment" is an amendment, modification, termination or restatement of the Investment Policies or Valuation Policy, in each case that is any of (i) approved in writing by the Administrative Agent (with the consent of the Required Lenders), (ii)

required by applicable law or Governmental Authority, or (iii) is not or could not reasonably be expected to be materially adverse to the Lenders.

“Permitted Prior Working Capital Lien” has the meaning assigned to such term in Section 5.13.

“Permitted SBIC Guarantee” means a guarantee by the Borrower of SBA Indebtedness of an SBIC Subsidiary on the SBA’s then applicable form; provided that the recourse to the Obligors thereunder is expressly limited only to periods after the occurrence of an event or condition that is an impermissible change in the control of such SBIC Subsidiary (it being understood that, as provided in clause (q) of Article VII, it shall be an Event of Default hereunder if any such event or condition giving rise to such recourse occurs).

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“PIK Obligation” has the meaning assigned to such term in Section 5.13.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Portfolio Company” means the issuer or obligor under any Portfolio Investment held by any Obligor.

“Portfolio Investment” means any Investment held by the Borrower and its Subsidiaries in their asset portfolio and included on the schedule of investments on the financial statements of the Borrower delivered pursuant to Section 5.01(a) or (b) (or, for any Investment made during a given quarter and before a schedule of investments is required to be delivered pursuant to Section 5.01(a) or (b), as applicable, with respect to such quarter, is intended to be included on the schedule of investments when such Investment is made) (and, for the avoidance of doubt, shall not include any Subsidiary of the Borrower).

“Pounds Sterling” means the lawful currency of England.

“Prime Rate” means the rate of interest quoted in *The Wall Street Journal*, Money Rates Section, as the “U.S. Prime Rate” (or its successor), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent or any Lender may make commercial loans or other loans at rates of interest at, above, or below the Prime Rate.

“Principal Financial Center” means, in the case of any Currency, the principal financial center where such Currency is cleared and settled, as determined by the Administrative Agent.

“Pro-Rata Borrowing” has the meaning assigned to such term in Section 2.03(a).

“Pro-Rata Dollar Portion” means, in connection with any Pro-Rata Borrowing in Dollars, an amount equal to (i) the aggregate amount of such Pro-Rata Borrowing multiplied by (ii) the aggregate Dollar Commitments of all Dollar Lenders at such time divided by (iii) the aggregate Commitments of all Lenders at such time.

“Pro-Rata Multicurrency Portion” means, in connection with any Pro-Rata Borrowing in Dollars, an amount equal to (i) the aggregate amount of such Pro-Rata Borrowing multiplied by (ii) the aggregate Multicurrency Commitments of all Multicurrency Lenders at such time divided by (iii) the aggregate Commitments of all Lenders at such time.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“QFC” has the meaning assigned to such term in Section 9.18.

“QFC Credit Support” has the meaning assigned to such term in Section 9.18.

“Quarterly Dates” means the last Business Day of March, June, September and December in each year, commencing on March 29, 2019.

“Quotation Day” means, with respect to any Eurocurrency Borrowing for any Interest Period, (i) if the Currency is Canadian Dollars; ~~or AUD-or-Pounds Sterling~~, the first day of such Interest Period, (ii) if the Currency is Euro, two TARGET Days before the first day of such Interest Period and (iii) for any other Currency, two Business Days prior to the first day of such Interest Period, unless, in each case, market practice differs in the relevant market where the Eurocurrency Rate for such Currency is to be determined, in which case the Quotation Day will be determined by the Administrative Agent in accordance with market practice in such market (and if quotations would normally be given on more than one day, then the Quotation Day shall be the last of those days).

“Quoted Investments” has the meaning assigned to such term in Section 5.12(b)(ii)(A).

“Rating Agency” means each of S&P, Moody’s and Fitch.

“Ratings Condition” means that, at any time commencing on or after twelve months after the Effective Date, the Borrower maintains a Credit Rating of at least BBB-/Baa3 (or equivalent) from at least one Rating Agency.

“Register” has the meaning assigned to such term in Section 9.04(c).

“Regulations D, T, U and X” means, respectively, Regulations D, T, U and X of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, partners, officers, employees, agents, advisors and representatives of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means, ~~for any Benchmark (i) with respect to a Benchmark Replacement in respect of Loans~~ denominated in Dollars, the Board or the NYFRB, or a committee officially endorsed or convened by the Board or the NYFRB, or any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Pounds Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England, or any successor thereto and (iii) with respect to any Benchmark Replacement in respect of Loans denominated in an Agreed Foreign Currency other than Pounds Sterling, (a) the central bank for the currency in which ~~the applicable such~~ Benchmark Replacement is denominated ~~or any central bank or other supervisor which is responsible for supervising either the applicable Benchmark or the administrator of the applicable Benchmark~~ or (b) any working group or committee officially endorsed or convened by ~~(i1)~~ the central bank for the currency in which ~~the applicable such~~ Benchmark Replacement is denominated, ~~(#2)~~ any central bank or other supervisor ~~which that~~ is responsible for supervising either ~~the applicable~~ (A) such Benchmark Replacement or (B) the administrator of ~~the applicable such~~ Benchmark Replacement, ~~(iii3)~~ a group of those central banks or other supervisors or ~~(iv4)~~ the Financial Stability Board or any part thereof.

“Required Lenders” means, at any time, Lenders having Credit Exposures and unused Commitments representing more than 50% of the sum of the total Credit Exposures and unused Commitments at such time. The Required Lenders of a Class (which shall include the terms “Required Dollar Lenders” and “Required Multicurrency Lenders”) means Lenders having Credit Exposures and unused Commitments of such Class representing more than 50% of the sum of the total Credit Exposures and unused Commitments of such Class; provided that the Credit Exposures and unused Commitments of any Defaulting Lenders shall be disregarded in the determination of Required Lenders to the extent provided for in Section 2.17.

“Required Payment” has the meaning assigned to such term in Section 8.13(a).

“Required Payment Amount” has the meaning assigned to such term in Section 6.05(b).

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of any class of capital stock of the Borrower or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of capital stock of the Borrower or any option, warrant or other right to acquire any such shares of capital stock of the Borrower (other than any equity awards granted to employees, officers, directors and consultants of the Borrower and its Affiliates); provided, for clarity, neither the conversion of convertible debt into Permitted Equity Interests nor the purchase, redemption, retirement, acquisition,

cancellation or termination of convertible debt made solely with Permitted Equity Interests (other than interest or expenses or fractional shares, which may be payable in cash) shall be a Restricted Payment hereunder.

“Restructured Investment” has the meaning assigned to such term in Section 5.13.

“Revaluation Date” means (a) with respect to any Loan, each of the following: (i) each date of a Borrowing of a Eurocurrency Loan or RFR Loan denominated in an Agreed Foreign Currency, (ii) each date of a continuation of a Eurocurrency Loan denominated in an Agreed Foreign Currency and (iii) such additional dates as the Administrative Agent shall reasonably and in good faith determine or the Required Lenders shall reasonably and in good faith require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Agreed Foreign Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof, (iii) each date of any payment by the Issuing Bank under any Letter of Credit denominated in an Agreed Foreign Currency and (iv) such additional dates as the Administrative Agent or the Issuing Bank shall reasonably and in good faith determine or the Required Lenders shall reasonably and in good faith require.

“Revolver Termination Date” means the date that is the four (4) year anniversary of the Effective Date, unless extended with the consent of each Lender in its sole and absolute discretion.

“RFR”, when used in reference to any Loan or Borrowing, refers to whether such Loan or the Loans constituting such Borrowing, are bearing interest at a rate determined by reference to Adjusted Daily Simple RFR.

“RFR Business Day” means, for any Loan denominated in (a) Pounds Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London, and (b) Swiss Francs, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for the settlement of payments and foreign exchange transactions in Zurich; provided that, for purposes of notice requirements in Sections 2.03(a) and 2.09(g), in each case, such day is also a Business Day.

“RFR Rate Day” has the meaning specified in the definition of “Daily Simple RFR”.

“RIC” means a Person qualifying for treatment as a “regulated investment company” under Subchapter M of the Code.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., a New York corporation, or any successor thereto.

“Sanctioned Country” means, at any time, a country, territory or region that is, or whose government is, the subject or target of any comprehensive Sanctions (which are, as of the

date of this Agreement, Cuba, Iran, North Korea, Syria, and the Crimea/Sevastopol region of Ukraine).

“Sanctions” has the meaning assigned to such term in Section 3.20.

“SARON” means, with respect to any RFR Business Day, a rate per annum equal to the Swiss Average Rate Overnight for such RFR Business Day published by the SIX Swiss Exchange AG (or any successor administrator for the Swiss Average Rate Overnight) on the SIX Swiss Exchange AG’s website, currently at <http://www.six-group.com> (or any successor source for the Swiss Average Rate Overnight identified as such by the administrator for the Swiss Average Rate Overnight from time to time).

“SARON Adjustment” means with respect to SARON, -0.0571% (-5.71 basis points).

“SBA” means the United States Small Business Administration or any Governmental Authority succeeding to any or all of the functions thereof.

“SBIC Subsidiary” means any Subsidiary of the Borrower or any other Obligor (or such Subsidiary’s general partner or manager entity) that is (x) either (i) a “small business investment company” licensed by the SBA (or that has applied for such a license and is actively pursuing the granting thereof by appropriate proceedings promptly instituted and diligently conducted) under the Small Business Investment Act of 1958, as amended, or (ii) any wholly-owned, direct or indirect, Subsidiary of an entity referred to in clause (x)(i) of this definition, and (y) designated in writing by the Borrower (as provided below) as an SBIC Subsidiary, so long as:

(a) other than pursuant to a Permitted SBIC Guarantee or the requirement by the SBA that the Borrower or such Obligor make an equity or capital contribution to the SBIC Subsidiary in connection with its incurrence of SBA Indebtedness (provided that such contribution is permitted by Section 6.03(e) or 6.03(i) and is made substantially contemporaneously with such incurrence), no portion of the Indebtedness or any other obligations (contingent or otherwise) of such Person (i) is Guaranteed by the Borrower or any of its Subsidiaries (other than any SBIC Subsidiary), (ii) is recourse to or obligates the Borrower or any of its Subsidiaries (other than any SBIC Subsidiary) in any way, or (iii) subjects any property of the Borrower or any of its Subsidiaries (other than any SBIC Subsidiary) to the satisfaction thereof, other than Equity Interests in any SBIC Subsidiary pledged to secure such Indebtedness;

(b) other than pursuant to a Permitted SBIC Guarantee, neither the Borrower nor any of its Subsidiaries has any material contract, agreement, arrangement or understanding with such Person other than on terms no less favorable to the Borrower or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Borrower or such Subsidiary;

(c) neither the Borrower nor any of its Subsidiaries (other than any SBIC Subsidiary) has any obligation to such Person to maintain or preserve its financial condition or cause it to achieve certain levels of operating results; and

(d) such Person has not Guaranteed or become a co-borrower under, and has not granted a security interest in any of its properties to secure, and the Equity Interests it has issued are not pledged to secure, in each case, any indebtedness, liabilities or obligations of any one or more of the Obligors.

Any designation by the Borrower under clause (y) above shall be effected pursuant to a certificate of a Financial Officer delivered to the Administrative Agent, which certificate shall include a statement to the effect that, to the best of such Financial Officer's knowledge, such designation complied with the foregoing conditions.

"Screen Rate" means the LIBOR Screen Rate, the EURIBOR Screen Rate and the Local Screen Rates collectively and individually as the context may require.

"SEC" means the United States Securities and Exchange Commission or any Governmental Authority succeeding to any or all of the functions thereof.

"Second Lien Bank Loan" has the meaning assigned to such term in Section 5.13.

"Secured Longer-Term Indebtedness" means, as at any date, Indebtedness of the Borrower (other than Indebtedness hereunder) (which may be Guaranteed by Subsidiary Guarantors) that:

(a) has no amortization (other than for amortization in an amount not greater than 1% of the aggregate initial principal amount of such Indebtedness per annum (or an amount in excess of 1% of the aggregate initial principal amount of such Indebtedness per annum on terms mutually agreeable to the Borrower and the Required Lenders)) or mandatory redemption, repurchase or prepayment prior to, and a final maturity date not earlier than, six months after the Maturity Date (it being understood that any amortization, mandatory redemption, repurchase or prepayment obligation or put right that is contingent upon the happening of an event that is not certain to occur (including, without limitation, a Change in Control or bankruptcy) shall not in and of itself be deemed to disqualify such Indebtedness under this clause (a); provided that any payment prior to the Termination Date in respect of any such obligation or right shall only be made to the extent permitted by Section 6.12);

(b) is incurred pursuant to documentation containing (i) financial covenants, covenants governing the borrowing base, if any, covenants regarding portfolio valuations, and events of default that are no more restrictive in any respect upon the Borrower and its Subsidiaries, at any time that any Commitments or Loans are outstanding hereunder (including pursuant to any maturity extensions), than those set forth in this Agreement (other than, if such Indebtedness is governed by a customary indenture or similar instrument, events of default that are customary in indentures or similar instruments and that have no analogous provisions in this Agreement or credit

agreements generally) (provided that, upon the Borrower's request, this Agreement will be deemed to be automatically amended (and, upon the request of the Administrative Agent or the Required Lenders, the Borrower and the Lenders shall enter into a document evidencing such amendment), *mutatis mutandis*, to make such covenants more restrictive in this Agreement as may be necessary to meet the requirements of this clause (b)(i) and (ii) other terms (other than interest and any commitment or related fees) that are no more restrictive in any material respect upon the Borrower and its Subsidiaries, at any time that any Commitments or Loans are outstanding hereunder (including pursuant to any maturity extensions), than those set forth in this Agreement; and

(c) ranks pari passu with the obligations under this Agreement and is not secured by any assets of any Person other than any assets of any Obligor pursuant to the Security Documents and the holders of which, or the agent, trustee or representative of such holders on behalf of and for the benefit of such holders, have agreed to either (x) be bound by the provisions of the Security Documents by executing the joinder attached as Exhibit E to the Guarantee and Security Agreement or (y) be bound by the provisions of the Security Documents in a manner reasonably satisfactory to the Administrative Agent and the Collateral Agent. For the avoidance of doubt, (a) Secured Longer-Term Indebtedness shall also include any refinancing, refunding, renewal or extension of any Secured Longer-Term Indebtedness so long as such refinanced, refunded, renewed or extended Indebtedness continues to satisfy the requirements of this definition and (b) any payment on account of Secured Longer-Term Indebtedness shall be subject to Section 6.12.

"Secured Parties" has the meaning assigned to such term in the Guarantee and Security Agreement.

"Security Documents" means, collectively, the Guarantee and Security Agreement, the Custodian Agreement, the Control Agreement, all Uniform Commercial Code financing statements filed with respect to the security interests in personal property created pursuant to the Guarantee and Security Agreement, and all other assignments, pledge agreements, security agreements, control agreements and other instruments executed and delivered at any time by any of the Obligors pursuant to the Guarantee and Security Agreement or otherwise providing or relating to any collateral security for any of the Secured Obligations under and as defined in the Guarantee and Security Agreement.

"Senior Securities" means senior securities (as such term is defined and determined pursuant to the Investment Company Act and any orders of the SEC issued to the Borrower thereunder).

"Settlement-Date Basis" means that any Investment that has been purchased will not be treated as an Eligible Portfolio Investment until such purchase has settled, and any Eligible Portfolio Investment which has been sold will not be excluded as an Eligible Portfolio Investment until such sale has settled.

“Short-Term U.S. Government Securities” has the meaning assigned to such term in Section 5.13.

“SOFR” ~~with respect to any day~~ means a rate per annum equal to the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York’s for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website.

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the NYFRB, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Solvent” means, with respect to any Obligor, that as of the date of determination, both (i) (a) the sum of such Obligor’s debt and liabilities (including contingent liabilities) does not exceed the present fair saleable value of such Person’s present assets, (b) such Obligor’s capital is not unreasonably small in relation to its business as contemplated on the Effective Date and reflected in any projections delivered to the Lenders or with respect to any transaction contemplated or undertaken after the Effective Date, and (c) such Obligor has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such Obligor is “solvent” within the meaning given to such term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

“SONIA” means, with respect to any RFR Business Day, a rate per annum equal to the Sterling Overnight Index Average for such RFR Business Day published by the Bank of England (or any successor administrator or the Sterling Overnight Index Average) on the Bank of England’s website, currently at <http://www.bankofengland.co.uk> (or any successor source for the Sterling Overnight Index Average identified as such by the administrator for the Sterling Overnight Index Average).

“SONIA Adjustment” means with respect to SONIA, 0.0326% (3.26 basis points).

“Specified CLO” means a Structured Subsidiary that (i) is a collateralized loan obligation vehicle and (ii) has been designated in writing as a Specified CLO by the Borrower to the Administrative Agent at any time prior to the Specified CLO Effective Date (which

designation shall not be revocable). For the avoidance of doubt, each Specified CLO shall be subject to the proviso of Section 6.03(e).

“Specified CLO Effective Date” means, in respect of any Specified CLO, the earliest of (i) the date the applicable Rating Agency has deemed such Specified CLO to be effective, (ii) the date the collateral manager (or similar person) has elected and/or certified that such Specified CLO has become effective and (iii) the date on which the underlying coverage, portfolio quality or similar tests in respect of such Specified CLO become effective.

“Specified Time” means (i) in relation to a Loan in Canadian Dollars, as of 10:00 a.m., Toronto, Ontario time, (ii) in relation to a Loan in a LIBOR Quoted Currency, as of 11:00 a.m., London time, (iii) in relation to a Loan in Euros, 11:00 a.m., Brussels time, (iv) in relation to a Loan in AUD, as of 11:00 a.m., Sydney, Australia, (v) in relation to a Loan in Swedish Krona, as of 11:00 a.m., London time, (vi) in relation to a Loan in Norwegian Krone, 11:00 a.m., London time, (vii) in relation to a Loan in New Zealand Dollars, 11:00 a.m., Wellington, New Zealand time and (viii) in relation to a Loan in Danish Krone, 11:00 a.m., Copenhagen, Denmark time.

“Spot Rate” for a currency means the rate determined by the Administrative Agent or the Issuing Bank, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent or the Issuing Bank may obtain such spot rate from another financial institution designated by the Administrative Agent or Issuing Bank if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; and provided further that the Issuing Bank may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Agreed Foreign Currency.

“Standard Securitization Undertakings” means, collectively, (a) customary arms-length servicing obligations (together with any related performance guarantees), (b) obligations (together with any related performance guarantees) to refund the purchase price or grant purchase price credits for breach of representations and warranties referred to in clause (c), and (c) representations, warranties, covenants and indemnities (together with any related performance guarantees) of a type that are reasonably customary in commercial loan securitizations (in each case in clauses (a), (b) and (c) excluding obligations related to the collectability of the assets sold or the creditworthiness of the underlying obligors and excluding obligations that constitute credit recourse).

“Statutory Reserve Rate” means, for the Interest Period for any Eurocurrency Borrowing, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the arithmetic mean, taken over each day in such Interest Period, of the aggregate of the applicable maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently

referred to as “Eurocurrency liabilities” in Regulation D). Such reserve percentages shall include those imposed pursuant to Regulation D. Eurocurrency Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“STIBOR Rate” means, in the case of any Eurocurrency Borrowing denominated in SEK, with respect to any Interest Period, the Stockholm Interbank Offered Rate administered by the Swedish Bankers’ Association (or any other person that takes over administration of that rate) for deposits in Swedish Krona with a term equivalent to such Interest Period as displayed on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion (the “STIBOR Screen Rate”) as of 11:00 a.m. London time two Business Days prior to the commencement of such Interest Period. If the STIBOR Rate shall be less than zero, the STIBOR Rate shall be deemed to be zero for purposes of this agreement.

“Stockholders’ Equity” means, at any date, the amount determined on a consolidated basis, without duplication, in accordance with GAAP, of stockholders’ equity for the Borrower and its Subsidiaries at such date.

“Structured Finance Obligations” has the meaning assigned to such term in Section 5.13.

“Structured Subsidiaries” means:

(a) a direct or indirect Subsidiary of the Borrower which is formed (including prior to the Effective Date) in connection with, and which continues to exist for the sole purpose of, obtaining and maintaining third-party financings and which engages in no material activities other than in connection with the purchase and financing of assets from the Obligors or any other Person, and which is designated by the Borrower (as provided below), as a Structured Subsidiary, so long as:

(i) no portion of the Indebtedness or any other obligations (contingent or otherwise) of such Subsidiary (i) is Guaranteed by any Obligor (other than Guarantees in respect of Standard Securitization Undertakings), (ii) is recourse to or obligates any Obligor in any way other than pursuant to Standard Securitization Undertakings or (iii) subjects any property of any Obligor (other than property that has been contributed or sold or otherwise transferred to such Subsidiary in accordance with the terms Section 6.03(e) or 6.03(i)), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings or any Guarantee thereof;

(ii) no Obligor has any material contract, agreement, arrangement or understanding with such Subsidiary other than on terms no less favorable to such Obligor than those that might be obtained at the time from Persons that are not

Affiliates of any Obligor, other than fees payable in the ordinary course of business in connection with servicing loan assets; and

(iii) no Obligor has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results; and

(b) any passive holding company that is designated by the Borrower (as provided below) as a Structured Subsidiary, so long as:

(i) such passive holding company is the direct parent of a Structured Subsidiary referred to in clause (a);

(ii) such passive holding company engages in no activities and has no assets (other than in connection with the transfer of assets to and from a Structured Subsidiary referred to in clause (a), and its ownership of all of the Equity Interests of a Structured Subsidiary referred to in clause (a)) or liabilities;

(iii) all of the Equity Interests of such passive holding company are owned directly by an Obligor and are pledged as Collateral for the Secured Obligations and the Collateral Agent has a first-priority perfected Lien (subject to no other Liens other than Eligible Liens) on such Equity Interests; and

(iv) no Obligor has any obligation to maintain or preserve such passive holding company's financial condition or cause such entity to achieve certain levels of operating results.

Any designation of a Structured Subsidiary by the Borrower shall be effected pursuant to a certificate of a Financial Officer delivered to the Administrative Agent, which certificate shall include a statement to the effect that, to the best of such Financial Officer's knowledge, such designation complied with each of the conditions set forth in clause (a) or (b) above, as applicable.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Anything herein to the contrary notwithstanding, the term "Subsidiary" shall not include any Person that constitutes an Investment held by any Obligor in the ordinary course of business and that is not, under GAAP,

consolidated on the financial statements of the Borrower and its Subsidiaries. Unless otherwise specified, “Subsidiary” means a Subsidiary of the Borrower.

“Subsidiary Guarantor” means any Subsidiary that is or is required to be a Guarantor under the Guarantee and Security Agreement. It is understood and agreed that, subject to Section 5.08(a), no CFC, Transparent Subsidiary, Immaterial Subsidiary or Financing Subsidiary shall be required to be a Subsidiary Guarantor as long as it remains a CFC, Transparent Subsidiary, Immaterial Subsidiary or Financing Subsidiary, as applicable, each as defined and described herein.

“Supported QFC” has the meaning set forth in Section 9.18.

“Swedish Krona” and “SEK” refers to the lawful currency of Sweden.

“Swiss Francs” and “CHF” refers to the lawful currency of Switzerland.

“TARGET Day” means any day on which the TARGET2 is open.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment system reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in Euros.

“Tax Amount” has the meaning assigned to such term in Section 6.05(b).

“Tax Damages” has the meaning assigned to such term in Section 2.15(d).

“Taxes” means any and all present or future taxes levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term SOFR” means, for the applicable corresponding tenor, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Termination Date” means the date on which the Commitments have expired or been terminated and the principal of and accrued interest on each Loan and all fees and other amounts payable hereunder by the Borrower or any other Obligor shall have been paid in full (excluding, for the avoidance of doubt, any amount in connection with any contingent, unasserted indemnification obligations), all Letters of Credit shall have (w) expired, (x) terminated, (y) been Cash Collateralized or (z) otherwise been backstopped in a manner acceptable to the Issuing Bank and the Administrative Agent in their sole discretion and, in each case, all LC Disbursements then outstanding have been reimbursed.

“Third Party Finance Company” has the meaning assigned to such term in Section 5.13.

“Total Eligible Portfolio” has the meaning assigned to such term in Section 5.13(b).

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement and other Loan Documents, the borrowing of Loans, and the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Transferable” has the meaning assigned to such term in Section 5.13.

“Transparent Subsidiary” means a Subsidiary classified as a partnership or as a disregarded entity for U.S. federal income tax purposes directly or indirectly owned by an Obligor that has no material assets other than Equity Interests (held directly or indirectly through other Transparent Subsidiaries) in one or more CFCs.

“Two Largest Industry Classification Groups” means, as of any date of determination, each of the two Industry Classification Groups that a greater portion of the Total Eligible Portfolio has been assigned to each such Industry Classification Group pursuant to Section 5.12(a) than any other single Industry Classification Group.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans constituting such Borrowing, is determined by reference to the Adjusted Eurocurrency Rate, Adjusted Daily Simple RFR or the Alternate Base Rate.

~~“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.~~

“Undisclosed Administration” means, in relation to a Lender or its direct or indirect parent company, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or its direct or indirect parent company is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed and such appointment has not been publicly disclosed (including, without limitation, under the Dutch Financial Supervision Act 2007 (as amended from time to time and including any successor legislation)).

“Uniform Commercial Code” or “UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IEPURU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unquoted Investments” has the meaning assigned to such term in Section 5.12(b)(ii)(B).

“Unsecured Longer-Term Indebtedness” means any Indebtedness of an Obligor that:

(a) has no amortization, or mandatory redemption, repurchase or prepayment prior to, and a final maturity date not earlier than, six months after the Maturity Date (it being understood that (i) the conversion features into Permitted Equity Interests under convertible notes (as well as the triggering of such conversion and/or settlement thereof solely with Permitted Equity Interests, except in the case of interest, fractional shares pursuant to customary and market conversion and other provisions or expenses (which may be payable in cash)) shall not constitute “amortization”, “redemption”, “repurchase” or “prepayment” for the purposes of this definition and (ii) that any amortization, mandatory redemption, repurchase or prepayment obligation or put right that is contingent upon the happening of an event that is not certain to occur (including, without limitation, a Change in Control or bankruptcy) shall not in and of itself be deemed to disqualify such Indebtedness under this clause (a) (notwithstanding the foregoing, in this clause (ii), the Borrower acknowledges that any payment prior to the Termination Date in respect of any such obligation or right shall only be made to the extent permitted by Section 6.12)),

(b) is incurred pursuant to documentation containing (i) financial covenants, covenants governing the borrowing base, if any, covenants regarding portfolio valuation, and events of default that are no more restrictive in any respect upon the Borrower and its Subsidiaries, at any time that any Commitments or Loans are outstanding hereunder (including pursuant to any maturity extensions), than those set forth in this Agreement (other than, if such Indebtedness is governed by a customary indenture or similar instrument, events of default that are customary in indentures or similar instruments and that have no analogous provisions in this Agreement or credit agreements generally) (provided that, upon the Borrower’s request, this Agreement will be deemed to be automatically amended (and, upon the request of the Administrative Agent or the Required Lenders, the Borrower and the Lenders shall enter into a document evidencing such amendment), *mutatis mutandis*, to make such covenants more restrictive in this Agreement as may be necessary to meet the requirements of this clause (b)(i)) (it being understood that put rights or repurchase or redemption obligations (x) in the case of convertible securities, in connection with the suspension or delisting of the Equity Interests of the Borrower or the failure of the Borrower to satisfy a continued listing rule with respect to its Equity Interests or (y) arising out of circumstances that would constitute a “fundamental change” (as such term is customarily defined in convertible note offerings) or an Event of Default shall not be deemed to be more restrictive for purposes of this definition) and (ii) other terms that are substantially comparable to, or

more favorable to the Borrower than, market terms for substantially similar debt of other similarly situated borrowers as reasonably determined in good faith by the Borrower, and

(c) is not secured by any assets of any Person. For the avoidance of doubt, (a) Unsecured Longer-Term Indebtedness shall also include any refinancing, refunding, renewal or extension of any Unsecured Longer-Term Indebtedness so long as such refinanced, refunded, renewed or extended Indebtedness continues to satisfy the requirements of clause (B) of this definition and (b) any payment on account of Unsecured Longer-Term Indebtedness shall be subject to Section 6.12.

“Unsecured Shorter-Term Indebtedness” means, collectively, (a) any Indebtedness of the Borrower or any Subsidiary (other than a Financing Subsidiary) that is not secured by any assets of any Person and that does not constitute Unsecured Longer-Term Indebtedness and (b) any Indebtedness for borrowed money of the Borrower or any Subsidiary (other than a Financing Subsidiary) that is designated as “Unsecured Shorter-Term Indebtedness” pursuant to Section 6.11. For the avoidance of doubt, Unsecured Shorter-Term Indebtedness shall also include any refinancing, refunding, renewal or extension of any Unsecured Shorter-Term Indebtedness so long as such refinanced, refunded, renewed or extended Indebtedness continues to satisfy the requirements of this definition.

“USA PATRIOT Act” has the meaning assigned to such term in Section 3.21.

“U.S. Government Securities” means securities that are direct obligations of, and obligations the timely payment of principal and interest on which is fully guaranteed by, the United States or any agency or instrumentality of the United States the obligations of which are backed by the full faith and credit of the United States and in the form of conventional bills, bonds, and notes.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regimes” has the meaning assigned to such term in Section 9.18.

“Valuation Policy” means the Borrower’s valuation policy as in existence on the Amendment No. 1 Effective Date and delivered to the Administrative Agent prior to the Amendment No. 1 Effective Date, as may be amended or modified from time to time in a manner consistent with standard industry practice by a Permitted Policy Amendment.

“Valuation Testing Date” has the meaning assigned to such term in Section 5.12(b)(iii)(A).

“Value” has the meaning assigned to such term in Section 5.13.

“wholly owned Subsidiary” of any person shall mean a Subsidiary of such person, all of the Equity Interests of which (other than directors’ qualifying shares or nominee or other similar shares required pursuant to applicable law) are owned by such person and/or one or more

wholly owned Subsidiaries of such person. Unless the context otherwise requires, “wholly owned Subsidiary Guarantor” shall mean a wholly owned Subsidiary that is a Subsidiary Guarantor.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a “complete withdrawal” or “partial withdrawal” from such Multiemployer Plan, as defined in Part I of Subtitle E of Title IV of ERISA.

“Withholding Agent” means any Obligor and the Administrative Agent.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, ~~and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right has been exercised under it to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.~~

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Dollar Loan” or a “Multicurrency Loan”), by Type (e.g., an “ABR Loan”, an “RFR Loan” or a “Eurocurrency Loan”) or by Class and Type (e.g., a “Multicurrency Eurocurrency Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Dollar Borrowing” or a “Multicurrency Borrowing”), by Type (e.g., an “ABR Borrowing”, an “RFR Borrowing” or a “Eurocurrency Borrowing”) or by Class and Type (e.g., a “Multicurrency Eurocurrency Borrowing”). Loans and Borrowings may also be identified by Currency.

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on such successors and assigns set forth herein), (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to,

this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Solely for purposes of this Agreement, any references to “obligations” owed by any Person under any Hedging Agreement shall refer to the amount that would be required to be paid by such Person if such Hedging Agreement were terminated at such time (after giving effect to any netting agreement).

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Effective Date in GAAP or in the application or interpretation thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then the Borrower, Administrative Agent and the Lenders agree to enter into negotiations in good faith in order to amend such provisions of the Agreement so as to equitably reflect such change to comply with GAAP with the desired result that the criteria for evaluating the Borrower’s financial condition shall be the same after such change to comply with GAAP as if such change had not been made; provided, however, until such amendments to equitably reflect such changes are effective and agreed to by the Borrower, Administrative Agent and the Required Lenders, the Borrower’s compliance with such financial covenants shall be determined on the basis of GAAP as in effect and applied immediately before such change in GAAP becomes effective. Notwithstanding the foregoing or anything herein to the contrary, the Borrower covenants and agrees with the Lenders that whether or not the Borrower may at any time adopt Financial Accounting Standard Board Accounting Standards Codification 825, all determinations relating to fair value accounting for liabilities or compliance with the terms and conditions of this Agreement shall be made on the basis that the Borrower has not adopted Accounting Standard Codification 825. In addition, notwithstanding Accounting Standards Update 2015-03, GAAP or any other matter, for purposes of calculating any financial or other covenants hereunder, debt issuance costs shall not be deducted from the related debt obligation. Notwithstanding any other provision contained herein, the definitions set forth in the Loan Document and any financial calculations required by the Loan Documents shall be computed to exclude any effects on lease accounting as a result of ASU No. 2016-02 Leases (Topic 842) (or any other Financial Accounting Standard having a similar result or effect), regardless of the date enacted, adopted or issued and regardless of any delayed implementation thereof, and all determinations of Capital Lease Obligations shall be made consistently therewith (i.e., ignoring any such changes in GAAP pursuant to ASU No. 2016-02 Leases (Topic 842) (or any other Financial Accounting Standard having a similar result or effect)).

SECTION 1.05 Currencies; Currency Equivalents.

