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**

Commission file number: 814-00866

MONROE CAPITAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Maryland **(State or Other Jurisdiction of Incorporation or Organization)**	**27-4895840** **(I.R.S. Employer Identification No.)**
311 South Wacker Drive, Suite 6400 **Chicago, Illinois** **(Address of Principal Executive Office)**	**60606** **(Zip Code)**

(312) 258-8300
(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $0.001 per share	**MRCC**	**The Nasdaq Global Select Market**

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 (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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 (15 U.S.C. 7262(b)) 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 outstanding common stock held by non-affiliates of the registrant was $223.5 million based on the number of shares held by non-affiliates of the registrant as of June 30, 2021, which is the last business day of the registrant's most recently completed second fiscal quarter.

As of March 1, 2022, the registrant had 21,666,340 shares of common stock, $0.001 par value, outstanding.

Documents Incorporated by Reference

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A 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 Company's fiscal year, are incorporated by reference in Part III of this Annual Report on Form 10-K as indicated herein.

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CERTAIN DEFINITIONS

Except as otherwise specified in this Annual Report on Form 10-K ("Annual Report"), the terms:

- "we," "us," "our" and the "Company" refer to Monroe Capital Corporation, a Maryland corporation, and its consolidated subsidiaries;
- MC Advisors refers to Monroe Capital BDC Advisors, LLC, our investment adviser and a Delaware limited liability company;
- MC Management refers to Monroe Capital Management Advisors, LLC, our administrator and a Delaware limited liability company;
- Monroe Capital refers to Monroe Capital LLC, a Delaware limited liability company, and its subsidiaries and affiliates; and
- SLF refers to MRCC Senior Loan Fund I, LLC, an unconsolidated Delaware limited liability company, in which we co-invest with Life Insurance Company of the Southwest ("LSW") primarily in senior secured loans.

FORWARD-LOOKING STATEMENTS

This Annual Report contains statements that constitute forward-looking statements which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements that are not historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Some of the statements in this Annual Report constitute forward-looking statements because they relate to future events or our future performance or future financial condition. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about our company, our industry, our beliefs and our assumptions. The forward-looking statements contained in this Annual Report involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the impact of global health epidemics, such as the current novel coronavirus ("COVID-19") pandemic, on our or our portfolio companies' business and the global economy;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of changes in *London Interbank Offered Rate* ("LIBOR") or *Secured Overnight Financing Rate* ("SOFR") on our operating results;
- the impact of increased competition;
- the impact of fluctuations in interest rates on our business and our portfolio companies;
- our contractual arrangements and relationships with third parties;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- actual and potential conflicts of interest with MC Advisors, MC Management and other affiliates of Monroe Capital;
- the ability of our portfolio companies to achieve their objectives;
- the use of borrowed money to finance a portion of our investments;
- the adequacy of our financing sources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of MC Advisors to locate suitable investments for us and to monitor and administer our investments;
- the ability of MC Advisors or its affiliates to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a regulated investment company and as a business development company; and
- the impact of future legislation and regulation on our business and our portfolio companies.

We use words such as “anticipates,” “believes,” “expects,” “intends,” “seeks,” “plans,” “estimates,” “targets” and similar expressions to identify forward-looking statements. The forward-looking statements contained in this Annual Report involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in “*Part I — Item 1A. Risk Factors*” in this Annual Report.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include our ability to originate new loans and investments, certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statements in this Annual Report should not be regarded as a representation by us that our plans and objectives will be achieved.

We have based the forward-looking statements included in this Annual Report on information available to us on the date of this Annual Report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements in this Annual Report, 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 may file in the future with the Securities and Exchange Commission (the “SEC”), including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

PART I

ITEM 1. BUSINESS

FORMATION OF OUR COMPANY

We are a Maryland corporation, formed February 9, 2011, for the purpose of purchasing an initial portfolio of loans from two funds managed by Monroe Capital, raising capital in our initial public offering, which was completed in October 2012 (the “Initial Public Offering”), and thereafter operating as an externally managed business development company (“BDC”) under the Investment Company Act of 1940 (the “1940 Act”), as amended. We are a closed-end, non-diversified investment company that has elected to be treated as a BDC under the 1940 Act. In addition, for tax purposes we have elected to be treated as a regulated investment company (“RIC”) under the U.S. Internal Revenue Code of 1986, as amended (the “Code”), commencing with our taxable year ended December 31, 2012.

Public Offerings of Common Stock

The Initial Public Offering consisted of the sale of 5,750,000 shares of our common stock at a price of $15.00 per share, resulting in net proceeds to us, net of underwriting discounts and commissions, of approximately $84.6 million. On July 22, 2013, we completed a public offering of an additional 4,000,000 shares of our common stock at a price of $14.05 per share. On August 20, 2013, we also sold an additional 225,000 shares of our common stock at a price of $14.05 per share pursuant to the underwriters’ partial exercise of the over-allotment option. These issuances during the year ended December 31, 2013 provided us with proceeds, net of offering and underwriting costs, of $56.0 million.

On April 20, 2015, we closed a public offering of 2,450,000 shares of our common stock at a public offering price of $14.85 per share, raising approximately $36.4 million in gross proceeds. On May 18, 2015, we completed the sale of an additional 367,500 shares of our common stock, at a public offering price of $14.85 per share, raising approximately $5.5 million in gross proceeds pursuant to the underwriters’ exercise of the over-allotment option. Aggregate underwriters’ discounts and commissions were $1.7 million and offering costs were $0.3 million, resulting in net proceeds of approximately $39.9 million.

On July 25, 2016, we closed a public offering of 3,100,000 shares of our common stock at a public offering price of $15.50 per share, raising approximately $48.1 million in gross proceeds. On August 3, 2016, we sold an additional 465,000 shares of our common stock, at a public offering price of $15.50 per share, raising approximately $7.2 million in gross proceeds pursuant to the underwriters’ exercise of the over-allotment option. Aggregate underwriters’ discounts and commissions were $2.2 million and offering costs were $0.5 million, resulting in net proceeds of approximately $52.5 million.

On June 9, 2017, we closed a public offering of 3,000,000 shares of our common stock at a public offering price of $15.00 per share, raising approximately $45.0 million in gross proceeds. On June 14, 2017, pursuant to the underwriters’ exercise of the over-allotment option, we sold an additional 450,000 shares of our common stock, at a public offering price of $15.00 per share, raising an additional $6.8 million in gross proceeds for a total of approximately $51.8 million. Aggregate underwriters’ discounts and commissions were $2.1 million and offering costs were $0.1 million, resulting in net proceeds of approximately $49.6 million.

At-the-market Securities Offering Program

On February 6, 2015, we entered into an at-the-market ("ATM") securities offering program with MLV & Co. LLC ("MLV") and JMP Securities LLC ("JMP") (the "Initial ATM Program") through which we could sell, by means of ATM offerings from time to time, up to $50.0 million of our common stock. During the year ended December 31, 2015, we sold 672,597 shares at an average price of $14.88 per share for gross proceeds of approximately $10.0 million under the Initial ATM Program. Aggregate underwriters' discounts and commissions were $0.2 million and offering costs were $83 thousand, resulting in net proceeds of approximately $9.8 million.

On July 1, 2016, we amended the Initial ATM Program with MLV and JMP to replace MLV with FBR Capital Markets & Co. ("FBR"), an affiliate of MLV. On May 12, 2017, we entered into new equity distribution agreements with each of FBR and JMP (the "ATM Program"). All other material terms of the Initial ATM Program remain unchanged under the ATM Program. During the year ended December 31, 2017, we sold 173,939 shares at an average price of $15.71 per share for gross proceeds of $2.7 million under the Initial ATM Program and no shares were sold under the ATM Program. Aggregate underwriters' discounts and commissions were $41 thousand and offering costs were $23 thousand, resulting in net proceeds of approximately $2.7 million. During the year ended December 31, 2018, we sold 182,299 shares at an average price of $13.82 per share for gross proceeds of approximately $2.5 million under the ATM Program. Aggregate underwriters' discounts and commissions were $38 thousand and offering costs were $79 thousand, resulting in net proceeds of approximately $2.4 million. There were no stock issuances during the year ended December 31, 2019.

On May 8, 2020, we entered into an amendment to the ATM Program to extend its term. All other material terms of the ATM Program remain unchanged. During the year ended December 31, 2020, we sold 858,976 shares at an average price of $7.78 per share for gross proceeds of $6.7 million under the ATM Program. Aggregate underwriter's discounts and commissions were $0.1 million and offering costs were $0.1 million, resulting in net proceeds of approximately $6.5 million. During the year ended December 31, 2021, we sold 362,800 shares at an average price of $11.53 per share for gross proceeds of $4.2 million under the ATM Program. Aggregate underwriter's discounts and commissions were $63 thousand and offering costs were $27 thousand, resulting in net proceeds of approximately $4.1 million.

Small Business Investment Company Subsidiary

On February 28, 2014, our wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP ("MRCC SBIC"), a Delaware limited partnership, received a license from the Small Business Administration ("SBA") to operate as a Small Business Investment Company ("SBIC") under Section 301(c) of the Small Business Investment Act of 1958. MRCC SBIC commenced operations on September 16, 2013. On April 13, 2016, MRCC SBIC was approved by the SBA for an additional $75.0 million in SBA debentures for a total of $115.0 million in available SBA debentures. During the year ended December 31, 2021, MRCC SBIC began to repay its SBA debentures and $56.9 million in SBA debentures remained outstanding as of December 31, 2021. On March 1, 2022, MRCC SBIC fully repaid its outstanding SBA debentures and notified the SBA of its intent to surrender its license to operate as a SBIC.

OVERVIEW OF OUR BUSINESS

We are a specialty finance company focused on providing financing solutions primarily to lower middle-market companies in the United States and Canada. We provide customized financing solutions focused primarily on senior secured, junior secured and unitranche secured (a combination of senior secured and junior secured debt in the same facility in which we syndicate a "first out" portion of the loan to an investor and retain a "last out" portion of the loan) debt and, to a lesser extent, unsecured subordinated debt and equity, including equity co-investments in preferred and common stock and warrants.

Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through investment in senior secured, unitranche secured and junior secured debt and, to a lesser extent, unsecured subordinated debt and equity investments. We seek to use our extensive leveraged finance origination infrastructure and broad expertise in sourcing loans to invest in primarily senior secured, unitranche secured and junior secured debt of middle-market companies. We believe that our primary focus on lending to lower middle-market companies offers several advantages as compared to lending to larger companies, including more attractive economics, lower leverage, more comprehensive and restrictive covenants, more expansive events of default, relatively small debt facilities that provide us with enhanced influence over our borrowers, direct access to borrower management and improved information flow.

Since the consummation of the Initial Public Offering, we have grown the fair value of our portfolio of investments to approximately $561.7 million at December 31, 2021. Our portfolio at December 31, 2021 consists of 96 different portfolio companies and holdings include senior secured, junior secured and unitranche secured debt and equity investments. As of December 31, 2021, we have borrowed $151.0 million under our revolving credit facility, we have $130.0 million in aggregate principal amount of senior unsecured notes ("2026 Notes") outstanding and we have drawn $56.9 million in SBA debentures to finance the purchase of our assets.

Our investments will generally range between $2.0 million and $25.0 million each, although this investment size may vary proportionately with the size of our capital base. As of December 31, 2021, our portfolio included approximately 75.4% senior secured loans, 9.2% unitranche secured loans, 2.6% junior secured loans and 12.8% equity securities. We expect that the companies in which we invest may be leveraged, often as a result of leveraged buy-outs or other recapitalization transactions, and, in certain cases, will not be rated by national ratings agencies. If such companies were rated, we believe that they would typically receive a rating below investment grade (between BB and CCC under the Standard & Poor's system) from the national rating agencies.

While our primary focus is to maximize current income and capital appreciation through debt investments in thinly traded or private U.S. companies, we may invest a portion of the portfolio in opportunistic investments in order to seek to enhance returns to stockholders. Such investments may include investments in real estate, specialty finance, litigation finance, fund finance, high-yield bonds, distressed debt, private equity or securities of public companies that are not thinly traded and securities of middle-market companies located outside of the United States. We expect that these public companies generally will have debt securities that are non-investment grade.

OUR INVESTMENT ADVISOR

Our investment activities are managed by our investment advisor, MC Advisors. MC Advisors is responsible for sourcing potential investments, conducting research and due diligence on prospective investments and their private equity sponsors, analyzing investment opportunities, structuring our investments and managing our investments and portfolio companies on an ongoing basis. MC Advisors was organized in February 2011 and is a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Under our Investment Advisory and Management Agreement with MC Advisors, we pay MC Advisors a base management fee and an incentive fee for its services. While not expected to review or approve each investment, our independent directors periodically review MC Advisors' services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors consider whether our fees and expenses (including those related to leverage) remain appropriate.

MC Advisors seeks to capitalize on the significant deal origination, credit underwriting, due diligence, investment structuring, execution, portfolio management and monitoring experience of Monroe Capital's investment professionals. The senior management team of Monroe Capital, including Theodore L. Koenig and Aaron D. Peck, provides investment services to MC Advisors pursuant to a staffing agreement, or the Staffing Agreement, between MC Management, an affiliate of Monroe Capital, and MC Advisors. Messrs. Koenig and Peck have developed a broad network of contacts within the investment community and average more than 30 years of experience investing in debt and equity securities of lower middle-market companies. In addition, Messrs. Koenig and Peck have extensive experience investing in assets that constitute our primary focus and have expertise in investing throughout all periods of the economic cycle. MC Advisors is an affiliate of Monroe Capital and is supported by experienced investment professionals of Monroe Capital under the terms of the Staffing Agreement. Monroe Capital's core team of investment professionals has an established track record in sourcing, underwriting, executing and monitoring transactions. From Monroe Capital's formation in 2004 through December 31, 2021, Monroe Capital's investment professionals invested in over 1,500 loans and related investments in an aggregate amount of over $25.0 billion.

In addition to their roles with Monroe Capital and MC Advisors, Messrs. Koenig and Peck serve as interested directors. Mr. Koenig has more than 35 years of experience in structuring, negotiating and closing transactions on behalf of asset-backed lenders, commercial finance companies, financial institutions and private equity investors at organizations including Monroe Capital, which Mr. Koenig founded in 2004, and Hilco Capital LP, where he led investments in over 20 companies in the lower middle-market. Mr. Peck has more than 25 years of public company management, leveraged finance and commercial lending experience at organizations including Deerfield Capital Management LLC, Black Diamond Capital Management LLC and Salomon Smith Barney Inc. Messrs. Koenig and Peck are joined on the investment committee of MC Advisors by Michael J. Egan and Jeremy T. VanDerMeid, each of whom is a senior investment professional at Monroe Capital. Mr. Egan has more than 35 years of experience in commercial finance, credit administration and banking at organizations including Hilco Capital, The CIT Group/Business Credit, Inc., The National Community Bank of New Jersey (The Bank of New York) and KeyCorp. Mr. VanDerMeid has more than 20 years of lending and corporate finance experience at organizations including Morgan Stanley Investment Management, Dymas Capital Management Company, LLC and Heller Financial.

ABOUT MONROE CAPITAL

Monroe Capital, a Delaware limited liability company that was founded in 2004, is a leading lender to middle-market companies. As of December 31, 2021, Monroe Capital had approximately $12.7 billion in assets under management. Over its eighteen-year history, Monroe Capital has developed an established lending platform that we believe generates consistent deal flow from a network of proprietary relationships. Monroe Capital's assets under management are comprised of a diverse portfolio of over 475 current investments that were either originated directly by Monroe Capital or sourced from Monroe Capital's third-party relationships. From Monroe Capital's formation in 2004 through December 31, 2021, Monroe Capital's investment professionals invested in over 1,500 loans and related investments in an aggregate amount of over $25.0 billion. The senior investment team of Monroe Capital averages more than 30 years of experience and has developed a proven investment and portfolio management process that has performed through multiple market cycles. In addition, Monroe Capital's investment professionals are supported by a robust infrastructure of administrative and back-office personnel focused on compliance, operations, finance, treasury, legal, accounting and reporting, marketing, information technology and office management.

INVESTMENT STRATEGY

Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation primarily through investments in senior, unitranche and junior secured debt and, to a lesser extent, unsecured subordinated debt and equity. We also seek to invest opportunistically in attractively priced, broadly syndicated loans, which should enhance our geographic and industry portfolio diversification and increase our portfolio's liquidity. We do not target any specific industry, however, as of December 31, 2021, our investments in the Banking, Finance, Insurance & Real Estate and Services: Business industries represented approximately 17.6% and 12.7%, respectively, of the fair value of our portfolio. To achieve our investment objective, we utilize the following investment strategy:

Attractive Current Yield on Investment Portfolio. We believe our sourcing network allows us to enter into transactions with attractive yields and investment structures. Based on current market conditions and our pipeline of new investments, we expect our target directly originated senior and unitranche secured debt will have an average maturity of three to seven years and interest rates of 6% to 13%, and we expect our target directly originated junior secured debt and unsecured subordinated debt will have an average maturity of four to seven years and interest rates of 8% to 15%. In addition, based on current market conditions and our pipeline of new investments, we expect that our target debt investments will typically have a variable coupon (with a LIBOR or SOFR floor), may include payment-in-kind ("PIK") interest (interest that is not received in cash, but added to the principal balance of the loan), and that we will typically receive upfront closing fees of 1% to 4%. We may also receive warrants or other forms of upside equity participation. Our transactions are generally secured and supported by a lien on all assets and/or a pledge of company stock in order to provide priority of return and to influence any corporate actions. Although we will target investments with the characteristics described in this paragraph, we cannot provide assurance that our new investments will have these characteristics and we may enter into investments with different characteristics as the market dictates. For a description of the characteristics of our current investment portfolio, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Portfolio and Investment Activity." Until investment opportunities can be found, we may invest our undeployed capital in cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less from the date of investment. These temporary investments may have lower yields than our other investments and, accordingly, may result in lower distributions, if any, during such period.

Sound Portfolio Construction. We strive to exercise discipline in portfolio creation and management and to implement effective governance throughout our business. Monroe Capital and MC Advisors, which is comprised of substantially the same investment professionals who operate Monroe Capital, have been, and we believe will continue to be, conservative in the underwriting and structuring of covenant packages in order to enable early intervention in the event of weak financial performance by a portfolio company. We seek to pursue lending opportunities selectively and to maintain a diversified portfolio. We believe that exercising disciplined portfolio management through continued intensive account monitoring and timely and relevant management reporting allows us to mitigate risks in our debt investments. In addition, we have implemented rigorous governance processes through segregation of duties, documented policies and procedures and independent oversight and review of transactions, which we believe helps us to maintain a low level of non-performing loans. We believe that Monroe Capital's proven process of thorough origination, conservative underwriting, due diligence and structuring, combined with careful account management and diversification, enabled it to protect investor capital, and we believe MC Advisors follows the same philosophy and processes in originating, structuring and managing our portfolio investments.

Predictability of Returns. Beyond conservative structuring and protection of capital, we seek a predictable exit from our investments. We seek to invest in situations where there are a number of potential exit options that can result in full repayment or a modest refinance of our investment. We seek to structure the majority of our transactions as secured loans with a covenant package that provides for full or partial repayment upon the completion of asset sales and restructurings. Because we seek to structure these transactions to provide for contractually determined, periodic payments of principal and interest, we are less likely to depend on merger and acquisition activity or public equity markets to exit our debt investments. As a result, we believe that we can achieve our target returns even in a period when public markets are depressed.

BUSINESS STRATEGY

We believe that we represent an attractive investment opportunity for the following reasons:

Deep, Experienced Management Team. We are managed by MC Advisors, which has access through the Staffing Agreement to Monroe Capital's experienced team comprised of over 150 professionals, including seven senior partners that average more than 30 years of direct lending experience. We are led by our Chairman and Chief Executive Officer, Theodore L. Koenig, and Aaron D. Peck, our Chief Financial Officer and Chief Investment Officer. This extensive experience includes the management of investments with borrowers of varying credit profiles and transactions completed in all phases of the credit cycle. Monroe Capital's senior investment professionals provide us with a difficult-to-replicate sourcing network and a broad range of transactional, financial, managerial and investment skills. This expertise and experience is supported by administrative and back office personnel focused on operations, finance, legal and compliance, accounting and reporting, marketing, information technology and office management. From Monroe Capital's formation in 2004 through December 31, 2021, Monroe Capital's investment professionals invested in over 1,500 loans and related investments in an aggregate amount of over $25.0 billion.

Differentiated Relationship-Based Sourcing Network. We believe Monroe Capital's senior investment professionals benefit from extensive relationships with commercial banks, private equity firms, financial intermediaries, management teams and turn-around advisors. We believe that this broad sourcing network differentiates us from our competitors and offers us a diversified origination approach that does not rely on a single channel and offers us consistent deal flow throughout the economic cycle. We also believe that this broad network allows us to originate a substantial number of non-private equity-sponsored investments.

Extensive Institutional Platform for Originating Middle-Market Deal Flow. Monroe Capital's broad network of relationships and significant origination resources enable us to review numerous lending opportunities, permitting us to exercise a high degree of selectivity in terms of loans to which we ultimately commit. Monroe Capital estimates that it reviewed approximately 2,000 investment opportunities during 2021. Monroe Capital's over 1,500 previously executed transactions, over 475 of which are with current borrowers, offer us another source of deal flow, as these debt investments reach maturity or seek refinancing. We are also positioned to benefit from Monroe Capital's established brand name, strong track record in partnering with industry participants and reputation for closing deals on time and as committed. Monroe Capital's senior investment professionals are complemented by extensive experience in capital markets transactions, risk management and portfolio monitoring.

Disciplined, "Credit-First" Underwriting Process. Monroe Capital has developed a systematic underwriting process that applies a consistent approach to credit review and approval, with a focus on evaluating credit first and then appropriately assessing the risk-reward profile of each loan. MC Advisors' assessment of credit outweighs pricing and other considerations, as we seek to minimize potential credit losses through effective due diligence, structuring and covenant design. MC Advisors seeks to customize each transaction structure and financial covenant to reflect risks identified through the underwriting and due diligence process. We also seek to actively manage our origination and credit underwriting activities through personal visits and calls on all parties involved with an investment, including the management team, private equity sponsors, if any, or other lenders.

Established Credit Risk Management Framework. We seek to manage our credit risk through a well-defined portfolio strategy and credit policy. In terms of credit monitoring, MC Advisors assigns each loan to a particular portfolio management professional and maintains an internal credit rating analysis for all loans. MC Advisors then employs ongoing review and analysis, together with regular investment committee meetings to review the status of certain complex and challenging loans and a comprehensive quarterly review of all loan transactions. MC Advisors' investment professionals also have significant turnaround and debt work-out experience, which gives them perspective on the risks and possibilities throughout the entire credit cycle. We believe this careful approach to investment and monitoring enables us to identify problems early and gives us an opportunity to assist borrowers before they face difficult liquidity constraints. By anticipating possible negative contingencies and preparing for them, we believe that we diminish the probability of underperforming assets and loan losses.

INVESTMENTS

Investment Structure

We structure our investments, which typically have maturities of three to seven years, as follows:

Senior Secured Loans. We structure senior secured loans to obtain security interests in the assets of the portfolio company borrowers that serve as collateral in support of the repayment of such loans. This collateral may take the form of first-priority liens on the assets of the portfolio company borrower. Our senior secured loans may provide for moderate loan amortization in the early years of the loan, with the majority of the amortization deferred until loan maturity.

Unitranche Secured Loans. We structure our unitranche secured loans as senior secured loans. We obtain security interests in the assets of these portfolio companies that serve as collateral in support of the repayment of these loans. This collateral may take the form of first-priority liens on the assets of a portfolio company. Generally, we syndicate a "first out" portion of the loan to an investor and retain a "last out" portion of the loan, in which case the "first out" portion of the loan will generally receive priority with respect to payments of principal, interest and any other amounts due thereunder. Unitranche structures combine characteristics of traditional first lien senior secured as well as second lien and subordinated loans and our unitranche secured loans will expose us to the risks associated with second lien and subordinated loans and may limit our recourse or ability to recover collateral upon a portfolio company's bankruptcy. Unitranche secured loans typically provide for moderate loan amortization in the initial years of the facility, with the majority of the amortization deferred until loan maturity. Unitranche secured loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term, and there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. In many cases we, together with our affiliates, are the sole or majority lender of our unitranche secured loans, which can afford us additional influence with a borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.

Junior Secured Loans. We structure junior secured loans to obtain a security interest in the assets of these portfolio companies that serves as collateral in support of the repayment of such loans. This collateral may take the form of second priority liens on the assets of a portfolio company. These loans typically provide for moderate loan amortization in the initial years of the facility, with the majority of the amortization deferred until loan maturity.

Preferred Equity. We generally structure preferred equity investments to combine features of equity and debt. We may obtain a security interest in the assets of these portfolio companies that serves as collateral in support of the repayment of such preferred equity, which takes a priority to common stockholders. Preferred equity interests generally have a stated dividend rate and may not have a fixed maturity date.

Warrants and Equity Co-Investment Securities. In some cases, we may also receive nominally priced warrants or options to buy a minority equity interest in the portfolio company in connection with a loan. As a result, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We may structure such warrants to include provisions protecting our rights as a minority-interest holder, as well as a "put," or right to sell such securities back to the issuer, upon the occurrence of specified events. In other cases, we may make a minority equity co-investment in the portfolio company in connection with a loan. Additionally, we may receive equity in our distressed portfolio companies in conjunction with amendments or additional debt fundings.

We tailor the terms of each investment to the facts and circumstances of the transaction and the prospective portfolio company, negotiating a structure that protects our rights and manages our risk while creating incentives for the portfolio company to achieve its business plan and improve its operating results. We seek to limit the downside potential of our investments by:

- selecting investments that we believe have a very low probability of loss;
- requiring a total return on our investments (including both interest and potential equity appreciation) that we believe will compensate us appropriately for credit risk; and
- negotiating covenants in connection with our investments that afford our portfolio companies as much flexibility in managing their businesses as possible, consistent with the preservation of our capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights, including either observation or rights to a seat on the board of directors under some circumstances.

We expect to hold most of our investments to maturity or repayment, but we may sell some of our investments earlier if a liquidity event occurs, such as a sale, recapitalization or worsening of the credit quality of the portfolio company, or if an investment has reached its return target.

Senior Loan Fund. We have invested in SLF, which as of December 31, 2021, consisted of loans to different borrowers in industries similar to the companies in our portfolio. SLF invests primarily in senior secured loans of middle market companies. These senior secured loans are generally similar to our senior secured loans, which are secured by a first lien on some or all of the issuer's assets and include traditional senior debt and any related revolving or similar credit facility. SLF may also invest in more liquid senior secured loans.

Investments

We seek to create a diverse portfolio that includes senior secured, unitranche secured, junior secured loans and warrants and equity co-investment securities by investing approximately $2.0 million to $25.0 million of capital, on average, in the securities of middle-market companies. This investment size may vary proportionately with the size of our capital base. Set forth below is a list of our ten largest portfolio company investments as of December 31, 2021, as well as the top ten industries in which we were invested as of December 31, 2021, in each case excluding SLF, calculated as a percentage of our total investments at fair value as of such date (in thousands):

Portfolio Company	Fair Value of Investments	Percentage of Total Investments
HFZ Capital Group, LLC [(1)]	$ 29,152	5.2%
American Community Homes, Inc.	23,748	4.2
Security Services Acquisition Sub Corp.	17,536	3.1
Nearly Natural, Inc.	15,576	2.8
Express Wash Acquisition Company, LLC	15,511	2.8
Mammoth Holdings, LLC	13,370	2.4
Priority Ambulance, LLC	12,907	2.3
MCP Shaw Acquisitionco, LLC	12,839	2.3
Second Avenue SFR Holdings II LLC	11,854	2.1
Planful, Inc.	11,439	2.0
	$ 163,932	29.2%

(1) Includes the associated investment in MC Asset Management (Corporate), LLC.

Industry	Fair Value of Investments	Percentage of Total Investments
Banking, Finance, Insurance & Real Estate	$ 99,091	17.6%
Services: Business	71,540	12.7
High Tech Industries	54,085	9.6
Healthcare & Pharmaceuticals	53,179	9.5
Services: Consumer	39,248	7.0
Media: Diversified & Production	24,220	4.3
Automotive	21,556	3.8
Beverage, Food & Tobacco	19,133	3.4
Environmental Industries	17,693	3.2
Media: Advertising, Printing & Publishing	16,794	3.0
	$ 416,539	74.1%

INVESTMENT PROCESS OVERVIEW

We view our investment process as consisting of the phases described below:

Origination. MC Advisors seeks to develop investment opportunities through extensive relationships with regional banks, private equity firms, financial intermediaries, management teams and other turn-around advisors. Monroe Capital has developed this network since its formation in 2004. MC Advisors manages these leads through personal visits and calls by its senior deal professionals. It is these professionals' responsibility to identify specific opportunities, refine opportunities through due diligence regarding the underlying facts and circumstances and utilize innovative thinking and flexible terms to solve the financing issues of prospective clients. Monroe Capital's origination professionals are broadly dispersed with seven offices in the United States and one in South Korea. Certain of Monroe Capital's originators are responsible for covering a specified target market based on geography and others focus on specialized industry verticals. We believe Monroe Capital's origination professionals' experience is vital to enable us to provide our borrowers with innovative financing solutions. We further believe that their strength and breadth of relationships across a wide range of markets will generate numerous financing opportunities and enable us to be highly selective in our lending activities. In sourcing new transactions, MC Advisors seeks opportunities to work with borrowers primarily domiciled in the United States and Canada and typically focuses on industries in which Monroe Capital has previous lending experience.

Due Diligence. For each of our investments, MC Advisors prepares a comprehensive new business presentation, which summarizes the investment opportunity and its due diligence and risk analysis, all from the perspective of strengths, weaknesses, opportunities and threats presented by the opportunity. This presentation assesses the borrower and its management, including products and services offered, market position, sales and marketing capabilities and distribution channels; key contracts, customers and suppliers, meetings with management and facility tours; background checks on key executives; customer calls; and an evaluation of exit strategies. MC Advisors' presentation typically evaluates historical financial performance of the borrower and includes projections, including operating trends, an assessment of the quality of financial information, capitalization and liquidity measures and debt service capacity. The financial analysis also includes sensitivity analysis against management projections and an analysis of potential downside scenarios, particularly for cyclical businesses. MC Advisors seeks to also review the dynamics of the borrowers' industry and assess the maturity, market size, competition, technology and regulatory issues confronted by the industry. Finally, MC Advisors' new business presentation includes all relevant third-party reports and assessments, including, as applicable, analyses of the quality of earnings of the prospective borrower, a review of the business by industry experts and third-party valuations. MC Advisors also includes in this due diligence, if relevant, field exams, collateral appraisals and environmental reviews, as well as a review of comparable private and public transactions.

Underwriting. MC Advisors uses the systematic, consistent approach to credit evaluation developed in house by Monroe Capital with a particular focus on determining the value of a business in a downside scenario. In this process, the senior investment professionals at MC Advisors bring to bear extensive lending experience with emphasis on lessons learned from past credit cycles. We believe that the extensive credit and debt work-out experience of Monroe Capital's senior management enables us to anticipate problems and minimize risks. Monroe Capital's underwriting professionals work closely with its origination professionals to identify individual deal strengths, risks and any risk mitigants. MC Advisors preliminarily screens transactions based on cash flow, enterprise value and asset-based characteristics, and each of these measures is developed on a proprietary basis using thorough credit analysis focused on sustainability and predictability of cash flow to support enterprise value, barriers to entry, market position, competition, customer and supplier relationships, management strength, private equity sponsor track record and industry dynamics. For asset-based transactions, MC Advisors seeks to understand current and future collateral value, opening availability and ongoing liquidity. MC Advisors documents this preliminary analysis which is thoroughly reviewed by at least one member of its investment committee prior to proposing a formal term sheet. We believe this early involvement of the investment committee ensures that our resources and those of third parties are deployed appropriately and efficiently during the investment process and lowers execution risk for our clients. With respect to transactions reviewed by MC Advisors, we expect that only approximately 10% of our sourced deals will reach the formal term sheet stage.

Credit Approval/Investment Committee Review. MC Advisors employs a standardized, structured process developed by Monroe Capital when evaluating and underwriting new investments for our portfolio. MC Advisors' investment committee considers its comprehensive new business presentation to approve or decline each investment. This committee includes Messrs. Koenig, Peck, Egan and VanDerMeid. The committee is committed to providing a prompt turnaround on investment decisions. Each meeting to approve an investment requires a quorum of at least three members of the investment committee, and each investment must receive unanimous approval by such members of the investment committee.

The following chart illustrates the stages of MC Advisors' evaluation process:

Evaluation Process

Execution. We believe Monroe Capital has developed a strong reputation for closing deals as proposed, and we intend to continue this tradition. Through MC Advisors' consistent approach to credit evaluation and underwriting, we seek to close deals as fast or faster than competitive financing providers while maintaining the discipline with respect to credit, pricing and structure necessary to ensure the ultimate success of the financing.

Monitoring. We benefit from the portfolio management system in place at Monroe Capital. This monitoring includes regular meetings between the responsible analyst and our portfolio company to discuss market activity and current events. MC Advisors' portfolio management staff closely monitors all credits, with senior portfolio managers covering agented and more complex investments with the support of junior portfolio management staff. MC Advisors segregates our capital markets investments by industry. MC Advisors' monitoring process, developed by Monroe Capital, has daily, weekly, monthly and quarterly components and related reports, each to evaluate performance against historical, budget and underwriting expectations. MC Advisors' analysts monitor performance using standard industry software tools to provide consistent disclosure of performance. When necessary, MC Advisors updates our internal risk ratings, borrowing base criteria and covenant compliance reports.

As part of the monitoring process, MC Advisors regularly assesses the risk profile of each of our investments and rates each of them based on an internal proprietary system that uses the categories listed below, which we refer to as MC Advisors' investment performance risk rating. For any investment rated in grades 3, 4 or 5, MC Advisors, through its internal Portfolio Management Group ("PMG"), will increase its monitoring intensity and prepare regular updates for the investment committee, summarizing current operating results and material impending events and suggesting recommended actions. The PMG is responsible for oversight and management of any investments rated in grades 3, 4 or 5. MC Advisors monitors and, when appropriate, changes the investment ratings assigned to each investment in our portfolio. In connection with our valuation process, MC Advisors reviews these investment ratings on a quarterly basis. The investment performance risk rating system is described as follows:

Investment Performance Risk Rating	Summary Description
Grade 1	Includes investments exhibiting the least amount of risk in our portfolio. The issuer is performing above expectations or the issuer's operating trends and risk factors are generally positive.
Grade 2	Includes investments exhibiting an acceptable level of risk that is similar to the risk at the time of origination. The issuer is generally performing as expected or the risk factors are neutral to positive.
Grade 3	Includes investments performing below expectations and indicates that the investment's risk has increased somewhat since origination. The issuer may be out of compliance with debt covenants; however, scheduled loan payments are generally not past due.
Grade 4	Includes an issuer performing materially below expectations and indicates that the issuer's risk has increased materially since origination. In addition to the issuer being generally out of compliance with debt covenants, scheduled loan payments may be past due (but generally not more than six months past due).
Grade 5	Indicates that the issuer is performing substantially below expectations and the investment risk has substantially increased since origination. Most or all of the debt covenants are out of compliance or payments are substantially delinquent. Investments graded 5 are not anticipated to be repaid in full.

Our investment performance risk ratings do not constitute any rating of investments by a nationally recognized statistical rating organization or reflect or represent any third-party assessment of any of our investments.

In the event of a delinquency or a decision to rate an investment grade 4 or grade 5, the PMG, in consultation with the investment committee, will develop an action plan. Such a plan may require a meeting with the borrower's management or the lender group to discuss reasons for the default and the steps management is undertaking to address the under-performance, as well as amendments and waivers that may be required. In the event of a dramatic deterioration of a credit, MC Advisors and the PMG will form a team or engage outside advisors to analyze, evaluate and take further steps to preserve our value in the credit. In this regard, we would expect to explore all options, including in a private equity sponsored investment, assuming certain responsibilities for the private equity sponsor or a formal sale of the business with oversight of the sale process by us. The PMG and the investment committee have extensive experience in running debt work-out transactions and bankruptcies.

The following table shows the distribution of our investments on the 1 to 5 investment performance risk rating scale as of December 31, 2021 (in thousands):

Investment Performance Risk Rating	Investments at Fair Value	Percentage of Total Investments
1	$ 1,759	0.3%
2	465,224	82.9
3	75,942	13.5
4	18,136	3.2
5	632	0.1
Total	$ 561,693	100.0%

The following table shows the distribution of our investments on the 1 to 5 investment performance risk rating scale as of December 31, 2020 (in thousands):

Investment Performance Risk Rating	Investments at Fair Value	Percentage of Total Investments
1	$ 1,592	0.3%
2	428,554	78.4
3	92,001	16.8
4	19,844	3.6
5	5,048	0.9
Total	$ 547,039	100.0%

SUMMARY RISK FACTORS

The risk factors described below are a summary of the principal risk factors associated with an investment in us. These are not the only risks we face. You should carefully consider these risk factors, together with the risk factors set forth in Item 1A. of this Annual Report on Form 10-K and the other reports and documents filed by us with the SEC.

We are subject to risks relating to our business and structure

- We depend upon MC Advisors' senior management for our success, and upon its access to the investment professionals of Monroe Capital and its affiliates.
- There may be conflicts related to obligations that MC Advisors' senior investment professionals and members of its investment committee have to other clients.
- Our management and incentive fee structure may create incentives for MC Advisors that are not fully aligned with the interests of our stockholders.
- Our ability to enter into transactions with our affiliates is restricted, which may limit the scope of investments available to us.
- We finance our investments with borrowed money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing with us.
- We operate in a highly competitive market for investment opportunities.
- The majority of our assets are subject to security interests under our revolving credit facility and if we default on our obligations under such facility, we may suffer adverse consequences, including foreclosure on our assets.
- The interest rates of our revolving credit facility and loans to our portfolio companies that extend beyond 2023 might be subject to change based on recent regulatory changes.
- Many of our portfolio investments are recorded at fair value as determined in good faith by our Board and, as a result, there may be uncertainty as to the value of our portfolio investments.
- We will be subject to corporate-level U.S. federal income tax if we are unable to qualify or maintain qualification as a RIC under Subchapter M of the Code.
- Each of MC Advisors and the Administrator can resign on 60 days' notice, and we can provide no assurance that we could find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.
- We are highly dependent on information systems and systems failures could significantly disrupt our business, which could, in turn, negatively affect the market price of our common stock and our ability to pay distributions.