(a) Currencies Generally. At any time, any reference in the definition of the term “Agreed Foreign Currency” or in any other provision of this Agreement to the Currency of any particular nation means the lawful currency of such nation at such time whether or not the name of such Currency is the same as it was on the Effective Date. Except as provided in

Section 2.09(b) and the last sentence of Section 2.16(a), for purposes of determining (i) whether the amount of any Multicurrency Borrowing or Letter of Credit then outstanding or to be borrowed at the same time as such Borrowing would exceed the aggregate amount of Multicurrency Commitments, (ii) the aggregate unutilized amount of the Multicurrency Commitments, (iii) the Multicurrency Credit Exposure, (iv) the LC Exposure, (v) the Covered Debt Amount and (vi) the Borrowing Base or the Value of any Portfolio Investment, the outstanding principal amount of any Borrowing or Letter of Credit that is denominated in any Foreign Currency or the Value of any Portfolio Investment that is denominated in any Foreign Currency shall be deemed to be the Dollar Equivalent of the amount of the Foreign Currency of such Borrowing, Letter of Credit or Portfolio Investment, as the case may be, determined as of the date of such Borrowing or Letter of Credit (determined in accordance with the last sentence of the definition of the term "Interest Period") or the date of valuation of such Portfolio Investment, as the case may be; provided that in connection with the delivery of any Borrowing Base Certificate pursuant to Section 5.01(d) or (e), such amounts shall be determined as of the date of delivery of such Borrowing Base Certificate. Wherever in this Agreement in connection with a Borrowing or Loan an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing or Loan is denominated in a Foreign Currency, such amount shall be the relevant Foreign Currency Equivalent of such Dollar Amount (rounded to the nearest 1,000 units of such Foreign Currency). Without limiting the generality of the foregoing, for purposes of determining compliance with any basket in this Agreement, in no event shall any Obligor be deemed to not be in compliance with any such basket solely as a result of a change in exchange rates.

(b) Special Provisions Relating to Euro. Each obligation hereunder of any party hereto that is denominated in the National Currency of a state that is not a Participating Member State on the Effective Date shall, effective from the date on which such state becomes a Participating Member State, be redenominated in Euro in accordance with the legislation of the European Union applicable to the European Monetary Union; provided that, if and to the extent that any such legislation provides that any such obligation of any such party payable within such Participating Member State by crediting an account of the creditor can be paid by the debtor either in Euros or such National Currency, such party shall be entitled to pay or repay such amount either in Euros or in such National Currency. If the basis of accrual of interest or fees expressed in this Agreement with respect to an Agreed Foreign Currency of any country that becomes a Participating Member State after the date on which such currency becomes an Agreed Foreign Currency shall be inconsistent with any convention or practice in the interbank market for the basis of accrual of interest or fees in respect of the Euro, such convention or practice shall replace such expressed basis effective as of and from the date on which such state becomes a Participating Member State; provided that, with respect to any Borrowing denominated in such currency that is outstanding immediately prior to such date, such replacement shall take effect at the end of the Interest Period therefor.

Without prejudice to the liabilities of the Borrower to the Lenders and the Lenders to the Borrower under or pursuant to this Agreement, each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time, in consultation with the Borrower, reasonably specify to be necessary or appropriate to reflect the introduction or changeover to the Euro in any country that becomes a Participating

Member State after the Effective Date; provided that the Administrative Agent shall provide the Borrower and the Lenders with prior notice of the proposed change with an explanation of such change in sufficient time to permit the Borrower and the Lenders an opportunity to respond to such proposed change.

(c) Exchange Rates; Currency Equivalents. The Administrative Agent or the Issuing Bank, as applicable, shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Loans, Letters of Credit and Credit Exposure denominated in Agreed Foreign Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered pursuant to Section 5.01 or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the Issuing Bank, as applicable. Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Eurocurrency Loan, RFR Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Eurocurrency Loan, RFR Loan or Letter of Credit is denominated in an Agreed Foreign Currency, such amount shall be the relevant Foreign Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Agreed Foreign Currency, with 0.5 of a unit being rounded upward).

SECTION 1.06 Outstanding Indebtedness. For the avoidance of doubt, to the extent that any Indebtedness is repaid, redeemed, repurchased, defeased or otherwise retired or discharged, such Indebtedness shall be deemed to be paid off and not to be outstanding for any purpose hereunder to the extent of the amount of such repayment, redemption, repurchase, defeasance, retirement or discharge.

SECTION 1.07 Rates; LIBOR Screen Rate Notification. The interest rate on Eurocurrency Loans is determined by reference to Eurocurrency Rate, which, in the case of LIBOR Quoted Currencies is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority (the “FCA”), the regulatory supervisor of LIBOR’s administrator, the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administration, the “IBA”), announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the IBA for purposes of the IBA setting the London interbank offered rate. In March 2021, both the FCA and IBA issued statements confirming that the publication of Pounds Sterling, CHF, Euros and Japanese Yen LIBOR Screen Rate (all tenors) and Dollar LIBOR Screen Rate (1-Week and 2-Month) shall cease at the end of 2021. The IBA stated it will publish the remaining Dollar LIBOR Screen Rate tenors (1-, 3-, 6- and 12-Month) until the end of June 2023. As a result, commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate for the Loans denominated in LIBOR Quoted Currencies. In light of this eventuality, public and private sector

industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, Section 2.12(d) provides the mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 2.12(d), of any change to the reference rate upon which the interest rate on a Eurocurrency Loan or RFR Loan is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBOR Screen Rate," "Eurocurrency Rate" or "Daily Simple RFR" or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.12(d), whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.12(d), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the London interbank offered rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

ARTICLE II. _____

THE CREDITS

SECTION 2.01 The Commitments.

(a) Subject to the terms and conditions set forth herein, each Dollar Lender severally agrees to make Dollar Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (a) such Lender's Dollar Credit Exposure exceeding such Lender's Dollar Commitment, (b) the aggregate Dollar Credit Exposure of all of the Lenders exceeding the aggregate Dollar Commitments or (c) a Borrowing Base Deficiency.

(b) Subject to the terms and conditions set forth herein, each Multicurrency Lender severally agrees to make Multicurrency Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (a) such Lender's Multicurrency Credit Exposure exceeding such Lender's Multicurrency Commitment, (b) the aggregate Multicurrency Credit Exposure of all of the Lenders exceeding the aggregate Multicurrency Commitments or (c) a Borrowing Base Deficiency.

(c) Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans.

SECTION 2.02 Loans and Borrowings.

(a) Obligations of Lenders. Each Loan shall be made as part of a Borrowing consisting of Loans of the same Class, Currency and Type made by the Lenders ratably in accordance with their respective Commitments of the same Class. The failure of any Lender to

make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Type of Loans. Subject to Section 2.12, each Borrowing of a Class shall be constituted entirely of ABR Loans, of RFR Loans or of Eurocurrency Loans of such Class denominated in a single Currency as the Borrower may request in accordance herewith. Each Pro-Rata Borrowing denominated in Dollars shall be constituted entirely of ABR Loans or of Eurocurrency Loans. Each Borrowing denominated in an Agreed Foreign Currency (other than Pounds Sterling or Swiss Francs) shall be constituted entirely of Eurocurrency Loans and each Borrowing denominated in Pounds Sterling or Swiss Francs shall be constituted entirely of RFR Loans. Each Lender at its option may make any Eurocurrency Loan or RFR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that (i) any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and (ii) in exercising such option, such Lender shall use reasonable efforts to minimize any increased costs to the Borrower resulting therefrom (which obligation of the Lender shall not require it to take, or refrain from taking, actions that it determines would result in increased costs for which it will not be compensated hereunder or that it determines would be otherwise disadvantageous to it and in the event of such request for costs for which compensation is provided under this Agreement, the provisions of Section 2.14 shall apply).

(c) Minimum Amounts. Each Borrowing (whether Eurocurrency, RFR or ABR) shall be in an aggregate amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof or, with respect to any Agreed Foreign Currency, such smaller minimum amount as may be agreed to by the Administrative Agent; provided that a Borrowing of a Class may be in an aggregate amount that is equal to the entire unused balance of the total Commitments of such Class or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(f). Borrowings of more than one Class, Currency Type may be outstanding at the same time.

(d) Limitations on Interest Periods. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request (or to elect to convert to or continue as a Eurocurrency Borrowing) any Eurocurrency Borrowing if the Interest Period requested therefor would end after the Maturity Date.

SECTION 2.03 Requests for Borrowings¹

(a) Notice by the Borrower. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by delivery of a signed Borrowing Request or by telephone or e-mail (in each case, followed promptly by delivery of a signed Borrowing Request) (i) in the case of a Eurocurrency Borrowing denominated in Dollars, not later than 12:00 p.m., New York City time, three (3) Business Days before the date of the proposed Borrowing, (ii) in the case of a Eurocurrency Borrowing denominated in a LIBOR Quoted Currency not later than

¹~~Subject to continuing review~~

12:00 p.m. London time, three Business Days before the date of the proposed Borrowing, (iii) (x) in the case of an ABR Borrowing not in excess of \$50,000,000, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing and (y) in the case of any other ABR Borrowing, not later than 12:00 p.m., New York City time, one Business Day before the date of the proposed Borrowing ~~or~~, (iv) in the case of a Eurocurrency Borrowing denominated in a non-LIBOR Quoted Currency, not later than 12:00 p.m., London time, four Business Days before the date of the proposed Borrowing or (v) in the case of an RFR Borrowing, not later than 12:00 p.m. New York City time, five (5) Business Days before the date of the proposed Borrowing. Each such request for a Borrowing shall be irrevocable and shall be confirmed promptly by hand delivery or by email to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Notwithstanding the other provisions of this Agreement, in the case of any Borrowing denominated in Dollars, the Borrower may request that such Borrowing be split into a Dollar Loan in an aggregate principal amount equal to the Pro-Rata Dollar Portion and a Multicurrency Loan in an aggregate principal amount equal to the Pro-Rata Multicurrency Portion (any such Borrowing, a “Pro-Rata Borrowing”). Except as set forth in this Agreement, a Pro-Rata Borrowing shall be treated as being comprised of two separate Borrowings, a Dollar Borrowing under the Dollar Commitments and a Multicurrency Borrowing under the Multicurrency Commitments.

(b) Content of Borrowing Requests. Each request for a Borrowing (whether a written Borrowing Request, a telephonic request or e-mail request) shall specify the following information in compliance with Section 2.02:

- (i) whether such Borrowing is to be made under the Dollar Commitments or the Multicurrency Commitments or is a Pro-Rata Borrowing;
- (ii) if such Borrowing is a Pro-Rata Borrowing, the Pro-Rata Dollar Portion and the Pro-Rata Multicurrency Portion;
- (iii) the aggregate amount and Currency of such Borrowing;
- (iv) the date of such Borrowing, which shall be a Business Day;
- (v) in the case of a Borrowing denominated in Dollars, whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;
- (vi) in the case of a Eurocurrency Borrowing, the Interest Period therefor, which shall be a period contemplated by the definition of the term “Interest Period” and permitted under Section 2.02(d); and
- (vii) the location and number of the Borrower’s account (or such other account(s) as the Borrower may designate in a written Borrowing Request accompanied by information reasonably satisfactory to the Administrative Agent as to the identity and purpose of such other account(s)) to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

(c) Notice by the Administrative Agent to the Lenders. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amounts of such Lender's Loan to be made as part of the requested Borrowing.

(d) Failure to Elect. If no election as to the Class of a Borrowing is specified in a Borrowing Request, then the requested Borrowing shall be denominated in Dollars and shall be a Pro-Rata Borrowing. If no election as to the Currency of a Borrowing is specified in a Borrowing ~~request~~Request, then the requested Borrowing shall be denominated in Dollars. If no election as to the Type of a Borrowing is specified in a Borrowing Request, then the requested Borrowing shall be a Eurocurrency Borrowing having an Interest Period of one month's duration and if an Agreed Foreign Currency has been specified, the requested Borrowing shall be a Eurocurrency Borrowing denominated in such Agreed Foreign Currency having an interest period of one month's duration ~~;~~ provided, however, if the specified Agreed Foreign Currency is Pounds Sterling or Swiss Francs, the requested Borrowings shall be an RFR Borrowing denominated in Pounds Sterling or Swiss Francs, as applicable. If a Eurocurrency Borrowing is requested but no Interest Period is specified, (i) if the Currency specified for such Borrowing is Dollars (or if no Currency has been specified), the requested Borrowing shall be a Eurocurrency Borrowing denominated in Dollars having an Interest Period of one month's duration, and (ii) if the Currency specified for such Borrowing is an Agreed Foreign Currency, the Borrower shall be deemed to have selected an Interest Period of one month's duration.

SECTION 2.04 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 2.01, the Borrower may request the Issuing Bank to issue, and the Issuing Bank agrees to issue, at any time and from time to time during the Availability Period and under the Multicurrency Commitments, Letters of Credit denominated in Dollars or in any Agreed Foreign Currency for its own account or for the account of its designee (provided the Obligors shall remain primarily liable to the Lenders hereunder for payment and reimbursement of all amounts payable in respect of such Letter of Credit hereunder) for the purposes set forth in Section 5.09 in such form as is acceptable to the Issuing Bank in its reasonable determination and for the benefit of such named beneficiary or beneficiaries as are specified by the Borrower. Letters of Credit issued hereunder shall constitute utilization of the Multicurrency Commitments up to the aggregate amount then available to be drawn thereunder.

(b) Notice of Issuance, Amendment, Renewal or Extension. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (d) of this Section), the amount of such Letter of Credit, stating that such Letter of Credit is to be issued under the Multicurrency

Commitments, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. The Administrative Agent will promptly notify all Multicurrency Lenders following the issuance of any Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) Limitations on Amounts. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate LC Exposure of the Issuing Bank (determined for these purposes without giving effect to the participations therein of the Lenders pursuant to paragraph (e) of this Section) shall not exceed \$25,000,000, (ii) the total Multicurrency Credit Exposures shall not exceed the aggregate Multicurrency Commitment and (iii) the total Covered Debt Amount shall not exceed the Borrowing Base then in effect.

(d) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the date twelve months after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, twelve months after the then-current expiration date of such Letter of Credit, so long as such renewal or extension occurs within three months of such then-current expiration date); provided that any Letter of Credit with a one-year term may provide (pursuant to customary "evergreen" provisions) for the renewal thereof for additional one-year periods; provided, further, that (x) in no event shall any Letter of Credit have an expiration date that is later than the Revolver Termination Date unless the Borrower (1) Cash Collateralizes such Letter of Credit on or prior to the date that is two (2) Business Days prior to the Revolver Termination Date (by reference to the undrawn face amount of such Letter of Credit) that will remain outstanding as of the close of business on the Revolver Termination Date and (2) pays in full, on or prior to the Revolver Termination Date, all commissions required to be paid with respect to any such Letter of Credit through the then-current expiration date of such Letter of Credit and (y) no Letter of Credit shall have an expiration date after the Maturity Date.

(e) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) by the Issuing Bank, and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Multicurrency Lender, and each Multicurrency Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Multicurrency Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, provided that no Multicurrency Lender shall be required to purchase a

participation in a Letter of Credit pursuant to this [Section 2.04\(e\)](#) if (x) the conditions set forth in [Section 4.02](#) would not be satisfied in respect of a Borrowing at the time such Letter of Credit was issued and (y) the Required Multicurrency Lenders shall have so notified the Issuing Bank in writing and shall not have subsequently determined that the circumstances giving rise to such conditions not being satisfied no longer exist.

In consideration and in furtherance of the foregoing, each Multicurrency Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for account of the Issuing Bank, such Lender's Applicable Multicurrency Percentage of each LC Disbursement made by the Issuing Bank in respect of Letters of Credit promptly upon the request of the Issuing Bank at any time from the time of such LC Disbursement until such LC Disbursement is reimbursed by the Borrower or at any time after any reimbursement payment is required to be refunded to the Borrower for any reason. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in [Section 2.05](#) with respect to Loans made by such Lender (and [Section 2.05](#) shall apply, mutatis mutandis, to the payment obligations of the Multicurrency Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Multicurrency Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to paragraph (f), the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that the Multicurrency Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Multicurrency Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) [Reimbursement](#). If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse the Issuing Bank in respect of such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 12:00 p.m., New York City time, on (i) the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 10:00 a.m., New York City time, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time, [provided](#) that, if such LC Disbursement is not less than \$1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with [Section 2.03](#) that such payment be financed with a Eurocurrency Borrowing having an Interest Period of one month's duration of either Class [or an RFR Borrowing](#) in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Eurocurrency Borrowing having an Interest Period of one month's duration [or an RFR Borrowing, as applicable](#).

If the Borrower fails to make such payment when due, the Administrative Agent shall notify each applicable Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Multicurrency Percentage thereof.

(g) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (f) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, and (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

None of the Administrative Agent, the Lenders, the Issuing Bank, or any of their respective Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the Issuing Bank or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's gross negligence or willful misconduct when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that:

(i) the Issuing Bank may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit;

(ii) the Issuing Bank shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iii) this sentence shall establish the standard of care to be exercised by the Issuing Bank when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

(h) Disbursement Procedures. The Issuing Bank shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly after such examination notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy or by email) of such demand for payment and whether the Issuing Bank has made or will make an LC

Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Lenders with respect to any such LC Disbursement.

(i) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Eurocurrency Loans having an Interest Period of one month's duration (or, if such LC Disbursement is denominated in Pounds Sterling or Swiss Francs, the rate per annum then applicable to RFR Loans for the applicable Currency); provided that, if the Borrower fails to reimburse such LC Disbursement within two Business Days following the date when due pursuant to paragraph (f) of this Section, then the provisions of Section 2.11(ed) shall apply. Interest accrued pursuant to this paragraph shall be for account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (f) of this Section to reimburse the Issuing Bank shall be for account of such Lender to the extent of such payment.

(j) Replacement of the Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. In addition to the foregoing, if a Lender becomes, and during the period in which it remains, a Defaulting Lender, and any Default has arisen from a failure of the Borrower to comply with Section 2.17(c), then the Issuing Bank may, upon prior written notice to the Borrower and the Administrative Agent, resign as Issuing Bank, effective at the close of business New York City time on a date specified in such notice (which date may not be less than five (5) Business Days after the date of such notice). On or after the effective date of any such resignation, the Borrower and the Administrative Agent may, by written agreement, appoint a successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement under any of the foregoing circumstances shall become effective, the Borrower shall pay all unpaid fees accrued for account of the replaced Issuing Bank pursuant to Section 2.10(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the replaced Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of the Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(k) Cash Collateralization. If the Borrower shall be required or shall elect, as the case may be, to provide cover for LC Exposure pursuant to Section 2.04(d), Section 2.09(b), Section 2.17(c)(ii) or the last paragraph of Article VII, the Borrower shall immediately Cash Collateralize such LC Exposure. Such Cash Collateral shall be held by the Administrative Agent

in the first instance as collateral for LC Exposure under this Agreement and thereafter for the payment of the “Secured Obligations” as defined in the Guarantee and Security Agreement, and for these purposes the Borrower hereby grants a security interest to the Administrative Agent for the benefit of the Issuing Bank and the Lenders in the Letter of Credit Collateral Account and in any financial assets (as defined in the Uniform Commercial Code) or other property held therein.

SECTION 2.05 Funding of Borrowings.

(a) Funding by Lenders. Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 1:00 p.m., Local Time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower designated by the Borrower in the applicable Borrowing Request; provided that Borrowings made to finance the reimbursement of an LC Disbursement as provided in Section 2.04(f) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Presumption by the Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and, in reliance upon such assumption, the Administrative Agent may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in the corresponding Currency with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the Federal Funds Effective Rate and (ii) in the case of the Borrower, (x) with respect to Eurocurrency Borrowings, the interest rate applicable to Eurocurrency Loans having an Interest Period of one month’s duration and (y) with respect to Borrowings denominated in Pounds Sterling or Swiss Francs, the interest rate applicable to RFR Loans denominated in such Currency, as applicable. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender’s Loan included in such Borrowing. Nothing in this paragraph shall relieve any Lender of its obligation to fulfill its commitments hereunder, and shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

SECTION 2.06 Interest Elections.

(a) Elections by the Borrower for Borrowings. Subject to Section 2.03(d), the Loans constituting each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have the Interest Period specified in such Borrowing Request. Thereafter, subject to Section 2.06(e), the Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such

Borrowing as a Borrowing of the same Type and, in the case of a Eurocurrency Borrowing, may elect the Interest Period therefor, all as provided in this Section; provided, however that (i) a Borrowing of a Class may only be continued or converted into a Borrowing of the same Class, (ii) a Borrowing denominated in one Currency may not be continued as, or converted into, a Borrowing in a different Currency, (iii) no Eurocurrency Borrowing denominated in a Foreign Currency may be continued if, after giving effect thereto, the aggregate Multicurrency Credit Exposures would exceed the aggregate Multicurrency Commitments and (iv) a Eurocurrency Borrowing denominated in a Foreign Currency may not be converted into a Borrowing of a different Type. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders of the respective Class holding the Loans constituting such Borrowing, and the Loans constituting each such portion shall be considered a separate Borrowing.

(b) Notice of Elections. To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by delivery of a signed Interest Election Request in a form approved by the Administrative Agent or by telephone (followed promptly, but no later than the close of business on the date of such request, by a signed Interest Election Request in a form approved by the Administrative Agent) by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable.

(c) Content of Interest Election Requests. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing (including the Class) to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) of this paragraph shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) in the case of a Borrowing denominated in Dollars, whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period therefor after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period" and permitted under Section 2.02(d).

(d) Notice by the Administrative Agent to the Lenders. Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each applicable Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) Failure to Elect; Events of Default. If the Borrower fails to deliver a timely and complete Interest Election Request with respect to a Eurocurrency Borrowing prior to the end of the Interest Period therefor, then, unless such Borrowing is repaid as provided herein, (i) if such Borrowing is denominated in Dollars, at the end of such Interest Period such Borrowing shall be converted to a Eurocurrency Borrowing of the same Class having an Interest Period of one month's duration and (ii) if such Borrowing is denominated in a Foreign Currency, the Borrower shall be deemed to have selected an Interest Period of one month's duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as such Event of Default is continuing no outstanding Eurocurrency Borrowing may have an Interest Period of more than one month's duration.

SECTION 2.07 Termination, Reduction or Increase of the Commitments.

(a) Scheduled Termination. Unless previously terminated in accordance with the terms of this Agreement, on the Revolver Termination Date the Commitments shall automatically be reduced to an amount equal to the aggregate principal amount of the Loans and LC Exposure of all Lenders outstanding on the Revolver Termination Date and thereafter to an amount equal to the aggregate principal amount of the Loans and LC Exposure outstanding after giving effect to each payment of principal and each expiration or termination of a Letter of Credit hereunder; provided that, for clarity, except as expressly provided for herein (including, without limitation, Section 2.04(e)), no Lender shall have any obligation to make new Loans or to issue, amend or renew an existing Letter of Credit on or after the Revolver Termination Date, and Loans outstanding on the Revolver Termination Date shall be due and payable on the Maturity Date in accordance with Section 2.08.

(b) Voluntary Termination or Reduction. The Borrower may at any time terminate, or from time to time reduce, the Commitments ratably among each Class; provided that (i) each reduction of the Commitments pursuant to this Section 2.07(b) shall be in a minimum amount of at least \$1,000,000 (or an amount less than \$1,000,000 if the Commitments are being reduced to zero) and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans of any Class in accordance with Section 2.09, the total Credit Exposures of such Class would exceed the total Commitments of such Class.

(c) Notice of Voluntary Termination or Reduction. The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments of a Class delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other events, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(d) Effect of Termination or Reduction. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments of a Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

(e) Increase of the Commitments.

(i) Requests for Increase by Borrower. The Borrower shall have the right, at any time after the Effective Date but prior to the Revolver Termination Date, to propose that the Commitments of a Class hereunder be increased (each such proposed increase being a "Commitment Increase") by notice to the Administrative Agent specifying each existing Lender (each an "Increasing Lender") and/or each additional lender (each an "Assuming Lender") that shall have agreed to an additional Commitment and the date on which such increase is to be effective (the "Commitment Increase Date"), which date shall be a Business Day at least three Business Days (or such lesser period as the Administrative Agent may reasonably agree) after delivery of such notice and at least thirty (30) days prior to the Revolver Termination Date; provided that, subject to the foregoing, each Commitment Increase shall become effective only upon satisfaction of the following conditions:

(A) the minimum amount of the Commitment of any Assuming Lender, and the minimum amount of the increase of the Commitment of any Increasing Lender, as part of such Commitment Increase shall be \$5,000,000 or a larger multiple of \$1,000,000 in excess thereof (or, in each case, in such other amounts as agreed by the Administrative Agent);

(B) immediately after giving effect to such Commitment Increase, the total Commitments of all of the Lenders hereunder shall not exceed \$1,200,000,000;

(C) each Assuming Lender and the Commitment Increase shall be consented to by the Administrative Agent and the Issuing Bank (which consent shall not be unreasonably withheld or delayed);

(D) no Default or Event of Default shall have occurred and be continuing on such Commitment Increase Date or shall result from the proposed Commitment Increase; and

(E) the representations and warranties contained in this Agreement and the other Loan Documents shall be true and correct in all material respects (other than any representation or warranty already qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects) on and as of the Commitment Increase Date as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

For the avoidance of doubt, no Lender shall be obligated to agree to an increased Commitment requested by the Borrower pursuant to this Section 2.07(e).

(ii) Effectiveness of Commitment Increase by Borrower. On the Commitment Increase Date for any Commitment Increase, each Assuming Lender, if any, providing a Commitment as part of such Commitment Increase shall become a Lender hereunder as of such Commitment Increase Date with a Commitment in the amount set forth in the agreement referred to in Section 2.07(e)(ii)(y) and the Commitment of each Increasing Lender, if any, increasing its Commitment as part of such Commitment Increase shall be increased as of such Commitment Increase Date to the amount set forth in the agreement referred to in Section 2.07(e)(ii)(y); provided that:

(x) the Administrative Agent shall have received on or prior to 12:00 p.m., New York City time, on such Commitment Increase Date a certificate of a duly authorized officer of the Borrower stating that each of the applicable conditions to such Commitment Increase set forth in the foregoing paragraph (i) has been satisfied; and

(y) each Assuming Lender and/or Increasing Lender providing or increasing a Commitment, respectively, as part of such Commitment Increase shall have delivered to the Administrative Agent, on or prior to 12:00 p.m., New York City time on such Commitment Increase Date, an agreement, duly executed by each such Assuming Lender and/or Increasing Lender, as applicable, and the Borrower, in form and substance reasonably satisfactory to the Administrative Agent and acknowledged by the Administrative Agent, pursuant to which each such Assuming Lender and/or Increasing Lender shall, effective as of such Commitment Increase Date, provide or increase its Commitment of the applicable Class, respectively.

Promptly following satisfaction of such conditions, the Administrative Agent shall notify the Lenders (including any Assuming Lenders) thereof and of the occurrence of the Commitment Increase Date by facsimile transmission or electronic messaging system.

(iii) Recordation into Register. Upon its receipt of an agreement referred to in clause (ii)(y) above executed by each Assuming Lender and/or each Increasing Lender providing or increasing a Commitment, respectively, as part of such Commitment Increase, together with the certificate referred to in clause (ii)(x) above, the Administrative Agent shall, if such agreement referred to in clause (ii)(y) has been completed, (x) accept such agreement, (y) record the information contained therein in the Register and (z) give prompt notice thereof to the Borrower.

(iv) Adjustments of Borrowings upon Effectiveness of Increase. On each Commitment Increase Date, the Borrower shall (A) prepay the outstanding Loans of the affected Class (if any) in full, (B) simultaneously borrow new Loans of such Class hereunder in an amount equal to such prepayment; provided that with respect to subclauses (A) and (B), (x) the prepayment to, and borrowing from, any existing Lender shall be effected by book entry to the extent that any portion of the amount prepaid to

such Lender will be subsequently borrowed from such Lender and (y) the existing Lenders, the Increasing Lenders and the Assuming Lenders shall make and receive payments among themselves, in a manner acceptable to the Administrative Agent, so that, after giving effect thereto, the Loans are held ratably by the Lenders of such Class in accordance with the respective Commitments of such Class of such Lenders (after giving effect to such Commitment Increase) and (C) pay to the Lenders of such Class the amounts, if any, payable under Section 2.14 as a result of any such prepayment. Notwithstanding the foregoing, unless otherwise consented in writing by the Borrower, no Commitment Increase Date shall occur on any day other than the last day of an Interest Period. Concurrently therewith, the Lenders with Multicurrency Commitments shall be deemed to have adjusted their participation interests in any outstanding Letters of Credit so that such interests are held ratably in accordance with their Multicurrency Commitments as so increased. The Administrative Agent shall amend Schedule 1.01(b) to reflect the aggregate amount of each Lender's Commitments (including Increasing Lenders and Assuming Lenders). Each reference to Schedule 1.01(b) in this Agreement shall be to Schedule 1.01(b) as amended pursuant to this Section.

(v) Terms of Loans issued on the Commitment Increase Date. For the avoidance of doubt, the terms and provisions of any new Loans issued by any Assuming Lender or Increasing Lender, and the Commitment Increase of any Assuming Lender or Increasing Lender, shall be identical to terms and provisions of the Loans issued by, and the Commitments of, the Lenders immediately prior to the applicable Commitment Increase Date.

SECTION 2.08 Repayment of Loans; Evidence of Debt.

(a) Repayment. Subject to, and in accordance with, the terms of this Agreement, the Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the Lenders the outstanding principal amount of each Class of Loans and all other amounts due and owing hereunder and under the other Loan Documents on the Maturity Date.

(b) Manner of Payment. Prior to any repayment or prepayment of any Borrowings hereunder, the Borrower shall select the Borrowing or Borrowings to be paid and shall notify the Administrative Agent by telephone (confirmed by telecopy or e-mail) of such selection not later than the time set forth in Section 2.09(e) prior to the scheduled date of such repayment. Subject to Section 2.09 and to the proviso to Section 2.16(c), if the repayment or prepayment is denominated in Dollars and the Class to be repaid or prepaid is specified (or if no Class is specified and there is only one Class of Loans with Borrowings in Dollars outstanding), such repayment or prepayment shall be applied ratably between or among, as applicable, the Loans of such Class (based on the outstanding principal amount of such Loans), in each case first to repay or prepay any outstanding ABR Borrowings of such Loans and second to repay or prepay the remaining Borrowings denominated in Dollars of such Loans in the order of the remaining duration of their respective Interest Period (the Borrowing with the shortest remaining Interest period to be repaid or prepaid first). Subject to Section 2.09 and to the proviso to Section 2.16(c), if the repayment or prepayment is denominated in Dollars and the Class to be repaid or prepaid is not specified, such repayment or prepayment shall be applied (i) ratably between or among, as applicable, the Dollar denominated Loans of the Multicurrency Lenders

(based on the then outstanding principal amounts of such Dollar denominated Loans), in each case (x) first to repay or prepay any outstanding ABR Borrowings of the Multicurrency Lenders, and (y) then second to repay or prepay the remaining Borrowings denominated in Dollars of the Multicurrency Lenders in the order in the order of the remaining duration of their respective Interest Periods (the Borrowings with the shortest remaining Interest Periods to be repaid first), and (ii) once the outstanding principal amount of all Dollar denominated Loans of the Multicurrency Lenders is paid in full, ratably between or among, as applicable, the Loans of the Dollar Lenders (based on the then outstanding principal amount of such Loans), in each case (x) first to repay or prepay any outstanding ABR Borrowings of the Dollar Lenders and (y) then second to repay or prepay the remaining Borrowings of the Dollar Lenders in order of the remaining duration of their respective Interest Periods (the Borrowings with the shortest remaining Interest Period to be repaid first). Subject to Section 2.09 and to the proviso Section 2.16(c), if the repayment or prepayment is denominated in a particular Agreed Foreign Currency, such repayment or prepayment shall be applied ratably between or among, as applicable, any remaining Borrowings denominated in such Agreed Foreign Currency (based on the then outstanding principal amount of such Loans), in each case in the order of the remaining duration of their respective Interest Periods (the Borrowing with the shortest remaining Interest Period to be repaid first). Each payment specified as a payment on account of the Pro-Rata Borrowings shall be applied ratably between the Dollar Loans and the Multicurrency Loans (based on the then outstanding principal amount of such Loans), in each case in the order of the remaining duration of their respective Interest Periods (the Borrowing with the shortest remaining Interest Period to be repaid first). Each payment of a Borrowing of a Class shall be applied ratably to the Loans of such Class included in such Borrowing.

(c) Maintenance of Records by Lenders. Each Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts and Currency of principal and interest payable and paid to such Lender from time to time hereunder.

(d) Maintenance of Records by the Administrative Agent. The Administrative Agent shall maintain records in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and each Interest Period therefor, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for account of the Lenders with respect to each Loan and each Lender's share thereof.

(e) Effect of Entries. The entries made in the records maintained pursuant to paragraph (c) or (d) of this Section shall be prima facie evidence, absent manifest error, of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such records or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

(f) Promissory Notes. Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its permitted registered assigns) and in a form attached hereto as Exhibit C. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its permitted registered assigns).

SECTION 2.09 Prepayment of Loans.

(a) Optional Prepayments. The Borrower shall have the right at any time and from time to time (but subject to Section 2.09(e)) to prepay any Borrowing in whole or in part, without premium or fee (but subject to Section 2.14), subject to the requirements of this Section. Each prepayment in part under this Section 2.09(a) shall be in a minimum amount of \$5,000,000 or a larger multiple of \$1,000,000 (or such lesser amount as is then outstanding).

(b) Mandatory Prepayments due to Changes in Exchange Rates.

(i) Determination of Amount Outstanding. On each Quarterly Date and, in addition, promptly upon the receipt by the Administrative Agent of a Currency Valuation Notice (as defined below), the Administrative Agent shall determine the aggregate Multicurrency Credit Exposure. For the purpose of this determination, the outstanding principal amount of any Loan or LC Exposure that is denominated in any Foreign Currency shall be deemed to be the Dollar Equivalent of the amount in the Foreign Currency of such Loan or LC Exposure, determined as of such Quarterly Date or, in the case of a Currency Valuation Notice received by the Administrative Agent prior to 11:00 a.m., New York City time, on a Business Day, on such Business Day or, in the case of a Currency Valuation Notice otherwise received, on the first Business Day after such Currency Valuation Notice is received. Upon making such determination, the Administrative Agent shall promptly notify the Multicurrency Lenders and the applicable Borrower thereof.