We are subject to risks relating to our investments

- The COVID-19 pandemic has caused severe disruptions in the global economy, which has had, and may continue to have, a negative impact on our portfolio companies and our business and operations.
- Economic, political and market conditions could have a significant adverse effect on our business, financial condition and results of operations.
- The lack of liquidity in our investments may adversely affect our business.
- 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 losses.
- Our portfolio companies may prepay loans, which prepayment may reduce stated yields if capital returned cannot be invested in transactions with equal or greater expected yields.

- Our portfolio may be exposed in part to one or more specific industries, which may subject us to a risk of significant loss in a particular investment or investments if there is a downturn in that particular industry.
- We may hold the debt securities of leveraged companies that may, due to the significant volatility of such companies, enter into bankruptcy proceedings.
- Because we do not hold controlling equity interests in the majority of our portfolio companies, we may not be able to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies, which could decrease the value of our investments.
- Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.
- We may be subject to risks associated with syndicated loans.
- We may not realize gains from our equity investments.

We are subject to risks relating to our securities

- We may not be able to pay distributions, our distributions may not grow over time and/or a portion of our distributions may be a return of capital.
- If we sell common stock at a discount to our net asset value per share, stockholders who do not participate in such sale will experience immediate dilution in an amount that may be material.
- Investing in our common stock may involve an above-average degree of risk.
- Shares of closed-end investment companies, including BDCs, often trade at a discount to their net asset value.
- The market price of our securities may fluctuate significantly.
- The 2026 Notes are unsecured and therefore are effectively subordinated to any secured indebtedness we have incurred or may incur in the future.
- If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the 2026 Notes.

MANAGEMENT AND OTHER AGREEMENTS

MC Advisors is located at 311 South Wacker Drive, Suite 6400, Chicago, Illinois 60606. MC Advisors is a registered investment adviser under the Advisers Act. Subject to the overall supervision of our Board and in accordance with the 1940 Act, MC Advisors manages our day-to-day operations and provides investment advisory services to us. Under the terms of the Investment Advisory and Management Agreement, MC Advisors:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- assists us in determining what securities we purchase, retain or sell;
- identifies, evaluates and negotiates the structure of the investments we make (including performing due diligence on our prospective portfolio companies); and
- executes, closes, services and monitors the investments we make.

MC Advisors' services under the Investment Advisory and Management Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired.

Management and Incentive Fee

Under the Investment Advisory and Management Agreement with MC Advisors and subject to the overall supervision of our Board, MC Advisors provides investment advisory services to us. For providing these services, MC Advisors receives a fee from us, consisting of two components — a base management fee and an incentive fee.

On November 4, 2019, our Board approved a change to the Investment Advisory Agreement to amend the base management fee structure. Effective July 1, 2019, the base management fee is calculated initially at an annual rate equal to 1.75% of average invested assets (calculated as total assets excluding cash, which includes assets financed using leverage); provided, however, the base management fee is calculated at an annual rate equal to 1.00% of our average invested assets (calculated as total assets excluding cash, which includes assets financed using leverage) that exceeds the product of (i) 200% and (ii) our average net assets. For the avoidance of doubt, the 200% is calculated in accordance with the asset coverage limitation as defined in the 1940 Act to give effect to our exemptive relief with respect to MRCC SBIC's SBA debentures. This change has the effect of reducing our base management fee rate on assets in excess of regulatory leverage of 1:1 debt to equity to 1.00% per annum. The base management fee is payable quarterly in arrears.

Prior to July 1, 2019, the base management fee was calculated at an annual rate equal to 1.75% of average invested assets (calculated as total assets excluding cash, which included assets financed using leverage) and was payable quarterly in arrears.

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

The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of our pre-incentive fee net investment income will be payable except to the extent 20.0% of the cumulative net increase in net assets resulting from operations over the then-current and 11 preceding quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding quarters (the "Incentive Fee Limitation"). Therefore, any ordinary income incentive fee that is payable in a calendar quarter will be limited to the lesser of (i) 20% of the amount by which our pre-incentive fee net investment income for such calendar quarter exceeds the 2% hurdle described below, subject to the "catch-up" provision, and (ii) (x) 20% of the cumulative net increase in net assets resulting from operations for the then current and 11 preceding calendar quarters minus (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. For the foregoing purpose, the "cumulative net increase in net assets resulting from operations" is the amount, if positive, of the sum of our pre-incentive fee net investment income, base management fees, realized gains and losses and unrealized gains and losses for the then-current and 11 preceding calendar quarters.

Pre-incentive fee net investment income does not include any realized capital gains or losses or unrealized capital gains or losses. If any distributions from portfolio companies are characterized as a return of capital, such returns of capital would affect the capital gains incentive fee to the extent a gain or loss is realized. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate (as defined below) for a quarter, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses.

Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed "hurdle rate" of 2% per quarter (8% annually). If market interest rates rise, we may be able to invest our funds in debt instruments that provide for a higher return, which would increase our pre-incentive fee net investment income and make it easier for MC Advisors to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income.

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

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

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

The following is a graphical representation of the calculation of the income-related portion of the incentive fee:

Quarterly Incentive Fee Based on Pre-Incentive Fee Net Investment Income

Pre-incentive fee net investment income (expressed as a percentage of the value of net assets)

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

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

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

Examples of Quarterly Incentive Fee Calculation

Example 1: Income Related Portion of Incentive Fee before Total Return Requirement Calculation

Alternative 1

Assumptions

Investment income (including interest, dividends, fees, etc.) = 1.25%

Hurdle rate [(1)] = 2%

Management fee [(2)] = 0.4375%

Other expenses (legal, accounting, custodian, transfer agent, etc.) = 0.2%

Pre-incentive fee net investment income (investment income – (management fee + other expenses)) = 0.6125%

Pre-incentive fee net investment income does not exceed hurdle rate, therefore there is no income-related incentive fee.

Alternative 2

Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.0%

Hurdle rate [(1)] = 2%

Management fee [(2)] = 0.4375%

Other expenses (legal, accounting, custodian, transfer agent, etc.) = 0.2%

Pre-incentive fee net investment income (investment income – (management fee + other expenses)) = 2.3625%

Incentive fee = 100% × Pre-incentive fee net investment income (subject to "catch-up") [(3)]

= 100% × (2.3625% – 2%)

= 0.3625%

Pre-incentive fee net investment income exceeds the hurdle rate, but does not fully satisfy the "catch-up" provision, therefore the income-related portion of the incentive fee is 0.3625%.

Alternative 3

Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.5%

Hurdle rate [(1)] = 2%

Management fee [(2)] = 0.4375%

Other expenses (legal, accounting, custodian, transfer agent, etc.) = 0.2%

Pre-incentive fee net investment income (investment income – (management fee + other expenses)) = 2.8625%

Incentive fee = 100% × Pre-incentive fee net investment income (subject to "catch-up") [(3)]

Incentive fee = 100% × "catch-up" + (20% × (Pre-incentive fee net investment income – 2.5%))

"Catch-up" = 2.5% – 2%

= 0.5%

Incentive fee = (100% × 0.5%) + (20% × (2.8625% – 2.5%))

= 0.5% + (20% × 0.3625%)

= 0.5% + 0.0725%

= 0.5725%

Pre-incentive fee net investment income exceeds the hurdle rate, and fully satisfies the "catch-up" provision, therefore the income related portion of the incentive fee is 0.5725%.

(1) Represents 8.0% annualized hurdle rate.

(2) Represents 1.75% annualized base management fee.

(3) The "catch-up" provision is intended to provide our investment advisor with an incentive fee of 20% on all pre-incentive fee net investment income as if a hurdle rate did not apply when our net investment income exceeds 2.5% in any fiscal quarter.

Example 2: Income Portion of Incentive Fee with Total Return Requirement Calculation

Assumptions

Hurdle rate [(1)] = 2%

Management fee [(2)] = 0.4375%

Other expenses (legal, accounting, transfer agent, etc.) = 0.2%

Cumulative incentive compensation accrued and/or paid for preceding 11 calendar quarters = $9 million

Alternative 1

Additional Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.50%

Pre-incentive fee net investment income (investment income – (management fee + other expenses)) = 2.8625%

20.0% of cumulative net increase in net assets resulting from operations over current and preceding 11 calendar quarters = $8 million

Although our pre-incentive fee net investment income exceeds the hurdle rate of 2.0% (as shown in Alternative 3 of Example 1 above), no incentive fee is payable because 20.0% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding calendar quarters did not exceed the cumulative income and capital gains incentive fees accrued and/or paid for the preceding 11 calendar quarters.

Alternative 2

Additional Assumptions

Investment Income (including interest, dividends, fees, etc.) = 3.50%

Pre-incentive fee net investment income (investment income – (management fee + other expenses)) = 2.8625%

20% of cumulative net increase in net assets resulting from operations over current and preceding 11 calendar quarters = $10 million

Because our pre-incentive fee net investment income exceeds the hurdle rate of 2.0% and because 20.0% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding calendar quarters exceeds the cumulative income and capital gains incentive fees accrued and/or paid for the preceding 11 calendar quarters, an incentive fee would be payable, as shown in Alternative 3 of Example 1 above.

(1) Represents 8.0% annualized hurdle rate.

(2) Represents 1.75% annualized base management fee.

Example 3: Capital Gains Portion of Incentive Fee (*)

Alternative 1:
Assumptions

Year 1: $20 million investment made in Company A ("Investment A"), and $30 million investment made in Company B ("Investment B")

Year 2: Investment A sold for $50 million and fair market value ("FMV") of Investment B determined to be $32 million

Year 3: FMV of Investment B determined to be $25 million

Year 4: Investment B sold for $31 million

The capital gains portion of the incentive fee would be:

Year 1: None

Year 2: Capital gains incentive fee of $6 million — ($30 million realized capital gains on sale of Investment A multiplied by 20%)

Year 3: None — $5 million (20% multiplied by ($30 million cumulative capital gains less $5 million cumulative capital depreciation)) less $6 million (previous capital gains fee paid in Year 2)

Year 4: Capital gains incentive fee of $200,000 — $6.2 million ($31 million cumulative realized capital gains multiplied by 20%) less $6 million (capital gains incentive fee taken in Year 2)

Alternative 2
Assumptions

Year 1: $20 million investment made in Company A ("Investment A"), $30 million investment made in Company B ("Investment B") and $25 million investment made in Company C ("Investment C")

Year 2: Investment A sold for $50 million, FMV of Investment B determined to be $25 million and FMV of Investment C determined to be $25 million

Year 3: FMV of Investment B determined to be $27 million and Investment C sold for $30 million

Year 4: FMV of Investment B determined to be $35 million

Year 5: Investment B sold for $20 million

The capital gains incentive fee, if any, would be:

Year 1: None

Year 2: $5 million capital gains incentive fee — 20% multiplied by $25 million ($30 million realized capital gains on Investment A less unrealized capital depreciation on Investment B)

Year 3: $1.4 million capital gains incentive fee [(1)] — $6.4 million (20% multiplied by $32 million ($35 million cumulative realized capital gains less $3 million unrealized capital depreciation)) less $5 million capital gains incentive fee received in Year 2

Year 4: None

Year 5: None — $5 million (20% multiplied by $25 million (cumulative realized capital gains of $35 million less realized capital losses of $10 million)) less $6.4 million cumulative capital gains incentive fee paid in Year 2 and Year 3 [(2)]

* The hypothetical amounts of returns shown are based on a percentage of our total net assets and assume no leverage. There is no guarantee that positive returns will be realized, and actual returns may vary from those shown in this example.

(1) As illustrated in Year 3 of Alternative 1 above, if we were to be wound up on a date other than our fiscal year end of any year, we may have paid aggregate capital gains incentive fees that are more than the amount of such fees that would be payable if we had been wound up on the fiscal year end of such year.

(2) As noted above, it is possible that the cumulative aggregate capital gains fee received by our investment advisor ($6.4 million) is effectively greater than $5 million (20% of cumulative aggregate realized capital gains less net realized capital losses or net unrealized depreciation ($25 million)).

Payment of Our Expenses

All investment professionals of MC Advisors and/or its affiliates, when and to the extent engaged in providing investment advisory and management services to us, and the compensation and routine overhead expenses of personnel allocable to these services to us, are provided and paid for by MC Advisors and not by us. We bear all other out-of-pocket costs and expenses of our operations and transactions, including, without limitation:

- organization and offering;
- calculating our net asset value (including the cost and expenses of any independent valuation firm);
- fees and expenses incurred by MC Advisors payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for us and in conducting research and due diligence on prospective investments and equity sponsors, analyzing investment opportunities, structuring our investment and monitoring our investments and portfolio companies on an ongoing basis (although none of MC Advisors' duties will be subcontracted to sub-advisors);
- interest payable on debt, if any, incurred to finance our investments;
- offerings of our common stock and other securities;
- investment advisory fees;
- administration fees and expenses, if any, payable under the Administration Agreement (including payments under the Administration Agreement between us and MC Management based upon our allocable portion of MC Management's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our chief financial officer and chief compliance officer, and their respective staffs);
- transfer agent, dividend agent and custodial fees and expenses;
- federal and state registration fees;
- all costs of registration and listing our shares on any securities exchange;
- federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs;
- proxy voting expenses; and
- all other expenses incurred by us or MC Management in connection with administering our business.

Duration and Termination

Unless terminated earlier as described below, the Investment Advisory and Management Agreement will continue in effect from year to year if approved annually by our Board or by the affirmative vote of the holders of a majority of our outstanding voting securities, and, in either case, if also approved by a majority of our directors who are not "interested persons." The Investment Advisory and Management Agreement automatically terminates in the event of its assignment, as defined in the 1940 Act, by MC Advisors and may be terminated by either party without penalty upon not less than 60 days' written notice to the other. The holders of a majority of our outstanding voting securities may also terminate the Investment Advisory and Management Agreement without penalty. See "Risk Factors — Risks Relating to Our Business and Structure — We depend upon MC Advisors' senior management for our success, and upon its access to the investment professionals of Monroe Capital and its affiliates" and "Risk Factors — Risks Relating to Our Business and Structure — MC Advisors can resign on 60 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations."

Indemnification

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

Administration Agreement

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

Payments under the Administration Agreement are equal to an amount based upon our allocable portion (subject to the review and approval of our Board) of MC Management's overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our officers, including our chief financial officer and chief compliance officer and their respective staffs. Unless terminated earlier as described below, the Administration Agreement will continue in effect from year to year with the approval of our Board. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

MC Management may retain third parties to assist in providing administrative services to us. To the extent that MC Management outsources any of its functions, we pay the fees associated with such functions on a direct basis without profit to MC Management. We reimburse MC Management for the allocable portion (subject to the review and approval of our Board) of MC Management's overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. For the years ended December 31, 2021, 2020 and 2019, we incurred $3.4 million, $3.3 million and $3.5 million in administrative expenses (included within Professional fees, Administrative service fees and General and administrative expenses on the consolidated statements of operations) under the Administration Agreement, respectively, of which $1.4 million, $1.3 million and $1.3 million, respectively, was related to MC Management overhead and salary allocation and paid directly to MC Management.

Indemnification

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

License Agreement

We have entered into a license agreement with Monroe Capital under which Monroe Capital has agreed to grant us a non-exclusive, royalty-free license to use the name "Monroe Capital." Under this agreement, we have a right to use the "Monroe Capital" name for so long as MC Advisors or one of its affiliates remains our investment advisor. Other than with respect to this limited license, we have no legal right to the "Monroe Capital" name. This license agreement will remain in effect for so long as the Investment Advisory and Management Agreement with MC Advisors is in effect.

Staffing Agreement

We do not have any internal employees. We depend on the diligence, skill and network of business contacts of the senior investment professionals of MC Advisors to achieve our investment objective. MC Advisors is an affiliate of Monroe Capital and depends upon access to the investment professionals and other resources of Monroe Capital and Monroe Capital's affiliates to fulfill its obligations to us under the Investment Advisory and Management Agreement. MC Advisors also depends upon Monroe Capital to obtain access to deal flow generated by the professionals of Monroe Capital and its affiliates. Under the Staffing Agreement, MC Management provides MC Advisors with the resources necessary to fulfill these obligations. The Staffing Agreement provides that MC Management will make available to MC Advisors experienced investment professionals and access to the senior investment personnel of Monroe Capital for purposes of evaluating, negotiating, structuring, closing and monitoring our investments. The Staffing Agreement also includes a commitment that the members of MC Advisors' investment committee serve in such capacity. The Staffing Agreement remains in effect until terminated and may be terminated by either party without penalty upon 60 days' written notice to the other party. Services under the Staffing Agreement are provided to MC Advisors on a direct cost reimbursement basis, and such fees are not our obligation.

Board Approval of the Investment Advisory and Management Agreement and Staffing Agreement

At a meeting of our Board held on July 29, 2021, our Board, including directors who are not "interested persons" as defined in the 1940 Act, voted unanimously to approve and continue the Investment Advisory and Management Agreement for another annual period in accordance with the requirements of the 1940 Act. The approval included consideration and approval of the specific individuals provided through the Staffing Agreement between MC Advisors and MC Management that comprise our investment committee. In reaching a decision to approve and continue the investment advisory agreement and investment committee, the Board reviewed a significant amount of information and considered, among other things:

- *Nature, Quality and Extent of Services*. Our Board reviewed information about the services to be performed and the personnel performing such services under the Investment Advisory Agreement and Staffing Agreement, including the specific approval of the members of the investment committee to be provided pursuant to the Staffing Agreement. Our Board considered the nature, extent and quality of the investment selection process employed by MC Advisors and the experience of the members of the investment committee. Our Board concluded that the services to be provided under the Investment Advisory Agreement are consistent with those of comparable BDCs described in the available market data.

- *The reasonableness of the fees paid to MC Advisors*. Our Board considered comparative data based on publicly available information on other BDCs with respect to services rendered and the advisory fees (including the management fees and incentive fees) of other BDCs as well as our projected operating expenses and expense ratio compared to other BDCs. Our Board also considered the profitability of MC Advisors. Based upon its review, our Board concluded that the fees to be paid under the Investment Advisory Agreement are reasonable compared to other BDCs.

- *Investment Performance*. Our Board reviewed our investment performance as well as comparative data with respect to the investment performance of other externally managed BDCs. Our Board concluded that MC Advisors was delivering results consistent with our investment objective over the most recently completed period.

- *Economies of Scale*. Our Board addressed the potential for MC Advisors to realize economies of scale in managing our assets, and determined that at this time they did not expect economies of scale to be realized by MC Advisors.

Based on the information reviewed and the discussions detailed above, our Board, including all of the directors who are not "interested persons" as defined in the 1940 Act, concluded that the investment advisory fee rates and terms are fair and reasonable in relation to the services provided and approved the investment advisory agreement and its continuation as being in the best interests of our stockholders. MC Advisors bears all expenses related to the services and personnel provided pursuant to the Staffing Agreement.

VALUATION PROCESS AND DETERMINATION OF NET ASSET VALUE

The net asset value per share of our outstanding shares of common stock is determined quarterly by dividing the value of total assets minus liabilities by the total number of shares outstanding. We calculate the value of our total assets in accordance with the following procedures.

Investments for which market quotations are readily available and within a recent date are valued at such market quotations. We may also obtain indicative prices with respect to certain of our investments from pricing services or brokers or dealers in order to value such investments. We expect that there will not be a readily available market value within a recent date for many of our investments; those debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by our Board using a documented valuation policy and a consistently applied valuation process.

Our Board is ultimately and solely responsible for determining the fair value of the portfolio investments that are not publicly traded, whose market prices are not readily available on a quarterly basis in good faith or any other situation where portfolio investments require a fair value determination.

With respect to investments for which market quotations are not readily available, our Board undertakes a multi-step valuation process each quarter, as described below:

- the quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of MC Advisors responsible for the credit monitoring of the portfolio investment;
- our Board engages one or more independent valuation firm(s) to conduct independent appraisals of a selection of investments for which market quotations are not readily available. We will consult with independent valuation firm(s) relative to each portfolio company at least once in every calendar year, but the independent appraisals are generally received quarterly for each investment;
- to the extent an independent valuation firm is not engaged to conduct an investment appraisal on an investment for which market quotations are not readily available, the investment will be valued by the MC Advisors investment professional responsible for the credit monitoring;
- preliminary valuation conclusions are then documented and discussed with the investment committee of MC Advisors;
- the audit committee of our Board reviews the preliminary valuations of MC Advisors and of the independent valuation firm(s) and MC Advisors adjusts or further supplements the valuation recommendations to reflect any comments provided by the audit committee; and
- our Board discusses these valuations and determines the fair value of each investment in the portfolio in good faith, based on the input of MC Advisors, the independent valuation firm(s) and the audit committee.

The valuation technique utilized in the determination of fair value is affected by a wide variety of factors including the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. Our Board generally uses the income approach to determine fair value for loans where market quotations are not readily available, as long as it is appropriate. If there is deterioration in credit quality or a debt investment is in workout status, we may consider other factors in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio company or the proceeds that would be received in a liquidation analysis. This liquidation analysis may also include probability weighting of alternative outcomes. We generally consider our debt to be performing if the borrower is not in default, the borrower is remitting payments in a timely manner, the loan is in covenant compliance and the loan is otherwise not deemed to be impaired. In determining the fair value of the performing debt, we consider fluctuations in current interest rates, the trends in yields of debt instruments with similar credit ratings, financial condition of the borrower, economic conditions and other relevant factors, both qualitative and quantitative. In the event that a debt instrument is not performing, as defined above, we will evaluate the value of the collateral utilizing the same framework described above for a performing loan to determine the value of the debt instrument. See Note 4 to the accompanying consolidated financial statements for additional information on the determination of fair value.

We report our investments at fair value with changes in value reported through our consolidated statements of operations under the caption “unrealized gain (loss).” In determining fair value, we are required to assume that portfolio investments are to be sold in the principal market to market participants, or in the absence of a principal market, the most advantageous market, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact. The market in which we can exit portfolio investments with the greatest volume and level activity is considered our principal market.

Determination of fair value involves subjective judgments and estimates. Accordingly, the notes to our consolidated financial statements express the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on our consolidated financial statements.

COMPETITION

We compete with a number of specialty and commercial finance companies to make the types of investments that we make in middle-market companies, including BDCs, traditional commercial banks, private investment funds, regional banking institutions, small business investment companies, investment banks and insurance companies. Additionally, with increased competition for investment opportunities, alternative investment vehicles such as hedge funds may invest in areas they have not traditionally invested in or from which they had withdrawn during the recent economic downturn, including investing in middle-market companies. As a result, competition for investments in lower middle-market companies has intensified, and we expect that trend to continue. Many of our existing and potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and 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.

We use the expertise of the investment professionals of MC Advisors to assess investment risks and determine appropriate pricing and terms for investments in our loan portfolio. In addition, we expect that the relationships of the senior professionals of MC Advisors will enable us to learn about, and compete effectively for, investment opportunities with attractive middle-market companies, independently or in conjunction with the private equity clients of MC Advisors. 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."

INFORMATION TECHNOLOGY

We utilize a number of industry standard practices and software packages to secure, protect, manage and back up all corporate data. We outsource portions of our information technology function to efficiently monitor and maintain our systems. Also, we conduct a daily backup of our systems to ensure the security and stability of the network.

ELECTION TO BE TAXED AS A RIC

As a BDC, we have elected to be treated as a RIC under Subchapter M of the Code. As a RIC, we generally do not have to pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that we timely distribute to our stockholders as dividends. To continue to qualify as a RIC, we must, among other things, meet certain source-of income and asset diversification requirements (as described below). In addition, we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our net ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses (the "Annual Distribution Requirement"). Generally, we would expect these distributions to be taxable to our stockholders as ordinary income and not to be eligible for the reduced maximum tax rates associated with qualified dividends.

TAXATION AS A RIC

If we continue to:

- qualify as a RIC; and
- satisfy the Annual Distribution Requirement;

then we will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gains, defined as net long-term capital gains in excess of net short-term capital losses we distribute to our stockholders.

We will be subject to U.S. federal income tax at the regular corporate rates on any net income or net capital gain not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% nondeductible federal excise tax on our undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (a) 98% of our ordinary income for each calendar year, (b) 98.2% of our capital gain net income (both long-term and short-term) for the one-year period ending October 31 in that calendar year and (c) any income realized, but not distributed, in the preceding years (the "Excise Tax Avoidance Requirement"). For this purpose, however, any ordinary income or capital gain net income retained by us that is subject to corporate income tax for the tax year ending in that calendar year will be considered to have been distributed by year end. For the years ended December 31, 2021, 2020 and 2019, we recorded $0.3 million, $0.4 million and $10 thousand on our consolidated statements of operations for U.S. federal excise taxes.

In order to qualify 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 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 of stock or other securities, or other income derived with respect to our business of investing in such stock or securities, and net income derived from interests in "qualified publicly traded partnerships" (partnerships that are traded on an established securities market or tradable on a secondary market, other than partnerships that derive 90% of their income from interest, dividends and other permitted RIC income) (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, of one issuer or 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 in the securities of one or more qualified publicly traded partnerships (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 prevent our receipt of income that would not satisfy the 90% Income Test, we have established and may establish additional special purpose 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 a special purpose corporation would generally be subject to U.S. federal income taxes and other taxes, and therefore would be expected to achieve a reduced after-tax yield.

We may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, for 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 our 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 will continue to 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 are included in our investment company taxable income in 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 the corresponding cash amount. As a result, we may have difficulty meeting the Annual Distribution Requirement. We may have to sell some of our investments at times and/or at prices we do 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 U.S. federal income tax.

Gain or loss realized from warrants 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.

Our investments in non-U.S. securities may be subject to non-U.S. income, withholding and other taxes. In that case, our yield on those securities would be decreased. 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" (a "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" (a "QEF"), under the Code, 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 us. Alternatively, we can elect to mark-to-market at the end of each taxable year our shares in a PFIC; in that 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 be taken into account for purposes of the Annual Distribution Requirement and the 4% 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 is 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.

Through our use of leverage, we are subject to certain financial covenants that could limit our ability to make distributions to our stockholders. In addition, 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. If we are unable to make sufficient distributions to satisfy the Annual Distribution Requirement, we may fail to qualify as a RIC.

Although we do not expect to do so, we are authorized (subject to our financial covenants and 1940 Act asset coverage tests) to borrow funds and to sell assets in order to satisfy the Annual Distribution Requirement and to eliminate or minimize our liability for U.S. federal income tax and the 4% federal excise tax. However, our ability to dispose of assets to make distributions may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or to avoid the 4% federal 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 as a RIC in any taxable year, and certain relief provisions are not available, 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 Qualify as a RIC" below for more information.

As a RIC, we are not allowed to carry forward or carry back a net operating loss for purposes of computing our investment company taxable income in other taxable years. We generally are permitted to carry forward for an indefinite period any capital losses not used to offset capital gains. However, future transactions that we engage in may cause our ability to use any capital loss carry forwards, 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 described above. We will monitor our transactions and may make certain tax decisions in order to mitigate the potential adverse effects 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 partnership 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 partnership, however, is not treated as a "qualified publicly traded partnership," then 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 qualification 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 as a RIC.

FAILURE TO QUALIFY AS A RIC

If we fail the 90% Income Test or the Diversification Tests for any taxable year or quarter of such taxable year, we may nevertheless continue to qualify as a RIC for such year if certain relief provisions of the Code apply (which, among other things may require us to pay certain corporate-level federal taxes or to dispose of certain assets). If we are unable to qualify for treatment as a RIC and are unable to cure the failure, we would be subject to U.S. federal income tax on all of our taxable income at regular corporate rates. We would not be able to deduct distributions to our stockholders, nor would they be required to be made. In the event of such a failure to qualify, distributions, including distributions of net long-term capital gain, would generally be taxable to our stockholders as ordinary dividend income to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, our corporate stockholders would be eligible to claim a dividend received deduction with respect to such dividend; our non-corporate stockholders would generally be able to treat such dividends as "qualified dividend income," which is subject to reduced rates of U.S. federal income tax. 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. In order to qualify as a RIC, in addition to the other requirements discussed above, we would be required to distribute all of our previously undistributed earnings and profits attributable to any period prior to us becoming a RIC by the end of the first year that we intend to qualify as a RIC. To the extent that we have any net built-in gains in our assets (i.e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if we had been liquidated) as of the beginning of the first year that we qualify as a RIC, we would be subject to a corporate-level U.S. federal income tax on such built-in gains if and when recognized over the next ten years (or shorter applicable period). Alternatively, we may choose to recognize such built-in gains immediately prior to our qualification as a RIC.

If we have previously qualified as a RIC, but are subsequently unable to qualify for treatment as a RIC, and certain amelioration provisions are not applicable, we would be subject to tax on all of our taxable income (including our net capital gains) at regular corporate rates. We would not be able to deduct distributions to our stockholders, nor would they be required to be made. Distributions, including distributions of net long-term capital gain, would generally be taxable to our stockholders as ordinary dividend income to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, our corporate stockholders would be eligible to claim a dividend received deduction with respect to such dividend; our non-corporate stockholders would generally be able to treat such dividends as "qualified dividend income," which is subject to reduced rates of U.S. federal income tax. 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. In order to requalify as a RIC, in addition to the other requirements discussed above, we would be required to distribute all of our previously undistributed earnings attributable to the period we failed to qualify as a RIC by the end of the first year that we intend to requalify as a RIC. If we fail to requalify as a RIC for a period greater than two taxable years, we may be subject to regular corporate tax on any net built-in gains with respect to certain of our assets (*i.e.*, the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if we had been liquidated) that we elect to recognize on requalification or when recognized over the next five years.

REGULATION

We are a BDC under the 1940 Act and have elected to be treated as a RIC under the Code. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates (including any investment advisors), principal underwriters and affiliates of those affiliates or underwriters and requires that a majority of the directors of a BDC 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.

We may invest up to 100% of our assets in securities acquired directly from issuers in privately negotiated transactions. With respect to such securities, we may, for the purpose of public resale, be deemed an "underwriter" as that term is defined in the Securities Act. Our intention is to not write (sell) or buy put or call options to manage risks associated with the publicly traded securities of our portfolio companies, except that we may enter into hedging transactions to manage the risks associated with interest rate fluctuations. However, we may purchase or otherwise receive warrants to purchase the common stock of our portfolio companies in connection with acquisition financing or other investments. Similarly, in connection with an acquisition, we may acquire rights to require the issuers of acquired securities or their affiliates to repurchase them under certain circumstances. We also do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act. Under these limits, we generally cannot acquire more than 3% of the total outstanding voting stock of any registered investment company, invest more than 5% of the value of our total assets in the securities of one investment company or invest, in the aggregate, more than 10% of the value of our total assets in the securities of more than one investment company. With regard to that portion of our portfolio invested in securities issued by investment companies, it should be noted that such investments might subject our stockholders to additional expenses. None of these policies are fundamental and may be changed to the extent permitted by law without stockholder approval.

The SBIC license allowed our subsidiary, MRCC SBIC, to obtain leverage by issuing SBA debentures, subject to the issuance of a leverage commitment by the SBA and other customary procedures. On March 1, 2022, MRCC SBIC fully repaid its outstanding SBA debentures and notified the SBA of its intent to surrender its license to operate as a SBIC. SBA debentures are non-recourse, interest only debentures with interest payable semi-annually and a 10-year maturity. The principal amount of SBA debentures is not required to be paid prior to maturity but may be prepaid semi-annually without penalty. The interest rate of SBA debentures is fixed on a semi-annual basis (pooling date) at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, had a superior claim to MRCC SBIC's assets over our stockholders.

SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under SBA regulations, SBICs may make loans to eligible small businesses and invest in the equity securities of small businesses. Under present SBA regulations, eligible small businesses include businesses that have a tangible net worth not exceeding $19.5 million and have average after tax net income not exceeding $6.5 million for the two most recent fiscal years. In addition, an SBIC must devote 25% of its investment activity to "smaller" concerns as defined by the SBA. A smaller concern is one that has a tangible net worth not exceeding $6.0 million and has average after tax net income not exceeding $2.0 million for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility, which depends on the industry in which the business is engaged and are based on such factors as the number of employees and gross sales. According to SBA regulations, SBICs may make long-term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services.

On October 2, 2014, we received exemptive relief from the SEC to permit us to exclude the debt of MRCC SBIC guaranteed by the SBA from the asset coverage test under the 1940 Act. The exemptive relief provides us with increased flexibility under the asset coverage test by permitting us to borrow, through MRCC SBIC, more than we would otherwise be able to absent the receipt of this exemptive relief. This provides us with increased investment flexibility but also increases our risks related to leverage. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Relating to Our Business and Structure — Regulations governing our operation as a BDC affect our ability to and the way in which we raise additional capital" and "Risk Factors — Risks Relating to Our Business and Structure — We maintain a revolving credit facility and use other borrowed funds to make investments or fund our business operations, which exposes us to risks typically associated with leverage and increases the risk of investing in us."

Prior to surrendering its license, MRCC SBIC was subject to regulation and oversight by the SBA, including requirements with respect to maintaining certain minimum financial ratios and other covenants and limitations on its ability to make distributions to us.

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% of the company's total assets. The principal categories of qualifying assets relevant to our business are the following:

(a) 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 as any issuer that:

- is organized under the laws of, and has its principal place of business in, the United States;
- is not an investment company (other than a small business investment company wholly-owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and
- satisfies either of the following:
  - does not have any class of securities listed on a national securities exchange or has any class of securities listed on a national securities exchange subject to a $250 million market capitalization maximum; or
  - is controlled by a BDC or a group of companies including a BDC, and such BDC actually exercises a controlling influence over the management or policies of the eligible portfolio company, and, as a result, the BDC has an affiliated person who is a director of the eligible portfolio company.

(b) Securities of any eligible portfolio company which we control.

(c) 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 to such a private transaction, 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.

(d) 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% of the outstanding equity securities of the eligible portfolio company.

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

(f) Cash, cash equivalents, U.S. government securities or high-quality debt securities that mature in one year or less from the date of investment.

The regulations defining qualifying assets may change over time. We may adjust our investment focus as needed to comply with and/or take advantage of any regulatory, legislative, administrative or judicial actions in this area. Investments in the securities of companies domiciled in or with their principal places of business outside of the United States, are not qualifying assets. In accordance with Section 55(a) of the 1940 Act, we cannot invest more than 30% of our assets in non-qualifying assets.

MANAGERIAL ASSISTANCE TO PORTFOLIO COMPANIES

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 above. However, in order to count portfolio securities as qualifying assets for the purpose of the 70% test, a BDC must either control the issuer of securities or must offer to make available to the issuer of the securities significant managerial assistance. However, when a BDC purchases 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 managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers, employees or agents offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company through monitoring of portfolio company operations, selective participation in board and management meetings, consulting with and advising a portfolio company's officers or other organizational or financial guidance. MC Advisors or its affiliates provide such managerial assistance on our behalf to portfolio companies that request this assistance.

TEMPORARY INVESTMENTS

Pending investments in other types of qualifying assets, as described above, our investments may consist of cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less from the date of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets or temporary investments. We may invest in U.S. Treasury bills or in repurchase agreements, so long as the 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% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the Diversification Tests in order to qualify as a RIC for U.S. federal income tax purposes. Accordingly, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. MC Advisors monitors the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

SENIOR SECURITIES

We are generally permitted, under specified conditions, to issue multiple classes of indebtedness 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, 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% of the value of our total assets for temporary or emergency purposes without regard to asset coverage. We consolidate our financial results with all of our wholly-owned subsidiaries, including MRCC SBIC, for financial reporting purposes and measure our compliance with the leverage test applicable to BDCs under the 1940 Act on a consolidated basis. On October 2, 2014, we received exemptive relief from the SEC to permit us to exclude the debt of our SBIC subsidiaries from our asset coverage test under the 1940 Act. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 150%. This provides us with increased investment flexibility but also increases our risks related to leverage. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Relating to Our Business and Structure — Regulations governing our operation as a BDC affect our ability to and the way in which we raise additional capital" and "Risk Factors — Risks Relating to Our Business and Structure — We maintain a revolving credit facility and use other borrowed funds to make investments or fund our business operations, which exposes us to risks typically associated with leverage and increases the risk of investing in us."

CODES OF ETHICS

We and MC Advisors have each adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to each code 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. You may access our code of ethics on our website at *www.monroebdc.com.* The date and substance of amendments to the code, if any, are noted on the cover page of the code of ethics. In addition, each code of ethics is attached as an exhibit to our registration statement and is available on the EDGAR Database on the SEC's website at *www.sec.gov.* You may also obtain copies of each code of ethics, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

PROXY VOTING POLICIES AND PROCEDURES

We have delegated our proxy voting responsibility to MC Advisors. The proxy voting policies and procedures of MC Advisors are set out below. The guidelines are reviewed periodically by MC Advisors and our directors who are not "interested persons," and, accordingly, are subject to change. For purposes of these proxy voting policies and procedures described below, "we," "our" and "us" refer to MC Advisors.

Introduction

As an investment advisor registered under the Advisers Act, we have a fiduciary duty to act solely in the best interests of our clients. As part of this duty, we recognize that we must vote client securities in a timely manner free of conflicts of interest and in the best interests of our clients.

These policies and procedures for voting proxies for our investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Proxy Policies

We vote proxies relating to our portfolio securities in what we perceive to be the best interest of our clients' stockholders. We review on a case-by-case basis each proposal submitted to a stockholder vote to determine its effect on the portfolio securities held by our clients. In most cases we will vote in favor of proposals that we believe are likely to increase the value of the portfolio securities held by our clients. Although we will generally vote against proposals that may have a negative effect on our clients' portfolio securities, we may vote for such a proposal if there exist compelling long-term reasons to do so.

Our proxy voting decisions are made by those senior officers who are responsible for monitoring each of our clients' investments. To ensure that our vote is not the product of a conflict of interest, we require that (a) 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 (b) 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. Where conflicts of interest may be present, we will disclose such conflicts to our client, including those directors who are not interested persons and we may request guidance from such persons on how to vote such proxies for their account.