(ii) Prepayment. If, on the date of such determination, the aggregate Multicurrency Credit Exposure minus the Cash Collateralized LC Exposure exceeds 105% of the aggregate amount of the Multicurrency Commitments then in effect, the Borrower shall prepay the Multicurrency Loans (and/or Cash Collateralize LC Exposure as contemplated by Section 2.04(k)) within 15 Business Days following such date of determination in such aggregate amounts as shall be necessary so that after giving effect thereto the aggregate Multicurrency Credit Exposure does not exceed the Multicurrency Commitments.

For purposes hereof, "Currency Valuation Notice" means a notice given by the Required Multicurrency Lenders to the Administrative Agent stating that such notice is a "Currency Valuation Notice" and requesting that the Administrative Agent determine the aggregate Multicurrency Credit Exposure. The Administrative Agent shall not be required to make more

than one valuation determination pursuant to Currency Valuation Notices within any rolling three month period.

Any prepayment made pursuant to this paragraph shall be applied first, to the Multicurrency Loans outstanding and second, as cover for LC Exposure.

(c) Mandatory Prepayments due to Borrowing Base Deficiency. In the event that (i) the amount of the total Dollar Credit Exposure exceeds the total Dollar Commitments and/or (ii) the amount of the total Multicurrency Credit Exposure exceeds the total Multicurrency Commitments (other than as a result of a change in exchange rates pursuant to Section 2.09(b)), the Borrower shall prepay Loans (and/or Cash Collateralize Letters of Credit as contemplated by Section 2.04(k)) in such amounts as shall be necessary so that (x) in the case of clause (i), the amount of total Dollar Credit Exposure does not exceed the total Dollar Commitments and (y) in the case of clause (ii), the amount of total Multicurrency Credit Exposure does not exceed the total Multicurrency Commitments. In the event that at any time any Borrowing Base Deficiency shall exist, promptly (but in no event later than 5 Business Days), the Borrower shall either prepay (x) the Loans (and/or Cash Collateralize Letters of Credit as contemplated by Section 2.04(k)) so that the Borrowing Base Deficiency is promptly cured or (y) the Loans and the Other Covered Indebtedness in such amounts as shall be necessary so that such Borrowing Base Deficiency is promptly cured; provided, that as among the Loans (and Letters of Credit) on the one hand and the Other Covered Indebtedness on the other hand, such prepayment shall be at least ratable (based on the outstanding principal amount of such Indebtedness) as to payments of Loans (and Letters of Credit) in relation to Other Covered Indebtedness); provided, that if within such 5 Business Day period, the Borrower shall present to the Administrative Agent a reasonably feasible plan, which plan is reasonably satisfactory to the Administrative Agent, that will enable any such Borrowing Base Deficiency to be cured within 30 Business Days of the occurrence of such Borrowing Base Deficiency (which 30-Business Day period shall include the 5 Business Days permitted for delivery of such plan), then such prepayment or reduction shall be effected in accordance with such plan (subject, for the avoidance of doubt, to the limitations as to the allocation of such prepayments set forth above in this Section 2.09(b)). Notwithstanding the foregoing, the Borrower shall pay interest in accordance with Section 2.11(ed) for so long as the Covered Debt Amount exceeds the Borrowing Base during such 30-Business Day period. For clarity, in the event that the Borrowing Base Deficiency is not cured prior to the end of such 5-Business Day period (or, if applicable, such 30-Business Day period), it shall constitute an Event of Default under clause (a) of Article VII.

(d) Mandatory Prepayments due to Certain Events Following Availability Period. Subject to Section 2.09(e):

(i) Asset Sales. In the event that any Obligor shall receive any Net Asset Sale Proceeds at any time after the Availability Period, the Borrower shall, no later than the third Business Day following the receipt of such Net Asset Sale Proceeds, prepay the Loans in an amount equal to such Net Asset Sale Proceeds (and the Commitments shall be permanently reduced by such amount); provided, that with respect to Asset Sales of assets that are not Portfolio Investments, the Borrower shall not be required to prepay the

Loans unless and until (and to the extent that) the aggregate Net Asset Sale Proceeds relating to all such Asset Sales are greater than \$2,000,000.

(ii) Returns of Capital. In the event that any Obligor shall receive any Net Return of Capital at any time after the Availability Period, the Borrower shall, no later than the third Business Day following the receipt of such Net Return of Capital, prepay the Loans in an amount equal to 100% of such Net Return of Capital (and the Commitments shall be permanently reduced by such amount).

(iii) Equity Issuances. In the event that the Borrower shall receive any Cash proceeds from the issuance of Equity Interests of the Borrower at any time after the Availability Period, the Borrower shall, no later than the third Business Day following the receipt of such Cash proceeds, prepay the Loans in an amount equal to 75% of such Cash proceeds, net of underwriting discounts and commissions or other similar payments and other reasonable costs, fees, premiums and expenses directly associated therewith, including, without limitation, reasonable legal fees and expenses, (and the Commitments shall be permanently reduced by such amount).

(iv) Indebtedness. In the event that any Obligor shall receive any Cash proceeds from the issuance of Indebtedness (excluding Hedging Agreements permitted by Section 6.01 and other Indebtedness permitted by Section 6.01(a), (e), (f), (g) and (j)) at any time after the Availability Period, such Obligor shall, no later than the third Business Day following the receipt of such Cash proceeds, prepay the Loans in an amount equal to 100% of such Cash proceeds, net of underwriting discounts and commissions or other similar payments and other reasonable costs, fees, commissions, premiums and expenses directly associated therewith, including, without limitation, reasonable legal fees and expenses (and the Commitments shall be permanently reduced by such amount).

(e) Mandatory Prepayment of Eurocurrency Loans. If the Loans to be prepaid pursuant to Section 2.09(d)(ii) are Eurocurrency Loans, the Borrower may defer such prepayment (and permanent Commitment reduction) until the last day of the Interest Period applicable to such Loans, so long as the Borrower deposits an amount equal to an amount required to be prepaid, no later than the third Business Day following the receipt of such amount, into a segregated collateral account in the name and under the dominion and control (within the meaning of Section 9-104 of the Uniform Commercial Code) of the Administrative Agent pending application of such amount to the prepayment of the Loans (and permanent reduction of the Commitments) on the last day of such Interest Period.

(f) Payments Following Availability Period or During an Event of Default. Notwithstanding any provision to the contrary in Section 2.08 or this Section 2.09 or otherwise herein, following the end of the Availability Period (with respect to clauses (i) and (ii)) or following the occurrence and during the continuance of an Event of Default (with respect to clause (iii)):

(i) No optional prepayment of the Loans made of any Class shall be permitted unless at such time, the Borrower also prepays its Loans of the other Class or, in the case

of a prepayment of Dollar Loans and to the extent no Multicurrency Loans are outstanding, provides Cash Collateral as contemplated by Section 2.04(k) for the outstanding Letters of Credit, which prepayment (and Cash Collateral) shall be made on a pro-rata basis (based on the outstanding principal amounts of such Indebtedness) between each outstanding Class of Credit Exposure;

(ii) any prepayment of Loans in Dollars required to be made in connection with any of the events specified in Section 2.09(d) shall be applied ratably between the Dollar Lenders and the Multicurrency Lenders based on the then outstanding principal amounts of Loans denominated in Dollars; provided, that, so long as no Event of Default has occurred and is continuing, each prepayment in an Agreed Foreign Currency (including as a result of the Borrower's receipt of proceeds from a prepayment event in such Agreed Foreign Currency (it being the understanding that any receipt of proceeds in an Agreed Foreign Currency shall first be used to make a payment on account of the Loans denominated in such Agreed Foreign Currency)) shall be applied ratably among just the Multicurrency Lenders to prepay the Loans denominated in such Agreed Foreign Currency and, if after such payment, if applicable, or otherwise, the balance of the Loans denominated in such Agreed Foreign Currency remaining is zero, then, if there are any remaining proceeds, the Borrower shall prepay (in Dollars) the remaining Loans on a pro rata basis (based on the aggregate outstanding Dollar Equivalent principal amount of such Loans) between each outstanding Class of Loans; and

(iii) Notwithstanding any other provision to the contrary in this Agreement, if an Event of Default has occurred and is continuing, then any payment or repayment of the Loans shall be made and applied ratably (based on the aggregate Dollar Equivalents of the outstanding principal amounts of such Loans) between Dollar Loans, Multicurrency Loans and Letters of Credit.

(g) Notices, Etc. The Borrower shall notify the Administrative Agent in writing or by telephone (followed promptly by written confirmation) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing under Section 2.09(a), not later than 12:00 p.m., New York City time (or, in the case of a prepayment of a Eurocurrency denominated in a Foreign Currency under Section 2.09(a), 12:00 a.m. London time), three (3) Business Days before the date of prepayment ~~or~~, (ii) in the case of repayment or prepayment of an RFR Borrowing under Section 2.09(a), not later than 12:00 p.m., New York City time, five (5) Business Days before the date of repayment or prepayment, (iii) in the case of prepayment of an ABR Borrowing under Section 2.09(a), or in the case of any prepayment under Section 2.09(b), (c), or (d), not later than 12:00 p.m., New York City time, on the Business Day of prepayment, or (iii) in each case of the notice periods described in clauses (i) and (ii) and (iii), such lesser period as the Administrative Agent may reasonably agree with respect to notices given in connection with any of the events specified in Section 2.09(d)(ii). Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; provided, that, (1) if a notice of prepayment is given in connection with a conditional notice of termination or reduction of the Commitments as contemplated by Section 2.07(c), then such notice of prepayment may be revoked if such notice of termination or reduction is revoked in accordance with Section 2.07(c)

and (2) any such notices given in connection with any of the events specified in Section 2.09(ed) may be conditioned upon (x) the consummation of the Asset Sale or the issuance of Equity Interests or Indebtedness (as applicable) or (y) the receipt of net cash proceeds from Asset Sales or Net Returns of Capital. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. In the event the Borrower is required to make any concurrent prepayments under both paragraph (c) and also another paragraph of this Section 2.09, any such prepayments shall be applied toward a prepayment pursuant to paragraph (c) before any prepayment pursuant to any other paragraph of this Section 2.09. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11 and shall be made in the manner specified in Section 2.08(b).

(h) RIC Tax Distributions. Notwithstanding anything herein to the contrary, Net Asset Sale Proceeds and Net Return of Capital required to be applied to the prepayment of the Loans pursuant to Section 2.09(d) shall exclude the amounts estimated in good faith by the Borrower to be necessary for the Borrower to make distributions on account of such Net Asset Sale Proceeds and Net Returns of Capital sufficient in amount to achieve the objectives set forth in (i), (ii) and (iii) of Section 6.05(b)(1) hereof solely to the extent that the Tax Amount in or with respect to any taxable year (or any calendar year, as relevant) is increased as a result of the receipt of such Net Asset Sale Proceeds or Net Return of Capital, as the case may be.

SECTION 2.10 Fees.

(a) Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue (i) for the period beginning on the Effective Date to and including the earlier of the date such Lender's Commitment terminates and the date that is six months after the Effective Date, at a rate equal to 0.375% per annum on the daily unused portion of the Commitment of such Lender as of the close of business on such day and (ii) for the period beginning the day after the date that is six months after the Effective Date to and including the earlier of the date such Lender's Commitment terminates and the Revolver Termination Date, at a rate equal to (x) 0.50% per annum on the daily unused amount of the Dollar Commitments and Multicurrency Commitments, as applicable, of such Lender as of the close of business on such day if the daily unused amount of the Dollar Commitments and the Multicurrency Commitments is greater than sixty six and two-thirds percent (66 and 2/3%) of such Lender's Dollar Commitment and Multicurrency Commitment, as applicable and (y) 0.375% per annum on the daily unused amount of the Dollar Commitments and Multicurrency Commitments, as applicable of such Lender as of the close of business on such day if the daily unused amount of the Dollar Commitment and Multicurrency Commitment is equal to or less than sixty six and two-thirds percent (66 and 2/3%). Accrued commitment fees shall be payable in arrears (x) within one Business Day after each Quarterly Date and (y) on the earlier of the date the Commitments of the respective Class terminate and the Revolver Termination Date, commencing on the first such date to occur after the Effective Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, the Commitments

of any Class of a Lender shall be deemed to be used to the extent of the outstanding Loans of such Class and LC Exposure of such Class of all Lenders.

(b) **Letter of Credit Fees.** The Borrower agrees to pay (i) to the Administrative Agent for account of each Multicurrency Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at a rate per annum equal to the Applicable Margin applicable to interest on Eurocurrency Loans (or, if such Letter of Credit is denominated in Pounds Sterling or Swiss Francs, RFR Loans) on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Multicurrency Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate of one-half of one percent (0.50%) per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees with respect to the issuance, amendment renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including each Quarterly Date shall be payable on the third Business Day following such Quarterly Date, commencing on the first such date to occur after the Effective Date; provided that all such fees with respect to the Letters of Credit shall be payable on earlier of the Revolver Termination Date and the date on which all Multicurrency Commitments are otherwise terminated in accordance with the terms hereof (such earlier date, the "termination date") and the Borrower shall pay any such fees that have accrued and that are unpaid on the termination date and, in the event any Letters of Credit shall be outstanding that have expiration dates after the termination date, the Borrower shall prepay on the termination date the full amount of the participation and fronting fees that will accrue on such Letters of Credit subsequent to the termination date through but not including the date such outstanding Letters of Credit are scheduled to expire (and in that connection, the Multicurrency Lenders agree not later than the date two Business Days after the date on which the last such Letter of Credit shall expire or be terminated to rebate to the Borrower the excess, if any, of the aggregate participation and fronting fees that ultimate accrue through the date of such expiration or termination). Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 Business Days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) **Administrative Agent Fees.** The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) **Payment of Fees.** All fees payable hereunder shall be paid on the dates due, in Dollars and immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of facility fees and

participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances absent manifest error.

SECTION 2.11 Interest.

(a) ABR Loans. The Loans constituting each ABR Borrowing shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin.

(b) Eurocurrency Loans. The Loans constituting each Eurocurrency Borrowing shall bear interest at a rate per annum equal to the Adjusted Eurocurrency Rate for the related Interest Period for such Borrowing plus the Applicable Margin.

(c) RFR Loans. The Loans constituting each RFR Borrowing shall bear interest at a rate per annum equal to Adjusted Daily Simple RFR for the applicable Currency plus the Applicable Margin.

(~~ed~~) Default Interest. Notwithstanding the foregoing, (x) automatically, if any Event of Default described in clause (a), (b), (d) (only with respect to Section 6.07), (~~h~~) or (~~i~~) of Article VII has occurred and is continuing, or if the Covered Debt Amount exceeds the Borrowing Base during the 5-Business Day period (or, if applicable, the 30-Business Day period) referred to in Section 2.09(c), and (y) upon the demand of the Administrative Agent or the Required Lenders when any other Event of Default has occurred and is continuing, the interest rates applicable to the Loans shall accrue, and any fee or other amount due and payable (after giving effect to any grace or cure period) by the Borrower hereunder shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of principal of any Loan, 2.00% plus the rate otherwise applicable to such Loan as provided above, (ii) in the case of any other amount, 2.00% plus (x) if such other amount is denominated in Dollars, the rate applicable to ABR Loans as provided in paragraph (a) of this Section ~~or~~, (y) if such other amount is denominated in a Foreign Currency (other than Pounds Sterling or Swiss Francs), the rate applicable to the applicable Eurocurrency Loans as provided in paragraph (b) of this Section or (z) if such other amount is denominated in Pounds Sterling or Swiss Francs, the rate applicable to RFR Loans for the applicable Currency as provided in paragraph (c) of this Section.

(~~de~~) Payment of Interest. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan in the Currency in which such Loan is denominated and upon the Maturity Date; provided that (i) interest accrued pursuant to paragraph (~~ed~~) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the Maturity Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Borrowing prior to the end of the Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(~~ef~~) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that (A) Eurocurrency Borrowings in Canadian Dollars or AUD shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day) ~~and~~, (B)

~~Eurocurrency~~ RFR Borrowings ~~in Pounds Sterling and~~ shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day) and (C) ABR Borrowings, at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year); and ~~in each case~~ shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted Daily Simple RFR or Adjusted Eurocurrency Rate shall be determined by the Administrative Agent and such determination shall be conclusive absent manifest error.

SECTION 2.12 Eurocurrency Borrowing and RFR Borrowing Provisions.

(a) If, at any time that the Administrative Agent shall seek to determine the relevant Screen Rate on (1) the Quotation Day for any Interest Period for a Eurocurrency Borrowing or (2) the RFR Rate Day for an RFR Borrowing, the applicable Screen Rate shall not be available for such RFR Borrowing or such Interest Period for the applicable Currency with respect to such Eurocurrency Borrowing, as applicable, for any reason and the Administrative Agent shall determine that it is not possible to determine the Interpolated Rate (which conclusion shall be conclusive and binding absent manifest error), (i) if the Administrative Agent is seeking to determine the relevant Screen Rate in the context of a Borrowing Request or an Interest Election Request electing the applicable Interest Period (A) if such Borrowing is in Dollars then either, at the Borrower's election, (u) the applicable Borrowing Request or Interest Election Request shall be deemed ineffective or (v) such Borrowing shall be made as or converted to an ABR Borrowing at the Alternate Base Rate, (B) if such Borrowing is in Canadian Dollars then either, at the Borrower's election, (w) such Borrowing Request or Interest Election Request shall be deemed ineffective or (x) such Borrowing shall be made as or converted to a Eurocurrency Borrowing for which the Eurocurrency Rate shall be equal to the Canadian Prime Rate and (C) if such Borrowing is in any Agreed Foreign Currency (other than Canadian Dollars) then either, at the Borrower's election, (y) the applicable Borrowing Request or Interest Election Request shall be deemed ineffective or (z) such Borrowing shall be made as or converted to a Eurocurrency Borrowing (or, in the case of a Borrowing in Pounds Sterling or Swiss Francs, an RFR Borrowing) for which the Eurocurrency Rate or Daily Simple RFR, as applicable, shall be equal to the weighted average of the cost to each Lender to fund its pro rata share of such Borrowing (from whatever source and using whatever methodologies as such Lender may select in its reasonable discretion) (with respect to a Lender, the "COF Rate", and with respect to the weighted average of the COF Rate applicable to each Lender for any Borrowing, the "Average COF Rate") and (ii) if the Administrative Agent is seeking to determine the relevant Screen Rate in the context of a Eurocurrency Borrowing for which the Interest Period is continuing or an RFR Borrowing then (A) if such Borrowing is in Dollars such Borrowing shall continue as an ABR Borrowing at the Alternate Base Rate, (B) if such Borrowing is in Canadian Dollars then such Borrowing shall continue as a Eurocurrency Borrowing for which the Eurocurrency Rate shall be equal to the Canadian Prime Rate and (C) if such Borrowing is in any Agreed Foreign Currency (other than Canadian Dollars), then such Borrowing shall continue as a Eurocurrency Borrowing (or RFR Borrowing, as applicable) for which the Eurocurrency Rate (or Daily Simple RFR, as applicable) shall be the Average COF Rate.

(b) Alternate Rate of Interest. If ~~prior to the commencement of the Interest Period for any Eurocurrency Borrowing~~:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) (A) prior to the commencement of any Interest Period for a Eurocurrency Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Eurocurrency Rate, for a Loan in the applicable Currency for the applicable Interest Period; or (B) at any time for an RFR Borrowing, that adequate and reasonable means do not exist for ascertaining Adjusted Daily Simple RFR for the applicable Currency; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Eurocurrency Borrowing, the Adjusted Eurocurrency Rate for a Loan in the applicable Currency for the applicable Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their respective Loans included in such Borrowing for such Interest Period; or (B) at any time for an RFR Borrowing, Adjusted Daily Simple RFR for the applicable Currency will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for the applicable Currency;

and, in each case, the provisions of Section 2.12(d) are not applicable, then the Administrative Agent shall give notice thereof to the Borrower and the affected Lenders by telephone, telecopy or e-mail as promptly as practicable thereafter setting forth in reasonable detail the basis for such determination and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request electing the applicable Interest Period for a Eurocurrency Borrowing in the applicable Currency shall be ineffective, (ii) in the case of any Borrowing Request requesting a Eurocurrency Borrowing in the applicable Currency for the applicable Interest Period; or an RFR Borrowing, as applicable, (A) if such Borrowing is in Dollars then either, at the Borrower's election, (u) the applicable Borrowing Request shall be deemed ineffective or (v) such Borrowing shall be made as an ABR Borrowing at the Alternate Base Rate, (B) if such Borrowing is in Canadian Dollars then either, at the Borrower's election, (w) such Borrowing Request shall be deemed ineffective or (x) such Borrowing shall be made as a Eurocurrency Borrowing for which the Eurocurrency Rate shall be equal to the Canadian Prime Rate and (C) if such Borrowing is in any Agreed Foreign Currency (other than Canadian Dollars), then either, at the Borrower's election, (y) the applicable Borrowing Request shall be deemed ineffective or (z) such Borrowing shall be made as or converted to a Eurocurrency Borrowing or RFR Borrowing, as applicable, for which the Eurocurrency Rate or Daily Simple RFR, as applicable, shall be equal to the Average COF Rate and (iii) in the case of a Eurocurrency Borrowing for which the Interest Period is continuing or an RFR Borrowing, as applicable, in each case, unless prepaid then (A) if such Borrowing is in Dollars such Borrowing shall continue as an ABR Borrowing at the Alternate Base Rate, (B) if such Borrowing is in Canadian Dollars then such Borrowing shall continue as a Eurocurrency Borrowing for which the Eurocurrency Rate shall be equal to the Canadian Prime Rate and (C) if such Borrowing is in any Agreed Foreign Currency (other than Canadian Dollars), then such Borrowing shall continue as a Eurocurrency Borrowing or RFR Borrowing, as applicable, for which the Eurocurrency Rate or Daily Simple RFR, as applicable, shall be equal to the Average

COF Rate; provided that, if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other ~~Type~~Types of Borrowings shall be permitted; provided, further that, in connection with any ABR Borrowing made pursuant to the terms of this Section 2.12(b), the determination of the Alternate Base Rate shall disregard clause (d) of the definition thereof.

(c) Illegality. Without duplication of any other rights that any Lender has hereunder, if any Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful for any Lender to make, maintain or fund Loans whose interest is determined by reference to the Eurocurrency Rate (whether in Dollars or an Agreed Foreign Currency) or Daily Simple RFR or to determine or charge interest rates based upon the Eurocurrency Rate or Daily Simple RFR, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars or any Agreed Foreign Currency in the applicable interbank market, then, on notice thereof by such Lender to the Borrower and the Administrative Agent, (i) any obligation of such Lender to (x) make RFR Loans in the affected currency or currencies (y) make or continue Eurocurrency Loans in the affected ~~Currency~~currency or currencies or, (z) in the case of Eurocurrency Loans in Dollars, to convert ABR Loans to Eurocurrency Loans, shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or continuing ABR Loans the interest rate on which is determined by the Administrative Agent by reference to the Adjusted Eurocurrency Rate component of the Alternate Base Rate, the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted Eurocurrency Rate component of the Alternate Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x)(A) all applicable Eurocurrency Borrowings denominated in Dollars of such Lender shall automatically convert to ABR Borrowings and (B) all RFR Borrowings and Eurocurrency Borrowings denominated in the affected Agreed Foreign Currency of such Lender shall automatically convert to Dollars based on the Dollar Equivalent at such time and shall be an ABR Borrowing (the interest rate on which ABR Borrowings of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the LIBO Rate component of the Alternate Base Rate), (1) with respect to Eurocurrency Borrowings, either (I) on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Borrowings to such day, or (II) immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Borrowings (in which event Borrower shall not be required to pay any yield maintenance, breakage or similar fees) or (2) with respect to RFR Borrowings, on the immediately succeeding Business Day and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurocurrency Rate, the Administrative Agent shall during the period of such suspension compute the Alternate Base Rate applicable to such Lender without reference to the Adjusted Eurocurrency Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurocurrency Rate. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted.

~~(d) Effect of Benchmark Transition Event~~

(id) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, ~~upon:~~

(i) Replacing the LIBOR Screen Rate for Dollar-Denominated Loans. For Eurocurrency Loans denominated in Dollars on the earlier of (x) the date that all Available Tenors of the LIBOR Screen Rate have either permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative and (y) the Early Opt-in Effective Date, if the then-current Benchmark is the LIBOR Screen Rate, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(ii) Replacing the LIBOR Screen Rate for Other Foreign Currency-Denominated Loans and Future Benchmarks. On the earlier of (x) the occurrence of a Benchmark Transition Event ~~or~~ and (y) in respect of Loans denominated in an Agreed Foreign Currency, the date written notice of an Early Opt-in Election, ~~as applicable, the is provided to the Lenders by the Administrative Agent and, the Borrower may amend this Agreement to replace the applicable Benchmark with a~~ Benchmark Replacement. ~~Any such amendment with respect to a Benchmark Transition Event will become effective at~~ will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the ~~Administrative Agent has posted such proposed amendment to all Lenders and the Borrower~~ date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document, so long as the Administrative Agent has not received, by such time, written notice of objection to such ~~amendment~~ Benchmark Replacement from Lenders comprising the Required Lenders. ~~Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of the applicable Benchmark with a Benchmark Replacement~~ At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Administrative Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, (x) the Borrower will be deemed to have converted any request for a Eurocurrency Borrowing denominated in Dollars into a request for a Borrowing of or conversion to ABR Loans, (y) any request by the Borrower for a

Eurocurrency Borrowing in an Agreed Foreign Currency (other than Canadian Dollars) shall be ineffective or (z) any request by the Borrower for a Eurocurrency Borrowing denominated in Canadian Dollars shall be converted to a Eurocurrency Borrowing at the Canadian Prime Rate. During the period referenced in the foregoing sentence, (a) the component of Alternate Base Rate based upon the Benchmark will not be used in any determination of Alternate Base Rate and (b) if any Eurocurrency Loan in any Currency is outstanding, (x) if such Eurocurrency Loan is denominated in Dollars, then such Loan shall, on the last day of the Interest Period applicable to such Loan, at the Borrower's election prior to such day: (1) be prepaid by the Borrower on such day or (2) be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars on such date, (y) if such Eurocurrency Loan is denominated in any Agreed Foreign Currency (other than Canadian Dollars), then such Loan shall, on the last day of the Interest Period applicable to such Loan, at the Borrower's election prior to such day: (1) be prepaid by the Borrower on such day or (2) be converted by the Administrative Agent to, and (subject to the remainder of this subclause (2)) shall constitute, an ABR Loan denominated in Dollars (in an amount equal to the Dollar Equivalent of such Loan) on such day (it being understood and agreed that if the Borrower does not so prepay such Loan on such day by 12:00 noon, Local Time, the Administrative Agent is authorized to effect such conversion of such Eurocurrency Loan into an ABR Loan denominated in Dollars) and, in the case of this subclause (2), upon any subsequent implementation of a Benchmark Replacement in respect of such Agreed Foreign Currency pursuant to this Section 2.12(d) ~~will occur prior to the applicable Benchmark Transition Start Date~~ and with the Borrower's consent (which may be given in its sole discretion), such ABR Loan denominated in Dollars shall then be converted by the Administrative Agent to, and shall constitute, a Eurocurrency Loan denominated in such original Currency (in an amount equal to the Foreign Currency Equivalent of such Loan) on the day of such implementation, giving effect to such Benchmark Replacement in respect of such Foreign Currency or (z) if such Eurocurrency Loan is denominated in Canadian Dollars, then such Loan shall, on the last day of the Interest Period applicable to such Loan, at the Borrower's election prior to such day: (1) be prepaid by the Borrower on such day or (2) be converted by the Administrative Agent to a Eurocurrency Loan where the Eurocurrency Rate shall be equal to the Canadian Prime Rate.

(iii) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent ~~shall~~will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iv) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of ~~(i) any occurrence of a Benchmark Transition Start Date or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ix)~~ the implementation of any Benchmark Replacement, ~~(iii)~~ the effectiveness of any Benchmark Replacement Conforming Changes and ~~(iv)~~ the ~~commencement or~~

~~conclusion of any removal or reinstatement of any tenor of a~~ Benchmark Unavailability Period pursuant to clause (v) below. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.12(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party ~~hereto~~ to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.12(d).

~~(iv) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Eurocurrency Borrowing of, conversion to or continuation of Eurocurrency Loans based on the applicable Benchmark to be made, converted or continued during any Benchmark Unavailability Period and, failing that, (i) in the case of any request for a Eurocurrency Borrowing of, conversion to or continuation of Eurocurrency Loans to be made in Dollars, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion into ABR Loans, (ii) in the case of any request for a Eurocurrency Borrowing of or conversion to Eurocurrency Loans to be made in any Foreign Currency based on the applicable Benchmark, such request will be deemed to be ineffective and (iii) in the case of any request for a continuation of Eurocurrency Loans to be made in any Foreign Currency based on the applicable Benchmark, such Borrowing shall be converted to Dollars based on the Dollar Equivalent at such time. During any Benchmark Unavailability Period, the component of ABR based upon the LIBOR Screen Rate will not be used in any determination of ABR.~~

(v) Unavailability of Tenor of Benchmark. At any time (including in connection with the implementation of a Benchmark Replacement), (x) if the then-current Benchmark is a term rate (including Term SOFR or a LIBOR Screen Rate) then the Administrative Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (y) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings if such Benchmark (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for Benchmark (including a Benchmark Replacement) settings.

SECTION 2.13 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with

or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted Eurocurrency Rate) or the Issuing Bank;

(ii) subject any Lender to any Taxes (other than Covered Taxes and Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurocurrency Loans [or RFR Loans](#) made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lenders of making or maintaining any Eurocurrency Loan [or RFR Loan](#) (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or otherwise), then, upon the request of such Lender or Issuing Bank, the Borrower will pay to such Lender or the Issuing Bank, as the case may be, in Dollars, such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered; provided that no Lender will claim from the Borrower the payment of any of the amounts referred to in this paragraph (a) if not generally claiming similar compensation from its other similar customers in similar circumstances.

(b) Capital and Liquidity Requirements. If any Lender or the Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy or liquidity position), by an amount deemed to be material by such Lender or the Issuing Bank, then from time to time the Borrower will pay to such Lender or the Issuing Bank, as the case may be, in Dollars, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) Certificates from Lenders. A certificate of a Lender or the Issuing Bank setting forth (in reasonable detail the basis for and calculation of) the amount or amounts, in Dollars, necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be promptly delivered to the Borrower and shall be conclusive absent manifest error (it being understood that no Lender shall be required to disclose (i) any confidential or price sensitive information or (ii) any information to the extent prohibited by applicable law). The Borrower shall pay such Lender or the Issuing

Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that no Obligor shall be required to compensate a Lender or the Issuing Bank pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or the Issuing Bank notifies the Borrower in writing of any such Change in Law giving rise to such increased costs or reductions (except that, if the Change in Law giving rise to such increased costs is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 2.14 Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period therefor (including as a result of the occurrence of any Commitment Increase Date or an Event of Default), (b) the conversion of any Eurocurrency Loan other than on the last day of an Interest Period therefor, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (including in connection with any Commitment Increase Date and regardless of whether such notice is permitted to be revocable under Section 2.09(g) and is revoked in accordance herewith), or (d) the assignment as a result of a request by the Borrower pursuant to Section 2.18(b) of any Eurocurrency Loan other than on the last day of an Interest Period therefor, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event (excluding loss of anticipated profits). In the case of a Eurocurrency Loan, the loss to any Lender attributable to any such event (excluding, in any event, loss of anticipated profits) shall be deemed to include an amount determined by such Lender to be equal to the excess, if any, of:

(i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan referred to in clauses (a), (b), (c) or (d) of this Section 2.14 denominated in the Currency of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Eurocurrency Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Adjusted Eurocurrency Rate for such Currency for such Interest Period, over

(ii) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an Affiliate of such Lender) for deposits denominated in such Currency from other banks in the Eurocurrency market or, in the case of any Non-LIBOR Quoted Currency, in the relevant market for such Non-LIBOR Quoted Currency, in each case at the commencement of such period.

Payments under this Section shall be made upon written request of a Lender delivered not later than thirty (30) Business Days following the payment, conversion, or failure to borrow, convert, continue or prepay that gives rise to a claim under this Section accompanied by a written

certificate of such Lender setting forth in reasonable detail the amount or amounts that such Lender is entitled to receive pursuant to this Section, which certificate shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.15 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Taxes, unless otherwise required by applicable law; provided that if any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Taxes from such payments, then (i) the Withholding Agent shall make such deductions or withholdings, (ii) the Withholding Agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and (iii) if such Tax is a Covered Tax, the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 2.15) the Administrative Agent, Lender or the Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions or withholdings of Covered Tax been made.

(b) Payment of Other Taxes by the Borrower. In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank for and, within ten (10) Business Days after written demand therefor, pay the full amount of any Covered Taxes (including Covered Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) payable or paid by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Covered Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, by the Issuing Bank or by the Administrative Agent (on its own behalf or on behalf of a Lender or the Issuing Bank), shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. Without limiting the provisions of Section 2.15(a) or (c), each Lender shall, and does hereby, agree severally to indemnify the Administrative Agent, and shall make payable in respect thereof within 10 days after demand therefor, (i) against any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent) (collectively, "Tax Damages") incurred by or asserted against the Administrative Agent by the Internal Revenue Service or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of such Lender for any reason (including because the appropriate form was not delivered or not properly

executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding tax ineffective) and (ii) Tax Damages attributable to such Lender's failure to comply with the provisions of Section 9.04 relating to the maintenance of a Participant Register. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph. The agreements in this paragraph shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other obligations.

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.15, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent. If the Borrower is required by applicable law or this Agreement to pay any U.S. federal withholding Taxes (and the Administrative Agent is not so required) and the Borrower fails to pay any such U.S. federal withholding Taxes that are Excluded Taxes when due to the appropriate Governmental Authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence on account of such Excluded Taxes, the Borrower shall indemnify the Administrative Agent and each Lender for any incremental Taxes that may become payable by the Administrative Agent or such Lender as a result of such failure, but only to the extent that such incremental Taxes exceed the amount of Excluded Taxes that would have been borne by the Administrative Agent or a Lender absent such failure.

(f) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under this Agreement or any other Loan Documents shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.15(f)(ii)(A) or (B) or Section 2.15(g) below) shall not be required if in the Lender's reasonable judgment

such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, if the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) each Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent, but, in any event, only if such Foreign Lender is legally entitled to do so) whichever of the following is applicable:

- (1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party duly completed executed originals of Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E, as applicable, or any successor form establishing an exemption from, or reduction of, U.S. federal withholding Tax (x) with respect to payments of interest under any Loan Document, pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, pursuant to the “business profits” or “other income” article of such tax treaty,
- (2) duly completed executed originals of Internal Revenue Service Form W-8ECI or any successor form certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States,
- (3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate, signed under penalties of perjury, to the effect that such Foreign Lender is not (I) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (II) a “10 percent shareholder” of the Borrower within the

meaning of Section 881(c)(3)(B) of the Code, or (III) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code and (y) duly completed executed originals of Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E, as applicable (or any successor form), certifying that the Foreign Lender is not a U.S. Person, or

- (4) any other form as prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made, including, to the extent a Foreign Lender is not the beneficial owner, duly completed executed originals of Internal Revenue Service Form W-8IMY accompanied by Internal Revenue Service Form W-8ECI, Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E, as applicable, a certificate substantially similar to the certificate described in Section 2.15(f)(ii)(B)(3)(x) above, Internal Revenue Service Form W-9 and/or other certification documents from each beneficial owner, as applicable.

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(g) If a payment made to a Lender under this Agreement would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Administrative Agent and the Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Administrative Agent or the Borrower, at the time or times prescribed by law and at such time or times reasonably requested by the Administrative Agent or the Borrower, as may be necessary for the Administrative Agent and the Borrower to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under

FATCA or to determine the amount to deduct and withhold from any such payment. Solely for purposes of this clause (g), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered under this Agreement expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If the Administrative Agent, any Lender or the Issuing Bank determines, in its sole discretion exercised in good faith, that it has received a refund of any Covered Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Covered Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent, any Lender or the Issuing Bank, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Administrative Agent, any Lender or the Issuing Bank, agrees to repay the amount paid over to the Borrower pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, any Lender or the Issuing Bank in the event the Administrative Agent, any Lender or the Issuing Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the Administrative Agent, any Lender or the Issuing Bank be required to pay any amount to the Borrower pursuant to this paragraph (h) the payment of which would place the Administrative Agent, such Lender or the Issuing Bank in a less favorable net position after-Taxes than the Administrative Agent, such Lender or the Issuing Bank would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph (h) shall not be construed to require the Administrative Agent, any Lender or the Issuing Bank to make available its Tax returns or its books or records (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

(i) Survival. Each party’s obligations under this Section 2.15 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or replacement of, any Lender or any Issuing Bank, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document to which the Borrower or any of its Subsidiaries is a party.

(j) Defined Terms. For purposes of this Section 2.15, the term “applicable law” includes FATCA.

SECTION 2.16 Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Payments by the Borrower. The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees, reimbursement of LC Disbursements, or under Section 2.13, 2.14 or 2.15, or otherwise) or under any other Loan Document (except to the extent otherwise expressly provided therein) prior to 2:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off, deduction or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Administrative Agent's Account, except as otherwise expressly provided in the relevant Loan Document and except payments to be made directly to the Issuing Bank as expressly provided herein and pursuant to Sections 2.13, 2.14, 2.15 and 9.03, which shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

All amounts owing under this Agreement (including commitment fees, payments required under Sections 2.13 and 2.14 (except to the extent otherwise provided therein relating to any Loan denominated in Dollars, but not including principal of, and interest on, any Loan denominated in any Foreign Currency or payments relating to any such Loan required under Section 2.14 or any reimbursement or cash collateralization of any LC Exposure denominated in any Foreign Currency, which are payable in such Foreign Currency) or under any other Loan Document (except to the extent otherwise provided therein) are payable in Dollars. Notwithstanding the foregoing, if the Borrower shall fail to pay any principal of any Loan or LC Disbursement when due (whether at stated maturity, by acceleration, by mandatory prepayment or otherwise), the unpaid portion of such Loan or such LC Disbursement shall, if such Loan or such LC Disbursement is not denominated in Dollars, automatically be redenominated in Dollars on the due date thereof (or, if such due date is a day other than the last day of the Interest Period therefor, on the last day of such Interest Period) in an amount equal to the Dollar Equivalent thereof on the date of such redenomination and such principal shall be payable on demand; and if the Borrower shall fail to pay any interest on any Loan or LC Disbursement that is not denominated in Dollars, such interest shall automatically be redenominated in Dollars on the due date therefor (or, if such due date is a day other than the last day of the Interest Period therefor, on the last day of such Interest Period) in an amount equal to the Dollar Equivalent thereof on the date of such redenomination and such interest shall be payable on demand.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees of a Class then due hereunder, such funds shall be applied (i) first, to pay interest and fees of such Class then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements of such Class then

due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements of such Class then due to such parties.

(c) Pro Rata Treatment. Except to the extent otherwise provided herein: (i) each Borrowing of a Class shall be made from the Lenders of such Class, and each termination or reduction of the amount of the Commitments of a Class under Section 2.07, 2.09 or otherwise shall be applied to the respective Commitments of the Lenders of such Class, pro rata according to the amounts of their respective Commitments of such Class; (ii) each Borrowing of a Class shall be allocated pro rata among the Lenders of such Class according to the amounts of their respective Commitments of such Class (in the case of the making of Loans) or their respective Loans of such Class that are to be included in such Borrowing (in the case of conversions and continuations of Loans); (iii) each payment of commitment fees under Section 2.10 shall be made for the account of the Lenders pro rata according to the average daily unutilized amounts of their respective Commitments; (iv) each payment or prepayment of principal of Loans of a Class by the Borrower shall be made for account of the Lenders or such Class pro rata in accordance with the respective unpaid principal amounts of the Loans of such Class held by them; and (v) each payment of interest on Loans of a Class by the Borrower shall be made for account of the Lenders of such Class pro rata in accordance with the amounts of interest on such Loans of such Class then due and payable to the respective Lenders; provided, however, that, notwithstanding anything to the contrary contained herein, in the event that the Borrower wishes to make a Multicurrency Borrowing in an Agreed Foreign Currency and the Multicurrency Commitments are fully utilized, the Borrower may make a Borrowing under the Dollar Commitments (if otherwise permitted hereunder) and may use the proceeds of such Borrowing to prepay the Multicurrency Loans (without making a ratable prepayment to the Dollar Loans) solely to the extent that the Borrower substantially concurrently therewith utilizes any Multicurrency Commitments made available as a result of such prepayment to make a Multicurrency Borrowing in an Agreed Foreign Currency.

(d) Sharing of Payments by Lenders. If any Lender of a Class shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans, or participations in LC Disbursements of a Class resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements, and accrued interest thereon of such Class then due than the proportion received by any other Lender of such Class, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders of such Class to the extent necessary so that the benefit of all such payments shall be shared by the Lenders of such Class ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements of such Class; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof

(as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Presumptions of Payment. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders and the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent at the Federal Funds Effective Rate.

(f) Certain Deductions by the Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(e), 2.05 or 2.16(e), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.17 Defaulting Lenders.

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) commitment fees pursuant to Section 2.10(a) shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender to the extent, and during the period in which, such Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such commitment fee that otherwise would have accrued and been required to have been paid to such Defaulting Lender to the extent and during the period in which such Lender is a Defaulting Lender);

(b) the Commitment and Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders, two-thirds of the Lenders, two-thirds of the Lenders of a Class, the Required Lenders or the Required Lenders of a Class have taken or may take any action hereunder or under any other Loan Document (including any consent to any amendment or waiver pursuant to Section 9.02, except for any amendment or waiver described in Section 9.02(b)(i), (ii), (iii) or (iv)); provided that any waiver, amendment or modification requiring the consent of all Lenders, two-thirds of the Lenders or each affected Lender which

affects such Defaulting Lender differently than other Lenders or affected Lenders (as applicable) shall require the consent of such Defaulting Lender.

(c) if any LC Exposure exists at the time a Multicurrency Lender becomes a Defaulting Lender then:

(i) all or any part of such LC Exposure shall be reallocated among the non-Defaulting Multicurrency Lenders in accordance with their respective Applicable Multicurrency Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Multicurrency Credit Exposures plus such Defaulting Lender's LC Exposure does not exceed the total of all non-Defaulting Lenders' Multicurrency Commitments, (y) no non-Defaulting Lender's Multicurrency Credit Exposure will exceed such Lender's Multicurrency Commitment, and (z) the conditions set forth in Section 4.02 are satisfied at such time (and unless the Borrower has notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time);

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, within three Business Days following notice by the Administrative Agent, cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.04(k) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.10(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.10(a) and Section 2.10(b) shall be adjusted in accordance with such non-Defaulting Multicurrency Lenders' Applicable Multicurrency Percentages in effect after giving effect to such reallocation;

(v) if any Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to this Section 2.17(c), then, without prejudice to any rights or remedies of the Issuing Bank or any Lender hereunder, all facility fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) and letter of credit fees payable under Section 2.10(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until such LC Exposure is cash collateralized and/or reallocated; and

(vi) subject to Section 9.16, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation.

(d) so long as any Multicurrency Lender is a Defaulting Lender, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Multicurrency Commitments of the non-Defaulting Multicurrency Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.17(c), and participating interests in any such newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.17(c)(i) (and Defaulting Lenders shall not participate therein).

In the event that the Administrative Agent and the Borrower agree in writing that a Defaulting Lender that is a Dollar Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then, on the date of such agreement, such Lender shall purchase at par such of the Loans made to each Borrower of the other Lenders as the Administrative Agent shall determine may be necessary in order for the Lenders to hold such Loans in accordance with their ~~applicable~~ Applicable Dollar Percentage in effect immediately after giving effect to such agreement. In the event that the Administrative Agent, the Borrower and the Issuing Bank each agrees in writing that a Defaulting Lender that is a Multicurrency Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then, on the date of such agreement, such Lender shall no longer be deemed a Defaulting Lender, the Borrower shall no longer be required to cash collateralize any portion of such Lender's LC Exposure cash collateralized pursuant to Section 2.17(c)(ii) above, the LC Exposure of the Multicurrency Lenders shall be readjusted to reflect the inclusion of such Lender's Multicurrency Commitment and such Lender shall purchase at par the portion of the Loans of the other Multicurrency Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Multicurrency Percentage in effect immediately after giving effect to such agreement.

SECTION 2.18 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender exercises its rights under Section 2.12(b) or requests compensation under Section 2.13, or if the Borrower is required to pay any Covered Taxes or additional amount to any Lender or any Governmental Authority for account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts (subject to overall policy considerations of such Lender) to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if in the sole reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future, or eliminate the circumstance giving rise to such Lender exercising its rights under Section 2.12(b) and (ii) would not subject such Lender to any cost or expense not required to be reimbursed by the Borrower and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay

all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender exercises its rights under Section 2.12(b) or requests compensation under Section 2.13, or if the Borrower is required to pay any Covered Taxes or additional amount to any Lender or any Governmental Authority for account of any Lender pursuant to Section 2.15 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 2.18(a), or if any Lender becomes a Defaulting Lender, or if any Lender becomes a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent and the Issuing Bank, which consent shall not be unreasonably withheld, conditioned or delayed, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) Defaulting Lenders. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(e), 2.05 or 9.03(c), then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent or the Issuing Bank for the account of such Lender for the benefit of the Administrative Agent or the Issuing Bank to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under such Sections, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19 Maximum Rate. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan, the rate of interest payable in respect of such Loan hereunder, together with all related Charges, shall be limited to the Maximum Rate. To the extent lawful, the interest and Charges that would have been payable in respect of a Loan made to the Borrower, but were not payable as a result of the operation of this Section, shall be cumulated and the interest and Charges payable to such Lender by the Borrower in respect of other Loans or periods shall be increased (but not above the

Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

SECTION 3.01 Organization; Powers. Each of the Borrower and its Subsidiaries, as applicable, is duly organized or incorporated, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required of the Borrower or such Subsidiary, as applicable. There is no existing default under any charter, by-laws or other organizational documents of Borrower or its Subsidiaries or any event which, with the giving of notice or passage of time or both, would constitute a default by any party thereunder.

SECTION 3.02 Authorization; Enforceability. The Transactions are within the Borrower's corporate powers and have been duly authorized by all necessary corporate and, if required, by all necessary stockholder action and the Board of Directors of the Borrower and its Subsidiaries have approved the transactions contemplated in this Agreement. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each of the other Loan Documents to which it is a party when executed and delivered will constitute, a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.03 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of registration or filing with, or any other action by, any Governmental Authority, except for (i) such as have been or will be obtained or made and are in full force and effect and (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority (including the Investment Company Act and the rules, regulations and orders issued by the SEC thereunder), (c) will not violate or result in a default in any material respect under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or assets, or give rise to a right thereunder to require any payment to be made by any such Person, and (d) except for the Liens created pursuant to the Security Documents, will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 3.04 Financial Condition; No Material Adverse Effect.

(a) Financial Statements. The financial statements delivered to the Administrative Agent and the Lenders by the Borrower pursuant to Section 4.01(c) and 5.01(a) and (b) present fairly, in all material respects, the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis as of the end of and for the applicable period in accordance with GAAP applied on a consistent basis, subject, in the case of unaudited financial statements, to year-end audit adjustments and the absence of footnotes. None of the Borrower or any of its Subsidiaries has any material contingent liabilities, material liabilities for taxes, material unusual forward or material long-term commitments or material unrealized or anticipated losses from any unfavorable commitments not reflected in such financial statements.

(b) No Material Adverse Effect. Since September 30, 2018, there has not been any event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.

SECTION 3.05 Litigation.

There are no actions, suits, investigations or proceedings by or before any arbitrator or Governmental Authority now pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

SECTION 3.06 Compliance with Laws and Agreements.

Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries is subject to any contract or other arrangement, the performance of which by the Borrower could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.07 Taxes. Each of the Borrower and its Subsidiaries has timely filed or has caused to be timely filed all material U.S. federal, state and local Tax returns that are required to be filed by it and all other material Tax returns that are required to be filed by it and has paid all material Taxes for which it is directly or indirectly liable and any assessments made against it or any of its property and all other material Taxes, fees or other charges imposed on it or any of its property by any Governmental Authority, except such Taxes, fees or other charges the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or its Subsidiaries, as the case may be. The charges, accruals and reserves on the books of the Borrower and any of its Subsidiaries in respect of Taxes and other governmental charges are adequate in accordance with GAAP. Neither the Borrower nor any of its Subsidiaries has given or been requested to give a waiver of the statute of limitations relating

to the payment of any federal, state, local and foreign Taxes or other impositions, and no Tax lien (other than Liens permitted pursuant to clause (a) of the definition of Permitted Liens) has been filed with respect to the Borrower or any of its Subsidiaries. There is no proposed Tax assessment against the Borrower or any of its Subsidiaries that has been received by the Borrower or any of its Subsidiaries in writing.

SECTION 3.08 ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.09 Disclosure.

(a) All written information (other than financial projections, pro forma financial information, other forward-looking information and information of a general economic or general industry nature) which has been made available to the Administrative Agent or any Lender by the Borrower or any of its representatives on behalf of the Borrower in connection with the transactions contemplated by this Agreement or delivered under any Loan Document, taken as a whole, is and will be (after giving effect to all written updates provided by the Borrower to the Administrative Agent for delivery to the Lenders from time to time) complete, true and correct in all material respects and does not and will not (after giving effect to all written updates provided by the Borrower to the Administrative Agent for delivery to the Lenders from time to time) contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein at the time made and taken as a whole not misleading in light of the circumstances under which such statements were made; provided that, solely with respect to information furnished by the Borrower which was provided to the Borrower from a third party, such information need only be true and correct in all material respects to the knowledge of the Borrower; and

(b) All financial projections, pro forma financial information and other forward-looking information which has been delivered to the Administrative Agent or any Lender by the Borrower or any of its representatives on behalf of the Borrower in connection with the transactions contemplated by this Agreement or delivered under any Loan Document, are based upon estimates and assumptions believed by the Borrower in good faith to be reasonable at the time made, it being recognized that (i) such projections, financial information and other forward-looking information as they relate to future events are subject to significant uncertainty and contingencies (many of which are beyond the control of the Borrower and that no assurance can be given that such projections will be realized) and therefore are not to be viewed as fact and (ii) actual results during the period or periods covered by such projections, financial information and other forward-looking information may materially differ from the projected results set forth therein.

SECTION 3.10 Investment Company Act; Margin Regulations.

(a) Status as Business Development Company. The Borrower is an “investment company” that has elected to be regulated as a “business development company” within the meaning of the Investment Company Act and qualifies as a RIC.

(b) Compliance with Investment Company Act. The business and other activities of the Borrower and its Subsidiaries, including, without limitation, entering into this Agreement and the other Loan Documents to which each is a party, the borrowing of the Loans hereunder, the application of the proceeds and repayment thereof by the Borrower and the consummation of the Transactions contemplated by the Loan Documents, do not result in a violation or breach of the applicable provisions of the Investment Company Act or any rules, regulations or orders issued by the SEC thereunder, except where such breaches or violations, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) Investment Policies. The Borrower is in compliance in all material respects with the Investment Policies and its Valuation Policies, in each case as amended by Permitted Policy Amendments.

(d) Use of Credit. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of any extension of credit hereunder will be used to buy or carry any Margin Stock in violation of law, rule or regulation. The Borrower does not own or intend to carry or purchase any Margin Stock or to extend “purpose credit” within the meaning of Regulation U.

SECTION 3.11 Material Agreements and Liens.

(a) Material Agreements. Schedule 3.11(a) is a complete and correct list of each credit agreement, loan agreement, indenture, purchase agreement, guarantee, letter of credit or other arrangements providing for or otherwise relating to any Indebtedness or any extension of credit (or commitment for any extension of credit) to, or guarantee by, the Borrower or any of its Subsidiaries outstanding on the Effective Date, and the aggregate principal or face amount outstanding or that is, or may become, outstanding under each such arrangement is correctly described in Schedule 3.11(a).

(b) Liens. Schedule 3.11(b) is a complete and correct list of each Lien securing Indebtedness of any Person outstanding on the Effective Date covering any property of the Borrower or any of its Subsidiaries, and the aggregate principal amount of such Indebtedness secured (or that may be secured) by each such Lien and the property covered by each such Lien as of the Effective Date is correctly described in Schedule 3.11(b).

SECTION 3.12 Subsidiaries and Investments.

(a) Subsidiaries. Set forth in Schedule 3.12(a) is a complete and correct list of all of the Subsidiaries of the Borrower as of the Effective Date together with, for each such Subsidiary, (i) the jurisdiction of organization of such Subsidiary, (ii) each Person holding ownership interests in such Subsidiary and (iii) the percentage of ownership of such Subsidiary

represented by such ownership interests. Except as disclosed in Schedule 3.12(a), as of the Effective Date, (x) the Borrower owns, free and clear of Liens (other than Eligible Liens and Liens permitted pursuant to Section 6.02(b) or (e)), and has the unencumbered right to vote, all outstanding ownership interests in each Subsidiary shown to be held by it in Schedule 3.12(a), and (y) all of the issued and outstanding capital stock of each such Subsidiary organized as a corporation is validly issued, fully paid and nonassessable (to the extent such concepts are applicable).

(b) Investments. Set forth in Schedule 3.12(b) is a complete and correct list of all Investments (other than Investments of the types referred to in clauses (b), (c), (d), (e), (f) (solely with respect to Portfolio Investments), (g) and (i) of Section 6.04) held by the Borrower or any of its Subsidiaries in any Person on the Effective Date and, for each such Investment, (i) the identity of the Person or Persons holding such Investment and (ii) the nature of such Investment. Except as disclosed in Schedule 3.12(b), as of the Effective Date each of the Borrower and its Subsidiaries owns, free and clear of all Liens (other than Liens permitted pursuant to Section 6.02), all such Investments.

SECTION 3.13 Properties.

(a) Title Generally. Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Intellectual Property. Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.14 Solvency. On the Effective Date, and upon the incurrence of any extension of credit hereunder, on any date on which this representation and warranty is made, (a) the Borrower will be Solvent on an unconsolidated basis, and (b) each Obligor will be Solvent on a consolidated basis with the other Obligors.

SECTION 3.15 No Default. No Default or Event of Default has occurred and is continuing under this Agreement.

SECTION 3.16 Use of Proceeds. The proceeds of the Loans shall be used for the general corporate purposes of the Borrower and its Subsidiaries (other than Financing Subsidiaries except as expressly permitted under Section 6.03(e) or 6.03(i)) in the ordinary course of its business, including making distributions not prohibited by this Agreement, making payments on Indebtedness of the Obligors to the extent permitted under this Agreement and the acquisition and funding (either directly or indirectly as expressly permitted hereunder) of leveraged loans, mezzanine loans, high yield securities, convertible securities, preferred stock,

common stock and other Investments, but excluding, for clarity, Margin Stock in violation of applicable law, rule or regulation.

SECTION 3.17 Security Documents. The Guarantee and Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable first-priority Liens on, and security interests in, the Collateral and, (i) when all appropriate filings or recordings are made in the appropriate offices as may be required for perfection by filing under applicable law and, as applicable, and (ii) upon the taking of possession or control by the Collateral Agent of the Collateral with respect to which a security interest may be perfected by possession or control (which possession or control shall be given to the Collateral Agent to the extent possession or control by the Collateral Agent is required by the Guarantee and Security Agreement), the Liens created by the Guarantee and Security Agreement shall constitute fully perfected Liens on, and security interests in, all right, title and interest of the grantors in the Collateral (other than such Collateral in which a security interest cannot be perfected under the UCC as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

SECTION 3.18 Financing Subsidiaries.

~~-(a)~~ Any Structured Subsidiary complies with each of the conditions set forth in clause (a) or (b) in the definition of “Structured Subsidiary”, as applicable.

~~(ab)~~ Any SBIC Subsidiary complies with each of the conditions set forth in the definition of “SBIC Subsidiary.”

~~(bc)~~ As of the Effective Date, other than Barings BDC Finance I, LLC, and Barings BDC Senior Funding I, LLC, the Borrower has no Financing Subsidiaries.

SECTION 3.19 Affiliate Agreements. As of the Effective Date, the Borrower has heretofore delivered to each of the Lenders true and complete copies of each of the Affiliate Agreements (including any schedules and exhibits thereto, and any amendments, supplements or waivers executed and delivered thereunder). As of the Effective Date, (a) each of the Affiliate Agreements is in full force and effect and (b) other than the Affiliate Agreements, there is no contract, agreement or understanding, in writing, between the Borrower or any of its Subsidiaries, on the one hand, and any Affiliate of the Borrower, on the other hand.

SECTION 3.20 Compliance with Sanctions. Neither the Borrower nor any of its Subsidiaries, nor any executive officer or director thereof, nor, to the knowledge of the Borrower, any Affiliate of the Borrower or any of their respective employees or agents, (i) is subject to, or subject of, any sanctions or trade embargoes (or similar measures) (collectively, “Sanctions”) imposed, administered or enforced from time to time by the United States of America (including the United States Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and the U.S. Department of State), the European Union, Her Majesty’s Treasury, the United Nations Security Council, or any other relevant sanctions authority, (ii) is located, organized or resident in a Sanctioned Country or (iii) is in violation of Sanctions. Furthermore, no part of the proceeds of a Loan will be used, directly or indirectly, or made available by the Borrower to any Person to cause any Person to violate Sanctions or to finance or

facilitate any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions.

SECTION 3.21 Anti-Money Laundering and Sanctions Program. The Borrower has implemented an anti-money laundering program to the extent required by the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism, as amended (the “USA PATRIOT Act”) and by any other applicable anti-money laundering laws, and the rules and regulations thereunder and maintains in effect and enforces policies and procedures designed to ensure compliance by the Borrower and its Subsidiaries (and, when acting on behalf of the Borrower and its Subsidiaries, their respective directors, officers, employees and agents) with applicable Sanctions. Furthermore, no part of the proceeds of a Loan will be used, directly or indirectly, by the Borrower or any Subsidiary or Affiliate of the Borrower, or by any of their respective directors, officers, agents or employees acting on behalf of the Borrower or any Subsidiary of the Borrower, to finance or facilitate a transaction in violation of the anti-money laundering laws.

SECTION 3.22 Anti-Corruption Laws. The Borrower, its Subsidiaries, its Affiliates, its directors and officers and, to the Borrower’s knowledge, the employees and agents acting on behalf of the Borrower and its Subsidiaries, are in compliance with all applicable Sanctions and Anti-Corruption Laws and each of the Borrower and any Subsidiary and Affiliate of the Borrower has instituted and maintained policies and procedures reasonably designed to ensure, and which are reasonably expected to continue to ensure, compliance therewith. Furthermore, no part of the proceeds of a Loan will be used, directly or indirectly, by the Borrower or any Subsidiary or Affiliate of the Borrower or by any of their respective directors, officers, agents or employees acting on behalf of the Borrower or any Subsidiary of the Borrower, to finance or facilitate a transaction in violation of the Anti-Corruption Laws.

SECTION 3.23 Beneficial Ownership Certification. As of the Effective Date, the information included in any Beneficial Ownership Certification provided on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all respects.

SECTION 3.24 EEA Financial Institutions. No Obligor is an EEA Financial Institution.

ARTICLE IV. __

CONDITIONS

SECTION 4.01 Effective Date. The effectiveness of this Agreement and of the obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until completion of each of the following conditions precedent (unless a condition shall have been waived in accordance with Section 9.02):

(a) Documents. Administrative Agent shall have received each of the following documents, each of which shall be reasonably satisfactory to the Administrative Agent (and to the extent specified below to each Lender) in form and substance:

(i) Executed Counterparts. From each party hereto either (x) a counterpart of this Agreement signed on behalf of such party or (y) written evidence satisfactory to the Administrative Agent (which may include telecopy or e-mail transmission of a signed signature page to this Agreement) that such party has signed a counterpart of this Agreement.

(ii) Guarantee and Security Agreement; Custodian Agreement. The Guarantee and Security Agreement, the Custodian Agreement with respect to the Borrower's Custodian Account and the Control Agreement, each duly executed and delivered by each of the parties thereto, and all other documents or instruments required to be delivered by the Guarantee and Security Agreement, the Custodian Agreement and the Control Agreement in connection with the execution thereof.

(iii) Opinion of Counsel to the Borrower. A favorable written customary opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Dechert LLP, New York counsel for the Borrower, in form and substance reasonably satisfactory to the Administrative Agent and covering such matters as the Administrative Agent may reasonably request (and the Borrower hereby instructs such counsel to deliver such opinion to the Lenders and the Administrative Agent).

(iv) Corporate Documents. A certificate of the secretary or assistant secretary of each Obligor, dated the Effective Date, certifying that attached thereto are (v) true and complete copies of the organizational documents of each Obligor certified as of a recent date by the appropriate governmental official, (w) signature and incumbency certificates of the officers of such Person executing the Loan Documents to which it is a party, (x) true and complete resolutions of the Board of Directors of each Obligor approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party or by which it or its assets may be bound as of the Effective Date and, in the case of the Borrower, authorizing the borrowings hereunder, and that such resolutions are in full force and effect without modification or amendment, (y) a good standing certificate from the applicable Governmental Authority of each Obligor's jurisdiction of incorporation, organization or formation and in each jurisdiction in which it is qualified as a foreign corporation or other entity to do business, each dated a recent date prior to the Effective Date, and (z) such other documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Obligors, and the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(v) Officer's Certificate. A certificate, dated the Effective Date and signed by a Financial Officer of the Borrower, confirming compliance with the conditions set forth in Sections 4.01(e) and (h) and Sections 4.02 (a), (b), (c) and (d).

(vi) Control Agreements. A control agreement with respect to each of the Deposit Accounts and the Securities Accounts of the Borrower and its Subsidiaries required to be delivered by the Guarantee and Security Agreement.

(b) Liens. The Administrative Agent shall have received results of a recent lien search in each relevant jurisdiction with respect to the Obligors, confirming the priority of the Liens in favor of the Collateral Agent created pursuant to the Security Documents and revealing no liens on any of the assets of the Obligors except for Liens permitted under Section 6.02 or Liens to be discharged on or prior to the Effective Date pursuant to documentation reasonably satisfactory to the Administrative Agent. All UCC financing statements, control agreements, stock certificates and other documents or instruments required to be filed or executed and delivered in order to create in favor of the Collateral Agent, for the benefit of the Administrative Agent and the Lenders, a first-priority perfected (subject to Eligible Liens) security interest in the Collateral (to the extent that such a security interest may be perfected by filing, possession or control under the Uniform Commercial Code) shall have been properly filed (or provided to the Administrative Agent) or executed and delivered in each jurisdiction required.

(c) Financial Statements. The Administrative Agent and the Lenders shall have received, prior to the execution of this Agreement, (i) the audited consolidated balance sheets, audited consolidated statements of operations, audited consolidated statements of changes in net assets, audited consolidated statements of cash flows and related audited consolidated schedule of investments of the Borrower and its consolidated Subsidiaries as of and for the fiscal year ended December 31, 2017, December 31, 2016 and December 31, 2015 and (ii) the unaudited consolidated balance sheets, unaudited consolidated statements of operations, unaudited consolidated statements of changes in net assets, unaudited consolidated statements of cash flows and related unaudited consolidated schedule of investments of the Borrower and its consolidated Subsidiaries as of and for the nine-month and three-month period ended September 30, 2018, in each case certified in writing by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes. The Administrative Agent and the Lenders shall have received any other financial statements of the Borrower and its Subsidiaries as they shall have reasonably requested.

(d) Consents. The Borrower shall have obtained and delivered to the Administrative Agent certified copies of all consents, approvals, authorizations, registrations, or filings (other than any filing required under the Exchange Act or the rules or regulations promulgated thereunder, including any filing required on Form 8-K) required to be made or obtained by the Borrower and all guarantors in connection with the Transactions and any other evidence reasonably requested by, and reasonably satisfactory to, the Administrative Agent as to compliance with all material legal and regulatory requirements applicable to the Obligors, and such consents, approvals, authorizations, registrations, filings and orders shall be in full force and effect and all applicable waiting periods shall have expired and no investigation or inquiry

by any Governmental Authority regarding the Transactions or any transaction being financed with the proceeds of the Loans shall be ongoing.

(e) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments pending or, to the knowledge of the Borrower, threatened in writing in any court or before any arbitrator or Governmental Authority (including any SEC investigation) that relates to the Transactions or that could reasonably be expected to have a Material Adverse Effect.

(f) Solvency Certificate. On the Effective Date, the Administrative Agent shall have received a solvency certificate of a Financial Officer of the Borrower dated as of the Effective Date and addressed to the Administrative Agent and the Lenders, and in form, scope and substance reasonably satisfactory to Administrative Agent, with appropriate attachments and demonstrating that both before and after giving effect to the Transactions, (a) the Borrower will be Solvent on an unconsolidated basis and (b) each Obligor will be Solvent on a consolidated basis with the other Obligors.

(g) Due Diligence. All customary confirmatory due diligence on the Borrower and its Subsidiaries shall have been completed by the Administrative Agent and the Lenders and the results of such due diligence shall be satisfactory to the Administrative Agent and the Lenders. No information shall have become available which the Administrative Agent reasonably believes has had, or could reasonably be expected to have, a Material Adverse Effect.

(h) Default. No Default or Event of Default shall have occurred and be continuing under this Agreement, nor any default or event of default that permits (or which upon notice, lapse of time or both, would permit) the acceleration of any Material Indebtedness, immediately before and after giving effect to the Transactions, any incurrence of Indebtedness hereunder and the use of the proceeds hereof.

(i) USA PATRIOT Act. The Administrative Agent and each Lender shall have received all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act, as reasonably requested by the Administrative Agent or such Lender.

(j) Investment Policies; Valuation Policy. The Administrative Agent shall have received the Investment Policies and Valuation Policy as in effect on the Effective Date in form and substance reasonably satisfactory to the Administrative Agent.

(k) Borrowing Base Certificate. The Administrative Agent shall have received a Borrowing Base Certificate dated as of the Effective Date, showing a calculation of the Borrowing Base as of the date immediately prior to the Effective Date, in form and substance reasonably satisfactory to the Administrative Agent.

(l) Insurance Certificates. The Administrative Agent shall have received certificates from the Borrower’s insurance broker or other evidence reasonably satisfactory to it

that the directors and officers liability insurance required to be maintained pursuant to the Loan Documents is in full force and effect.

(m) Beneficial Ownership Regulation. The Administrative Agent shall have received, to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five days prior to the Effective Date, a Beneficial Ownership Certification.

(n) Fees and Expenses. The Borrower shall have paid in full to the Administrative Agent, the Joint Lead Arrangers and the Lenders all fees and expenses (including reasonable legal fees to the extent invoiced) related to this Agreement owing on or prior to the Effective Date, including any upfront fee due to any Lender on or prior to the Effective Date.

(o) Other Documents. The Administrative Agent shall have received such other documents, instruments, certificates, opinions and information as the Administrative Agent may reasonably request or require in form and substance reasonably satisfactory to the Administrative Agent.