Proxy Voting Records

You may obtain information about how we voted proxies for Monroe Capital Corporation by making a written request for proxy voting information to: Monroe Capital Corporation, 311 South Wacker Drive, Suite 6400, Chicago, Illinois 60606, Attention: Chief Compliance Officer, or by calling Monroe Capital Corporation at (312) 258-8300. The SEC also maintains a website at *www.sec.gov* that contains such information.

COMPLIANCE POLICIES AND PROCEDURES

We and MC Advisors have adopted and implemented written policies and procedures reasonably designed to prevent violation of federal securities laws and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation. Our chief compliance officer is responsible for administering these policies and procedures.

PRIVACY PRINCIPLES

We are committed to maintaining the privacy of our stockholders and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any nonpublic personal information relating to our stockholders, although certain nonpublic personal information of our stockholders may become available to us. We do not disclose any nonpublic personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to nonpublic personal information about our stockholders to employees of MC Management and its affiliates with a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the nonpublic personal information of our stockholders.

OTHER

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 Monroe Capital Corporation 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.

We and MC Advisors are each required to adopt and implement written policies and procedures reasonably designed to prevent violation of relevant federal securities laws, obtain approval of the Board of these policies and procedures, review these policies and procedures annually for their adequacy and the effectiveness of their implementation and designate a chief compliance officer to be responsible for administering the policies and procedures.

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our Board who are not interested persons and, in some cases, prior approval by the SEC. The SEC has interpreted the BDC prohibition on transactions with affiliates to prohibit "joint transactions" among entities that share a common investment advisor. The staff of the SEC has granted no-action relief permitting purchases of a single class of privately placed securities provided that the advisor negotiates no term other than price and certain other conditions are met. Any co-investment would be made subject to compliance with existing regulatory guidance, applicable regulations and our allocation procedures. If opportunities arise that would otherwise be appropriate for us and for another fund advised by MC Advisors to invest in different securities of the same issuer, MC Advisors will need to decide which fund will proceed with the investment. Moreover, except in certain circumstances, we are unable to invest in any issuer in which another fund advised by MC Advisors has previously invested.

On October 15, 2014, we, along with MC Advisors and certain other funds and accounts sponsored or managed by MC Advisors and its affiliates, received exemptive relief from the SEC that permits us greater flexibility to negotiate the terms of co-investments if our Board determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by MC Advisors or its affiliates in a manner consistent with our investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that co-investment by us and accounts sponsored or managed by MC Advisors and its affiliates may afford us additional investment opportunities and the ability to achieve greater diversification.

POLICIES AND PROCEDURES FOR MANAGING CONFLICTS

As of December 31, 2021, affiliates of MC Advisors manage other assets in 11 closed-end funds, two small business investment companies and 25 private funds that also have an investment strategy focused primarily on senior, unitranche and junior secured debt and to a lesser extent, unsecured subordinated debt to lower middle-market companies. In addition, MC Advisors manages our wholly-owned SBIC subsidiary, MRCC SBIC, as the manager of MRCC SBIC's general partner, a private BDC, Monroe Capital Income Plus Corporation, and it may manage other entities in the future with an investment focus similar to ours. To the extent that we compete with entities managed by MC Advisors or any of its affiliates for a particular investment opportunity, MC Advisors will allocate investment opportunities across the entities for which such opportunities are appropriate, consistent with (a) its internal conflict of interest and allocation policies, (b) the requirements of the Advisers Act and (c) certain restrictions under the 1940 Act and rules thereunder regarding co-investments with affiliates. MC Advisors' allocation policies are intended to ensure that we may generally share equitably with other investment funds or other investment vehicles managed by MC Advisors or its affiliates in investment opportunities, particularly those involving a security with limited supply or involving differing classes of securities of the same issuer which may be suitable for us and such other investment funds or other investment vehicles.

MC Advisors and/or its affiliates may in the future sponsor or manage investment funds, accounts, or other investment vehicles with similar or overlapping investment strategies and have put in place a conflict-resolution policy that addresses the co-investment restrictions set forth under the 1940 Act. MC Advisors will seek to ensure an equitable allocation of investment opportunities when we are able to invest alongside other accounts managed by MC Advisors and its affiliates. We received exemptive relief from the SEC on October 15, 2014 that permits greater flexibility relating to co-investments, subject to certain conditions. When we invest alongside such other accounts as permitted under the 1940 Act, pursuant to SEC staff interpretation, and pursuant to our exemptive relief from the SEC that would permit greater flexibility relating to co-investments, such investments will be made consistent with such relief and MC Advisors' allocation policy. Under this allocation policy, a fixed percentage of each opportunity, which may vary based on asset class and from time to time, will be offered to us and similar eligible accounts, as periodically determined by MC Advisors and approved by our Board, including a majority of our independent directors. The allocation policy provides that allocations among us and other accounts will generally be made pro rata based on each account's capital available for investment, as determined, in our case, by our Board, including a majority of our independent directors. It is our policy to base our determinations as to the amount of capital available for investment on such factors as the amount of cash on hand, existing commitments and reserves, if any, the targeted leverage level, the targeted asset mix and diversification requirements and other investment policies and restrictions set by our Board, or imposed by applicable laws, rules, regulations or interpretations. We expect that these determinations will be made similarly for other accounts. In situations where co-investment with other entities sponsored or managed by MC Advisors or its affiliates is not permitted or appropriate, such as when there is an opportunity to invest in different securities of the same issuer, MC Advisors will need to decide whether we or such other entity or entities will proceed with the investment. MC Advisors will make these determinations based on its policies and procedures which will generally require that such opportunities be offered to eligible accounts on a basis that is fair and equitable over time.

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 free of charge as soon as reasonably practicable following our filing of such reports with the SEC. We maintain a website at *www.monroebdc.com* and make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available, free of charge, on or through our website. Information contained on our website is not incorporated into this report, and you should not consider information on our website to be part of this report. You may also obtain such information by contacting us in writing at 311 South Wacker Drive, Suite 6400, Chicago, Illinois 60606, Attention: Investor Relations. The SEC maintains a website that contains reports, proxy and information statements and other information we file with the SEC at *www.sec.gov.*

ITEM 1A. RISK FACTORS

Investing in our securities involves a number of significant risks. 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 may also impair our operations and performance. If any of the following events occurs, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value and the trading price of our securities could decline, and you may lose all or part of your investment.

Risks Relating to Our Business and Structure

The COVID-19 pandemic has caused severe disruptions in the global economy, which has had, and may continue to have, a negative impact on our portfolio companies and our business and operations.

In late 2019 and early 2020, COVID-19 emerged in China and spread rapidly to across the world, including to the United States. This outbreak has led and for an unknown period of time will continue to lead to disruptions in local, regional, national and global markets and economies affected thereby. With respect to the U.S. credit markets (in particular for middle market loans), this outbreak has resulted in, and until fully resolved is likely to continue to result in, the following among other things: (i) government imposition of various forms of "stay at home" orders and the closing of "non-essential" businesses, resulting in significant disruption to the businesses of many middle-market loan borrowers including supply chains, demand and practical aspects of their operations, as well as in lay-offs of employees, and, while these effects are hoped to be temporary, some effects could be persistent or even permanent; (ii) increased draws by borrowers on revolving lines of credit; (iii) increased requests by borrowers for amendments and waivers of their credit agreements to avoid default, increased defaults by such borrowers and/or increased difficulty in obtaining refinancing at the maturity dates of their loans; (iv) volatility and disruption of these markets including greater volatility in pricing and spreads and difficulty in valuing loans during periods of increased volatility, and liquidity issues; and (v) rapidly evolving proposals and/or actions by state and federal governments to address problems being experienced by the markets and by businesses and the economy in general that will not necessarily adequately address the problems facing the loan market and middle market businesses. This outbreak is having, and any future outbreaks could have, an adverse impact on our portfolio companies and us and on the markets and the economy in general, and that impact could be material. Such effects will likely continue for the duration of the pandemic, which is uncertain, and for some period thereafter. It is impossible to determine the scope of the COVID-19 pandemic, or any future outbreaks, how long any such outbreak, market disruption or uncertainties may last, the effect any governmental actions will have or the full potential impact on us, MC Advisors and our portfolio companies.

The COVID-19 pandemic (including the preventative measures taken in response thereto) has to date (i) created significant business disruption issues for certain of our portfolio companies, and (ii) adversely impacted the value and performance of certain of our portfolio companies. The COVID-19 pandemic is continuing as of the filing date of this Annual Report, and its extended duration may have further adverse impacts on our portfolio companies after December 31, 2021, including for the reasons described below. As a result of this disruption and the pressures on their liquidity, certain of our portfolio companies have been, or may continue to be, incentivized to draw on most, if not all, of the unfunded portion of any revolving or delayed draw term loans made by us, subject to availability under the terms of such loans.

The effects described above on our portfolio companies have, for certain of our portfolio companies to date, impacted their ability to make payments on their loans on a timely basis and in some cases have required us to amend certain terms, including payment terms. In addition, an extended duration of the COVID-19 pandemic may impact the ability of our portfolio companies to continue making their loan payments on a timely basis or meeting their loan covenants. The inability of portfolio companies to make timely payments or meet loan covenants may in the future require us to undertake similar amendment actions with respect to other of our investments or to restructure our investments. The amendment or restructuring of our investments may include the need for us to make additional investments in our portfolio companies (including debt or equity investments) beyond any existing commitments, exchange debt for equity, or change the payment terms of our investments to permit a portfolio company to pay a portion of its interest through payment-in-kind, which would defer the cash collection of such interest and add it to the principal balance, which would generally be due upon repayment of the outstanding principal.

As a result of the COVID-19 pandemic, collateral for our loans may decline in value, which could cause loan losses to increase and the net worth and liquidity of loan guarantors could decline, impairing their ability to honor commitments to us. An increase in loan delinquencies and non-accruals or a decrease in loan collateral and guarantor net worth could result in increased costs and reduced income, which would have a material adverse effect on our business, financial condition or results of operations.

The COVID-19 pandemic has adversely impacted the fair value of certain of our investments as of December 31, 2021 and the values assigned as of this date may differ materially from the values that we may ultimately realize with respect to our investments. Our Board approved the fair value of our investment portfolio as of December 31, 2021 and these valuations were determined in good faith in accordance with our valuation policy based on information known or knowable as of the valuation date. As a result, the long term impacts of the COVID-19 pandemic may not yet be fully reflected in the valuation of our investments and the fair value of our portfolio investments may be further negatively impacted after December 31, 2021 by circumstances and events that are not yet known, including the complete or continuing impact of the COVID-19 pandemic and the resulting measures taken in response thereto. In addition, write downs in the value of our investments have reduced, and any additional write downs may further reduce, our net asset value (and, as a result, our asset coverage calculation). Accordingly, we may continue to incur additional net unrealized losses or may incur realized losses after December 31, 2021, which could have a material adverse effect on our business, financial condition and results of operations.

The volatility and disruption to the global economy from the COVID-19 pandemic has affected, and may continue to affect, the pace of our investment activity, which may have a material adverse impact on our results of operations. Such volatility and disruption have also led to the increased credit spreads in the private debt capital markets.

Further, from an operational perspective, MC Advisors' investment professionals are currently partially working remotely. An extended period of remote work arrangements could strain our business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair our ability to manage our business. In addition, we are highly dependent on third party service providers for certain communication and information systems. As a result, we rely upon the successful implementation and execution of the business continuity planning of such providers in the current environment. If one or more of these third parties to whom we outsource certain critical business activities experience operational failures as a result of the impacts from the spread of COVID-19, or claim that they cannot perform due to a force majeure, it may have a material adverse effect on our business, financial condition, results of operations, liquidity and cash flows.

We are currently operating in a period of capital markets disruption and economic uncertainty.

The U.S. capital markets have experienced extreme volatility and disruption following the spread of COVID-19 in the United States that began in December 2019. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses have also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, have created significant disruption in supply chains and economic activity. The impact of the COVID-19 pandemic has led to significant volatility in the global public equity markets and it is uncertain how long this volatility will continue. As the COVID-19 pandemic continues, the potential impacts, including a global, regional or other economic recession, remain uncertain and difficult to assess. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a long-term world-wide economic downturn.

Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. These and future market disruptions and/or illiquidity would be expected to have an adverse effect on our business, financial condition, results of operations and cash flows. Unfavorable economic conditions also would be expected to 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 have limited and could continue to limit our investment originations, limit our ability to grow and have a material negative impact on our operating results and the fair values of our debt and equity investments.

Additionally, the disruption in economic activity caused by the COVID-19 pandemic has had, and may continue to have, a negative effect on the potential for liquidity events involving our investments. The illiquidity of our investments may make it difficult for us to sell such investments to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes. An inability to raise or access capital, and any required sale of all or a portion of our investments as a result, could have a material adverse effect on our business, financial condition or results of operations.

We depend upon MC Advisors' senior management for our success, and upon its access to the investment professionals of Monroe Capital and its affiliates.

We do not have any internal management capacity or employees. We depend on the investment expertise, skill and network of business contacts of the senior investment professionals of MC Advisors, who evaluate, negotiate, structure, execute, monitor and service our investments in accordance with the terms of the Investment Advisory and Management Agreement. Our success depends to a significant extent on the continued service and coordination of the senior investment professionals of MC Advisors, particularly Messrs. Koenig, Peck, Egan and VanDerMeid, who comprise the MC Advisors investment committee. These individuals may have other demands on their time now and in the future, and we cannot assure you that they will continue to be actively involved in our management. Each of these individuals is an employee of MC Management and is not subject to an employment contract. The departure of any of these individuals or competing demands on their time in the future could have a material adverse effect on our ability to achieve our investment objective.

MC Advisors evaluates, negotiates, structures, closes and monitors our investments in accordance with the terms of the Investment Advisory and Management Agreement. We can offer no assurance, however, that MC Advisors' senior investment professionals will continue to provide investment advice to us. If these individuals do not maintain their existing relationships with Monroe Capital and its affiliates and do not develop new relationships with other sources of investment opportunities, we may not be able to grow our investment portfolio or achieve our investment objective. In addition, individuals with whom Monroe Capital's senior investment professionals have relationships are not obligated to provide us with investment opportunities. Therefore, we can offer no assurance that such relationships will generate investment opportunities for us.

MC Advisors, an affiliate of Monroe Capital, provides us with access to Monroe Capital's investment professionals. MC Advisors also depends upon Monroe Capital to obtain access to deal flow generated by the investment professionals of Monroe Capital and its affiliates. The Staffing Agreement provides that MC Management will make available to MC Advisors experienced investment professionals and access to the senior investment personnel of Monroe Capital for purposes of evaluating, negotiating, structuring, closing and monitoring our investments. We are not a party to this Staffing Agreement and cannot assure you that MC Management will continue to fulfill its obligations under the agreement. Furthermore, the Staffing Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. If MC Management fails to perform or terminates the agreement, we cannot assure you that MC Advisors will enforce the Staffing Agreement or that such agreement will not be terminated by either party or that we will continue to have access to the investment professionals of Monroe Capital and its affiliates or their information and deal flow.

The investment committee that oversees our investment activities is provided by MC Advisors under the Investment Advisory and Management Agreement. The loss of any member of MC Advisors' investment committee or of other Monroe Capital senior investment professionals would limit our ability to achieve our investment objective and operate as we anticipate. This could have a material adverse effect on our financial condition and results of operations.

Our business model depends to a significant extent upon strong referral relationships with financial institutions, sponsors and investment professionals. Any inability of MC Advisors to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.

We depend upon the senior investment professionals of MC Advisors to maintain their relationships with financial institutions, sponsors and investment professionals, and we rely to a significant extent upon these relationships to provide us with potential investment opportunities. If the senior investment professionals of MC Advisors fail to maintain such relationships, or to develop new relationships with other sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom the senior investment professionals of MC Advisors have relationships are not obligated to provide us with investment opportunities, and, therefore, we can offer no assurance that these relationships will generate investment opportunities for us in the future.

Our financial condition and results of operations depend on our ability to manage our business effectively.

Our ability to achieve our investment objective and grow depends on our ability to manage our business. This depends, in turn, on MC Advisors' ability to identify, invest in and monitor companies that meet our investment criteria. The achievement of our investment objectives depends upon MC Advisors' execution of our investment process, its ability to provide competent, attentive and efficient services to us and, to a lesser extent, our access to financing on acceptable terms. MC Advisors has substantial responsibilities under the Investment Advisory and Management Agreement. The senior origination professionals and other personnel of MC Advisors and its affiliates may be called upon to provide managerial assistance to our portfolio companies. These activities may distract them or slow our rate of investment. Any failure to manage our business and our future growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. Our results of operations 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, it could negatively impact our ability to pay dividends or other distributions and you may lose all or part of your investment.

There may be conflicts related to obligations that MC Advisors' senior investment professionals and members of its investment committee have to other clients.

The senior investment professionals and members of the investment committee of MC Advisors serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do, or of investment funds, accounts or other investment vehicles sponsored or managed by MC Advisors or its affiliates. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in our best interests or in the best interest of our stockholders. For example, Messrs. Koenig, Peck, Egan and VanDerMeid have and will continue to have management responsibilities for other investment funds, accounts or other investment vehicles sponsored or managed by affiliates of MC Advisors. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of us or our stockholders. MC Advisors seeks to allocate investment opportunities among eligible accounts in a manner that is fair and equitable over time and consistent with its allocation policy.

MC Advisors manages other assets in a private BDC, and affiliates of MC Advisors manage other assets in 11 closed-end funds, two small business investment companies and 25 private funds that also have an investment strategy focused primarily on senior, unitranche and junior secured debt and, to a lesser extent, unsecured subordinated debt to lower middle-market companies. Except for the private BDC, none of these funds are registered with the SEC. In addition, MC Advisors and/or its affiliates may manage other entities in the future with an investment strategy that has the same or similar focus as ours.

Monroe Capital and its affiliates seek to allocate investment opportunities among the participating funds, including us, in proportion to the relative amounts of capital available for new investments, taking into account such factors as Monroe Capital may determine appropriate, including investment objectives, legal or regulatory restrictions, current holdings, availability of capital for investment, immediately available cash, the size of investments generally, risk-return considerations, relative exposure to market trends, maintenance of targeted leverage level, targeted asset mix, target investment return, diversification requirements, strategic objectives, specific liquidity requirements, tax consequences, limitations and restrictions on a fund's portfolio that are imposed by such fund's governing board or documents, and other considerations or factors that Monroe Capital deems necessary or appropriate in light of the circumstances at such time (collectively, the "Allocation Criteria"). We expect that Monroe Capital will follow the Allocation Criteria with respect to all of its funds under management, including us.

In situations where co-investment with other entities sponsored or managed by MC Advisors or its affiliates is not permitted or appropriate, such as when there is an opportunity to invest in securities of the same issuer that have different priorities or liens, MC Advisors will need to decide whether we or such other entity or entities will proceed with the investment. MC Advisors will make these determinations based on its policies and procedures which require that such opportunities be offered to eligible accounts on a basis that is fair and equitable over time. However, there can be no assurance that we will be able to participate in all investment opportunities that are suitable to us.

MC Advisors or its investment committee may, from time to time, possess material nonpublic information, limiting our investment discretion.

The managing members and the senior origination professionals of MC Advisors and the senior professionals and members of MC Advisors' 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 a material adverse effect on us.

Our management and incentive fee structure may create incentives for MC Advisors that are not fully aligned with the interests of our stockholders.

In the course of our investing activities, we pay management and incentive fees to MC Advisors. Management fees are based on our total assets (which include assets purchased with borrowed amounts but exclude cash and cash equivalents). As a result, investors in our common stock invest on a "gross" basis and receive distributions on a "net" basis after expenses, resulting in a lower rate of return than one might achieve through direct investments. Because these fees are based on our total assets, including assets purchased with borrowed amounts but excluding cash and cash equivalents, MC Advisors benefits when we incur debt or otherwise use leverage. This fee structure may encourage MC Advisors to cause us to borrow money to finance additional investments or to maintain leverage when it would otherwise be appropriate to pay off our indebtedness. Under certain circumstances, the use of borrowed money may increase the likelihood of default, which would disfavor our stockholders. Our Board is charged with protecting our interests by monitoring how MC Advisors addresses these and other conflicts of interest associated with its management services and compensation. While our Board is not expected to review or approve each investment, our independent directors periodically review MC Advisors' services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors consider whether our fees and expenses (including those related to leverage) remain appropriate. As a result of this arrangement, MC Advisors or its affiliates may from time to time have interests that differ from those of our stockholders, giving rise to a conflict.

The part of the incentive fee payable to MC Advisors that relates to our net investment income is computed and paid on income that may include interest income that has been accrued but not yet received in cash. This fee structure may be considered to involve a conflict of interest for MC Advisors to the extent that it may encourage MC Advisors to favor debt financings that provide for deferred interest, rather than current cash payments of interest. MC Advisors may have an incentive to invest in PIK interest securities in circumstances where it would not have done so but for the opportunity to continue to earn the incentive fee even when the issuers of the deferred interest securities would not be able to make actual cash payments to us on such securities. This risk could be increased because MC Advisors is not obligated to reimburse us for any incentive fees received even if we subsequently incur losses or never receive in cash the deferred income that was previously accrued. In addition, the part of the incentive fee payable to MC Advisors that relates to our net investment income generally does not include any realized capital gains or losses or unrealized capital gains or losses. However, part one incentive fees are subject to Incentive Fee Limitation as described in Note 6 to the accompanying consolidated financial statements. Any net investment income incentive fee would not be subject to repayment.

Our incentive fee may induce MC Advisors to make certain investments, including speculative investments.

MC Advisors receives an incentive fee based, in part, upon net capital gains realized on our investments. Unlike that portion of the incentive fee based on income, there is no hurdle rate applicable to the portion of the incentive fee based on net capital gains. As a result, MC Advisors 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 could result in higher investment losses, particularly during economic downturns.

The Investment Advisory and Management Agreement with MC Advisors and the Administration Agreement with MC Management were not negotiated on an arm's length basis and may not be as favorable to us as if they had been negotiated with an unaffiliated third-party.

We negotiated the Investment Advisory and Management Agreement and the Administration Agreement with related parties. Consequently, their terms, including fees payable to MC Advisors, may not be as favorable to us as if they had been negotiated with an unaffiliated third-party. In addition, we may choose not to enforce, or to enforce less vigorously, our rights and remedies under these agreements because of our desire to maintain our ongoing relationship with MC Advisors and MC Management. Any such decision, however, would breach our fiduciary obligations to our stockholders.

Our ability to enter into transactions with our affiliates is restricted, which may limit the scope of investments available to us.

We are prohibited under the 1940 Act from participating in certain transactions with our affiliates without the prior approval of our independent directors and, in some cases, of the SEC. Any person that owns, directly or indirectly, five percent or more of our outstanding voting securities is our affiliate for purposes of the 1940 Act, and we are generally prohibited from buying or selling any security from or to such affiliate, absent the prior approval of our independent directors. The 1940 Act also prohibits certain "joint" transactions with certain of our affiliates, which could include investments in the same portfolio company, without prior approval of our independent directors and, in some cases, of the SEC. We are prohibited from buying or selling any security from or to any person who owns more than 25% of our voting securities or certain of that person's affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. As a result of these restrictions, we may be prohibited from buying or selling any security (other than any security of which we are the issuer) from or to any portfolio company of a private equity fund managed by MC Advisors or its affiliates without the prior approval of the SEC, which may limit the scope of investment opportunities that would otherwise be available to us.

We may, however, co-invest with MC Advisors and its affiliates' other clients in certain circumstances where doing so is consistent with applicable law and SEC staff interpretations. For example, we may co-invest with such accounts consistent with guidance promulgated by the SEC staff permitting us and such other accounts to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that MC Advisors, acting on our behalf and on behalf of other clients, negotiates no term other than price. We may also co-invest with MC Advisors' affiliates' other clients as otherwise permissible under regulatory guidance, applicable regulations, exemptive relief granted to us by the SEC on October 15, 2014 and MC Advisors' allocation policy, which the investment committee of MC Advisors maintains in writing. The allocation policy further provides that allocations among us and these other funds are generally made in proportion to the relative amounts of capital available for new investments taking into account the Allocation Criteria. We expect that Monroe Capital will follow the Allocation Criteria with respect to all of its funds under management, including us. However, we can offer no assurance that investment opportunities will be allocated to us fairly or equitably in the short-term or over time.

In situations where co-investment with other entities sponsored or managed by MC Advisors or its affiliates is not permitted or appropriate, such as when there is an opportunity to invest in securities of the same issuer that have different priorities or liens, MC Advisors will need to decide whether we or such other entity or entities will proceed with the investment. MC Advisors will make these determinations based on its policies and procedures which require that such opportunities be offered to eligible accounts on a basis that is fair and equitable over time. Moreover, except in certain circumstances, we are unable to invest in any issuer in which a fund managed by MC Advisors or its affiliates has previously invested. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates.

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of the majority of the members of our Board who are not interested persons and, in some cases, prior approval by the SEC. The SEC has interpreted the BDC regulations governing transactions with affiliates to prohibit certain "joint transactions" between entities that share a common investment adviser.

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

We compete with a number of specialty and commercial finance companies to make the types of investments that we make in middle-market companies, including BDCs, traditional commercial banks, private investment funds, regional banking institutions, small business investment companies, investment banks and insurance companies. Additionally, with increased competition for investment opportunities, alternative investment vehicles such as hedge funds may seek to invest in areas they have not traditionally invested in or from which they had withdrawn during the economic downturn, including investing in middle-market companies. As a result, competition for investments in lower middle-market companies has intensified, and we expect that trend to continue. Many of our existing and potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and 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. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we offer. We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. If we are forced to match our competitors' pricing, terms and structure, however, we may not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. A significant part of our competitive advantage stems from the fact that the lower middle-market is underserved by traditional commercial and investment banks, and generally has less access to capital. A significant increase in the number and/or the size of our competitors in this target market could force us to accept less attractive investment terms.

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 RIC status. The competitive pressures we face may have a material adverse effect on our business, financial condition and results of operations. 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.

We will be subject to corporate-level U.S. federal income tax if we are unable to qualify or maintain qualification as a RIC under Subchapter M of the Code.

We elected to be treated as a RIC under Subchapter M of the Code commencing with our taxable year ended December 31, 2012, have qualified in each taxable year since, and intend to qualify annually hereafter; however, no assurance can be given that we will be able to qualify for and maintain RIC status. To receive RIC tax treatment under the Code and to be relieved of federal taxes on income and gains distributed to our stockholders, we must meet certain requirements, including source-of-income, asset diversification and distribution requirements. The annual distribution requirement applicable to RICs is satisfied if we distribute at least 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders on an annual basis. In addition, we will be subject to a 4% nondeductible federal excise tax to the extent that we do not satisfy certain additional minimum distribution requirements on a calendar year basis. To the extent we use debt financing, we will be subject to certain asset coverage ratio requirements under the 1940 Act and may be subject to financial covenants under loan and credit agreements, each of which could, under certain circumstances, restrict us from making annual distributions necessary to receive RIC tax treatment. If we are unable to obtain cash from other sources, we may fail to be taxed as a RIC and, thus, may be subject to corporate-level U.S. federal income tax on our entire taxable income without regard to any distributions made by us. In order to be taxed as a RIC, we must also meet certain asset diversification requirements at the end of each calendar quarter. Failure to meet these tests may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments are in private or thinly traded public companies, any such dispositions could be made at disadvantageous prices and may result in substantial losses. If we fail to be taxed as a RIC for any reason and become subject to corporate U.S. federal income tax, the resulting corporate U.S. federal income taxes could substantially reduce our net assets, the amount of income available for distributions to stockholders and the amount of our distributions and the amount of funds available for new investments. Such a failure would have a material adverse effect on us and our stockholders.

An extended disruption in the capital markets and the credit markets could negatively affect our business.

As a BDC, it will be necessary for us to maintain our ability to raise additional capital for investment purposes. Without sufficient access to the capital markets or credit markets, we may be forced to curtail our business operations or we may not be able to pursue new business opportunities. The capital markets and the credit markets have experienced periods of extreme volatility and disruption and, accordingly, there has been and may in the future be uncertainty in the financial markets in general. Ongoing disruptive conditions in the financial industry and the impact of new legislation in response to those conditions could restrict our business operations and could adversely impact our results of operations and financial condition.

We access the capital markets periodically to issue debt or equity securities or borrow from financial institutions in order to obtain such additional capital. Unfavorable economic conditions 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. A reduction in the availability of new capital could limit our ability to pursue new business opportunities and grow our business. In addition, we are required to distribute at least 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders to qualify for the tax benefits available to RICs. As a result, these earnings will not be available to fund new investments. An inability to access the capital markets successfully could limit our ability to grow our business and execute our business strategy fully and could decrease our earnings, if any, which may have an adverse effect on the value of our securities.

We may need to raise additional capital to grow because we must distribute most of our income.

We may need additional capital to fund new investments and grow our portfolio of investments. We intend to access the capital markets periodically to issue debt or equity securities or borrow from financial institutions in order to obtain such additional capital. Unfavorable economic conditions 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. A reduction in the availability of new capital could limit our ability to grow. In addition, in order to qualify as a RIC, we are required to distribute each taxable year an amount at least equal to 90% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders. As a result, these earnings are not available to fund new investments. An inability to access the capital markets successfully could limit our ability to grow our business and execute our business strategy fully and could decrease our earnings, if any, which may have an adverse effect on the value of our securities.

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 include in income certain amounts that we have not yet received in cash, such as original issue discount, or through contracted PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term. Original issue discount, which could be significant relative to our overall investment activities, or increases in loan balances as a result of contracted PIK arrangements, are included in income before we receive the corresponding cash payments. We also may be required to include in income certain other amounts that we will not receive in cash.

That part of the incentive fee payable by us that relates to our net investment income is computed and paid on income that may include interest that has been accrued but not yet received in cash, such as original issue discount and PIK interest. If we pay a net investment income incentive fee on interest that has been accrued, but not yet received in cash, it will increase the basis of our investment in that loan, which will reduce the capital gain incentive fee that we would otherwise pay in the future. Nevertheless, if we pay a net investment income incentive fee on interest that has been accrued but not yet received, and if that portfolio company defaults on such a loan, it is possible that accrued interest previously included in the calculation of the incentive fee will become uncollectible.

Because we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirements applicable to RICs. In such a case, 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 reduce new investment originations and sourcings to meet these distribution requirements. If we are not able to obtain such cash from other sources, we may fail to qualify for the tax benefits available to RICs and thus be subject to corporate-level U.S. federal income tax.

The 1940 Act allows us to incur additional leverage, which could increase the risk of investing in us.

The 1940 Act generally prohibits us from incurring indebtedness unless immediately after such borrowing we have an asset coverage for total borrowings of at least 200% (i.e., the amount of debt may not exceed half of the value of our total assets). However, under the Small Business Credit Availability Act (the "SBCAA"), which became law in March 2018, BDCs have the ability to elect to become subject to a lower asset coverage requirement of 150% (i.e., the amount of debt may not exceed two-thirds of the value of our total assets), subject to the receipt of the requisite board or stockholder approvals under the SBCAA and satisfaction of certain other conditions.

On June 20, 2018, our stockholders approved the application of the modified asset coverage requirements, as approved by our board of directors on March 27, 2018, and we became subject to the 150% minimum asset coverage ratio, effective June 21, 2018.

Leverage is generally considered a speculative investment technique and may increase the risk of investing in our securities. Leverage magnifies the potential for loss on investments in our indebtedness and on invested equity capital. As we use leverage to partially finance our investments, you will experience increased risks of investing in our securities. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged our business. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net investment income to increase more than it would without the leverage, while any decrease in our income would cause net investment income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to pay distributions, scheduled debt payments or other payments related to our securities. The effects of leverage would cause any decrease in net asset value for any losses to be greater than any increase in net asset value for any corresponding gains. If we incur additional leverage, you will experience increased risks of investing in our common stock.

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

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," up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are permitted as a BDC to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 150% (as of June 21, 2018) of total assets less all liabilities and indebtedness not represented by senior securities, immediately after each issuance of senior securities (other than the SBA debentures of an SBIC subsidiary, as permitted by exemptive relief we have been granted by the SEC). 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 and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. This could have a material adverse effect on our operations and we may not be able to make distributions in an amount sufficient to be subject to taxation as a RIC, or at all. In addition, issuance of securities could dilute the percentage ownership of our current stockholders in us.

No person or entity from which we borrow money will have a veto power or a vote in approving or changing any of our fundamental policies. If we issue preferred stock, the preferred stock would rank "senior" to common stock in our capital structure, preferred stockholders would have separate voting rights on certain matters and might have other rights, preferences or privileges more favorable than those of our common stockholders, and the issuance of preferred stock could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our common stock or otherwise be in your best interest. Holders of our common stock will directly or indirectly bear all of the costs associated with offering and servicing any preferred stock that we issue. In addition, any interests of preferred stockholders may not necessarily align with the interests of holders of our common stock and the rights of holders of shares of preferred stock to receive dividends would be senior to those of holders of shares of our common stock.

As a BDC, we generally are not able to issue our common stock at a price below net asset value per share without first obtaining the approval of our stockholders and our independent directors. If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, then percentage ownership of our stockholders at that time would decrease, and you might experience dilution. We have stockholder approval to sell our common stock below net asset value through June 16, 2022. We may seek further stockholder approval to sell shares below net asset value in the future.

We maintain a revolving credit facility and use other borrowed funds to make investments or fund our business operations, which exposes us to risks typically associated with leverage and increases the risk of investing in us.

We maintain a revolving credit facility, have issued debt securities and may borrow money, including through the issuance of additional debt securities or preferred stock, to leverage our capital structure, which is generally considered a speculative investment technique. As a result:

- our common stock is exposed to an increased risk of loss because a decrease in the value of our investments would have a greater negative impact on the value of our common stock than if we did not use leverage;

- if we do not appropriately match the assets and liabilities of our business, adverse changes in interest rates could reduce or eliminate the incremental income we make with the proceeds of any leverage;
- our ability to pay distributions on our common stock may be restricted if our asset coverage ratio, as provided in the 1940 Act, is not at least 150% and any amounts used to service indebtedness or preferred stock would not be available for such distributions;
- any credit facility is subject to periodic renewal by its lenders, whose continued participation cannot be guaranteed;
- our revolving credit facility with ING Capital LLC, as agent, is, and any other credit facility we may enter into would be, subject to various financial and operating covenants, including that our portfolio of investments satisfies certain eligibility and concentration limits as well as valuation methodologies;
- such securities would be governed by an indenture or other instrument containing covenants restricting our operating flexibility;
- we bear the cost of issuing and paying interest or distributions on such securities, which costs are entirely borne by our common stockholders; and
- any convertible or exchangeable securities that we issue may have rights, preferences and privileges more favorable than those of our common stock.

The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. 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) [1]				
	-10%	**-5%**	**0%**	**5%**	**10%**
Corresponding return to common stockholder [2][3]	-28.81%	-16.98%	-5.15%	6.69%	18.52%

(1) The assumed return on our portfolio is required by regulation of the SEC to assist investors in understanding the effects of leverage and is not a prediction of, and does not represent, our projected or actual performance.

(2) Assumes $590.5 million in total assets, $341.0 million in debt outstanding, of which $281.0 million is senior securities outstanding, $249.5 million in net assets and an average cost of funds of 3.77%, which was the weighted average interest rate of borrowing on our revolving credit facility, SBA debentures and 2026 Notes as of December 31, 2021. The interest rate on our revolving credit facility is a variable rate. Actual interest payments may be different.

(3) In order for us to cover our annual interest payments on indebtedness, we must achieve annual returns on our December 31, 2021 total portfolio assets of at least 2.17%.

The majority of our assets are subject to security interests under our revolving credit facility and if we default on our obligations under such facility, we may suffer adverse consequences, including foreclosure on our assets.

As of December 31, 2021, the majority of our assets (excluding, among other things, investments held in and by certain of our subsidiaries) were pledged as collateral under our revolving credit facility. If we default on our obligations under this facility, the lenders may have the right to foreclose upon and sell, or otherwise transfer, the collateral subject to their security interests or their superior claim. In such event, we may be forced to sell our investments to raise funds to repay our outstanding borrowings in order to avoid foreclosure and these forced sales may be at times and at prices we would not consider advantageous. Moreover, such deleveraging of our company could significantly impair our ability to effectively operate our business in the manner in which we have historically operated. As a result, we could be forced to curtail or cease new investment activities and lower or eliminate the distributions that we have historically paid to our stockholders.

In addition, if the lenders exercise their right to sell the assets pledged under our revolving credit facility, such sales may be completed at distressed sale prices, thereby diminishing or potentially eliminating the amount of cash available to us after repayment of the amounts outstanding under the credit facilities.

We are subject to risks associated with our revolving credit facility and the terms of our revolving credit facility may contractually limit our ability to incur additional indebtedness.

Our revolving credit facility, as amended, imposes certain conditions that may limit the amount of our distributions to stockholders. Distributions payable in our common stock under our dividend reinvestment plan are not limited by the revolving credit facility. Distributions in cash or property other than our common stock are generally limited to 115% of the amount of distributions required to maintain our ability to be subject to taxation as a RIC. We are required under the revolving credit facility to maintain our ability to be subject to taxation as a RIC.

The revolving credit facility requires us to comply with certain financial and operational covenants, including asset coverage ratios and a minimum net worth. For example, the revolving credit facility requires that we maintain an asset coverage ratio of at least 1.5 to 1 and a senior debt coverage ratio of at least 2 to 1 at all times. We may divert cash to pay the lenders in amounts sufficient to cause these tests to be satisfied. Our compliance with these covenants depends on many factors, some of which, such as market conditions, are beyond our control.

Our ability to sell our investments is also limited under the revolving credit facility. Under the revolving credit facility, the sale of any portfolio investment may not cause our covered debt amount to exceed our borrowing base. As a result, there may be times or circumstances during which we are unable to sell investments, pay distributions or take other actions that might be in our best interests.

Availability of borrowings under the revolving credit facility is linked to the valuation of the collateral pursuant to a borrowing base mechanism. As such, declines in the fair market value of our investments which are collateral to the revolving credit facility may reduce availability under our revolving credit facility.

To the extent we use debt to finance our investments, changes in interest rates will affect our cost of capital and net investment income.