The contemporaneous exchange and release of executed signature pages by each of the Persons contemplated to be a party hereto shall render this Agreement effective and any such exchange and release of such executed signature pages by all such persons shall constitute satisfaction or waiver (as applicable) of any condition precedent to such effectiveness set forth above. Each Lender on the Effective Date acknowledges receipt of, and satisfaction with, each of the documents set forth above.

SECTION 4.02 Conditions to Each Credit Event. The obligation of each Lender to make any Loan, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, including in each case any such extension of credit on the Effective Date, is additionally subject to the satisfaction of the following conditions:

(a) the representations and warranties of the Obligors set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects (other than any representation or warranty already qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects) on and as of the date of such Loan or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, or, as to any such representation or warranty that refers to a specific date, as of such specific date;

(b) at the time of and immediately after giving effect to such Loan or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing or would result from such extension of credit after giving effect thereto and to the use of proceeds thereof on a pro forma basis;

(c) no Borrowing Base Deficiency shall exist at the time of and immediately after giving effect to such extension of credit and either (i) the aggregate Covered Debt Amount (after giving effect to such Loan) shall not exceed the Borrowing Base reflected on the Borrowing Base Certificate most recently delivered to the Administrative Agent or (ii) the Borrower shall have delivered an updated Borrowing Base Certificate demonstrating that the

Covered Debt Amount (after giving effect to such Loan) shall not exceed the Borrowing Base after giving effect to such Loan as well as any concurrent acquisitions of Portfolio Investments by the Borrower or payment of outstanding Loans or Other Covered Indebtedness;

(d) after giving effect to such extension of credit, the Borrower shall be in pro forma compliance with each of the covenants set forth in Section 6.07; and

(e) the proposed date of such extension of credit shall take place during the Availability Period.

Each Borrowing, and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in the preceding sentence.

ARTICLE V. __

AFFIRMATIVE COVENANTS

Until the Termination Date, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01 Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent for distribution to each Lender (provided that, the Administrative Agent shall not be required to distribute any document or report to any Lender to the extent such distribution would cause the Administrative Agent to breach or violate any agreement that it has with another Person (including any non-reliance or non-disclosure letter with any Approved Third-Party Appraiser)):

(a) within 90 days after the end of each fiscal year of the Borrower (commencing with the fiscal year ending December 31, 2018), the audited consolidated balance sheet and the related audited consolidated statements of operations, audited consolidated statements of changes in net assets, audited consolidated statements of cash flows and related audited consolidated schedule of investments of the Borrower and its Subsidiaries on a consolidated basis as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year (to the extent full fiscal year information is available), all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied (which report shall be unqualified as to going concern and scope of audit and shall not contain any explanatory paragraph or paragraph of emphasis with respect to going concern); provided that the requirements set forth in this clause (a) may be fulfilled by providing to the Administrative Agent for distribution to each Lender the report filed by the Borrower with the SEC on Form 10-K for the applicable fiscal year;

(b) within 45 days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending March 31, 2019),

the consolidated balance sheet and the related consolidated statements of operations, consolidated statements of changes in net assets, consolidated statements of cash flows and related consolidated schedule of investments of the Borrower and its Subsidiaries on a consolidated basis as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for (or, in the case of the statement of assets and liabilities, as of the end of) the corresponding period or periods of the previous fiscal year (to the extent such information is available for the previous fiscal year), all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; provided that the requirements set forth in this clause (b) may be fulfilled by providing to the Administrative Agent for distribution to each Lender the report filed by the Borrower with the SEC on Form 10-Q for the applicable quarterly period;

(c) concurrently with any delivery of financial statements under clause (a) or (b) of this Section, a certificate of a Financial Officer of the Borrower (i) to the extent the requirements in clauses (a) and (b) of this Section are not fulfilled by the Borrower delivering the applicable report delivered to (or filed with) the SEC, certifying that such statements are consistent with the financial statements filed by the Borrower with the SEC, (ii) certifying as to whether the Borrower has knowledge that a Default has occurred and is continuing during the most recent period covered by such financial statements and, if a Default has occurred and is continuing during such period (or has occurred and is continuing from a prior period), specifying the details thereof and any action taken or proposed to be taken with respect thereto, (iii) setting forth reasonably detailed calculations (which reconcile to the financial statements) demonstrating compliance with Sections 6.01(b), (h) and (k), 6.03(e), (g) and (i), 6.04(j), 6.05(b) and (d) and 6.07, (iv) stating whether any change in GAAP as applied by (or in the application of GAAP by) the Borrower has occurred since the Effective Date (but only if the Borrower has not previously reported such change to the Administrative Agent and if such change has had a material effect on the financial statements) and, if any such change has occurred (and has not been previously reported to the Administrative Agent), specifying the effect of such change on the financial statements accompanying such certificate, and (v) attaching a list of Subsidiaries as of the date of delivery of such certificate or a confirmation that there is no change in such information since the date of the last such list;

(d) as soon as available and in any event not later than thirty (30) calendar days after the end of each monthly accounting period (ending on the last day of each calendar month) of the Borrower and its Subsidiaries, commencing with the monthly accounting period ending February 28, 2019, a Borrowing Base Certificate as of the last day of such accounting period (which Borrowing Base Certificate shall include: (i) an Excel schedule containing information substantially similar to the information included on the Excel schedule included in the Borrowing Base Certificate delivered to the Administrative Agent on the Effective Date and (ii) a calculation of the External Quoted Value in accordance with methodologies described in Sections 5.12(b)(ii)(A)(w), (x), (y) and (z));

(e) promptly but no later than two Business Days after any Financial Officer of the Borrower shall at any time have knowledge (based upon facts and circumstances known to him) that there is a Borrowing Base Deficiency or knowledge that the Borrowing Base has declined by more than 15% from the Borrowing Base stated in the Borrowing Base Certificate last delivered by the Borrower to the Administrative Agent (other than in connection with an asset sale or return of capital the proceeds of which are used to prepay the Loans), a Borrowing Base Certificate as at the date such Financial Officer has knowledge of such Borrowing Base Deficiency or decline indicating the amount of the Borrowing Base Deficiency or decline as at the date such Financial Officer obtained knowledge of such deficiency or decline;

(f) promptly upon receipt thereof copies of all significant and non-routine written reports submitted to the management or Board of Directors of the Borrower by the Borrower's independent public accountants in connection with each annual, interim or special audit or review of any type of the financial statements or related internal control systems of the Borrower or any of its Subsidiaries delivered by such accountants to the management or board of directors of the Borrower (other than the periodic reports that the Borrower's independent auditors provide, in the ordinary course, to the audit committee of the Borrower's Board of Directors);

(g) [reserved];

(h) to the extent not previously delivered, within 45 days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower and within 90 days after the end of the fourth fiscal quarter of each fiscal year of the Borrower, all final internal and external valuation reports relating to the Eligible Portfolio Investments (including all valuation reports delivered by an Approved Third-Party Appraiser in connection with the quarterly appraisals of Unquoted Investments in accordance with Section 5.12(b)(ii)(B), but excluding any valuation reports provided to the Administrative Agent by the Independent Valuation Provider), and any other information relating to the Eligible Portfolio Investments as reasonably requested by the Administrative Agent or any other Lender;

(i) to the extent not otherwise provided by the Custodian, within thirty (30) days after the end of each month, full, correct and complete updated copies of custody reports (including, to the extent available, (i) activity reports with respect to Cash and Cash Equivalents included in the calculation of the Borrowing Base, (ii) an itemized list of each account and the amounts therein with respect to Cash and Cash Equivalents included in the calculation of the Borrowing Base and (iii) an itemized list of each Portfolio Investment held in any Custodian Account owned by the Borrower or any of its Subsidiary reflecting all assets being held in any Custodian Account owned by the Borrower or any of its Subsidiaries or otherwise subject to the Custodian Agreement;

(j) within 45 days after the end of each of the first three fiscal quarters of the Borrower and 90 days after the end of each fiscal year of the Borrower, a certificate of a Financial Officer of the Borrower certifying that attached thereto is a complete and correct description of all Portfolio Investments as of the date thereof, including, with respect to each

such Portfolio Investment, the name of the Borrower or Subsidiary holding such Portfolio Investment and the amounts held by each;

(k) to the extent such information is not otherwise available in the financial statements delivered pursuant to clause (a) or (b) of this Section, upon the reasonable request of the Administrative Agent, within five (5) Business Days of the due date set forth in clause (a) or (b) of this Section for any quarterly or annual financial statements, as the case may be, a schedule prepared in accordance with GAAP setting forth in reasonable detail with respect to each Portfolio Investment owned by the Borrower or any of its Subsidiaries (other than Financing Subsidiaries) where there has been a realized gain or loss in the most recently completed fiscal quarter, (i) the cost basis of such Portfolio Investment, (ii) the realized gain or loss associated with such Portfolio Investment, (iii) the associated reversal of any previously unrealized gains or losses associated with such Portfolio Investment, (iv) the proceeds received with respect to such Portfolio Investment representing repayments of principal during the most recently ended fiscal quarter, and (v) any other amounts received with respect to such Portfolio Investment representing exit fees or prepayment penalties during the most recently ended fiscal quarter;

(l) any change in the information provided in the Beneficial Ownership Certification, if any, delivered to a Lender that would result in a change to the list of beneficial owners identified in such certificate;

(m) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation; and

(n) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any of its Subsidiaries, or compliance with the terms of this Agreement and the other Loan Documents, as the Administrative Agent or any Lender may reasonably request.

SECTION 5.02 Notices of Material Events. Promptly after the Borrower becoming aware of any of the following, the Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default or Event of Default (unless the Borrower first became aware of such Default from a notice delivered by the Administrative Agent); provided that if such Default is subsequently cured (i) within the time periods set forth herein and (ii) before the Borrower became aware of such Default, the failure to provide notice of such Default shall not itself result in an Event of Default hereunder;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; and

(d) any other development (excluding matters of a general economic, financial or political nature to the extent that they could not reasonably be expected to have a disproportionate effect on the Borrower) that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03 Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries (other than Immaterial Subsidiaries) to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04 Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including material contractual obligations, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries (other than Immaterial Subsidiaries) to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by externally managed business development companies and (c) upon the reasonable request of the Administrative Agent, promptly deliver to the Administrative Agent any certificate or certificates from the Borrower's insurance broker or other documentary evidence, in each case, demonstrating the effectiveness of, or any changes to, such insurance.

SECTION 5.06 Books and Records; Inspection and Audit Rights.

(a) Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep, or cause to be kept, books of record and account in accordance with GAAP. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice to the Borrower and, in the case of representatives designated by the Administrative

Agent, at the sole expense of the Borrower, to (i) visit and inspect its properties during normal business hours, to examine and make extracts from its books and records, and (ii) discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested, in each case to the extent such information can be provided or discussed without violation of law, rule or regulation (it being understood that the Obligors will use their commercially reasonable efforts to be able to provide such information not in violation of law, rule or regulation); provided that the Borrower or such Subsidiary shall be entitled to have its representatives and advisors present during any inspection of its books and records; provided, further, that the Borrower shall not be required to pay for more than two (2) such visits and inspections in any calendar year unless an Event of Default has occurred and is continuing at the time of any subsequent visits and inspections during such calendar year.

(b) Audit Rights. The Borrower will, and will cause each of its Subsidiaries (other than Financing Subsidiaries) to, permit any representatives designated by Administrative Agent (including any consultants, accountants and lawyers retained by the Administrative Agent) to conduct evaluations of the Borrower's computation of the Borrowing Base and the assets included in the Borrowing Base (including, for clarity, audits of any Agency Accounts, funds transfers and custody procedures), all at such reasonable times and as often as reasonably requested. The Borrower shall pay the reasonable, documented out-of-pocket fees and expenses of representatives retained by the Administrative Agent to conduct any such evaluation; provided that the Borrower shall not be required to pay such fees and expenses for more than one such evaluation during any calendar year unless an Event of Default has occurred and is continuing at the time of any subsequent evaluation during such calendar year. The Borrower also agrees to modify or adjust the computation of the Borrowing Base and/or the assets included in the Borrowing Base, to the extent required by the Administrative Agent or the Required Lenders as a result of any such evaluation indicating that such computation or inclusion of assets is not consistent with the terms of this Agreement, provided that if the Borrower demonstrates that such evaluation is incorrect, the Borrower shall be permitted to re-adjust its computation of the Borrowing Base.

(c) Notwithstanding the foregoing, nothing contained in this Section 5.06 shall impair or affect the rights of the Administrative Agent under Section 5.12(b)(ii) in any respect.

SECTION 5.07 Compliance with Laws and Agreements. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations, including the Investment Company Act (if applicable to such Person), and orders of any Governmental Authority applicable to it (including orders issued by the SEC) or its property and all indentures, agreements and other instruments, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Policies and procedures will be maintained and enforced by or on behalf of the Borrower that are designed in good faith and in a commercially reasonable manner to promote and achieve compliance, in the reasonable judgment of the Borrower, by the Borrower and each of its Subsidiaries and, when

acting on behalf of the Borrower or any of its Subsidiaries, their respective directors, officers, employees and agents with any applicable Anti-Corruption Laws and applicable Sanctions.

SECTION 5.08 Certain Obligations Respecting Subsidiaries; Further Assurances.

(a) Subsidiary Guarantors.

(i) In the event that (1) the Borrower or any of its Subsidiaries shall form or acquire any new Subsidiary (other than a Financing Subsidiary, a CFC, an Immaterial Subsidiary or a Transparent Subsidiary), or any other Person shall become a “Subsidiary” within the meaning of the definition thereof (other than a Financing Subsidiary, a CFC, an Immaterial Subsidiary or a Transparent Subsidiary); (2) any Structured Subsidiary shall no longer constitute a “Structured Subsidiary” pursuant to the definition thereof (in which case such Person shall be deemed to be a “new” Subsidiary for purposes of this Section 5.08); (3) any SBIC Subsidiary shall no longer constitute an “SBIC Subsidiary” pursuant to the definition thereof (in which case such Person shall be deemed to be a “new” Subsidiary for purposes of this Section 5.08); (4) any CFC shall no longer constitute a “CFC” pursuant to the definition thereof (in which case such Person shall be deemed to be a “new” Subsidiary for purposes of this Section 5.08); (5) any Transparent Subsidiary shall no longer constitute a “Transparent Subsidiary” pursuant to the definition thereof (in which case such Person shall be deemed to be a “new” Subsidiary for purposes of this Section 5.08); or (6) any Immaterial Subsidiary shall no longer constitute an “Immaterial Subsidiary” pursuant to the definition thereof (in which case such Person shall be deemed to be a “new” Subsidiary for purposes of this Section 5.08), the Borrower will, in each case, on or before thirty (30) days (or such longer period as may be agreed to by the Administrative Agent in its sole discretion) following such Person becoming a Subsidiary or such Financing Subsidiary, CFC, Transparent Subsidiary or Immaterial Subsidiary, as the case may be, no longer qualifying as such, cause such new Subsidiary or former Financing Subsidiary, former CFC, former Transparent Subsidiary or former Immaterial Subsidiary, as the case may be, to become a “Subsidiary Guarantor” (and, thereby, an “Obligor”) under the Guarantee and Security Agreement pursuant to a Guarantee Assumption Agreement and to deliver such proof of corporate or other action, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered by the Borrower pursuant to Section 4.01 on the Effective Date and as the Administrative Agent shall have reasonably requested.

(ii) The Borrower acknowledges that the Administrative Agent and the Lenders have agreed to exclude each Structured Subsidiary, each SBIC Subsidiary, each CFC, each Transparent Subsidiary and each Immaterial Subsidiary as an Obligor only for so long as such Person qualifies as a “Structured Subsidiary”, “SBIC Subsidiary”, “CFC”, “Transparent Subsidiary” or “Immaterial Subsidiary”, respectively, pursuant to the definition thereof, and thereafter such Person shall no longer constitute a “Structured Subsidiary”, “SBIC Subsidiary”, “CFC”, “Transparent Subsidiary” or “Immaterial Subsidiary”, as applicable, for any purpose of this Agreement or any other Loan Document.

(b) Ownership of Subsidiaries. The Borrower will, and will cause each of its Subsidiaries to, take such action from time to time as shall be necessary to ensure that each of its Subsidiaries is a direct or indirect wholly owned Subsidiary; provided that the foregoing shall not prohibit any transaction permitted under Section 6.03 or 6.04, so long as after giving effect to such permitted transaction each of the remaining Subsidiaries is a direct or indirect wholly owned Subsidiary.

(c) Further Assurances. The Borrower will, and will cause each of the Subsidiary Guarantors to, take such action from time to time as shall reasonably be requested by the Administrative Agent to effectuate the purposes and objectives of this Agreement. Without limiting the generality of the foregoing, the Borrower will, and will cause each of the Subsidiary Guarantors, to:

(i) take such action from time to time (including filing appropriate Uniform Commercial Code financing statements and executing and delivering such assignments, security agreements and other instruments) as shall be reasonably requested by the Administrative Agent to create, in favor of the Collateral Agent for the benefit of the Lenders (and any affiliate thereof that is a party to any Hedging Agreement entered into with the Borrower) and the holders of any Secured Longer-Term Indebtedness, perfected first-priority security interests and Liens in the Collateral; provided that any such security interest or Lien shall be subject to the relevant requirements of the Security Documents;

(ii) with respect to each deposit account or securities account of the Obligors (other than (A) any such account that is maintained by the Borrower in its capacity as “servicer” for a Financing Subsidiary or any Agency Account, (B) any such accounts which hold solely money or financial assets of a Financing Subsidiary, (C) any payroll account so long as such payroll account is coded as such, (D) withholding tax and fiduciary accounts or any trust account maintained solely on behalf of a Portfolio Investment, (E) any checking account of the Obligors in which the aggregate value of deposits therein, together with all other such accounts under this clause (E), does not at any time exceed \$1,000,000, provided that the Borrower will, and will cause each of its Subsidiary Guarantors to, use commercially reasonable efforts to obtain control agreements governing any such account in this clause (E), and (F) any account in which the aggregate value of deposits therein, together with all other such accounts under this clause (F), does not at any time exceed \$75,000; provided that in the case of each of the foregoing clauses (A) through (F), no other Person (other than the depository institution at which such account is maintained) shall have “control” (within the meaning of the Uniform Commercial Code) over such account, cause each bank or securities intermediary (within the meaning of the Uniform Commercial Code) to enter into such arrangements with the Collateral Agent as shall be appropriate in order that the Collateral Agent has “control” (within the meaning of the Uniform Commercial Code) over each such deposit account or securities account (each, a “Control Account”) and in that connection, the Borrower agrees, subject to Sections 5.08(c)(iv) and (v) below, to cause all cash and other proceeds of Portfolio Investments received by any Obligor to be immediately deposited into a Control Account (or otherwise delivered to, or registered in the name of, the Collateral Agent) and, both prior to and following such deposit, delivery or registration such cash and other proceeds shall be held in trust by the Borrower for the

benefit and as the property of the Collateral Agent and shall not be commingled with any other funds or property of such Obligor or any other Person (including with any money or financial assets of the Borrower in its capacity as “servicer” for a Structured Subsidiary, or any money or financial assets of a Structured Subsidiary, or any money or financial assets of the Borrower in its capacity as an “agent” or “administrative agent” for any other Bank Loans subject to Section 5.08(c)(v) below);

(iii) cause the Financing Subsidiaries to execute and deliver to the Administrative Agent such certificates and agreements, in form and substance reasonably satisfactory to the Administrative Agent, as it shall determine are necessary to confirm that such Financing Subsidiary qualifies or continues to qualify as a “Structured Subsidiary” or an “SBIC Subsidiary”, as applicable, pursuant to the definitions thereof;

(iv) in the case of any Portfolio Investment consisting of a Bank Loan that does not constitute all of the credit extended to the underlying borrower under the relevant underlying loan documents and a Financing Subsidiary holds any interest in the loans or other extensions of credit under such loan documents, (x) cause such Financing Subsidiary to be party to such underlying loan documents as a “lender” having a direct interest (or a participation interest not acquired from such Borrower or other Obligor) in such underlying loan documents and extensions of credit thereunder; and (y) ensure that, subject to Section 5.08(c)(v) below, all amounts owing to any Obligor by the underlying borrower or other obligated party are remitted by the borrower or obligated party (or the applicable administrative agents, collateral agents or equivalent Person) directly to the Custodian Account and no other amounts owing by such underlying borrower or obligated party are remitted to the Custodian Account;

(v) in the event that any Obligor is acting as an agent or administrative agent under any loan documents with respect to any Bank Loan (or is acting in an analogous agency capacity under any agreement related to any Portfolio Investment) and such Obligor does not hold all of the credit extended to the underlying borrower or issuer under the relevant underlying loan documents or other agreements, ensure that (1) all funds held by such Obligor in such capacity as agent or administrative agent are segregated from all other funds of such Obligor and clearly identified as being held in an agency capacity (an “Agency Account”); (2) all amounts owing on account of such Bank Loan or Portfolio Investment by the underlying borrower or other obligated party are remitted by such borrower or obligated party to either (A) such Agency Account or (B) directly to an account in the name of the underlying lender to whom such amounts are owed (for the avoidance of doubt, no funds representing amounts owing to more than one underlying lender may be remitted to any single account other than the Agency Account); and (3) within two (2) Business Days after receipt of such funds, such Obligor acting in its capacity as agent or administrative agent shall distribute any such funds belonging to any Obligor to the Custodian Account (provided that if any distribution referred to in this clause (v) is not permitted by applicable bankruptcy law to be made within such two (2) Business Day period as a result of the bankruptcy of the underlying borrower, such Obligor shall use commercially reasonable efforts to obtain permission to make such distribution and shall make such distribution as soon as legally permitted to do so); and

(vi) in the case of any Portfolio Investment held by any Financing Subsidiary, including any cash collection related thereto, ensure that such Portfolio Investment shall not be held in any Custodian Account, or any other account of any Obligor.

SECTION 5.09 Use of Proceeds. The Borrower will use the proceeds of the Loans and the issuances of Letters of Credit only for general corporate purposes of the Borrower and its Subsidiaries in the ordinary course of business, including making distributions not prohibited by this Agreement and the acquisition and funding (either directly or indirectly as permitted hereunder) of leveraged loans, mezzanine loans, high-yield securities, convertible securities, preferred stock, common stock and other Investments in each case to the extent otherwise permitted hereunder; provided that neither the Administrative Agent nor any Lender shall have any responsibility as to the use of any of such proceeds. No part of the proceeds of any Loan will be used in violation of applicable law, rule or regulation or, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any Margin Stock. On the Effective Date, the first day (if any) an Obligor acquires any Margin Stock and at any other time requested by the Administrative Agent or any Lender, the Borrower shall furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U. Margin Stock shall be purchased by the Obligors only with the proceeds of Indebtedness not directly or indirectly secured by Margin Stock (within the meaning of Regulation U), or with the proceeds of equity capital of the Borrower. No Obligor will (and each Obligor will procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not) directly or indirectly use the proceeds of the Loans or otherwise make available such proceeds (I) to any Person for the purpose of financing the activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of any Sanctions or in any other manner that would result in a violation of Sanctions by any Person or (II) in violation of Anti-Corruption Laws or for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Corruption Laws. For the avoidance of doubt, Letters of Credit may be issued to support obligations of any Portfolio Company; provided that the underlying obligations of such Portfolio Company to the applicable Obligors in respect of such Letters of Credit shall not be included in the Borrowing Base.

SECTION 5.10 Status of RIC and BDC. The Borrower shall at all times maintain its status as a “business development company” under the Investment Company Act and as a RIC under the Code.

SECTION 5.11 Investment Policies; Valuation Policy. The Borrower shall at all times be in compliance in all material respects with its Investment Policies and its Valuation Policy, in each case as amended by Permitted Policy Amendments.

SECTION 5.12 Portfolio Valuation and Diversification Etc. (i) Industry Classification Groups. For purposes of this Agreement, the Borrower shall assign each Eligible Portfolio Investment to an Industry Classification Group as reasonably determined by the Borrower. To the extent that the Borrower reasonably determines that any Eligible Portfolio

Investment is not correlated with the risks of other Eligible Portfolio Investments in an Industry Classification Group, such Eligible Portfolio Investment may be assigned by the Borrower to an Industry Classification Group that is more closely correlated to such Eligible Portfolio Investment. In the absence of adequate correlation, the Borrower shall be permitted to, upon notice to the Administrative Agent for distribution to each Lender, create up to three additional industry classification groups for purposes of this Agreement; provided that no more than three different additional industry classification groups may be created pursuant to this paragraph (a).

(b) Portfolio Valuation Etc.

(i) Settlement-Date Basis. For purposes of this Agreement and the other Loan Documents, all determinations of whether a Portfolio Investment is an Eligible Portfolio Investment shall be determined on a Settlement-Date Basis, provided that no such investment shall be included as an Eligible Portfolio Investment to the extent it has not been paid for in full.

(ii) Determination of Values. The Borrower will conduct reviews of the value to be assigned to each of its Eligible Portfolio Investments as follows:

(A) Quoted Investments External Review. With respect to Eligible Portfolio Investments (including Cash Equivalents) traded in an active and orderly market for which market quotations are readily available ("Quoted Investments"), the Borrower shall, not less frequently than once each calendar week, determine the market value of such Quoted Investments which shall, in each case, be determined in accordance with one of the following methodologies as selected by the Borrower (each such value, an "External Quoted Value"):

(w) in the case of public and 144A securities, the average of the most recent bid prices as determined by two Approved Dealers selected by the Borrower,

(x) in the case of Bank Loans, the average of the most recent bid prices as determined by two Approved Dealers selected by the Borrower or an Approved Pricing Service which makes reference to at least two Approved Dealers with respect to such Bank Loans,

(y) in the case of any Quoted Investment traded on an exchange, the closing price for such Eligible Portfolio Investment most recently posted on such exchange,

(z) in the case of any other Quoted Investment, the fair market value thereof as determined by an Approved Pricing Service; and

(B) Unquoted Investments External Review. With respect to all Portfolio Investments owned by an Obligor for which market quotations are not readily available ("Unquoted Investments"), the Borrower shall value such Unquoted Investments in a manner consistent with its Valuation Policy, but in any

event including the valuation of at least 35% of the Value (to be determined as of the last available Borrowing Base Certificate) of all Unquoted Investments included in the Borrowing Base by an Approved Third-Party Appraiser which shall assist the Directing Body of the Borrower in determining the fair market value of such Unquoted Investments, as of the last day of each fiscal quarter (values determined in accordance with this sub-clause (B) are referred to as “Borrower External Unquoted Values”), such assistance each quarter to include providing the Directing Body of the Borrower (with a copy to the Administrative Agent) with a written independent valuation report. Each such valuation report shall also include the information required to comply with paragraph (16) of Schedule 1.01(c).

(C) Internal Review. The Borrower shall conduct internal reviews to determine the value of all Eligible Portfolio Investments in accordance with its Valuation Policy at least once each calendar quarter, and shall conduct internal reviews with respect to the Eligible Portfolio Investments at least once each calendar week for the purpose of reviewing and discussing the Borrower’s asset portfolio (which shall take into account any events of which the Borrower has knowledge that adversely affect the value of any Eligible Portfolio Investment (other than in an immaterial manner)) (each such value established pursuant to this clause (C), an “Internal Value”).

(D) Failure of Borrower to Determine Values. If the Borrower shall fail to determine the value of any Portfolio Investment as at any date pursuant to the requirements (but subject to the exclusions) of the foregoing sub-clauses (A), (B) or (C) then the “Value” of such Portfolio Investment for purposes of the Borrowing Base as at such date shall be deemed to be zero for purposes of the Borrowing Base.

(E) Value of Quoted Investments. Subject to Section 5.12(b)(iii), the “Value” of each Quoted Investment for all purposes of this Agreement shall be the lowest of (1) the Internal Value of such Quoted Investment as most recently determined by the Borrower pursuant to Section 5.12(b)(ii)(C), (2) the External Quoted Value of such Quoted Investment as most recently determined pursuant to Section 5.12(b)(ii)(A) and (3) if such Quoted Investment is a debt investment, the par or face value of such Quoted Investment.

(F) Value of Unquoted Investments. Subject to Section 5.12(b)(iii),

(x) if the Internal Value of any Unquoted Investment as most recently determined by the Borrower pursuant to Section 5.12(b)(ii)(C) falls below, or within the range of (as applicable), the Applicable External Value of such Unquoted Investment as most recently determined pursuant to Section 5.12(b)(ii)(B), then the “Value” of such Unquoted Investment for all purposes of this Agreement shall be deemed to be the lower of (i) the Internal Value and (ii) if such Unquoted

Investment is a debt investment, the par or face value of such Unquoted Investment; and

(y) if the Internal Value of any Unquoted Investment as most recently determined by the Borrower pursuant to Section 5.12(b)(ii)(C) falls above the Applicable External Value (or, as applicable, the range thereof) of such Unquoted Investment as most recently determined pursuant to Section 5.12(b)(ii)(B) (and the Applicable External Value of such Unquoted Investment is such Borrower External Unquoted Value), then the “Value” of such Unquoted Investment for all purposes of this Agreement shall be deemed to be the lower of (i) the midpoint of the range of the Borrower External Unquoted Value and (ii) if such Unquoted Investment is a debt investment, the par or face value of such Unquoted Investment.

except that if an Unquoted Investment is acquired during a fiscal quarter, the “Value” of such Unquoted Investment shall be deemed to be equal to the lowest of (i) the Internal Value of such Unquoted Investment as determined by the Borrower pursuant to Section 5.12(b)(ii)(C), (ii) the cost of such Unquoted Investment; and (iii) if such Unquoted Investment is a debt investment, the par or face value of such Unquoted Investment, until such time as the Borrower External Unquoted Value of such Unquoted Investment is determined (or required to be determined) in accordance with Section 5.12(b)(ii)(B).

(G) Actions Upon a Borrowing Base Deficiency. If, based upon such weekly internal review, the Borrower determines that a Borrowing Base Deficiency exists, then the Borrower shall, promptly and in any event within two Business Days as provided in Section 5.01(e), deliver a Borrowing Base Certificate reflecting the new amount of the Borrowing Base and shall take the actions, and make prepayments (and, to the extent necessary, provide cover for Letters of Credit as contemplated by Section 2.04(k)), but only to the extent required by Section 2.09(b).

(H) Initial Value of Assets. Notwithstanding anything to the contrary contained herein, from the Effective Date until the date when the valuation reports are required to be delivered under Section 5.01(h) for the quarter ending March 31, 2019, the Value of any Portfolio Investment included in the Borrowing Base shall be the Value as determined in a manner consistent with this Section 5.12 and, with respect to assets acquired before the Effective Date, as delivered to the Administrative Agent on or prior to the Effective Date.

(iii) Testing of Values

(A) Each February 28, April 30, July 31 and October 31 of each calendar year, commencing on April 30, 2019 (or such other dates as are agreed to by the Borrower and the Administrative Agent, but in no event less frequently than once per calendar quarter, each a “Valuation Testing Date”), the

Administrative Agent through an Independent Valuation Provider will value those Portfolio Investments selected by the Administrative Agent and communicated in writing to the Borrower at least ten (10) days prior to the applicable Valuation Testing Date (and which, for the avoidance of doubt, may include Portfolio Investments other than Unquoted Investments) (values assigned pursuant to this Section 5.12(b)(iii)(A), together with values assigned by an Independent Valuation Provider pursuant to Section 5.12(b)(iii)(C) below, the “Agent External Values”); provided that the assets that the Administrative Agent will have the right to value under this Section 5.12(b)(ii)(A) will not exceed assets with a Value approximately equal to the Calculation Amount (as defined below). For the avoidance of doubt, Unquoted Investments that are part of the Collateral but not included in the Borrowing Base as of a Valuation Testing Date shall not be subject to testing under this Section 5.12(b)(iii); provided that such Unquoted Investment shall continue to be excluded from the Borrowing Base until such time as the Borrower determines (subject to the other terms and conditions contained herein) to include it in the Borrowing Base.

(B) For purposes of this Agreement, the “Calculation Amount” shall be equal to the greater of (a)(i) 125% of the Adjusted Covered Debt Balance (to be determined as of the last available Borrowing Base Certificate) minus (ii) the sum of the Values of all Quoted Investments included in the Borrowing Base (the determination of fair value for such percentage thresholds to be based off of the last determination of value of the Portfolio Investments pursuant to this Section 5.12) and (b) 10% of the aggregate Value (or as near thereto as reasonably practicable) of all Unquoted Investments included in the Borrowing Base (to be determined as of the last available Borrowing Base Certificate); provided that in no event shall more than 25% (or, if clause (b) applies, 10% or as near thereto as reasonably practicable) of the aggregate Value of the Unquoted Investments in the Borrowing Base (to be determined as of the last available Borrowing Base Certificate) be tested by the Independent Valuation Provider on any Valuation Testing Date.

(C) Supplemental Testing of Values: Notwithstanding the foregoing, the Administrative Agent, individually or at the request of the Required Lenders, shall at any time have the right, solely for purposes of the Borrowing Base, to request in its reasonable discretion any Portfolio Investment included in the Borrowing Base with a value assigned by the Borrower (other than Portfolio Investments with Agent External Values as of the most recent Valuation Testing Date) to be independently valued by an Independent Valuation Provider for purposes of the Borrowing Base. There shall be no limit on the number of such appraisals requested by the Administrative Agent in its reasonable discretion and, subject to Section 5.12(b)(iv)(C) below, the costs of any such valuation shall be at the expense of the Borrower.