To the extent we borrow money to make investments, our net investment income depends, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income in the event we use debt to finance our investments. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income. We expect that our long-term fixed-rate investments will be financed primarily with issuances of equity and long-term debt securities. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act.

You should also be aware that a rise in the general level of interest rates typically leads to higher interest rates applicable to our debt investments. Accordingly, an increase in interest rates may result in an increase of the amount of incentive fees payable to MC Advisors.

The interest rates of our revolving credit facility and loans to our portfolio companies that extend beyond 2023 might be subject to change based on recent regulatory changes.

LIBOR, the London Interbank Offered Rate, is the basic rate of interest used in lending transactions between banks on the London interbank market and has been widely used as a reference for setting the interest rate on loans globally. We typically use LIBOR as a reference rate in term loans we extend to portfolio companies such that the interest due to us pursuant to a term loan extended to a portfolio company is calculated using LIBOR. The terms of our debt investments generally include minimum interest rate floors which are calculated based on LIBOR. Amounts drawn under our revolving credit facility also currently bear interest at LIBOR plus a margin.

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. As of January 1, 2022, consistent with FCA's prior announcement, British pound, euro, Swiss franc, and Japanese yen settings and the one-week and two-month U.S. dollar LIBOR settings are no longer available. Until the end of 2022, one-month, three-month, and six-month British pound and Japanese yen LIBOR settings will continue publication on a changed methodology (i.e. "synthetic") basis, but these synthetic rates may only be used in legacy LIBOR contracts, other than cleared derivatives, that have not been changed at or ahead of the end of 2021. The remaining U.S. dollar LIBOR settings will permanently cease immediately after June 30, 2023, providing additional time to address the legacy contracts that reference such U.S. dollar LIBOR settings. There is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate.

A committee established by the Federal Reserve, the Alternative Reference Rates Committee, announced the replacement of LIBOR with a new index, based on overnight repurchase agreements collateralized by U.S. Treasury securities, called the Secured Overnight Financing Rate ("SOFR"). The Federal Reserve Bank of New York began publishing SOFR in April 2018. Other jurisdictions have also proposed their own alternative to LIBOR, including the Sterling Overnight Index Average for Sterling markets, the Euro Short Term Rate for Euros and Tokyo Overnight Average Rate for Japanese Yens. Although SOFR appears to be the preferred replacement rate for U.S. dollar LIBOR, at this time, it is not possible to predict whether SOFR will attain market traction as a LIBOR replacement tool, and the future of LIBOR is still uncertain. The effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR or other reference rates that may be enacted in the United Kingdom or elsewhere cannot be predicted at this time, and it is not possible to predict whether LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what the effect of any such changes in views or alternatives may have on the financial markets for financial instruments based on LIBOR.

To date, certain of the loan agreements with our portfolio companies have already been amended to include fallback language providing a mechanism for the parties to negotiate a new reference interest rate in the event that LIBOR ceases to exist. Factors such as the pace of the transition to replacement or reformed rates, the specific terms and parameters for and market acceptance of any alternative reference rate, prices of and the liquidity of trading markets for products based on alternative reference rates, and our ability to transition and develop appropriate systems and analytics for one or more alternative reference rates could also have a material adverse effect on our business, financial condition and results of operations. 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 a material adverse effect on our business, financial condition, tax position and results of operations.

We are exposed to risks associated with changes in interest rates.

Interest rate fluctuations may have a substantial negative impact on our investments, the value of our common stock and our rate of return on invested capital. A reduction in the interest rates on new investments relative to interest rates on current investments could have an adverse impact on our net investment income while an increase in interest rates could decrease the value of any investments we hold which earn fixed interest rates and increase our interest expense, thereby decreasing our net income. An increase in interest rates available to investors could also make investment in our common stock less attractive unless we are able to increase our dividend rate. In addition, a significant increase in market interest rates could also result in an increase in our non-performing assets and a decrease in the value of our portfolio because our floating-rate loan portfolio companies may be unable to meet higher payment obligations.

MRCC SBIC is subject to SBA regulations.

Under current SBA regulations, a licensed SBIC can invest in entities that have a tangible net worth not exceeding $19.5 million and an average annual net income after U.S. federal income taxes (excluding any carryover losses) not exceeding $6.5 million for the two most recent fiscal years. In addition, a licensed SBIC must invest 25.0% of its capital in those entities that have a tangible net worth not exceeding $6.0 million and an average annual net income after U.S. federal income taxes (excluding any carryover losses) not exceeding $2.0 million for the two most recent fiscal years. The SBA regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on either the number of employees or the gross sales. The SBA regulations permit licensed SBICs to make long term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. The SBA also places certain limitations on the financing terms of investments by SBICs in portfolio companies and prohibits SBICs from providing funds for certain purposes or to businesses in certain prohibited industries. Further, the SBA regulations require that a licensed SBIC be periodically examined and audited by the SBA staff to determine its compliance with the relevant SBA regulations. Compliance with these SBA requirements may cause MRCC SBIC to forego attractive investment opportunities that are not permitted under the SBA regulations, and may cause MRCC SBIC to make investments it otherwise would not make in order to remain in compliance with these regulations.

Failure to comply with the SBA regulations could result in the loss of the SBIC license and the resulting inability to participate in the SBA debenture program. The SBA prohibits, without prior SBA approval, a “change of control” of an SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10.0% or more of a class of capital stock of a licensed SBIC. Current SBA regulations provide the SBA with certain rights and remedies if an SBIC violates their terms. Remedies for regulatory violations are graduated in severity depending on the seriousness of capital impairment or other regulatory violations. For minor regulatory infractions, the SBA issues a warning. For more serious infractions, the use of SBA debentures may be limited or prohibited, outstanding debentures can be declared to be immediately due and payable, restrictions on distributions and making new investments may be imposed and management fees may be required to be reduced. In severe cases, the SBA may require the removal of a general partner of an SBIC or its officers, directors, managers or partners, or the SBA may obtain appointment of a receiver for the SBIC.

On March 1, 2022, MRCC SBIC fully repaid its outstanding SBA debentures and notified the SBA of its intent to surrender its license to operate as a SBIC. Effective with the surrender of its license MRCC SBIC is no longer subject to SBA regulations.

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC, which would have a material adverse effect on our business, financial condition and results of operations.

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% of our total assets are qualifying assets, as defined in section 55(a) of the 1940 Act. See "Business — Qualifying Assets." We believe that most of the investments that we may acquire in the future will constitute qualifying assets. However, 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 violate the 1940 Act provisions applicable to BDCs. As a result of such violation, specific rules under the 1940 Act could prevent us, for example, from making follow-on investments in existing portfolio companies which could result in the dilution of our position or could require us to dispose of investments at inappropriate times in order to come into compliance with the 1940 Act. If we need to dispose of investments quickly, it could be difficult to dispose of such investments on favorable terms. We may not be able to find a buyer for such investments and, even if we do find a buyer, we may have to sell the investments at a substantial loss. Any such outcomes would have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Many of our portfolio investments are recorded at fair value as determined in good faith by our Board and, as a result, there may 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 by our Board. Many of our portfolio investments may take the form of securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable, and we value these securities at fair value as determined in good faith by our Board, including to reflect significant events affecting the value of our securities. 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 a 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.

We expect that most of our investments (other than cash and cash equivalents) will be classified as Level 3 in the fair value hierarchy and require disclosures about the level of disaggregation along with the inputs and valuation techniques we use to measure fair value. This means that our portfolio valuations are based on unobservable inputs and our own assumptions about how market participants would price the asset or liability in question. Inputs into the determination of fair value of our portfolio investments require significant management judgment or estimation. Even if observable market data is available, such information may be the result of consensus pricing information or broker quotes, which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimers materially reduces the reliability of such information. We employ the services of one or more independent service providers to conduct fair value appraisals of material investments for which market quotations are not readily available. These fair value appraisals for material investments are received at least once every calendar year for each portfolio company investment, but are generally received quarterly. The types of factors that our Board may take into account in determining the fair value of our investments generally include, as appropriate, comparison to publicly traded securities including such factors as yield, maturity and measures of credit quality, the enterprise value of a 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 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 in the value of our portfolio investments, a fair value determination may cause net asset value on a given date to materially understate or overstate the value that we may ultimately realize upon one or more of our investments. As a result, investors purchasing shares of our common stock based on an overstated net asset value would pay a higher price than the value of the investments might warrant. Conversely, investors selling shares during a period in which the net asset value understates the value of investments will receive a lower price for their shares than the value the investment portfolio might warrant.

We adjust quarterly the valuation of our portfolio to reflect the determination of our Board of the fair value of each investment in our portfolio. Any changes in fair value are recorded in our consolidated statements of operations as net change in unrealized gain (loss).

Legislative or regulatory tax changes could adversely affect investors.

At any time, the federal income tax laws governing RICs or the administrative interpretations of those laws or regulations may be amended. The Biden Administration has announced a number of tax law proposals, including American Families Plan and Made in America Tax Plan, which include increases in the corporate and individual tax rates, and impose a minimum tax on book income and profits of certain multinational corporations. Any new laws, regulations or interpretations may take effect retroactively and could adversely affect the taxation of us or our shareholders. Therefore, changes in tax laws, regulations or administrative interpretations or any amendments thereto could diminish the value of an investment in our shares or the value or the resale potential of our investments.

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

Our Board has the authority, except as otherwise prohibited by the 1940 Act, to modify or waive certain of our operating policies and strategies without prior notice and without stockholder approval. 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. Under Maryland law, we also cannot be dissolved without prior stockholder approval except by judicial action. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results and the price value of our common stock. Nevertheless, any such changes could adversely affect our business and impair our ability to make distributions.

MC Advisors can resign on 60 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

MC Advisors has the right to resign under the Investment Advisory and Management Agreement without penalty at any time upon 60 days' written notice to us, whether we have found a replacement or not. If MC Advisors resigns, we may not be able to find a new investment advisor 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 we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our securities may decline. In addition, the coordination of our internal management and investment 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 MC Advisors and its affiliates. Even if we were able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

MC Management can resign on 60 days' notice from its role as our administrator under the Administration Agreement, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

MC Management has the right to resign under the Administration Agreement without penalty upon 60 days' written notice to us, whether we have found a replacement or not. If MC Management resigns, we may not be able to find a new administrator or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and administrative activities is likely to suffer if we are unable to identify and reach an agreement with a service provider or individuals with the expertise possessed by MC Management. Even if we were able to retain a comparable service provider or individuals to perform such services, 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 adversely affect our financial condition, business and results of operations.

We may incur lender liability as a result of our lending activities.

In recent years, a number of judicial decisions have upheld the right of borrowers and others to sue lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or stockholders. We may be subject to allegations of lender liability, which could be time-consuming and expensive to defend and result in significant liability.

We may incur liability as a result of providing managerial assistance to our portfolio companies.

In the course of providing significant managerial assistance to certain portfolio companies, certain of our management and directors may serve as directors on the boards of such companies. To the extent that litigation arises out of investments in these companies, our management and directors may be named as defendants in such litigation, which could result in an expenditure of our funds, through our indemnification of such officers and directors, and the diversion of management time and resources.

MC Advisors may not be able to achieve the same or similar returns as those achieved by our senior management and investment teams while they were employed at prior positions.

The track record and achievements of the senior investment professionals of Monroe Capital are not necessarily indicative of future results that will be achieved by MC Advisors. As a result, MC Advisors may not be able to achieve the same or similar returns as those achieved by the senior investment professionals of Monroe Capital.

Risks Relating to Our Investments

Events outside of our control, including public health crises, could negatively affect our portfolio companies, our investment adviser and the results of our operations.

Periods of market volatility could continue to occur in response to pandemics or other events outside of our control. We, MC Advisors, and the portfolio companies in which we invest in could be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, such as acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events could adversely affect the ability of a party (including us, MC Advisors, a portfolio company or a counterparty to us, MC Advisors, or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, force majeure events, such as the cessation of the operation of equipment for repair or upgrade, could similarly lead to the unavailability of essential equipment and technologies.

These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, including to a senior manager of MC Advisors or its affiliates, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or us of repairing or replacing damaged assets resulting from such force majeure event could be considerable. It will not be possible to insure against all such events, and insurance proceeds received, if any, could be inadequate to completely or even partially cover any loss of revenues or investments, any increases in operating and maintenance expenses, or any replacements or rehabilitation of property. Certain events causing catastrophic loss could be either uninsurable, or insurable at such high rates as to adversely impact us, MC Advisors, or portfolio companies, as applicable. Force majeure events that are incapable of or are too costly to cure could have permanent adverse effects. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which we invest or our portfolio companies operate specifically.

Such force majeure events could result in or coincide with: increased volatility in the global securities, derivatives and currency markets; a decrease in the reliability of market prices and difficulty in valuing assets; greater fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; less governmental regulation and supervision of the securities markets and market participants and decreased monitoring of the markets by governments or self-regulatory organizations and reduced enforcement of regulations; limited, or limitations on, the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e., a market freeze); unavailability of currency hedging techniques; substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments.

Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to us, including if the investment in such portfolio companies is canceled, unwound or acquired (which could result in inadequate compensation). Any of the foregoing could therefore adversely affect the performance of us and our investments.

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

Many of our portfolio companies are susceptible to economic slowdowns or recessions and may be unable to repay our loans during these periods. These portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive research and development, manufacturing, marketing and service capabilities and greater number of qualified and experienced managerial and technical personnel. They may need additional financing that they are unable to secure and that we are unable or unwilling to provide, or they may be subject to adverse developments unrelated to the technologies they acquire.

Therefore, our non-performing assets are likely to increase, and the value of our portfolio is likely to decrease during these periods. Adverse economic conditions may decrease the value of collateral securing some of our loans and the value of our equity investments and could lead to financial losses in our portfolio and a corresponding 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 our 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 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. It is possible that we could become subject to a lender liability claim, including as a result of actions taken if we or MC Advisors render significant managerial assistance to the borrower. Furthermore, if one of our portfolio companies were to file for bankruptcy protection, even though we may have structured our investment as senior secured debt, depending on the facts and circumstances, including the extent to which we or MC Advisors provided managerial assistance to that portfolio company or otherwise exercise control over it, a bankruptcy court might re-characterize our debt as a form of equity and subordinate all or a portion of our claim to claims of other creditors.

Inflation may adversely affect the business, results of operations and financial condition of our portfolio companies.

Certain of our portfolio companies may be impacted by inflation. If such portfolio companies are unable pass any increases in their costs along to their customers, it could adversely affect their results and their ability to impacting their ability to pay interest and principal on our loans. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future unrealized losses and therefore reduce our net assets resulting from operations.

Market conditions have materially and adversely affected debt and equity capital markets in the United States and around the world.

In the past, the global capital markets experienced periods of disruption resulting in increasing spreads between the yields realized on riskier debt securities and those realized on securities perceived as being risk-free and a lack of liquidity in parts of the debt capital markets, significant write-offs in the financial services sector relating to subprime mortgages and the re-pricing of credit risk in the broadly syndicated market. These events, along with the deterioration of the housing market, illiquid market conditions, declining business and consumer confidence and the failure of major financial institutions in the United States, led to a general decline in economic conditions. This economic decline materially and adversely affected the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and to financial firms in particular. If such a period of disruption were to occur in the future, to the extent that we wish to use debt to fund our investments, the debt capital that will be available to us, if at all, may be at a higher cost, and on terms and conditions that may be less favorable, than what we expect, which could negatively affect our financial performance and results. A prolonged period of market illiquidity may cause us to reduce the volume of loans we originate and/or fund below historical levels and adversely affect the value of our portfolio investments, which could have a material and adverse effect on our business, financial condition, and results of operations. The spread between the yields realized on riskier debt securities and those realized on securities perceived as being risk-free has remained narrow on a relative basis recently. If these spreads were to widen or if there were deterioration of market conditions, these events could materially and adversely affect our business.

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

Investment in leveraged companies involves a number of significant risks. Leveraged companies, including lower middle-market companies, in which we invest may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold. Such developments may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees that we may have obtained in connection with our investment. In addition, our junior secured loans are generally subordinated to senior loans. As such, other creditors may rank senior to us in the event of an insolvency.

Our portfolio companies will likely consist primarily of lower middle-market, privately owned companies, which may present a greater risk of loss than loans to larger companies.

Our portfolio consists, and will most likely continue to consist, primarily of loans to lower middle-market, privately owned companies. Compared to larger, publicly traded firms, these companies generally have more limited access to capital and higher funding costs, may be in a weaker financial position and may need more capital to expand, compete and operate their business. In addition, many of these companies may be unable to obtain financing from public capital markets or from traditional sources, such as commercial banks. Accordingly, loans made to these types of borrowers may entail higher risks than loans made to companies that have larger businesses, greater financial resources or are otherwise able to access traditional credit sources on more attractive terms.

Investing in lower middle-market companies involves a number of significant risks, including that lower middle-market companies:

- may have shorter operating histories, narrower product lines and smaller market shares 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;
- typically have more limited access to the capital markets, which may hinder their ability to refinance borrowings;
- will be unable to refinance or repay at maturity the unamortized loan balance as we structure our loans such that a significant balance remains due at maturity;
- generally have less predictable operating results, may be particularly vulnerable to changes in customer preferences or market conditions, depend on one or a limited number of major customers;
- may from time to time be parties to litigation, 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. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and may lose all or part of our investment.

Any of these factors or changes thereto could impair a portfolio company's financial condition, results of operation, cash flow or result in other adverse events, such as bankruptcy, any of which could limit a portfolio company's ability to make scheduled payments on loans from us. This, in turn, may lead to their inability to make payments on outstanding borrowings, which could result in losses in our loan portfolio and a decrease in our net interest income and book value.

We may be subject to risks associated with our investments in senior loans.

We invest in senior secured loans. Senior secured loans are usually rated below investment grade or may also be unrated. As a result, the risks associated with senior secured loans may be considered by credit rating agencies to be similar to the risks of below investment grade fixed income instruments, although senior secured loans are senior and secured in contrast to other below investment grade fixed income instruments, which are often subordinated or unsecured. Investment in senior secured loans rated below investment grade is considered speculative because of the credit risk of their issuers. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed to us, and such defaults could have a material adverse effect on our performance. An economic downturn would generally lead to a higher non-payment rate, and a senior secured loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a senior secured loan may decline in value or become illiquid, which would adversely affect the senior secured loan's value.

There may be less readily available and reliable information about most senior secured loans than is the case for many other types of securities, including securities issued in transactions registered under the Securities Act or registered under the Exchange Act. As a result, MC Advisors will rely primarily on its own evaluation of a borrower's credit quality rather than on any available independent sources. Therefore, we will be particularly dependent on the analytical abilities of MC Advisors.

In general, the secondary trading market for senior secured loans is not well developed. No active trading market may exist for certain senior secured loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that we may not be able to sell senior secured loans quickly or at a fair price. To the extent that a secondary market does exist for certain senior secured loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

We may be subject to risks associated with our investments in junior debt securities.