(D) Value Dispute Resolution: If the difference in the Value of any Portfolio Investment determined by the Borrower pursuant to Section 5.12(b)(ii)

and any Agent External Value is (1) less than or equal to 5% of the Value thereof, then the Borrower's Value shall be used, (2) greater than 5% and less than or equal to 20% of the Value thereof, then the Value of such Portfolio Investment shall be the average of the Value determined by the Borrower pursuant to Section 5.12(b)(ii) and the Agent External Value and (3) greater than 20% of the Value thereof, then either (i) the Value shall be the lesser of the two Values or (ii) if the Borrower so elects, the Borrower and the Administrative Agent shall retain (at the Borrower's sole cost and expense) an additional Approved Third-Party Appraiser and the Value of such Portfolio Investment shall be the average of the three valuations (with the lesser of the Agent External Value and the value determined by the Borrower pursuant to Section 5.12(b)(ii) to be used until the third Value is obtained). For purposes of this Section 5.12(b)(iii)(C), if the Agent External Value is a range, then the Value shall be deemed the midpoint of the range.

(E) Failure of Administrative Agent to Determine Values. If the Administrative Agent shall fail to determine the value, at any date pursuant to this Section 5.12(b)(iii), of any Eligible Portfolio Investment identified to the Borrower in advance of such date as a result of any action, inaction or lack of cooperation of the Borrower or any of its Affiliates, then the "Value" of such Eligible Portfolio Investment shall be deemed to be zero. If the Administrative Agent shall fail to determine the value, at any date pursuant to this Section 5.12(b)(iii), of any Eligible Portfolio Investment identified to the Borrower in advance of such date for any other reason, then the Value of such Eligible Portfolio Investment shall be the lower of the Internal Value and, if such Unquoted Investment is a debt investment, the par or face value of such Eligible Portfolio Investment; provided, however that if a Borrower External Unquoted Value has been obtained with respect to such asset for the quarterly period immediately preceding the current quarterly period, then the "Value" of such Eligible Portfolio will be determined as provided in Section 5.2(b)(ii)(F) above.

(iv) Generally Applicable Valuation Provisions

(A) The Value of any Portfolio Investment for which the Independent Valuation Provider's value is used shall be the midpoint of the range (if any) determined by the Independent Valuation Provider. The Independent Valuation Provider shall apply a recognized valuation methodology that is commonly accepted in the Borrower's industry for valuing Portfolio Investments of the type being valued and held by the Obligors. Other procedures relating to the valuation will be reasonably agreed upon by the Administrative Agent and the Borrower.

(B) All valuations shall be on a Settlement-Date Basis. For the avoidance of doubt, the value of any Portfolio Investments determined in accordance with any provision of this Section 5.12 shall be the Value of such Portfolio Investment for purposes of this Agreement until a new Value for such

Portfolio Investment is subsequently determined in good faith in accordance with this Section 5.12.

(C) Subject to the last sentence of Section 9.03(a), the reasonable and documented out-of-pocket costs of any valuation reasonably incurred by the Administrative Agent under this Section 5.12 shall be at the expense of the Borrower; provided that the Borrower's obligation to reimburse valuation costs incurred by the Administrative Agent under Section 5.12(b)(iii)(C) shall under no circumstances be in excess of the IVP Supplemental Cap.

(D) The values determined by the Independent Valuation Provider shall be deemed to be "Information" hereunder and subject to Section 9.13 hereof.

(E) The Administrative Agent shall provide a copy of the final results of any valuation received by the Administrative Agent and performed by the Independent Valuation Provider or an Approved Third-Party Appraiser to any Lender within ten (10) Business Days after such Lender's request, except to the extent that such recipient has not executed and delivered a non-reliance letter, confidentiality agreement or similar agreement requested or required by such Independent Valuation Provider or Approved Third-Party Appraiser, as applicable.

(F) The foregoing valuation procedures shall only be required to be used for purposes of calculating the Borrowing Base and related concepts and shall not be required to be utilized by the Borrower for any other purpose, including, without limitation, the delivery of financial statements or valuations required under ASC820 or the Investment Company Act.

(G) The Administrative Agent shall notify the Borrower of its receipt of the written final results of any such test within ten (10) Business Days after its receipt thereof and shall provide a copy of such results and the related report to the Borrower within ten (10) Business Days after the Borrower's request.

(c) Investment Company Diversification Requirements. The Borrower (together with its Subsidiaries to the extent required by the Investment Company Act) will at all times comply in all material respects with the portfolio diversification and similar requirements set forth in the Investment Company Act applicable to business development companies. The Borrower will at all times, subject to applicable grace periods set forth in the Code, comply with the portfolio diversification and similar requirements set forth in the Code applicable to RICs.

SECTION 5.13 Calculation of Borrowing Base. For purposes of this Agreement, the "Borrowing Base" shall be determined, as at any date of determination, as the sum of the products obtained by multiplying (x) the Value of each Eligible Portfolio Investment (excluding any cash held by the Administrative Agent pursuant to Section 2.04(k)) by (y) the applicable Advance Rate; provided that:

(a) the Advance Rate applicable to the aggregate Value of all Eligible Portfolio Investments in their entirety shall be 0% at any time when the Borrowing Base is composed entirely of Eligible Portfolio Investments issued by fewer than 20 different issuers;

(b) the Advance Rate applicable to that portion of the aggregate Value of the Eligible Portfolio Investments issued by all issuers in a consolidated group of corporations or other entities in accordance with GAAP exceeding (i) 5% of the aggregate Value of all Eligible Portfolio Investments included in the Borrowing Base (for the avoidance of doubt, the calculation of fair value for purposes of this subclause shall be made without taking into account any Advance Rate) (the “Total Eligible Portfolio”), shall be 50% of the otherwise applicable Advance Rate and (ii) the Advance Rate applicable to that portion of the aggregate fair value of Eligible Portfolio Investments of all issuers in a consolidated group of corporations or other entities in accordance with GAAP exceeding 7.5% of the Total Eligible Portfolio of the Total Eligible Portfolio shall be 0%; provided that at any time the Consolidated Asset Coverage Ratio is less than 175%, the Advance Rate applicable to that portion of the aggregate fair value of Eligible Portfolio Investments of all issuers in a consolidated group of corporations or other entities in accordance with GAAP exceeding 5% of the Total Eligible Portfolio shall be 0%;

(c) the Advance Rate applicable to that portion of the Total Eligible Portfolio issued by Portfolio Companies in the same Industry Classification Group that exceeds (x) 20% of the Total Eligible Portfolio for each of the Two Largest Industry Classification Groups, and (y) 15% of the Total Eligible Portfolio for any other industry sector, shall be 0%;

(d) the Advance Rate applicable to that portion of the aggregate Value of Portfolio Investments that are not Cash, Cash Equivalents, Long-Term U.S. Government Securities or Performing First Lien Bank Loans that exceeds 30% of the Total Eligible Portfolio shall be 0%;

(e) the Advance Rate applicable to that portion of the aggregate Value of Portfolio Investments that are Performing Mezzanine Investments, Performing High Yield Securities, Performing PIK Obligations and Performing DIP Loans that exceeds 20% of the Total Eligible Portfolio shall be 0%;

(f) the Advance Rate applicable to that portion of the aggregate Value of Portfolio Investments that are Performing PIK Obligations that exceeds 5% of the Total Eligible Portfolio shall be 0%;

(g) the Advance Rate applicable to that portion of the aggregate Value of Portfolio Investments that are Performing DIP Loans that exceeds 10% of the Total Eligible Portfolio shall be 0%;

(h) the Advance Rate applicable to that portion of the aggregate Value of Portfolio Investments that are Performing Covenant-Lite Loans (excluding, for clarity, Broadly Syndicated Loans) that exceeds 10% of the Total Eligible Portfolio shall be 0%; and

(i) the Advance Rate applicable to that portion of the aggregate Value of Portfolio Investments that are investments in Permitted Foreign Jurisdiction Portfolio Investments that exceeds 20% of the Total Eligible Portfolio Investments shall be 0%.

For all purposes of this Section 5.13, (A) all issuers of Eligible Portfolio Investments that are Affiliates of one another shall be treated as a single issuer (unless such issuers are Affiliates of one another solely because they are under the common Control of the same private equity sponsor or similar sponsor) and (B) to the extent the Total Eligible Portfolio is required to be reduced to comply with this Section 5.13, the Borrower shall be permitted to choose the Eligible Portfolio Investments to be so removed to effect such reduction. For the avoidance of doubt, no Portfolio Investment shall be an Eligible Portfolio Investment unless, among the other requirements set forth in this Agreement, (i) such Investment is subject only to Eligible Liens, (ii) such Investment is Transferable and (iii) such Investment meets all of the other criteria set forth on Schedule 1.01(c) hereto. In addition, as used herein, the following terms have the following meanings:

“Advance Rate” means, as to any Eligible Portfolio Investment and subject to adjustment as provided above, the following percentages with respect to such Eligible Portfolio Investment:

Eligible Portfolio Investment	Unquoted	Quoted
Cash and Cash Equivalents (including Short-Term U.S. Government Securities)	n/a	100%
Long-Term U.S. Government Securities	n/a	95%
Performing Broadly Syndicated Loans	n/a	75%
Performing First Lien Bank Loans	70%	75%
Performing First Lien Middle Market Loans	65%	70%
Performing Last Out Loans	60%	60%
Performing Second Lien Bank Loans	55%	60%
Performing High Yield Securities	45%	50%
Performing Mezzanine Investments and Performing Covenant-Lite Loans	40%	45%
Performing PIK Obligations and Performing DIP Loans	20%	20%
All other Portfolio Investments (including all Non-Performing Portfolio Investments)	0%	0%

provided, that at any time the Consolidated Asset Coverage Ratio is less than 167% (as reported in the most recently delivered monthly Borrowing Base Certificate pursuant to Section 5.01(d)), every Advance Rate in the table above that is below the line for “Performing First Lien Middle Market Loans” shall be five percentage points less than the applicable rate indicated in the table.

For the avoidance of doubt, the categories above are intended to be indicative of the traditional investment types. All determinations of whether a particular Portfolio Investment belongs to one category or another shall be made by the Borrower on a consistent basis with the foregoing. For example, a secured bank loan solely at a holding company, the only assets of which are the shares of an operating company, may constitute Mezzanine Investments, but would not ordinarily constitute a First Lien Bank Loan.

“Bank Loans” means debt obligations (including, without limitation, term loans, revolving loans, debtor-in-possession financings, the funded portion of revolving credit lines and letter of credit facilities and other similar loans and investments including interim loans, bridge loans and second lien loans) that are generally provided under a syndicated loan or credit facility or pursuant to any loan agreement or other similar credit facility, whether or not syndicated.

“Broadly Syndicated Loan” means any syndicated loan that is widely distributed and (i) that has a tranche size of \$250,000,000 or greater, (ii) that is a Performing First Lien Bank Loan, (iii) that is rated by both S&P and Moody’s and is rated at least B- and B3, respectively, for any measurement date, and (iv) that is a Quoted Investment.

“Cash” has the meaning assigned to such term in Section 1.01 of this Agreement.

“Cash Equivalents” has the meaning assigned to such term in Section 1.01 of this Agreement.

“Covenant-Lite Loan” means a Bank Loan (other than a Broadly Syndicated Loan) that does not require the Portfolio Company thereunder to comply with at least one financial maintenance covenant (including, without limitation, any covenant relating to a borrowing base, asset valuation or similar asset-based requirement), in each case, regardless of whether compliance with one or more incurrence covenants is otherwise required by such Bank Loan.

“Defaulted Obligation” means any Investment in Indebtedness (a) as to which, (x) a default as to the payment of principal and/or interest has occurred and is continuing for a period of thirty two (32) consecutive days with respect to such Indebtedness (without regard to any grace period applicable thereto, or waiver thereof) or (y) a default not set forth in clause (x) has occurred and the holders of such Indebtedness have accelerated all or a portion of the principal amount thereof as a result of such default; (b) as to which a default as to the payment of principal and/or interest has occurred and is continuing on another material debt obligation of the Portfolio Company under such Indebtedness which is senior or pari passu in right of payment to such Indebtedness; (c) as to which the Portfolio Company under such Indebtedness or others have instituted proceedings to have such Portfolio Company adjudicated bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such Portfolio Company has filed for protection under the United States Bankruptcy Code or any similar foreign proceeding (unless, in the case of clause (b) or (c), such Indebtedness is a DIP Loan, in which case it shall not be deemed to be a Defaulted Obligation under such clause); (d) as to which a default rate of interest has been and continues to be charged for more than 120 consecutive days, or foreclosure on collateral for such Indebtedness has been commenced and is being pursued by or on behalf of the holders thereof; or (e) as to which the Borrower has

delivered written notice to the Portfolio Company declaring such Indebtedness in default or as to which the Borrower otherwise exercises significant remedies following a default.

“DIP Loan” means any Bank Loan (whether revolving or term) that is originated after the commencement of a case under Chapter 11 of the Bankruptcy Code by a Portfolio Company, which is a debtor-in-possession as described in Section 1107 of the Bankruptcy Code or a debtor as defined in Section 101(13) of the Bankruptcy Code in such case (a “Debtor”) organized under the laws of the United States or any state therein and domiciled in the United States, which loan satisfies the following criteria: (a) the DIP Loan is duly authorized by a final order of the applicable bankruptcy court or federal district court under the provisions of subsection (b), (c) or (d) of 11 U.S.C. Section 364; (b) the Debtor’s bankruptcy case is still pending as a case under the provisions of Chapter 11 of Title 11 of the Bankruptcy Code and has not been dismissed or converted to a case under the provisions of Chapter 7 of Title 11 of the Bankruptcy Code; (c) the Debtor’s obligations under such loan have not been (i) disallowed, in whole or in part, or (ii) subordinated, in whole or in part, to the claims or interests of any other Person under the provisions of 11 U.S.C. Section 510; (d) the DIP Loan is secured and the Liens granted by the applicable bankruptcy court or federal district court in relation to the Loan have not been subordinated or junior to, or *pari passu* with, in whole or in part, to the Liens of any other lender under the provisions of 11 U.S.C. Section 364(d) or otherwise; (e) the Debtor is not in default on its obligations under the loan; (f) neither the Debtor nor any party in interest has filed a Chapter 11 plan with the applicable federal bankruptcy or district court that, upon confirmation, would (i) disallow or subordinate the loan, in whole or in part, (ii) subordinate, in whole or in part, any Lien granted in connection with such loan, (iii) fail to provide for the repayment, in full and in cash, of the loan upon the effective date of such plan or (iv) otherwise impair, in any manner, the claim evidenced by the loan; (g) the DIP Loan is documented in a form that is commercially reasonable; (h) the DIP Loan shall not provide for more than 50% (or a higher percentage with the consent of the Required Lenders) of the proceeds of such loan to be used to repay prepetition obligations owing to all or some of the same lender(s) in a “roll-up” or similar transaction; (i) no portion of the DIP Loan is payable in consideration other than cash; and (j) no portion of the DIP Loan has been credit bid under Section 363(k) of the Bankruptcy Code or otherwise. For the purposes of this definition, an order is a “final order” if the applicable period for filing a motion to reconsider or notice of appeal in respect of a permanent order authorizing the Debtor to obtain credit has lapsed and no such motion or notice has been filed with the applicable bankruptcy court or federal district court or the clerk thereof.

“EBITDA” means the consolidated net income of the applicable Person (excluding extraordinary, unusual or non-recurring gains and extraordinary losses (to the extent excluded in the definition of “EBITDA”, adjusted EBITDA, adjusted consolidated EBITDA or such similar term as may be used in the applicable documentation) in the relevant agreement relating to the applicable Eligible Portfolio Investment) for the relevant period plus, without duplication, the following to the extent deducted in calculating such consolidated net income in the relevant agreement relating to the applicable Eligible Portfolio Investment for such period: (i) consolidated interest charges for such period, (ii) the provision for Federal, state, local and foreign income taxes payable for such period, (iii) depreciation and amortization expense for such period, and (iv) such other adjustments included in the definition of “EBITDA” (or similar defined term used for the purposes contemplated herein) in the relevant agreement relating to the applicable Eligible Portfolio Investment, provided that such adjustments are usual and customary

and substantially comparable to market terms for substantially similar debt of other similarly situated borrowers at the time such relevant agreements are entered into as reasonably determined in good faith by the Borrower.

“Eligible Liens” has the meaning assigned to such term in Section 1.01 of this Agreement.

“Eligible Portfolio Investment” has the meaning assigned to such term in Section 1.01 of this Agreement.

“First Lien Bank Loan” means a Bank Loan that is entitled to the benefit of a first lien and first priority perfected security interest on all or substantially all of the assets of the respective borrower and guarantors obligated in respect thereof, and which has the most senior pre-petition priority in any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings; provided, however, that, in the case of accounts receivable and inventory (and the proceeds thereof), such lien and security interest may be second in priority to a Permitted Prior Working Capital Lien; and further provided that any portion of such a Bank Loan (other than a Broadly Syndicated Loan) which has a total debt to EBITDA ratio above 4.50 to 1.00 will, in each case, have the advance rates of a Second Lien Bank Loan applied to such portion and such portion of such Bank Loan which has a total debt to EBITDA ratio above 6.00 to 1.00 will, in each case, have the advance rates of a Mezzanine Investment applied to such portion. For the avoidance of doubt, in no event shall a First Lien Bank Loan include a Last Out Loan.

“High Yield Securities” means debt Securities, in each case (a) issued by public or private issuers, (b) issued pursuant to an effective registration statement or pursuant to Rule 144A under the Securities Act (or any successor provision thereunder) and (c) that are not Cash Equivalents, Mezzanine Investments (described under clause (i) of the definition thereof) or Bank Loans.

“Last Out Loan” means, with respect to any loan that would otherwise qualify as a First Lien Bank Loan but is a term loan structured in a first out tranche and a last out tranche (with the first out tranche entitled to a lower interest rate but priority with respect to payments), that portion of such Bank Loan that is the last out tranche; provided that:

(a) such last out tranche is entitled (along with the first out tranche) to the benefit of a first lien and first priority perfected security interest on all or substantially all of the assets of the respective borrower and guarantors obligated in respect thereof (subject to customary exceptions), and which has the most senior pre-petition priority in any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings (taking into account the payment priority of the first out tranche and subject to customary permitted liens as contemplated by the applicable credit facility documents);

(b) the ratio of (x) the amount of the first out tranche to (y) EBITDA of the underlying obligor does not at any time exceed 2.25 to 1.00;

(c) such last out tranche (i) gives the holders of such last out tranche full enforcement rights during the existence of an event of default (subject to customary exceptions, including standstill periods and if the holders of the first out tranche have previously exercised enforcement rights), (ii) shall have the same maturity date as the first out tranche, (iii) is entitled to the same representations, covenants and events of default as the holders of the first out tranche (subject to customary exceptions), and (iv) provides the holders of such last out tranche with customary protections (including, without limitation, consent rights with respect to (1) any increase of the principal balance of the first out tranche, (2) any increase of the margins (other than as a result of the imposition of default interest) applicable to the interest rates with respect to the first out tranche, (3) any reduction of the final maturity of the first out tranche, and (4) amending or waiving any provision in the underlying loan documents that is specific to the holders of such last out tranche); and

(d) such first out tranche is not subject to multiple drawings (unless, at the time of such drawing and after giving effect thereto, the ratio referenced in clause (b) above is not exceeded).

For clarity, any last out loan that complies with subsection (a) above, but fails to qualify under any of (b), (c) and/or (d) above, will have the advance rates of a Second Lien Bank Loan (to the extent it otherwise meets the definition of Second Lien Bank Loan) applied to such Loan.

“Letter of Credit Collateral Account” has the meaning set forth in the definition of “Cash Collateralize”.

“Long-Term U.S. Government Securities” means U.S. Government Securities maturing more than three months from the applicable date of determination.

“Mezzanine Investments” means (i) debt Securities (including convertible debt Securities (other than the “in-the-money” equity component thereof)) (a) issued by public or private Portfolio Companies, (b) issued without registration under the Securities Act, (c) not issued pursuant to Rule 144A under the Securities Act (or any successor provision thereunder), (d) that are not Cash Equivalents and (e) contractually subordinated in right of payment to other debt of the same Portfolio Company and (ii) a loan that is not a First Lien Bank Loan, a Last Out Loan, a Second Lien Bank Loan, a Covenant-Lite Loan or a High Yield Security.

“Non-Performing Portfolio Investment” means any Eligible Portfolio Investment that is not a Performing (as defined below) Eligible Portfolio Investment.

“Performing” means, with respect to any Eligible Portfolio Investment, that such Eligible Portfolio Investment (i) is not a Defaulted Obligation, (ii) other than with respect to DIP Loans, does not represent debt or Capital Stock of an issuer that has issued any Defaulted Obligation and (iii) is not on non-accrual (provided that for this clause (iii), any Eligible Portfolio Investment that is on “PIK non-accrual” may continue to be Performing for so long as such Eligible Portfolio Investment is not a PIK Obligation).

“Performing Covenant-Lite Loans” means funded Covenant-Lite Loans that (a) are not PIK Obligations and (b) are Performing.

“Performing DIP Loans” means funded DIP Loans that (a) are not PIK Obligations and (b) are not Defaulted Obligations.

“Performing First Lien Bank Loans” means funded First Lien Bank Loans that (a) are not PIK Obligations, DIP Loans or Covenant-Lite Loans and (b) are Performing.

“Performing First Lien Middle Market Loans” means funded First Lien Bank Loans to a Portfolio Company with trailing 12 month EBITDA of less than \$15,000,000 that (a) are not PIK Obligations, DIP Loans, Covenant-Lite Loans, Last Out Loans or Second Lien Bank Loans and (b) are Performing.

“Performing High Yield Securities” means funded High Yield Securities that (a) are not PIK Obligations or DIP Loans and (b) are Performing.

“Performing Last Out Loans” means funded Last Out Loans that (a) are not PIK Obligations, DIP Loans or Covenant-Lite Loans and (b) are Performing.

“Performing Mezzanine Investments” means funded Mezzanine Investments that (a) are not PIK Obligations, DIP Loans or Covenant-Lite Loans and (b) are Performing.

“Performing PIK Obligations” means PIK Obligations that (a) are not DIP Loans and (b) are Performing.

“Performing Second Lien Bank Loans” means Second Lien Bank Loans that (a) are not PIK Obligations, DIP Loans, Covenant-Lite Loans or Last Out Loans and (b) are Performing.

“Permitted Foreign Jurisdiction” means Canada, Germany, Ireland, Luxembourg, the Netherlands, Australia, New Zealand, Denmark, Norway, Sweden and Switzerland and the United Kingdom.

“Permitted Foreign Jurisdiction Portfolio Investment” means any Portfolio Investment that meets the eligibility criteria under paragraph (8) of Schedule 1.01(c) by reference to a Permitted Foreign Jurisdiction.

“Permitted Prior Working Capital Lien” means, with respect to a Portfolio Company that is a borrower under a Bank Loan, a security interest to secure a working capital facility for such Portfolio Company in the accounts receivable and/or inventory (and all related property and all proceeds thereof) of such Portfolio Company and any of its subsidiaries that are guarantors of such working capital facility; provided that (i) such Bank Loan has a second priority lien on such accounts receivable and/or inventory, as applicable (and all related property and all proceeds thereof), (ii) such working capital facility is not secured by any other assets (other than a second priority lien, subject to the first priority lien of the Bank Loan) and does not benefit from any standstill rights or other agreements (other than customary rights) with respect

to any other assets and (iii) the maximum principal amount of such working capital facility is not at any time greater than 15% of the aggregate enterprise value of the Portfolio Company (as determined pursuant to the enterprise value as determined at closing of the transaction, and thereafter an enterprise value for the applicable Portfolio Company determined in a manner consistent with the valuation methodology applied in the valuation for such Portfolio Company as determined by the Directing Body of the Borrower in a commercially reasonable manner including the use of an Approved Third-Party Appraiser in the case of Unquoted Investments).

“PIK Obligation” means an obligation that provides that any portion of the interest accrued for a specified period of time or until the maturity thereof is, or at the option of the obligor may be, added to the principal balance of such obligation or otherwise deferred and accrued rather than being paid in cash, provided that any such obligation shall not constitute a PIK Obligation if it (i) is a fixed rate obligation and requires payment of interest in cash on an at least semi-annual basis at a rate of not less than 8% per annum or (ii) is not a fixed rate obligation and requires payment of interest in cash on an at least semi-annual basis at a rate of not less than 4.5% per annum in excess of the applicable index.

“Restructured Investment” means, as of any date of determination, (a) any Portfolio Investment that has been a Defaulted Obligation within the past six months, (b) any Portfolio Investment that has in the past six months been on cash non-accrual, or (c) any Portfolio Investment that has in the past six months been amended or subject to a deferral or waiver if both (i) the effect of such amendment, deferral or waiver is either, among other things, to (1) change the amount of previously required scheduled debt amortization (other than by reason of repayment thereof) or (2) extend the tenor of previously required scheduled debt amortization, in each case such that the remaining weighted average life of such Portfolio Investment is extended by more than 20% and (ii) the reason for such amendment, deferral or waiver is related to the deterioration of the credit profile of the underlying borrower such that, in the absence of such amendment, deferral or waiver, it is reasonably expected by the Borrower that such underlying borrower either (x) will not be able to make any such previously required scheduled debt amortization payment or (y) is anticipated to incur a breach of a material financial covenant. A DIP Loan shall not be deemed to be a Restructured Investment, so long as it does not meet the conditions of the definition of Restructured Investment. An “exit” financing for an obligor that emerges from a case under Chapter 11 of the Bankruptcy Code in accordance with a Chapter 11 plan that has been duly confirmed by the federal bankruptcy court exercising jurisdiction over the obligor pursuant to a final non-appealable order and such “exit” financing has been duly approved by a final non-appealable order of the federal bankruptcy court exercising jurisdiction over the obligor in connection with the confirmed Chapter 11 plan of the obligor shall not be deemed to be a Restructured Investment, so long as such “exit” financing is a new facility and does not otherwise meet the conditions of the definition of Restructured Investment.

“Second Lien Bank Loan” means a Bank Loan (other than a First Lien Bank Loan and a Last Out Loan) that is entitled to the benefit of a first and/or second lien and first and/or second priority perfected security interest on all or substantially all of the assets of the respective borrower and guarantors obligated in respect thereof; and provided further that any portion of

such Bank Loan which has a total debt to EBITDA ratio above 6.00x will, in each case, have the advance rates of a Mezzanine Investment applied to such portion.

“Securities” means common and preferred stock, units and participations, member interests in limited liability companies, partnership interests in partnerships, notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, including debt instruments of public and private issuers and tax-exempt securities (including warrants, rights, put and call options and other options relating thereto, representing rights, or any combination thereof) and other property or interests commonly regarded as securities or any form of interest or participation therein, but not including Bank Loans.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Short-Term U.S. Government Securities” means U.S. Government Securities maturing within three months of the applicable date of determination.

“Structured Finance Obligation” means any obligation issued by a special purpose vehicle (or any similar obligor in the principal business of offering, originating or financing pools of receivables or other financial assets) and secured directly by, referenced to, or representing ownership of or investment in, a pool of receivables or other financial assets of any obligor, including collateralized loan obligations, collateralized debt obligations and mortgage-backed securities, or any finance lease. For the avoidance of doubt, if an obligation satisfies this definition of “Structured Finance Obligation”, such obligation (a) shall not qualify as any other category of Portfolio Investment and (b) shall not be included in the Borrowing Base.

“Third Party Finance Company” means a Person that is (i) an operating company with employees, officers and directors and (ii) in the primary business of originating loans or factoring or financing receivables, inventory or other current assets.

“Transferable” means: (i) the applicable Obligor may create a security interest in or pledge all of its rights under and interest in such Portfolio Investment to secure its obligations under this Agreement or any other Loan Document, and that such pledge or security interest may be enforced in any manner permitted under applicable law; and (ii) such Portfolio Investment (and all documents related thereto) contains no provision that directly or indirectly restricts the assignment of such Obligor’s, or any assignee of such Obligor’s, rights under such Portfolio Investment (including any requirement that the Borrower maintain a minimum ownership percentage of such Portfolio Investment); provided that, such Portfolio Investment may contain the following restrictions on customary and market based terms: (a) restrictions pursuant to which assignments may be subject to the consent of the obligor or issuer or agent under the Portfolio Investment so long as the applicable provision also provides that such consent may not be unreasonably withheld, (b) customary restrictions in respect of minimum assignment amounts, (c) restrictions on transfer to parties that are not ‘eligible assignees’ within the customary and market based meaning of the term, and (d) restrictions on transfer to the applicable obligor or issuer under the Portfolio Investment or its equity holders or financial sponsor entities or competitors or, in each case, their affiliates; provided, further, that in the event that an Obligor is a party to an intercreditor arrangement with other lenders thereof with

payment rights or lien priorities that are junior or senior to the rights of such Obligor, such Portfolio Investment may be subject to customary and market based rights of first refusal, rights of first offer and purchase rights in favor, in each case, of such other lenders thereof (so long as the Value used in determining the Borrowing Base is not greater than the amount of such right of first refusal, first offer or purchase rights).

“U.S. Government Securities” has the meaning assigned to such term in Section 1.01 of this Agreement.

“Value” means, with respect to any Eligible Portfolio Investment, the value thereof determined for purposes of this Agreement in accordance with Section 5.12(b)(ii) or 5.12(b)(iii), as applicable.

SECTION 5.14 Taxes. Each of the Borrower and its Subsidiaries will timely file or cause to be timely filed all material Tax returns that are required to be filed by it and will pay all Taxes for which it is directly or indirectly liable and any assessments made against it or any of its property and all other Taxes, fees or other charges imposed on it or any of its property by any Governmental Authority, except Taxes that are being contested in good faith by appropriate proceedings, and with respect to which reserves in conformity with GAAP are provided on the books of the Borrower or its Subsidiaries, as the case may be. The charges, accruals and reserves on the books of the Borrower and any of its Subsidiaries in respect of Taxes and other governmental charges will be adequate in accordance with GAAP.

SECTION 5.15 Post-Closing Matters. Notwithstanding anything to the contrary contained herein, within thirty (30) days (or such longer period as may be agreed by the Administrative Agent in its sole discretion), the Borrower shall deliver an executed control agreement in form and substance reasonably satisfactory to the Administrative Agent in respect of the Borrower’s account #7000009618 held at State Street Global Markets, LLC; provided that, for the avoidance of doubt, assets in such account shall not be included in the Borrowing Base prior to delivery of such control agreement.

ARTICLE VI.

NEGATIVE COVENANTS

Until the Termination Date, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01 Indebtedness. The Borrower will not nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created under this Agreement;

(b) (i) Unsecured Shorter-Term Indebtedness in an aggregate principal amount not to exceed \$25,000,000 and (ii) Secured Longer-Term Indebtedness, so long as, in the case of each clause (i) and (ii), (w) no Default or Event of Default exists at the time of the incurrence, refinancing or replacement thereof (or immediately after the incurrence, refinancing

or replacement thereof), (x) prior to and immediately after giving effect to the incurrence, refinancing or replacement thereof, the Borrower is in pro forma compliance with each of the covenants set forth in Section 6.07, and on the date of such incurrence, refinancing or replacement the Borrower delivers to the Administrative Agent a certificate of a Financial Officer to such effect, (y) prior to and immediately after giving effect to the incurrence, refinancing or replacement thereof, the Covered Debt Amount does not or would not exceed the Borrowing Base then in effect and (z) on the date of the incurrence, refinancing or replacement thereof, the Borrower delivers to the Administrative Agent and each Lender a Borrowing Base Certificate as at such date demonstrating compliance with subclause (y) after giving effect to such incurrence, refinancing or replacement. For purposes of preparing such Borrowing Base Certificate, (A) the Value of any Quoted Investment shall be the most recent quotation available for such Eligible Portfolio Investment and (B) the Value of any Unquoted Investment shall be the Value set forth in the Borrowing Base Certificate most recently delivered by the Borrower to the Administrative Agent pursuant to Section 5.01(d) or (e) or if an Unquoted Investment is acquired after the delivery of the Borrowing Base Certificate most recently delivered, the Value of such Unquoted Investment shall be equal to the lowest of (i) the Internal Value of such Unquoted Investment as determined by the Borrower pursuant to Section 5.12(b)(ii)(C), (ii) the cost of such Unquoted Investment; and (iii) if such Unquoted Investment is a debt investment, the par or face value of such Unquoted Investment; provided, that the Borrower shall reduce or increase, as applicable, the Value of any Eligible Portfolio Investment referred to in this subclause (B), in a manner consistent with the valuation methodology set forth in Section 5.12, to the extent necessary to take into account any events of which the Borrower has knowledge that adversely or positively, as applicable, affect the value of any Eligible Portfolio Investment;

(c) Unsecured Longer-Term Indebtedness, so long as (x) no Default or Event of Default exists at the time of the incurrence, refinancing or replacement thereof (or immediately after the incurrence, refinancing or replacement thereof) and (y) prior to and immediately after giving effect to the incurrence, refinancing or replacement thereof, the Borrower is in pro forma compliance with each of the covenants set forth in Section 6.07 and on the date of such incurrence, refinancing or replacement (or such later date as the Administrative Agent may agree in its sole discretion) the Borrower delivers to the Administrative Agent a certificate of a Financial Officer to such effect;

(d) Indebtedness of Financing Subsidiaries; provided that (i) except for any such Indebtedness incurred prior to the Effective Date, on the date that such Indebtedness is incurred (for clarity, with respect to any and all revolving loan facilities, term loan facilities, staged advance loan facilities or any other credit facilities, “incurrence” shall be deemed to take place at the time such facility is entered into, and not upon each borrowing thereunder), prior to and immediately after giving effect to the incurrence thereof, the Borrower is in pro forma compliance with each of the covenants set forth in Section 6.07 and on the date of such incurrence (or such later date as the Administrative Agent may agree in its sole discretion) Borrower delivers to the Administrative Agent a certificate of a Financial Officer to such effect and (ii) in the case of revolving loan facilities or staged advance loan facilities, upon each borrowing thereunder, the Borrower is in pro forma compliance with each of the covenants set forth in Section 6.07;

(e) repurchase obligations arising in the ordinary course of business with respect to U.S. Government Securities;

(f) obligations payable to clearing agencies, brokers or dealers in connection with the purchase or sale of securities in the ordinary course of business;

(g) obligations of the Borrower under a Permitted SBIC Guarantee and obligations (including Guarantees) in respect of Standard Securitization Undertakings;

(h) Indebtedness of the Borrower under any Hedging Agreements entered into in the ordinary course of the Borrower's business and not for speculative purposes, in an aggregate amount not to exceed \$20,000,000 at any time outstanding (for the avoidance of doubt, the amount of any Indebtedness under any Hedging Agreement shall be the amount such Obligor would be obligated for under such Hedging Agreement if such Hedging Agreement were terminated at the time of determination);

(i) Indebtedness in respect of judgments or awards that have been in force for less than the applicable period for taking an appeal, so long as such judgments or awards do not constitute an Event of Default;

(j) Indebtedness (i) of an Obligor to any other Obligor, (ii) of a Financing Subsidiary to any Obligor to the extent such Indebtedness is an Investment permitted under Section 6.04(e), (iii) of an Immaterial Subsidiary to any Obligor to the extent such Indebtedness is an Investment permitted under Section 6.04(i) and (iv) of any other Subsidiary to any Obligor to the extent such Indebtedness is an Investment permitted under Section 6.04(j); and

(k) additional Indebtedness not for borrowed money, in an aggregate amount not to exceed \$20,000,000 at any time outstanding;

SECTION 6.02 Liens. The Borrower will not, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof except:

(a) any Lien on any property or asset of the Borrower existing on the Effective Date and set forth in Schedule 3.11(b), provided that (i) no such Lien shall extend to any other property or asset of the Borrower or any of its Subsidiaries, and (ii) any such Lien shall secure only those obligations which it secures on the Effective Date and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(b) Liens created pursuant to the Security Documents;

(c) Liens on assets owned by Financing Subsidiaries;

(d) Permitted Liens;

(e) Liens on Equity Interests in any SBIC Subsidiary created in favor of the SBA and Liens on Equity Interests in any Structured Subsidiary described in clause (a) of the definition thereof in favor of and required by any lender providing third-party financing to such Structured Subsidiary;

(f) Liens on assets owned by (i) Immaterial Subsidiaries created in favor of an Obligor to the extent solely securing Indebtedness permitted under Section 6.01(j)(iii) and (ii) any other Subsidiary (other than (1) an Obligor or (2) a Financing Subsidiary) created in favor of an Obligor to the extent solely securing Indebtedness permitted under Section 6.01(j)(iv); and

(g) additional Liens securing Indebtedness not for borrowed money not to exceed \$5,000,000 in the aggregate.

SECTION 6.03 Fundamental Changes and Dispositions of Assets. The Borrower will not, nor will it permit any of its Subsidiaries (other than a Financing Subsidiary or an Immaterial Subsidiary) to, enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution). The Borrower will not reorganize under the laws of a jurisdiction other than any jurisdiction in the United States. The Borrower will not, nor will it permit any of its Subsidiaries (other than a Financing Subsidiary or an Immaterial Subsidiary) to, acquire any business or property from, or capital stock of, or be a party to any acquisition of, any Person, except for purchases or acquisitions of Portfolio Investments and other assets in the normal course of the day-to-day business activities of the Borrower and its Subsidiaries and not in violation of the terms and conditions of this Agreement or any other Loan Document. The Borrower will not, nor will it permit any of its Subsidiaries (other than Financing Subsidiaries or Immaterial Subsidiaries) to, convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, any part of its assets (including Cash, Cash Equivalents and Equity Interests), whether now owned or hereafter acquired, but excluding (x) assets (including Cash and Cash Equivalents but excluding Portfolio Investments) sold or disposed of in the ordinary course of business of the Borrower and its Subsidiaries (including to make expenditures of cash in the normal course of the day-to-day business activities of the Borrower and its Subsidiaries (other than a Financing Subsidiary)) and (y) subject to the provisions of clauses (d) and (e) below, Portfolio Investments. The Borrower will not, nor will it permit any of its Subsidiaries to, file a certificate of division, adopt a plan of division or otherwise take any action to effectuate a division pursuant to Section 18-217 of the Delaware Limited Liability Company Act (or any analogous action taken pursuant to applicable law with respect to any corporation, limited liability company, partnership or other entity).

Notwithstanding the foregoing provisions of this Section:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower or any other Subsidiary Guarantor; provided that if any such transaction shall be between a Subsidiary and a wholly owned Subsidiary Guarantor, the wholly owned Subsidiary Guarantor shall be the continuing or surviving corporation;

(b) any Subsidiary of the Borrower may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any wholly owned Subsidiary Guarantor of the Borrower;

(c) the capital stock of any Subsidiary of the Borrower may be sold, transferred or otherwise disposed of to the Borrower or any wholly owned Subsidiary Guarantor of the Borrower;

(d) the Obligors may sell, transfer or otherwise dispose of Portfolio Investments (other than to a Financing Subsidiary) so long as prior to and after giving effect to such sale, transfer or other disposition (and any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness) the Covered Debt Amount does not exceed the Borrowing Base;

(e) the Obligors may sell, transfer or otherwise dispose of Portfolio Investments (other than ownership interests in Financing Subsidiaries), Cash and Cash Equivalents to a Financing Subsidiary (including, for clarity, as investments (debt or equity) or capital contributions) so long as (i) prior to and immediately after giving effect to such sale, transfer or other disposition (and any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness) the Covered Debt Amount does not exceed the Borrowing Base and no Default or Event of Default exists, and the Borrower delivers to the Administrative Agent a certificate of a Financial Officer to such effect, (ii) after giving effect to such sale, transfer or other disposition (and any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness), either (x) the amount by which the Borrowing Base exceeds the Covered Debt Amount immediately prior to such sale, transfer or other disposition is not diminished as a result of such sale, transfer or other disposition or (y) the Covered Debt Amount does not exceed 90% of the Borrowing Base immediately after giving effect to such sale, transfer or other disposition (and any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness) and (iii) the Consolidated Asset Coverage Ratio calculated on a pro forma basis after giving effect to such sale, transfer or other disposition (and any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness) is not less than 160%; provided that, notwithstanding anything to the contrary herein or in any other Loan Document, no Portfolio Investments, Cash or Cash Equivalents may be transferred, directly or indirectly, to any Specified CLO following the Specified CLO Effective Date.

(f) the Borrower may merge or consolidate with any other Person, so long as (i) the Borrower is the continuing or surviving entity in such transaction and (ii) at the time thereof and after giving effect thereto, no Default or Event of Default shall have occurred or be continuing;

(g) the Borrower and its Subsidiaries may sell, lease, transfer or otherwise dispose of equipment or other property or assets that do not consist of Portfolio Investments so long as the aggregate amount of all such sales, leases, transfer and dispositions does not exceed \$10,000,000 in any fiscal year;

(h) any Subsidiary of the Borrower may be liquidated or dissolved; provided that in connection with such liquidation or dissolution, any and all of the assets of such Subsidiary shall be distributed or otherwise transferred to the Borrower or any wholly owned Subsidiary Guarantor of the Borrower; and

(i) an Obligor may transfer assets to a Financing Subsidiary for the sole purpose of facilitating the transfer of assets from one Financing Subsidiary (or a Subsidiary that was a Financing Subsidiary immediately prior to such disposition) to another Financing Subsidiary, directly or indirectly through such Obligor (such assets, the “Transferred Assets”), provided that (i) no Default or Event of Default exists or is continuing at such time, (ii) the Covered Debt Amount shall not exceed the Borrowing Base at such time and (iii) the Transferred Assets were transferred to such Obligor by the transferor Financing Subsidiary on the same Business Day that such assets are transferred by such Obligor to the transferee Financing Subsidiary.

SECTION 6.04 Investments. The Borrower will not, nor will it permit any of its Subsidiaries to, acquire, make or enter into, or hold, any Investments except:

- (a) operating deposit accounts and securities accounts with banks;
- (b) Investments by the Borrower and the Subsidiary Guarantors in the Borrower and the Subsidiary Guarantors;
- (c) Hedging Agreements entered into in the ordinary course of the Borrower’s business for financial planning and not for speculative purposes;
- (d) Portfolio Investments by the Borrower and its Subsidiaries to the extent such Portfolio Investments are permitted under the Investment Company Act (to the extent such applicable Person is subject to the Investment Company Act) and the Investment Policies (as amended by Permitted Policy Amendments);
- (e) Investments in (or capital contribution to) Financing Subsidiaries to the extent expressly permitted by Section 6.03(e) or 6.03(i);
- (f) Investments by any Financing Subsidiary, Immaterial Subsidiary, CFC or Transparent Subsidiary;
- (g) Investments in Cash and Cash Equivalents;
- (h) Investments described on Schedule 3.12(b) hereto;
- (i) Investments in Immaterial Subsidiaries; and
- (j) other Investments (including, for the avoidance of doubt, in Financing Subsidiaries, Immaterial Subsidiaries, CFCs and Transparent Subsidiaries), in an aggregate amount for all such Investments not to exceed \$25,000,000 (for purposes of this clause (j), the aggregate amount of an Investment at any time shall be deemed to be equal to (A) the aggregate

amount of cash, together with the aggregate fair market value of property loaned, advanced, contributed, transferred or otherwise invested that gives rise to such Investment (calculated at the time such Investment is made), minus (B) the aggregate amount of dividends, distributions or other payments received in cash in respect of capital or principal on account of such Investment (other than, for the avoidance of doubt, interest or on account of taxes), provided that in no event shall the aggregate amount of any Investment be less than zero, and provided further that the amount of any Investment shall not be reduced by reason of any write-off of such Investment, nor increased by way of any increase in the amount of earnings retained in the Person in which such Investment is made that have not been dividended, distributed or otherwise paid out).

SECTION 6.05 Restricted Payments. The Borrower will not, nor will it permit any of its Subsidiaries (other than the Financing Subsidiaries) to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except that:

(a) the Borrower may declare or make, or agree to pay or make, dividends with respect to the capital stock of the Borrower (including, for the avoidance of doubt, pursuant to any distribution reinvestment plan of the Borrower) payable solely in additional shares of the Borrower's common stock;

(b) (1) the Borrower may declare or make, or agree to pay or make, dividends and distributions in either case in cash or other property (excluding for this purpose the Borrower's common stock) in or with respect to any taxable year of the Borrower (or any calendar year, as relevant) in amounts not to exceed the higher of (x) the net investment income of the Borrower for the applicable fiscal year determined in accordance with GAAP and as specified in the annual financial statements most recently delivered pursuant to Section 5.1(a) and (y) 110% of the amount that is estimated by the Borrower in good faith to be required by the Borrower to be distributed to: (i) allow the Borrower to satisfy the minimum distribution requirements imposed by Section 852(a) of the Code (or any successor thereto) to maintain its eligibility to be taxed as a RIC for any such taxable year, (ii) reduce to zero for any such taxable year its liability for federal income taxes imposed on (y) its investment company taxable income pursuant to Section 852(b)(1) of the Code (or any successor thereto), and (z) its net capital gain pursuant to Section 852(b)(3) of the Code (or any successor thereto), and (iii) reduce to zero its liability for federal excise taxes for any such calendar year imposed pursuant to Section 4982 of the Code (or any successor thereto) (the "Tax Amount") (such higher amount of (x) and (y) (and without, for the avoidance of doubt, taking into account the 110% multiplier), the "Required Payment Amount"), and (2) with respect to any other Restricted Payment, if at the time of any such Restricted Payment, (i) no Default or Event of Default shall have occurred and be continuing, (ii) the Covered Debt Amount does not exceed 90% of the Borrowing Base calculated on a pro forma basis after giving effect to any such Restricted Payment) and (iii) on the date of such Restricted Payment (or such later date as the Administrative Agent may agree in its sole discretion) the Borrower delivers to the Administrative Agent a Borrowing Base Certificate as at such date demonstrating compliance with subclause (ii) above; provided that, in connection with any Restricted Payment made pursuant to the Equity Repurchase Program, such certificate shall not be required to be delivered until the next date the Borrower is required to deliver a certificate pursuant to Section 5.01(c). For purposes of preparing such Borrowing Base Certificate, (A) the Value of any Quoted Investment shall be the most recent quotation available

for such Eligible Portfolio Investment, (B) the Value of any Unquoted Investment shall be the Value set forth in the Borrowing Base Certificate most recently delivered by the Borrower pursuant to Section 5.01(d) or (e) or if an Unquoted Investment is acquired after the delivery of the Borrowing Base Certificate most recently delivered, the Value of such Unquoted Investment shall be equal to the lowest of (i) the Internal Value of such Unquoted Investment as determined by the Borrower pursuant to Section 5.12(b)(ii)(C), (ii) the cost of such Unquoted Investment and (iii) if such Unquoted Investment is a debt investment, the par or face value of such Unquoted Investment; provided that the Borrower shall reduce or increase, as applicable, the Value of any Eligible Portfolio Investment referred to in this subclause (B), in a manner consistent with the valuation methodology set forth in Section 5.12, to the extent necessary to take into account any events of which the Borrower has knowledge that adversely or positively, as applicable, affect the value of such Portfolio Investment;

(c) the Subsidiaries of the Borrower may declare or make, or agree to pay or make, directly or indirectly, Restricted Payments to the Borrower, to any Subsidiary Guarantor or to any other entity to the extent the applicable Subsidiary is a wholly-owned Subsidiary of such entity; and

(d) the Obligors may declare or make, or agree to pay or make, directly or indirectly, Restricted Payments to repurchase Equity Interests of the Borrower from officers, directors and employees of the Investment Advisor, the Borrower or any of its Subsidiaries or their respective authorized representatives upon the death, disability or termination of employment of such employees or termination of their seat on the Board of Directors of the Investment Advisor, the Borrower or any of its Subsidiaries, in an aggregate amount not to exceed \$1,000,000 in any calendar year with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum of \$2,000,000 in any calendar year.

For the avoidance of doubt, (1) the Borrower shall not declare any dividend to the extent such declaration violates the provisions of the Investment Company Act that are applicable to it and (2) the determination of the amounts referred to in paragraph (b) above shall be made separately for the taxable year of the Borrower and the calendar year of the Borrower, and the limitation on dividends or distributions imposed by such paragraphs shall apply separately to the amounts so determined.

SECTION 6.06 Certain Restrictions on Subsidiaries. The Borrower will not permit any of its Subsidiaries (other than Financing Subsidiaries) to enter into or suffer to exist any indenture, agreement, instrument or other arrangement (other than (i) the Loan Documents, (ii) any indenture, agreement, instrument or other arrangement pertaining to other Indebtedness of the Borrower or its Subsidiaries permitted hereby to the extent any such indenture, agreement, instrument or other arrangement does not prohibit, in each case in any material respect, or impose materially adverse conditions upon, the material requirements applicable to the Borrower and its Subsidiaries under the Loan Documents or (iii) any agreement, instrument or other arrangement pertaining to any lease, sale or other disposition of any asset permitted by this Agreement so long as the applicable restrictions (x) only apply to such assets and (y) do not restrict prior to the consummation of such sale or disposition the creation or existence of the Liens in favor of the Collateral Agent pursuant to the Security Documents or otherwise required

by this Agreement, or the incurrence or payment of Indebtedness under this Agreement or the ability of the Borrower and its Subsidiaries to perform any other obligation under any of the Loan Documents) that prohibits, in each case in any material respect, or imposes materially adverse conditions upon, the incurrence or payment of Indebtedness for borrowed money of the Borrower, the granting of Liens by the Borrower, the declaration or payment of dividends by the Borrower, the making of Loans or the making of Investments or the sale, assignment, transfer or other disposition of property, in each case of the Borrower.

SECTION 6.07 Certain Financial Covenants.

(a) Minimum Stockholders' Equity. After the Effective Date, the Borrower will not permit Stockholders' Equity as of the last day of any fiscal quarter of the Borrower to be less than the sum of (i) \$394,077,101 plus (ii) 50% of the aggregate net proceeds of all sales of Equity Interests by the Borrower after the Effective Date.

(b) Consolidated Asset Coverage Ratio. After the Effective Date, the Borrower will not permit the Consolidated Asset Coverage Ratio to be less than (x) 150% at any time that Portfolio Investments that are Tier One Investments listed on the Investment Schedule represent more than 70% of the total "fair value" of all Investments set forth on such Investment Schedule, (y) 167% at any time that the Portfolio Investments that are Tier One Investments listed on the Investment Schedule represent more than 60% but less than or equal to 70% of the total "fair value" of all Investments set on such Investment Schedule and (z) 200% at any other time (in each case after giving effect to any Exemptive Order granted by the SEC relating to the exclusion of any indebtedness of any SBIC subsidiary from the definition of Senior Securities). For purposes of this clause (b), "Tier One Investments" means Portfolio Investments that are Cash, Cash Equivalents, Long-Term U.S. Government Securities and First Lien Bank Loans and "Investment Schedule" means the consolidated schedule of investments set forth in the financial statements of the Borrower most recently delivered pursuant to Section 5.01(a) or (b) or, following the Effective Date but prior to the first such delivery, the consolidated schedule of investments set forth in the draft financial statements of the Borrower attached to the draft report to be filed by the Borrower with the SEC on Form 10-K for the fiscal year ending December 31, 2018 delivered to the Administrative Agent prior to the Effective Date.

(c) Liquidity Test. After the Effective Date, the Borrower will not permit the aggregate Value of the Eligible Portfolio Investments that can be converted to Cash in fewer than 10 Business Days without more than a 5% change in price to be less than 10% of the Covered Debt Amount for more than 30 Business Days during any period when (x) the Adjusted Covered Debt Balance is greater than 90% of the Adjusted Borrowing Base and (y) the Consolidated Asset Coverage Ratio is less than 160%.

(d) Obligors' Net Worth Test. After the Effective Date, the Borrower will not permit the Obligors' Net Worth as of the last day of any fiscal quarter to be less than \$200,000,000.

SECTION 6.08 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any transactions with any of its Affiliates, even if otherwise permitted under this Agreement, except (a) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such

Subsidiary (or, in the case of a transaction between an Obligor and a non-Obligor Subsidiary, not less favorable to such Obligor) than could be obtained at the time on an arm's-length basis from unrelated third parties, (b) transactions between or among the Obligors not involving any other Affiliate, (c) Restricted Payments permitted by Section 6.05, dispositions permitted by Section 6.03(e) and 6.03(i) and Investments permitted by Section 6.04(e), (d) the transactions provided in the Affiliate Agreements as the same may be amended in accordance with Section 6.11(b), (e) existing transactions with Affiliates as set forth in Schedule 6.08, (f) the payment of compensation and reimbursement of expenses of directors in a manner consistent with current practice of the Borrower and general market practice, and indemnification to directors in the ordinary course of business, and (g) co-investments with other funds or client accounts advised by Barings shall be permitted to the extent permitted by applicable law and/or SEC guidance (including exemptive relief from the SEC and/or a no-action letter).

SECTION 6.09 Lines of Business. The Borrower will not, nor will it permit any of its Subsidiaries (other than Immaterial Subsidiaries) to, engage to any material extent in any business other than in accordance with its Investment Policies as amended by Permitted Policy Amendments.

SECTION 6.10 No Further Negative Pledge. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any agreement, instrument, deed or lease which prohibits or limits in any material respect the ability of any Obligor to create, incur, assume or suffer to exist any Lien upon any of its properties, assets or revenues, whether now owned or hereafter acquired, or which requires the grant of any security for an obligation if security is granted for another obligation, except the following: (a) this Agreement and the other Loan Documents and documents with respect to Indebtedness permitted under Sections 6.01(b)(ii) and 6.01(k); (b) covenants in documents creating Liens permitted by Section 6.02 prohibiting further Liens on the assets encumbered thereby; (c) customary restrictions contained in leases not subject to a waiver; and (d) any other agreement that does not restrict in any manner (directly or indirectly) Liens created pursuant to the Loan Documents on any Collateral securing the "Secured Obligations" under and as defined in the Guarantee and Security Agreement and does not require the direct or indirect granting of any Lien securing any Indebtedness or other obligation by virtue of the granting of Liens on or pledge of property of any Obligor to secure the Loans or any Hedging Agreement.

SECTION 6.11 Modifications of Indebtedness and Affiliate Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, consent to any modification, supplement or waiver of:

(a) any of the provisions of any agreement, instrument or other document evidencing or relating to any Secured Longer-Term Indebtedness, Unsecured Longer-Term Indebtedness or Unsecured Shorter-Term Indebtedness that would result in such Indebtedness not meeting the requirements of the definition of "Secured Longer-Term Indebtedness", clause (B) of the definition of "Unsecured Longer-Term Indebtedness" or the definition of "Unsecured Shorter-Term Indebtedness", as applicable, set forth in Section 1.01 of this Agreement, unless, in the case of Unsecured Longer-Term Indebtedness, such Indebtedness would have been permitted

to be incurred as Unsecured Shorter-Term Indebtedness at the time of such modification, supplement or waiver and the Borrower so designates such Indebtedness as “Unsecured Shorter-Term Indebtedness” (whereupon such Indebtedness shall be deemed to constitute “Unsecured Shorter-Term Indebtedness” for all purposes of this Agreement);

(b) any of the Affiliate Agreements, unless such modification, supplement or waiver is not materially less favorable to the Borrower than could be obtained on an arm’s-length basis from unrelated third parties.

The Administrative Agent and the Lenders hereby acknowledge and agree that the Borrower may, at any time and from time to time, without the consent of the Administrative Agent, freely amend, restate, terminate, or otherwise modify any documents, instruments and agreements evidencing, securing or relating to Indebtedness permitted pursuant to Section 6.01(d), including increases in the principal amount thereof, modifications to the advance rates and/or modifications to the interest rate, fees or other pricing terms; provided that no such amendment, restatement or modification shall, for so long as the Borrower complies with the terms of Section 5.08(a)(i) hereof, cause a Financing Subsidiary to fail to be a “Financing Subsidiary” in accordance with the definition thereof.

SECTION 6.12 Payments of Longer-Term Indebtedness. The Borrower will not, nor will it permit any of its Subsidiaries to, purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for the purchase, redemption, retirement or other acquisition of or make any voluntary or involuntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of, any Secured Longer-Term Indebtedness or Unsecured Longer-Term Indebtedness (other than (i) to refinance any such Secured Longer-Term Indebtedness or Unsecured Longer-Term Indebtedness with Indebtedness permitted under Section 6.01(b)(ii) and (c) and (ii) with the proceeds of any issuance of Equity Interests (in each case with respect to clauses (i) and (ii) of this Section 6.12 to the extent not required to be used to repay Loans), except (a) for regularly scheduled payments of interest in respect thereof required pursuant to the instruments evidencing such Indebtedness and the payment when due of the types of fees and expenses that are customarily paid in connection with such Indebtedness (it being understood that (w) the conversion features into Permitted Equity Interests under convertible notes, (x) the triggering of such conversion and/or settlement thereof solely with Permitted Equity Interests, and (y) any cash payment on account of interest or expenses on such convertible notes made by the Borrower in respect of such triggering and/or settlement thereof, shall be permitted under this clause (a)) or (b) for payments and prepayments of Secured Longer-Term Indebtedness required to comply with requirements of Section 2.09(b).

SECTION 6.13 Modification of Investment and Valuation Policies. Other than with respect to Permitted Policy Amendments, the Borrower will not amend, supplement, waive or otherwise modify in any material respect the Investment Policies or its Valuation Policies as in effect on the Effective Date.

SECTION 6.14 SBIC Guarantees. The Borrower will not, nor will it permit any of its Subsidiaries to, cause or permit the occurrence of any event or condition that would result in any recourse to any Obligor under any Permitted SBIC Guarantee.

SECTION 6.15 Derivative Transactions. The Borrower will not, nor will it permit any of its Subsidiaries (other than any Financing Subsidiary) to, enter into any swap or derivative transactions (including any total return swap) or other similar transactions or agreements except for Hedging Agreements to the extent permitted pursuant to Section 6.01(h) and Section 6.04(c).

ARTICLE VII.

EVENTS OF DEFAULT

If any of the following events (“Events of Default”) shall occur and be continuing:

(a) (i) the Borrower shall fail to pay any principal of any Loan (including, without limitation, any principal payable under Section 2.09(b) or (c)) or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise or (ii) fail to Cash Collateralize any LC Exposure as and when required by Section 2.04(k);

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) or more Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, shall prove to have been incorrect when made or deemed made in any material respect (except that such materiality qualifier shall not be applicable to any representation or warranty already qualified by materiality or Material Adverse Effect);

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in (i) Section 5.01(e), Section 5.03 (with respect to the Borrower’s and its Subsidiaries’ existence only, and not with respect to the Borrower’s and its Subsidiaries’ rights, licenses, permits, privileges or franchises), Sections 5.08(a) or (b), Section 5.09, Section 5.10, Section 5.12(c), Section 5.15 or Article VI or any Obligor shall default in the performance of any of its obligations contained in Section 7 of the Guarantee and Security Agreement or (ii) Section 5.01(f) or Section 5.02 and, in the case of this clause (ii), such failure shall continue unremedied for a period of five (5) or more days after the earlier of (A) notice thereof by the

Administrative Agent (given at the request of any Lender) to the Borrower and (B) a Financial Officer of the Borrower's actual knowledge of such failure;

(e) the Borrower or any Obligor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document and such failure shall continue unremedied for a period of thirty (30) or more days after the earlier of (A) notice thereof by the Administrative Agent (given at the request of any Lender) to the Borrower and (B) a Financial Officer of the Borrower's actual knowledge of such failure;

(f) the Borrower or any of its Subsidiaries shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, taking into account any applicable grace period;

(g) any event or condition occurs that (i) results in all or any portion of any Material Indebtedness becoming due prior to its scheduled maturity or (ii) enables or permits (after giving effect to any applicable grace periods) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, unless, in the case of this clause (ii), such event or condition is no longer continuing or has been waived in accordance with the terms of such Material Indebtedness such that the holder or holders thereof or any trustee or agent on its or their behalf are no longer enabled or permitted to cause such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to (1) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness; or (2) convertible debt that becomes due as a result of a contingent mandatory conversion or redemption event provided such conversion or redemption is effectuated only in capital stock that is not Disqualified Equity Interests (other than interest or expenses or fractional shares, which may be payable in cash);

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed and unstayed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution

of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) there is rendered against the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) or any combination thereof (i) one or more judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) in excess of \$20,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of the potential claim and does not dispute coverage) or (ii) any one or more non-monetary judgments that, individually or in the aggregate, has resulted in or could reasonably be expected to result in a Material Adverse Effect and, in either case, (1) enforcement proceedings, actions or collection efforts are commenced by any creditor upon such judgment or order, or (2) there is a period of thirty (30) consecutive days during which such judgment is undischarged or a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) any SBIC Subsidiary shall become the subject of an enforcement action and be transferred into liquidation status by the SBA;

(o) the Liens created by the Security Documents shall, at any time with respect to Portfolio Investments held by Obligors having an aggregate Value in excess of 5% of the aggregate Value of all Portfolio Investments held by Obligors, not be valid and perfected (to the extent perfection by filing, registration, recordation, possession or control is required herein or therein) in favor of the Collateral Agent (or any Obligor or any Affiliate of an Obligor shall so assert in writing), free and clear of all other Liens (other than Liens permitted under Section 6.02 or under the respective Security Documents) except as a result of a disposition of Portfolio Investments in a transaction or series of transactions permitted under this Agreement; provided that if such default is as a result of any action of the Administrative Agent or the Collateral Agent or a failure of the Administrative Agent or the Collateral Agent to take any action within its control, then there shall be no Default or Event of Default hereunder unless such default shall continue unremedied for a period of ten consecutive Business Days after the Borrower receives written notice of such default thereof from the Administrative Agent and the continuance thereof

is a result of a failure of the Administrative Agent or the Collateral Agent to take an action within their control;

(p) except for expiration or termination in accordance with its terms, any of the Security Documents shall for whatever reason be terminated or cease to be in full force and effect in any material respect, or the enforceability thereof shall be contested by any Obligor, or there shall be any actual invalidity of any guaranty thereunder or any Obligor or any Affiliate of an Obligor shall so assert in writing;

(q) the Borrower or any of its Subsidiaries shall cause or permit the occurrence of any condition or event that would result in any recourse to any Obligor under any Permitted SBIC Guarantee; or

(r) the Investment Advisor shall cease to be the investment advisor of the Borrower;

then, and in every such event (other than an event described in clause (h), (i) or (j) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event described in clause (h), (i) or (j) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

In the event that the Loans shall be declared, or shall become, due and payable pursuant to the immediately preceding paragraph then, upon notice from the Administrative Agent, the Issuing Bank or Lenders with LC Exposure representing more than 50% of the total LC Exposure demanding the deposit of Cash Collateral pursuant to this paragraph, the Borrower shall immediately Cash Collateralize such LC Exposure plus any accrued and unpaid interest thereon; provided that the obligation to Cash Collateralize such LC Exposure shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default described in clause (h), (i) or (j) of this Article.

ARTICLE VIII.____

THE ADMINISTRATIVE AGENT

SECTION 8.01 Appointment.

(a) Appointment of the Administrative Agent. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

(b) Appointment of the Collateral Agent. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Collateral Agent as its collateral agent hereunder and under the other Loan Documents and authorizes the Collateral Agent to have all the rights and benefits hereunder and thereunder (including Section 9 of the Guarantee and Security Agreement), and to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. In addition to the rights, privileges and immunities in the Guarantee and Security Agreement, the Collateral Agent shall be entitled to all rights, privileges, immunities, exculpations and indemnities of the Administrative Agent for such purpose and each reference to the Administrative Agent in this Article VIII shall be deemed to include the Collateral Agent.

SECTION 8.02 Capacity as Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may (without having to account therefor to any other Lender) accept deposits from, lend money to, make investments in and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder, and such Person and its Affiliates may accept fees and other consideration from the Borrower or any Subsidiary or other Affiliate thereof for services in connection with this Agreement or otherwise without having to account for the same to the other Lenders.

SECTION 8.03 Limitation of Duties; Exculpation. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein and in the other Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The

Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents) or in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the creation, perfection or priority of any Lien purported to be created by the Loan Documents or the value or the sufficiency of any Collateral or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein or therein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent. Notwithstanding anything to the contrary contained herein, in no event shall the Administrative Agent be liable or responsible in any way or manner for the failure to obtain or receive an Agent External Value for any asset or for the failure to send any notice required under Section 5.12(b)(iii)(A).

SECTION 8.04 Reliance. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by or on behalf of the proper Person or Persons, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.05 Sub-Agents. The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 8.06 Resignation: Successor Administrative Agent. The Administrative Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower not to be unreasonably withheld (provided that no such consent shall be

required if an Event of Default has occurred and is continuing), to appoint a successor, which is not a Disqualified Lender. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent's resignation shall nonetheless become effective except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Bank under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and (2) the Required Lenders shall perform the duties of the Administrative Agent (and all payments and communications provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly) until such time as the Required Lenders appoint a successor agent as provided for above in this paragraph. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article VIII and Section 9.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

SECTION 8.07 Reliance by Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 8.08 Modifications to Loan Documents. Except as otherwise provided in Section 9.02(b) or 9.02(c) with respect to this Agreement, the Administrative Agent may, with the prior consent of the Required Lenders (but not otherwise), consent to any modification, supplement or waiver under any of the Loan Documents; provided that, without the prior consent of each Lender, the Administrative Agent shall not (except as provided herein or in the Security Documents) release all or substantially all of the Collateral or otherwise terminate all or substantially all of the Liens under any Security Document providing for collateral security, agree to additional obligations being secured by all or substantially all of such collateral security, or alter the relative priorities of the obligations entitled to the benefits of the Liens created under the Security Documents with respect to all or substantially all of the Collateral, except that no such consent shall be required, and the Administrative Agent is hereby authorized, to release any Lien covering property that is the subject of either (x) a disposition of property permitted hereunder (which release described in this clause (x) shall be automatic and

require no further action from any party) or (y) a disposition to which the Required Lenders have consented.

SECTION 8.09 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Joint Lead Arranger, and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Obligor, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to, and covers, such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender

party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and each Joint Lead Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Obligor, that none of the Administrative Agent or any Joint Lead Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 8.10 Agents. None of the Syndication Agent, any Documentation Agent or any Lead Arranger shall have obligations or duties whatsoever in such capacity under this Agreement or any other Loan Document and shall incur no liability hereunder or thereunder in such capacity, but all such persons shall have the benefit of the indemnities provided for hereunder.

SECTION 8.11 Collateral Matters. (i) Except with respect to the exercise of setoff rights in accordance with Section 9.08 or with respect to a Secured Party's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Guaranteed Obligations (as defined in the Guarantee and Security Agreement), it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent and/or the Collateral Agent on behalf of the Secured Parties in accordance with the terms thereof.

(b) In furtherance of the foregoing and not in limitation thereof, no arrangements in respect of any Hedging Agreement the obligations under which constitute Hedging Agreement Obligations, will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Obligor under any Loan Document. By accepting the benefits of the Collateral, each Secured Party that is a party to any such arrangement in respect of Hedging Agreements shall be deemed to have appointed the Administrative Agent and Collateral Agent to serve as administrative agent and collateral agent, respectively, under the Loan Documents and agreed to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

(c) Neither the Administrative Agent nor the Collateral Agent shall be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's or the Collateral Agent's Lien thereon or any certificate prepared by any Obligor in connection therewith, nor shall the Administrative Agent or the Collateral Agent be responsible or liable to the Lenders or any other Secured Party for any failure to monitor or maintain any portion of the Collateral.

SECTION 8.12 Credit Bidding. The Secured Parties hereby irrevocably authorize the Collateral Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Secured Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Secured Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which an Obligor is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Collateral Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Secured Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Collateral Agent at the direction of the Required Lenders on a ratable basis (with Secured Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Collateral Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Secured Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Collateral Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Collateral Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 9.02 of this Agreement), (iv) the Collateral Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Secured Obligations which were credit bid, interests, whether as equity, partnership, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Secured Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Secured Obligations assigned to the acquisition vehicle exceeds the amount of Secured Obligations credit bid by the acquisition vehicle or otherwise), such Secured Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Secured Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Secured Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Secured Obligations of each Secured Party

are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Collateral Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

SECTION 8.13 Non-Receipt of Funds by Administrative Agent; Erroneous Payments.

(a) Unless Administrative Agent shall have received notice from a Lender or Borrower (either one as appropriate being the “Payor”) prior to the date on which such Lender is to make payment hereunder to Administrative Agent of the proceeds of a Loan or Borrower is to make payment to Administrative Agent, as the case may be (either such payment being a “Required Payment”), which notice shall be effective upon receipt, that the Payor will not make the Required Payment in full to Administrative Agent, Administrative Agent may assume that the Required Payment has been made in full to Administrative Agent on such date, and Administrative Agent in its sole discretion may, but shall not be obligated to, in reliance upon such assumption, make the amount thereof available to the intended recipient on such date. If and to the extent the Payor shall not have in fact so made the Required Payment in full to Administrative Agent, the recipient of such payment shall repay to Administrative Agent forthwith on demand such amount made available to it together with interest thereon, for each day from the date such amount was so made available by Administrative Agent until the date Administrative Agent recovers such amount, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect and (ii) in the case of the Borrower, (x) with respect to Eurocurrency Borrowings, the interest rate applicable to Eurocurrency Loans having an Interest Period of one month’s duration and (y) with respect to Borrowings denominated in Pounds Sterling or Swiss Francs, the interest rate applicable to RFR Loans denominated in such Currency, as applicable.

(b) (i) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a “Payment”) were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received.

including without limitation any defense based on “discharge for value” or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 8.13(b) shall be conclusive, absent manifest error.

(ii) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a “Payment Notice”) or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) The Borrower hereby agrees that (x) in the event an erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower, except, in each case, to the extent such erroneous Payment is, and solely with respect to the amount of such erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such erroneous Payment.

(iv) Each party’s obligations under this Section 8.13 shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all obligations of the Obligor under any Loan Document.

ARTICLE IX.

MISCELLANEOUS

SECTION 9.01 Notices; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or

overnight courier service, mailed by certified or registered mail or sent by telecopy or to the extent permitted by Section 9.01(b) or otherwise herein, e-mail, as follows:

- (i) if to the Borrower, to it at:

Barings BDC, Inc.
300 South Tryon Street, Suite 2500
Charlotte, NC 28202
Attention: Chris Cary
Telephone: (980) 417-5830
Facsimile: (980) 259-6762
E-Mail: chris.cary@barings.com

with a copy to (which shall not constitute notice):

Dechert LLP
1095 Avenue of the Americas
New York, New York 10036
Attention: Jay R. Alicandri, Esq.
Telephone: (212) 698-3800
Facsimile: (212) 698-3599
E-Mail: jay.alicandri@dechert.com

- (ii) if to the Administrative Agent or the Issuing Bank, to it at:

ING Capital LLC
1133 Avenue of the Americas
New York, New York 10036
Attention: Grace Fu
Telephone: (646) 424-7213
Facsimile: (646) 424-6919
E-Mail: grace.fu@ing.com

with a copy, which shall not constitute notice, to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Andrew J. Klein, Esq.
Telephone: (212) 859-8030
Facsimile: (212) 859-4000
E-Mail: andrew.klein@friedfrank.com

- (iii) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address, telecopy number or e-mail address for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt. Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender or the Issuing Bank pursuant to Section 2.03 if such Lender or the Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Posting of Communications

(i) For so long as a DebtDomain™ or equivalent website is available to each of the Lenders hereunder, the Borrower may satisfy its obligation to deliver documents to the Administrative Agent or the Lenders under Section 5.01 by delivering one hard copy thereof to the Administrative Agent and either an electronic copy or a notice identifying the website where such information is located for posting by the Administrative Agent on DebtDomain™ or such equivalent website; provided that the Administrative Agent shall have no responsibility to maintain access to DebtDomain™ or an equivalent website.

(ii) The Obligors agree that the Administrative Agent may, but shall not be obligated to, make any Communications (as defined below) available to the Lenders by posting the Communications on IntraLinks™, DebtDomain™, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(iii) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or

modified by the Administrative Agent from time to time (including, as of the Restatement Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and each of the Obligor acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there are confidentiality and other risks associated with such distribution. Each of the Lenders and each Obligor hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(iv) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED “AS IS” AND “AS AVAILABLE”. THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY LEAD ARRANGER, ANY CO-DOCUMENTATION AGENT, ANY SYNDICATION AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, “APPLICABLE PARTIES”) HAVE ANY LIABILITY TO ANY OBLIGOR, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY OBLIGOR’S OR THE ADMINISTRATIVE AGENT’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

(v) Each Lender and Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender or Issuing Bank for purposes of the Loan Documents; provided that the foregoing shall not apply to notices to any Lender or the Issuing Bank pursuant to Section 2.03 if such Lender or the Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. Each Lender and Issuing Bank agrees (A) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender’s or Issuing Bank’s email address to which the foregoing notice may be sent by

electronic transmission and (B) that the foregoing notice may be sent to such email address.

(vi) Each of the Lenders, Issuing Bank and Obligors agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention policies and procedures.

(vii) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

(viii) "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Obligor pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or Issuing Bank by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

SECTION 9.02 Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default or Event of Default at the time.

(b) Amendments to this Agreement. Except as set forth in the definition of Secured Longer-Term Indebtedness and Unsecured Longer-Term Indebtedness as in effect on the date hereof, neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that, subject to Section 2.17(b), no such agreement shall

(i) increase the Commitment of any Lender without the written consent of such Lender,

(ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby,

(iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees or other amounts payable to a Lender hereunder, or reduce the amount or waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby,

(iv) change Section 2.16(b), (c) or (d) or Section 2.09(f) (or other sections referred to therein to the extent relating to pro rata payments) in a manner that would alter the pro rata reduction of commitments, sharing of payments, or making of disbursements, required thereby without the written consent of each Lender directly affected thereby,

(v) change any of the provisions of this Section, the definition of the term “Required Lenders” (including the percentage therein) or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender,

(vi) other than as permitted by this Agreement, the Guarantee and Security Agreement or any other applicable Loan Document, release all or substantially all of the Collateral from the Lien created under the Guarantee and Security Agreement or release all or substantially all the Obligors from their obligations as Subsidiary Guarantors hereunder, without the written consent of each Lender,

(vii) amend the definition of “Applicable Percentage”, “Applicable Dollar Percentage” or “Applicable Multicurrency Percentage” without the written consent of each Lender directly affected thereby, or

(viii) permit the assignment or transfer by any Obligor of any of its rights or obligations under any Loan Document without the consent of each Lender;

provided further that (x) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Issuing Bank hereunder without the prior written consent of the Administrative Agent or the Issuing Bank, as the case may be, and (y) the consent of Lenders holding not less than two-thirds of the total Credit Exposures and unused Commitments will be required for (A) any change adverse to the Lenders affecting the provisions of this Agreement relating to the Borrowing Base (including the definitions used therein), and (B) any release of any material portion of the Collateral other than for fair value or as otherwise permitted hereunder or under the other Loan Documents.

For purposes of this Section, the “scheduled date of payment” of any amount shall refer to the date of payment of such amount specified in this Agreement, and shall not refer to a date or other event specified for the mandatory or optional prepayment of such amount. In addition, whenever a waiver, amendment or modification requires the consent of a Lender

“affected” thereby, such waiver, amendment or modification shall, upon consent of such Lender, become effective as to such Lender whether or not it becomes effective as to any other Lender, so long as the Required Lenders consent to such waiver, amendment or modification as provided above.

Anything in this Agreement to the contrary notwithstanding, no waiver or modification of any provision of this Agreement or any other Loan Document that could reasonably be expected to adversely affect the Lenders of any Class in a manner that does not affect all Classes equally shall be effective against the Lenders of such Class unless the Required Lenders of such Class shall have concurred with such waiver, amendment or modification as provided above; provided, however, in no other circumstances shall the concurrence of the Required Lenders of a particular Class be required for any waiver, amendment or modification of any provision of this Agreement or any other Loan Document.

(c) Amendments to Security Documents. No Security Document nor any provision thereof may be waived, amended or modified, except to the extent otherwise expressly contemplated by the Guarantee and Security Agreement, and the Liens granted under the Guarantee and Security Agreement may not be spread to secure any additional obligations (including any increase in Loans hereunder, but excluding (i) any such increase pursuant to a Commitment Increase under Section 2.07(e) and (ii) any Secured Longer-Term Indebtedness permitted hereunder) except to the extent otherwise expressly contemplated by the Guarantee and Security Agreement and except pursuant to an agreement or agreements in writing entered into by the Borrower, and by the Collateral Agent with the consent of the Required Lenders; provided that, subject to Section 2.17(b), (i) without the written consent of the holders of not less than two-thirds of the total Credit Exposures and unused Commitments, no such waiver, amendment or modification to the Guarantee and Security Agreement shall (A) release any Obligor representing more than 10% of the Stockholders’ Equity from its obligations under the Security Documents, (B) release any guarantor representing more than 10% of the Stockholders’ Equity under the Guarantee and Security Agreement from its guarantee obligations thereunder, or (C) amend the definition of “Collateral” under the Security Documents (except to add additional collateral) and (ii) without the written consent of each Lender, no such agreement shall (W) release all or substantially all of the Obligors from their respective obligations under the Security Documents, (X) release all or substantially all of the collateral security or otherwise terminate all or substantially all of the Liens under the Security Documents, (Y) release all or substantially all of the guarantors under the Guarantee and Security Agreement from their guarantee obligations thereunder, or (Z) alter the relative priorities of the obligations entitled to the Liens created under the Security Documents (except in connection with securing additional obligations equally and ratably with the Loans and other obligations hereunder) with respect to all or substantially all of the collateral security provided thereby; except that no such consent described in clause (i) or (ii) above shall be required, and the Administrative Agent is hereby authorized (and so agrees with the Borrower) to direct the Collateral Agent under the Guarantee and Security Agreement, to (1) release any Lien covering property (and to release any such guarantor) that is the subject of either a disposition of property permitted hereunder or a disposition to which the Required Lenders or the required number or percentage of Lenders have consented (and such Lien shall be released automatically to the extent provided in Section 10.03(c) of the Guarantee and Security Agreement), or otherwise in accordance with Section

9.15 and (2) release from the Guarantee and Security Agreement any Subsidiary Guarantor (and any property of such Subsidiary Guarantor) that is designated as a Financing Subsidiary in accordance with this Agreement or which ceases to be consolidated on the Borrower's financial statements and is no longer required to be a "Subsidiary Guarantor", so long as in the case of this clause (2): (A) prior to and immediately after giving effect to any such release (and any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness) the Covered Debt Amount does not exceed the Borrowing Base and no Default or Event of Default exists, and the Borrower delivers to the Administrative Agent a certificate of a Financial Officer to such effect and (B) after giving effect to such release (and any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness), either (I) the amount by which the Borrowing Base exceeds the Covered Debt Amount immediately prior to such release is not diminished as a result of such release or (II) the Borrowing Base immediately after giving effect to such release is at least 115% of the Covered Debt Amount.

(d) Replacement of Non-Consenting Lender. If, in connection with any proposed amendment, waiver or consent requiring (i) the consent of "each Lender" or "each Lender affected thereby," or (ii) the consent of "two-thirds of the holders of the total Credit Exposures and unused Commitments", the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower shall have the right, at its sole cost and expense, to replace each such Non-Consenting Lender or Lenders with one or more replacement Lenders pursuant to Section 2.18(b) so long as at the time of such replacement, each such replacement Lender consents to the proposed change, waiver, discharge or termination.

(e) Ambiguity, Omission, Mistake or Typographical Error. Notwithstanding the foregoing, if the Administrative Agent and the Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement.

SECTION 9.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket fees, costs and expenses incurred by the Administrative Agent, the Collateral Agent and their Affiliates (including the reasonable fees, charges and disbursements of one outside counsel and of any necessary special and/or local counsel for the Administrative Agent and the Collateral Agent collectively (other than the allocated costs of internal counsel)), in connection with the syndication of the credit facilities provided for herein, the preparation and administration (other than internal overhead charges) of this Agreement and the other Loan Documents and any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) including all costs and expenses of the Independent Valuation Provider, (ii) all reasonable and

documented out-of-pocket fees, costs and expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket fees, costs and expenses incurred by the Administrative Agent, the Collateral Agent, the Issuing Bank or any Lender, (including fees, charges and disbursements of counsel for the Administrative Agent, the Collateral Agent, the Issuing Bank or any Lender), in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect thereof and (iv) all reasonable out-of-pocket costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Security Document or any other document referred to therein. Unless an Event of Default has occurred and is continuing, the Borrower shall not be responsible for the reimbursement of any fees, costs and expenses of the Independent Valuation Provider incurred pursuant to 5.12(b)(iii) in excess of the greater of (x) \$200,000 and (y) 0.05% of the total Commitments, in each case in the aggregate incurred for all such fees, costs and expenses in any 12-month period (the “IVP Supplemental Cap”).

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnatee”) against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses (other than Taxes or Other Taxes which shall only be indemnified by the Borrower to the extent provided in Section 2.15), including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnatee (other than the allocated costs of internal counsel), incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby (including any arrangement entered into with an Independent Valuation Provider), (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or (iii) any direct, indirect, actual or prospective claim, litigation, investigation or proceeding (including any investigation or inquiry) relating to any of the foregoing, whether based on contract, tort or any other theory and whether brought by the Borrower, any Indemnatee or a third party and regardless of whether any Indemnatee is a party thereto; provided that such indemnity shall not as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (x) the willful misconduct or gross negligence of such Indemnatee, (y) a material breach in bad faith of such Indemnatee’s obligations hereunder or under any other Loan Document or (z) a claim between any Indemnatee or Indemnitees, on the one hand, and any other Indemnatee or Indemnitees, on the other hand (other than (1) any dispute involving claims against the Administrative Agent or the Issuing Bank, in each case in their

respective capacities as such, and (2) claims arising out of any act or omission by the Borrower and/or its Related Parties).

The Borrower shall not be liable to any Indemnitee for any special, indirect, consequential or punitive damages (as opposed to direct or actual damages (other than in respect of any such damages incurred or paid by an Indemnitee to a third party)) arising out of, in connection with, or as a result of the Transactions asserted by an Indemnitee against the Borrower or any other Obligor; provided that the foregoing limitation shall not be deemed to impair or affect the obligations of the Borrower under the preceding provisions of this subsection (including reimbursement of such amounts required to be paid by an Indemnity to a third party).

(c) Reimbursement by Lenders. To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent or the Issuing Bank under paragraph (a) or (b) of this Section (and without limiting its obligation to do so) or to the extent that the fees, costs and expenses of the Independent Valuation Provider incurred pursuant to Section 5.12(b)(iii) exceed the IVP Supplemental Cap for any 12-month period (provided that prior to incurring expenses in excess of the IVP Supplemental Cap, the Administrative Agent shall have afforded the Lenders an opportunity to consult with the Administrative Agent regarding such expenses), each Lender severally agrees to pay to the Administrative Agent or the Issuing Bank, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the Issuing Bank in its capacity as such.

(d) Waiver of Consequential Damages, Etc. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unauthorized Persons of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby, except to the extent caused by the willful misconduct or gross negligence of such Indemnitee, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable promptly after written demand therefor.

(f) No Fiduciary Relationship. The Administrative Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Borrower or any of its Subsidiaries, their stockholders and/or their affiliates. The Borrower, on behalf of itself and each of its Subsidiaries, agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory,

fiduciary or agency relationship or fiduciary or other implied duty between the Lender, on the one hand, and the Borrower or any of its Subsidiaries, its stockholders or its Affiliates, on the other. The Borrower and each of its Subsidiaries each acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower and its Subsidiaries, on the other, and (ii) in connection therewith and with the process leading thereto, (x) except as otherwise provided in any of the Loan Documents, no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower or any of its Subsidiaries, any of their stockholders or affiliates (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower or any of its Subsidiaries, their stockholders or their affiliates on other matters) and (y) each Lender is acting hereunder solely as principal and not as the agent or fiduciary of the Borrower or any of its Subsidiaries, their management or stockholders. The Borrower and each Obligor each acknowledge and agree that it has consulted legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower and each Obligor each agree that it will not claim that any Lender has rendered advisory services hereunder of any nature or respect, or owes a fiduciary duty to the Borrower or any of its Subsidiaries, in each case, in connection with such transactions contemplated hereby or the process leading thereto.

SECTION 9.04 Successors and Assigns.

(a) Assignments Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer any of its rights or obligations hereunder except in accordance with this Section (and any attempted assignment or transfer by any Lender which is not in accordance with this Section shall be treated as provided in the last sentence of Section 9.04(b)(iii)). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders.

(i) Assignments Generally. Subject to the conditions set forth in clause (ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans and LC Exposure at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Borrower; provided that (i) no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, or, if a Default or an Event of Default has occurred and is continuing, any other assignee, and (ii) the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received written notice thereof; and

(B) the Administrative Agent and the Issuing Bank; provided that no consent of the Administrative Agent or the Issuing Bank shall be required for an assignment by a Lender to a Lender or an Affiliate of a Lender with prior written notice by such assigning Lender to the Administrative Agent and the Issuing Bank.

Notwithstanding anything to the contrary contained herein, Borrower's consent shall be required with respect to an assignment to any Disqualified Lender unless an Event of Default under clause (a), (b), (i), (j) or (k) has occurred and is continuing. The Administrative Agent shall provide, and the Borrower hereby expressly authorizes the Administrative Agent to provide, the Disqualified Lender list to each Lender requesting the same.

(ii) Certain Conditions to Assignments. Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans and LC Exposure of a Class, the amount of the Commitment or Loans and LC Exposure of a Class of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$1,000,000 unless each of the Borrower and the Administrative Agent otherwise consent; provided that no such consent of the Borrower shall be required if a Default or an Event of Default has occurred and is continuing;

(B) each partial assignment of Commitments or Loans and LC Exposure of a Class shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement in respect of such Class of Commitments and Loans and LC Exposure;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (which fee shall not be payable in connection with an assignment to a Lender or to an Affiliate of a Lender), for which the Borrower and the Guarantors shall not be obligated (except in the case of an assignment pursuant to Section 2.18(b)); and

(D) the assignee, if it shall not already be a Lender of the applicable Class, shall deliver to the Administrative Agent an Administrative Questionnaire.

(iii) Effectiveness of Assignments. Subject to acceptance and recording thereof pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 9.03 with respect to facts and circumstances occurring prior to the effective date of such assignment). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (f) of this Section.

(c) Maintenance of Registers by Administrative Agent. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices in New York City a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount and stated interest of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Registers" and each individually, a "Register"). The entries in the Registers shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Bank and the Lenders shall treat each Person whose name is recorded in the Registers pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Registers shall be available for inspection by the Borrower, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Acceptance of Assignments by Administrative Agent. Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Special Purposes Vehicles. Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle other than a Disqualified Lender (an "SPC") owned or administered by such Granting Lender, identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide all or any part of any Loan that

such Granting Lender would otherwise be obligated to make; provided that (i) nothing herein shall constitute a commitment to make any Loan by any SPC, (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall, subject to the terms of this Agreement, make such Loan pursuant to the terms hereof, (iii) the rights of any such SPC shall be derivative of the rights of the Granting Lender, and such SPC shall be subject to all of the restrictions upon the Granting Lender herein contained, and (iv) no SPC shall be entitled to the benefits of Section 2.13 (or any other increased costs protection provision), 2.14 or 2.15. Each SPC shall be conclusively presumed to have made arrangements with its Granting Lender for the exercise of voting and other rights hereunder in a manner which is acceptable to the SPC, the Administrative Agent, the Lenders and the Borrower, and each of the Administrative Agent, the Lenders and the Obligors shall be entitled to rely upon and deal solely with the Granting Lender with respect to Loans made by or through its SPC. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by the Granting Lender.

Each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof, in respect of claims arising out of this Agreement; provided that the Granting Lender for each SPC hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage and expense arising out of their inability to institute any such proceeding against its SPC. In addition, notwithstanding anything to the contrary contained in this Section, any SPC may (i) without the prior written consent of the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to its Granting Lender or to any financial institutions providing liquidity and/or credit facilities to or for the account of such SPC to fund the Loans made by such SPC or to support the securities (if any) issued by such SPC to fund such Loans (but nothing contained herein shall be construed in derogation of the obligation of the Granting Lender to make Loans hereunder); provided that neither the consent of the SPC or of any such assignee shall be required for amendments or waivers hereunder except for those amendments or waivers for which the consent of participants is required under paragraph (f) below, and (ii) disclose on a confidential basis (in the same manner described in Section 9.13(b)) any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of a surety, guarantee or credit or liquidity enhancement to such SPC.

(f) Participations. Any Lender may sell participations to one or more banks or other entities other than a Disqualified Lender (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitments and the Loans and LC Disbursements owing to it); provided that (i) such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan

Documents. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (g) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 (subject to the requirements and limitations therein, including Sections 2.15(f) and (g) (it being understood that the documentation required under Sections 2.15(f) and (g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant agrees to be subject to the provisions of Section 2.18 as if it were an assignee under paragraph (b) of this Section 9.04. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.18 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.16(d) as though it were a Lender hereunder. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts and stated interest of each Participant's interest in the Loans or other obligations under the Loan Documents (each a "Participant Register"); provided, that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in each Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as the Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(g) Limitations on Rights of Participants. A Participant shall not be entitled to receive any greater payment under Section 2.13, 2.14 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with paragraphs (c) and (f) of Section 2.15 as though it were a Lender (it being understood that that the documentation required under Section 2.15(f) shall be delivered to the participating Lender).

(h) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank or any other central

bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(i) No Assignments or Participations to the Borrower or Affiliates or Certain Other Persons. Anything in this Section to the contrary notwithstanding, no Lender may (i) assign or participate any interest in any Commitment, Loan or LC Exposure held by it hereunder to the Borrower or any of its Affiliates or Subsidiaries without the prior consent of each Lender, or (ii) assign any interest in any Commitment, Loan or LC Exposure held by it hereunder to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person) or to any Person known by such Lender at the time of such assignment to be a Defaulting Lender, a Subsidiary of a Defaulting Lender or a Person who, upon consummation of such assignment would be a Defaulting Lender.

(j) Multicurrency Lenders. Any assignment by a Multicurrency Lender, so long as no Event of Default has occurred and is continuing with respect to any Borrower, must be to a Person that is able to fund and receive payments on account of each outstanding Agreed Foreign Currency at such time without the need to obtain any authorization referred to in clause (c) of the definition of “Agreed Foreign Currency”.

(k) Certain matters Relating to Disqualified Lenders. The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Lenders. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Lender or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender. The list of Disqualified Lenders will be made available by the Administrative Agent to any Lender, participant or potential Lender or participant upon request.

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.13, 2.14, 2.15 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract between and among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in [this Agreement, any other Loan Document or](#) any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 9.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever Currency) at any time held and other obligations at any time owing by such Lender, the Issuing Bank or any such Affiliate to or for the credit or the account of any Obligor against any of and all the obligations of any Obligor now or hereafter existing under this Agreement or any other Loan Document held by such Lender or Issuing Bank, irrespective of whether or not such Lender or Issuing Bank shall have made any demand under this Agreement and although such obligations may be contingent and unmatured, or are owed to a branch, office or Affiliate of such Lender or Issuing Bank different from the branch, office or Affiliate holding such deposit or obligated on such Indebtedness. The rights of each Lender, Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) which such

Lender, Issuing Bank or Affiliate may have; provided that in the event that any Defaulting Lender exercises any such right of setoff, (a) all amounts so set off will be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, will be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Bank and the Lenders and (b) the Defaulting Lender will provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

SECTION 9.09 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement and the other Loan Documents shall be construed in accordance with and governed by the law of the State of New York.

(b) Submission to Jurisdiction. The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties 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. Nothing in this Agreement shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement (i) irrevocably consents to service of process in the manner provided for notices in Section 9.01 and (ii) agrees that service as provided in the manner provided for notices in Section 9.01 is sufficient to confer personal jurisdiction over such party in any proceeding in any court and otherwise constitutes effective and binding service in every respect. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW,

ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) 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.

SECTION 9.11 Judgment Currency. This is an international loan transaction in which the specification of Dollars or any Foreign Currency, as the case may be (the "Specified Currency"), and payment in New York City or the country of the Specified Currency, as the case may be (the "Specified Place"), is of the essence, and the Specified Currency shall be the currency of account in all events relating to Loans denominated in the Specified Currency. The payment obligations of the Borrower under this Agreement shall not be discharged or satisfied by an amount paid in another currency or in another place, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on conversion to the Specified Currency and transfer to the Specified Place under normal banking procedures does not yield the amount of the Specified Currency at the Specified Place due hereunder. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Specified Currency into another currency (the "Second Currency"), the rate of exchange that shall be applied shall be the rate at which in accordance with normal banking procedures the Administrative Agent could purchase the Specified Currency with the Second Currency on the Business Day next preceding the day on which such judgment is rendered. The obligation of the Borrower in respect of any such sum due to the Administrative Agent or any Lender hereunder or under any other Loan Document (in this Section called an "Entitled Person") shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by such Entitled Person of any sum adjudged to be due from the Borrower hereunder in the Second Currency such Entitled Person may in accordance with normal banking procedures purchase and transfer to the Specified Place the Specified Currency with the amount of the Second Currency so adjudged to be due; and the Borrower hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify such Entitled Person against, and to pay such Entitled Person on demand, in the Specified Currency, the amount (if any) by which the sum originally due from the Borrower to such Entitled Person in the Specified Currency hereunder exceeds the amount of the Specified Currency so purchased and transferred.

SECTION 9.12 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.13 Treatment of Certain Information; Confidentiality.

(a) Treatment of Certain Information. The Borrower acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrower or one or more of its Subsidiaries (in connection with this Agreement or otherwise) by any Lender or by one or more subsidiaries or affiliates of such Lender and the Borrower hereby authorizes each Lender to share any information delivered to such Lender by the Borrower and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any such subsidiary or affiliate, it being understood that any such subsidiary or affiliate receiving such information shall be bound by the provisions of paragraph (b) of this Section as if it were a Lender hereunder. Such authorization shall survive the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

(b) Confidentiality. Each of the Administrative Agent (including in its capacity as Collateral Agent), the Lenders and the Issuing Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative or securitization transaction relating to the Borrower and its obligations or (iii) to any credit insurance provider relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the Loans and (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans, (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or (j) in connection with the Lenders' right to grant a security interest pursuant to Section 9.04(h) to the Federal Reserve Bank or any other central bank, or subject to an agreement containing provisions substantially the same as those of this Section, to any other pledgee or assignee pursuant to Section 9.04(h).

For purposes of this Section, "Information" means all information received from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses (including any Portfolio Investments), other than any such information that is available to the Administrative Agent, any Lender or the Issuing Bank on a nonconfidential basis prior to disclosure by the Borrower or any of its Subsidiaries, provided that, in the case of information received from the Borrower or any of its Subsidiaries after the Effective Date, such

information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(c) Confidentiality of COF Rates. The Administrative Agent and the Borrower agree to keep each COF Rate confidential and not to disclose it to anyone, and the Borrower further agrees to cause its Subsidiaries to not disclose any COF Rate, in each case, except for the following: (i) the Administrative Agent may disclose any COF Rate to the Borrower pursuant to Section 2.12(a), (ii) the Administrative Agent or the Borrower may disclose any COF Rate to any of its Affiliates and any of its or their officers, directors, employees, professional advisers and auditors, if any person to whom that COF Rate is to be disclosed is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the disclosing party, it is not practicable to do so in the circumstances, (iii) to any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that COF Rate is to be disclosed is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the disclosing party, it is not practicable to do so in the circumstance, or (iv) to the extent required by applicable laws or regulations or by any subpoena or similar legal process. The Administrative Agent and the Borrower agree to, and the Borrower shall cause each of its Subsidiaries to, (to the extent permitted by law and regulation) (x) inform each relevant Lender of the circumstances of any disclosure made pursuant to this Section 9.13(c) and (y) notify each relevant Lender upon becoming aware that any information has been disclosed in breach of this Section 9.13(c). No Default or Event of Default shall arise under Article VII(f) by reason only of the failure of any Borrower or any of its Subsidiaries to comply with this Section 9.13(c).

SECTION 9.14 USA PATRIOT Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), it is required to obtain, verify and record information that identifies each Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with said Act. The Obligors will, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation.

SECTION 9.15 Termination. Promptly (and in any event within 3 Business Days) upon the Termination Date, the Administrative Agent shall direct the Collateral Agent to, on behalf of the Administrative Agent, the Collateral Agent and the Lenders, deliver to Borrower such termination statements and releases and other documents reasonably necessary or appropriate to evidence the termination of this Agreement, the Loan Documents, and each of the

documents securing the obligations hereunder as the Borrower may reasonably request, all at the sole cost and expense of the Borrower.

SECTION 9.16 Acknowledgment and Consent to Bail-In of EEA-Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA-Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of ~~an EEA~~the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by ~~an EEA~~the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA-Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA-Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of ~~any EEA~~the applicable Resolution Authority.

SECTION 9.17 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the Maximum Rate. If Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to Borrower. In determining whether the interest contracted for, charged, or received by Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Secured Obligations hereunder.

SECTION 9.18 Acknowledgement Regarding any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Agreements or any other agreements or instrument that is a QFC (such support, “QFC Credit Support”) and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under

the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States)

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 9.18, the following terms have the following meanings:

(i) “BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. § 1841(k)) of such party.

(ii) “Covered Entity” means any of the following:

(A) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(B) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(C) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

(iii) “Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, §§ 12 C.F.R. § 252.82(b), 47.2 or 382.1, as applicable.

(iv) “QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D).

[Remainder of Page Intentionally Left Blank]

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

BARINGS BDC, INC.

By: _____

Name:

Title:

[Signature Page to the Revolving Credit Agreement]

ING CAPITAL LLC, as Administrative Agent, Lender and Issuing Bank

By: _____

Name:

Title:

By: _____

Name:

Title:

[Signature Page to the Revolving Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: _____
Name:
Title:

[Signature Page to the Revolving Credit Agreement]

BANK OF MONTREAL, as a Lender

By: _____

Name:

Title:

[Signature Page to the Revolving Credit Agreement]

FIFTH THIRD BANK, [NATIONAL ASSOCIATION](#), as a Lender

By: _____

Name:

Title:

[Signature Page to the Revolving Credit Agreement]

Schedule 1.01(B)**COMMITMENTS**

Lender	Dollar Commitment Amount	Multicurrency Commitment Amount
ING Capital LLC		\$68,333,334
JPMorgan Chase Bank, N.A.		\$68,333,333
Bank of Montreal		\$75,000,000
Fifth Third Bank, National Association	\$68,333,333	
State Street Bank and Trust Company		\$70,000,000
MUFG Union Bank, N.A.	\$75,000,000	
Regions Bank	\$50,000,000	
Mizuho Bank Ltd.		\$50,000,000
HSBC Bank USA, N.A.		\$50,000,000
CIT Bank, N.A.	\$35,000,000	
TIAA, FSB	\$30,000,000	
Bank of America, N.A.		\$25,000,000
Societe Generale		\$25,000,000
BNP Paribas		\$25,000,000
Natixis, New York Branch	\$25,000,000	
First National Bank of Pennsylvania		\$25,000,000
Citi	\$6,666,667	\$18,333,333
Pinnacle Bank	\$10,000,000	
Wells Fargo Bank, N.A.		\$75,000,000
Total	\$300,000,000	\$500,000,000 \$75,000,000

LIST OF SUBSIDIARIES

Barings BDC Finance I, LLC, a Delaware limited liability company

Barings BDC Senior Funding I, LLC, a Delaware limited liability company

Energy Hardware Holdings, Inc., a Delaware corporation

Mercury Acquisition Sub, Inc., a Maryland corporation

MVC Cayman, a Cayman Island limited liability company

MVC Financial Services, Inc., a Delaware corporation

**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 annual report on Form 10-K 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

February 23, 2022

**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 annual report on Form 10-K 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

February 23, 2022

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 Annual Report of Barings BDC, Inc. (the “Company”) on Form 10-K for the period ended December 31, 2021, 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
February 23, 2022

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 Annual Report of Barings BDC, Inc. (the “Company”) on Form 10-K for the period ended December 31, 2021, 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
February 23, 2022

Report of Independent Registered Public Accounting Firm on Supplemental Information

To the Shareholders and Board of Directors
Barings BDC, Inc.:

We have audited and reported separately herein on the consolidated financial statements of Barings BDC, Inc. and subsidiaries (the Company) as of December 31, 2021 and 2020, and for each of the years in the two-year period ended December 31, 2021.

The senior securities information for the years ended December 31, 2021 and 2020 included in Part II, Item 5 of the Annual Report on Form 10-K of the Company for the year ended December 31, 2021, under the caption "Senior Securities" (the Senior Securities Table) has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The Senior Securities Table is the responsibility of the Company's management. Our audit procedures included determining whether the Senior Securities Table reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Senior Securities Table. In forming our opinion on the Senior Securities Table, we evaluated whether the Senior Securities Table, including its form and content, is presented in conformity with the instructions to Form N-2. In our opinion, the Senior Securities Table is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

/s/ KPMG LLP

Charlotte, NC

February 23, 2022

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use of our report dated February 27, 2020, with respect to the consolidated financial statements of Barings BDC, Inc. for the year ended December 31, 2019, in the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed by Barings BDC, Inc. with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Charlotte, North Carolina
February 23, 2022