We invest in junior debt securities. Although certain junior debt securities are typically senior to common stock or other equity securities, the equity and debt securities in which we will invest may be subordinated to substantial amounts of senior debt, all or a significant portion of which may be secured. Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. These subordinated securities may not be protected by all of the financial covenants, such as limitations upon additional indebtedness, typically protecting such senior debt. Holders of junior debt generally are not entitled to receive full payments in bankruptcy or liquidation until senior creditors are paid in full. Holders of equity are not entitled to payments until all creditors are paid in full. In addition, the remedies available to holders of junior debt are normally limited by restrictions benefiting senior creditors. In the event any portfolio company cannot generate adequate cash flow to meet senior debt service, we may suffer a partial or total loss of capital invested.

We may be subject to risks associated with our investments in unitranche secured loans and securities.

We invest in unitranche secured loans, which are a combination of senior secured and junior secured debt in the same facility in which we syndicate a "first out" portion of the loan to an investor and retain a "last out" portion of the loan. Unitranche secured loans provide all of the debt needed to finance a leveraged buyout or other corporate transaction, both senior and junior, but generally in a first lien position, while the borrower generally pays a blended, uniform interest rate rather than different rates for different tranches. Unitranche secured debt generally requires payments of both principal and interest throughout the life of the loan. Generally, we expect these securities to carry a blended yield that is between senior secured and junior debt interest rates. Unitranche secured loans provide a number of advantages for borrowers, including the following: simplified documentation, greater certainty of execution and reduced decision-making complexity throughout the life of the loan. In some cases, a portion of the total interest may accrue or be paid in kind. Because unitranche secured loans combine characteristics of senior and junior financing, unitranche secured loans have risks similar to the risks associated with senior secured and second lien loans and junior debt in varying degrees according to the combination of loan characteristics of the unitranche secured loan.

Loans may become nonperforming for a variety of reasons.

A nonperforming loan may require substantial debt work-out negotiations or restructuring that may entail a substantial reduction in the interest rate and/or a substantial write-down of the principal of such loan. Because of the unique and customized nature of a loan agreement and the private syndication of a loan, certain loans may not be purchased or sold as easily as publicly traded securities, and, historically, the trading volume in the loan market has been small relative to other markets. Loans may encounter trading delays due to their unique and customized nature, and transfers of interests in loans may require the consent of an agent or borrower.

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

All of our assets may be invested in illiquid securities, and a substantial portion of our investments in leveraged companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than more broadly traded public securities. The illiquidity of these investments may make it difficult for us to sell such 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 have previously recorded these investments. As a result, we do not expect to achieve liquidity in our investments in the near-term. However, to maintain the election to be regulated as a BDC and qualify as a RIC, we may have to dispose of investments if we do not satisfy one or more of the applicable criteria under the respective regulatory frameworks. We may also face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we or MC Advisors have material nonpublic information regarding such portfolio company.

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 losses.

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 our Board. 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 losses. Declines in prices and liquidity in the corporate debt markets may result in significant net unrealized losses on our portfolio. The effect of all of these factors on our portfolio may reduce our net asset value by increasing net unrealized losses on 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 and results of operations.

Our portfolio companies may prepay loans, which prepayment may reduce stated yields if capital returned cannot be invested in transactions with equal or greater expected yields.

The loans underlying our portfolio may be callable at any time, and many of them can be repaid with no premium to par. It is generally not clear and highly unpredictable when or if any loan might be called. Whether a loan is called will depend both on the continued positive performance of the portfolio company and the existence of favorable financing market conditions that allow such company the ability to replace existing financing with less expensive capital. As market conditions change frequently, it is unknown when, and if, this may be possible for each portfolio company. Risks associated with owning loans include the fact that prepayments may occur at any time, sometimes without premium or penalty, and that the exercise of prepayment rights during periods of declining spreads could cause us to reinvest prepayment proceeds in lower-yielding instruments. In the case of some of these loans, having the loan called early may reduce our achievable yield if the capital returned cannot be invested in transactions with equal or greater expected yields.

Our portfolio may be exposed in part to one or more specific industries, which may subject us to a risk of significant loss in a particular investment or investments if there is a downturn in that particular industry.

Our portfolio may be exposed in part to one or more specific industries. A downturn in any particular industry in which we are invested could significantly impact the aggregate returns we realize. If an industry in which we have significant investments suffers from adverse business or economic conditions, including the effects of the COVID-19 pandemic, as these industries have to varying degrees, a material portion of our investment portfolio could be affected adversely, which, in turn, could adversely affect our financial position and results of operations.

As of December 31, 2021, our investments in the Banking, Finance, Insurance & Real Estate and Services: Business industries represented approximately 17.6% and 12.7%, respectively, of the fair value of our portfolio and are subject to certain risks particular to these industries. The laws and rules governing the business of companies in these industries and interpretations of those laws and rules are subject to frequent change and broad latitude is given to the agencies administering those regulations. Existing or future laws and rules could force our portfolio companies operating in these industries to change how they do business, restrict revenue, increase costs, change reserve levels and change business practices. Any of these factors could materially adversely affect the operations of a portfolio company in these industries and, in turn, impair our ability to timely collect principal and interest payments owed to us.

We may be subject to risks associated with our investments in the technology industry.

We may invest portions of our portfolio in the technology industry. There are risks in investing in companies that target technology-related markets, including rapid and sometimes dramatic price erosion of products, the reliance on capital and debt markets to finance large capital outlays, including fabrication facilities, the reliance on partners outside of the United States, particularly in Asia, and inherent cyclicality of the technology market in general. As a result of multiple factors, access to capital may be difficult or impossible for companies in our portfolio that are pursuing these markets. The revenue, income (or losses) and valuations of technology-related companies can and often do fluctuate suddenly and dramatically. In addition, because of rapid technological change, the average selling prices of products and some services provided by technology-related sectors have historically decreased over their productive lives. As a result, the average selling prices of products and services offered by our portfolio companies that operate in technology-related sectors may decrease over time, which could adversely affect their operating results and, correspondingly, the value of any securities that we may hold. This could, in turn, materially adversely affect our business, financial condition and results of operations.

We may be subject to risks associated with our investments in the business services industry.

Portfolio companies in the business services sector are subject to many risks, including the negative impact of regulation, changing technology, a competitive marketplace and difficulty in obtaining financing. Portfolio companies in the business services industry must respond quickly to technological changes and understand the impact of these changes on customers' preferences. Adverse economic, business, or regulatory developments affecting the business services sector could have a negative impact on the value of our investments in portfolio companies operating in this industry, and therefore could negatively impact our business and results of operations.

We may be subject to risks associated with our investments in the insurance industry.

We may invest portions of our portfolio in the insurance industry. The insurance business has historically been a cyclical industry characterized by periods of intense price competition due to excessive underwriting capacity, as well as periods when shortages of capacity permitted an increase in pricing and, thus, more favorable underwriting profits. An increase in premium levels is often offset over time by an increasing supply of insurance capacity in the form of capital provided by new entrants and existing insurers, which may cause prices to decrease. Any of these factors could lead to a significant reduction in premium rates, less favorable policy terms and fewer opportunities for our portfolio companies to underwrite insurance risks. Any of these factors could in turn, materially adversely affect our business, financial condition and results of operations.

We may be subject to risks associated with our investments in the finance industry.

We may invest portions of our portfolio in the finance industry. The regulatory environment in which the finance industry operates could have a material adverse effect on business and operating results for our portfolio companies. Our portfolio companies are subject to a wide variety of laws and regulations in the jurisdictions where they operate, including supervision and licensing by numerous governmental entities. These laws and regulations can create significant constraints on operations and result in significant costs related to compliance. Failure to comply with these laws and regulations could impair the ability of a portfolio company to continue operating and result in substantial civil and criminal penalties, monetary damages, attorneys' fees and costs, possible revocation of licenses, and damage to reputation, brand and valued customer relationships. Any of these factors could in turn, materially adversely affect our business, financial condition and results of operations.

Our investments in the healthcare and pharmaceutical services industry sector are subject to extensive government regulation and certain other risks particular to that industry.

We invest in healthcare and pharmaceutical services companies. Our investments in portfolio companies that operate in this sector are subject to certain significant risks particular to that industry. The laws and rules governing the business of healthcare companies and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Existing or future laws and rules could force our portfolio companies engaged in healthcare to change how they do business, restrict revenue, increase costs, change reserve levels and change business practices. Healthcare companies often must obtain and maintain regulatory approvals to market many of their products, change prices for certain regulated products and consummate some of their acquisitions and divestitures. Delays in obtaining or failing to obtain or maintain these approvals could reduce revenue or increase costs. Policy changes on the local, state and federal level, such as the expansion of the government's role in the healthcare arena and alternative assessments and tax increases specific to the healthcare industry or healthcare products as part of federal health care reform initiatives, could fundamentally change the dynamics of the healthcare industry. In particular, health insurance reform, including The Patient Protection and Affordable Care Act and The Health Care and Education Reconciliation Act of 2010, or Health Insurance Reform Legislation, could have a significant effect on our portfolio companies in this industry sector. As Health Insurance Reform Legislation is implemented, our portfolio companies in this industry sector may be forced to change how they do business. We can give no assurance that these portfolio companies will be able to adapt successfully in response to these changes. Any of these factors could materially adversely affect the operations of a portfolio company in this industry sector and, in turn, impair our ability to timely collect principal and interest payments owed to us.

To the extent original issue discount and payment-in-kind interest constitute a portion of our income, we will be exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash representing such income.

Our investments include original issue discount, or OID, components and may include PIK interest or PIK dividend components. For the year ended December 31, 2021, PIK interest and PIK dividends comprised approximately 15.5% and 2.2% of our investment income, respectively. To the extent original issue discount constitutes a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following:

- We must include in income each year a portion of the OID that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Because any OID or other amounts accrued will be included in investment company taxable income for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy our annual distribution requirements, even though we will not have received any corresponding cash amount. As a result, we may have to sell some of our investments at times or at prices that would not be advantageous to us, raise additional debt or equity capital or forgo new investment opportunities.

- The higher yield of OID instruments reflect the payment deferral and credit risk associated with these instruments.
- Even if the accounting conditions for income accrual are met, the borrower could still default when our actual collection is supposed to occur at the maturity of the obligation.
- OID instruments may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of the collateral.
- OID instruments generally represent a significantly higher credit risk than coupon loans.
- OID income received by us may create uncertainty about the source of our cash distributions to stockholders. For accounting purposes, any cash distributions to stockholders representing OID or market discount income are not treated as coming from paid-in capital, even though the cash to pay them comes from the offering proceeds. Thus, although a distribution of OID or market discount interest comes from the cash invested by the stockholders, Section 19(a) of the 1940 Act does not require that stockholders be given notice of this fact by reporting it as a return of capital.
- The deferral of PIK interest has a negative impact on liquidity, as it represents non-cash income that may require distribution of cash dividends to stockholders in order to maintain our RIC status. In addition, the deferral of PIK interest also increases the loan-to-value ("LTV") ratio at a compounding rate, thus, increasing the risk that we will absorb a loss in the event of foreclosure.
- OID and market discount instruments create the risk of non-refundable incentive fee payments to MC Advisors based on non-cash accruals that we may not ultimately realize.

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited by the 1940 Act 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. Our portfolio is and may in the future be concentrated in a limited number of portfolio companies and industries. Beyond the asset diversification requirements associated with our qualification as a RIC under the Code, we do not have fixed guidelines for diversification. Although we are classified as a non-diversified investment company within the meaning of the 1940 Act, we maintain the flexibility to operate as a diversified investment company and have done so for an extended period of time. To the extent that we operate as a non-diversified investment company in the future, we may be subject to greater risk. 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. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. As a result, the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment. Additionally, while we are not targeting any specific industries, our investments may be concentrated in relatively few industries. As a result, a downturn in any particular industry in which we are invested could also significantly impact the aggregate returns we realize.

We may hold the debt securities of leveraged companies that may, due to the significant volatility of such companies, enter into bankruptcy proceedings.

Leveraged companies may experience bankruptcy or similar financial distress, and the risk of these events has been significantly increased by the COVID-19 pandemic. The bankruptcy process has a number of significant inherent risks. Many events in a bankruptcy proceeding are the product of contested matters and adversary proceedings and are beyond the control of the creditors. A bankruptcy filing by a portfolio company may adversely and permanently affect the portfolio company. If the proceeding is converted to a liquidation, the value of the issuer may not equal the liquidation value that was believed to exist at the time of the investment. A bankruptcy or other workout often raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants), including between investors who hold different interests in the applicable company. The duration of a bankruptcy proceeding is also difficult to predict, and a creditor's return on investment can be adversely affected by delays until the plan of reorganization or liquidation ultimately becomes effective. The administrative costs in connection with a bankruptcy proceeding are frequently high and would be paid out of the debtor's estate prior to any return to creditors. Because the standards for classification of claims under bankruptcy law are vague, our influence with respect to the class of securities or other obligations we own may be lost by increases in the number and amount of claims in the same class or by different classification and treatment. In the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. In addition, certain claims that have priority by law (for example, claims for taxes) may be substantial.

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 and the provisions of the 1940 Act. 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 operation. 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 we are inhibited by compliance with BDC requirements or the desire to maintain our RIC status. Our ability to make follow-on investments may also be limited by MC Advisors' allocation policy.

Because we do not hold controlling equity interests in the majority of our portfolio companies, we may not be able to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies, which could decrease the value of our investments.

Although we may do so in the future, we do not currently hold controlling equity positions in the majority of our portfolio companies. Our debt investments may provide limited control features such as restrictions, for example, on the ability of a portfolio company to assume additional debt, or to use the proceeds of our investment for other than certain specified purposes. "Control" under the 1940 Act is presumed at more than 25% equity ownership, and may also be present at lower ownership levels where we provide managerial assistance. When we do not acquire a controlling equity position in a portfolio company, we may be subject to the risk that a portfolio company may make business decisions with which we disagree, and that the management and/or stockholders of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity of the debt and equity investments that we typically hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company and may therefore suffer a decrease in the value of our investments.

Defaults by our portfolio companies will 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. This could trigger cross-defaults under other agreements and jeopardize such 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.

In addition, many of our investments will likely have a principal amount outstanding at maturity, which could result in a substantial loss to us if the borrower is unable to refinance or repay.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

We generally seek to invest capital in senior, unitranche and junior secured loans and, to a lesser extent, unsecured subordinated debt and equity. The portfolio companies in which we invest usually have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt securities in which we invest. 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 debt securities in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments 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. 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, to the extent not repaid from the proceeds of the sale of the collateral, we will only have an unsecured claim against the portfolio company's remaining assets, if any.

The rights we may have with respect to the collateral securing the loans we make to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of such senior debt, including in unitranche secured transactions. 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 are adversely affected. In addition, a bankruptcy court may choose not to enforce an intercreditor agreement or other agreement with creditors.

We may also make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on such portfolio companies' 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 secured loan obligations. 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.

We may also make subordinated investments that rank below other obligations of the obligor in right of payment. Subordinated investments are generally more volatile than secured loans and 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 LTV ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations.

We may be subject to risks associated with syndicated loans.

From time to time, our investments may consist of syndicated loans. Under the documentation for such 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. 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.

There is a risk that a loan agent 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, agented loans typically allow for the agent to resign with certain advance notice.

The disposition of our investments may result in contingent liabilities.

A significant portion of our investments involve private securities. In connection with the disposition of an investment in private securities, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to potential liabilities. These arrangements may result in contingent liabilities that ultimately result in funding obligations that we must satisfy through our return of distributions previously made to us.

Investments in securities of foreign companies, if any, may involve significant risks in addition to the risks inherent in U.S. investments.

We may make investments in securities of foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in U.S. companies, including changes in exchange control regulations, political and social instability, expropriation and imposition of foreign taxes. In addition, any investments that we make 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. Factors such as 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 may affect currency values. We may employ hedging techniques to minimize these risks, but we cannot assure you that we will, in fact, hedge currency risk, or, that if we do, such strategies will be effective.

We may be subject to additional risks if we engage in hedging transactions and/or invest in foreign securities.

The 1940 Act generally requires that 70% of our investments be in issuers each of whom, in addition to other requirements, is organized under the laws of, and has its principal place of business in, any state of the United States, the District of Columbia, Puerto Rico, the Virgin Islands or any other possession of the United States. Our investment strategy does not contemplate a significant number of investments in securities of non-U.S. companies. We expect that these investments would focus on the same investments that we make in U.S. middle-market companies and, accordingly, would be complementary to our overall strategy and enhance the diversity of our holdings.

To the extent that these investments are denominated in a foreign currency, we may engage in hedging transactions. Engaging in either hedging transactions or investing in foreign securities would entail additional risks to our stockholders. We may, for example, use instruments such as interest rate swaps, caps, collars and floors, forward contracts or currency options or borrow under a revolving credit facility in foreign currencies to minimize our foreign currency exposure. In each such case, we generally would seek to hedge against fluctuations of the relative values of our portfolio positions from changes in market interest rates or currency exchange rates. Hedging against a decline in the values of our portfolio positions would not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of the positions declined. However, such hedging could establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions could also limit the opportunity for gain if the values of the underlying portfolio positions increased. Moreover, it might not be possible to hedge against an exchange rate or interest rate fluctuation that was so generally anticipated that we would not be able to enter into a hedging transaction at an acceptable price. Our ability to engage in hedging transactions may also be adversely affected by recent rules adopted by the U.S. Commodity Futures Trading Commission.

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 could 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 could vary. Moreover, for a variety of reasons, we might not seek to establish a perfect correlation between the hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation could prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it might 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 would likely fluctuate as a result of factors not related to currency fluctuations.

We may not realize gains from our equity investments.

We currently hold, and we may in the future make, investments that include warrants or other equity or equity-related securities. 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. We often seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer. We may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress.

Risks Relating to Our Common Stock

We may not be able to pay distributions, our distributions may not grow over time and/or a portion of our distributions may be a return of capital.

We have paid and intend to continue to pay 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 sustain a specified level of cash distributions or make periodic increases in cash distributions. Our ability to pay distributions might be adversely affected by, among other things, the impact of one or more of the risk factors described herein. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC could limit our ability to pay distributions. All distributions will be paid at the discretion of our Board and will depend on our earnings, our financial condition, maintenance of our RIC status, compliance with applicable BDC regulations and such other factors as our Board may deem relevant from time to time. We cannot assure you that we will continue to pay distributions to our stockholders.

When we make distributions, we will be required to determine the extent to which such distributions are paid out of current or accumulated earnings and profits. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of an investor's basis in our stock and, assuming that an investor holds our stock as a capital asset, thereafter as a capital gain.

If the current period of capital market disruption and instability continues for an extended period of time, there is a risk that our stockholders may not receive distributions or that our distributions may decline over time and a portion of our distributions to you may be a return of capital for U.S. federal income tax purposes.

We intend to make 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 or maintain a specified level of cash distributions and we may choose to pay a portion of dividends in our own stock. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this report, including the COVID-19 pandemic described above. In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. Our revolving credit facility may also limit our ability to declare dividends if we default under certain provisions. 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. The above referenced restrictions on distributions may also inhibit our ability to make required interest payments to holders of our debt, 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 under the terms of our debt agreements.

The distributions we pay to our stockholders in a year may exceed our taxable income for that year and, accordingly, a portion of such distributions may constitute a return of capital for U.S. federal income tax purposes that would reduce a stockholder's adjusted tax basis in its shares of our common stock or preferred stock and correspondingly increase such stockholder's gain, or reduce such stockholder's loss, on disposition of such shares. Distributions in excess of a stockholder's adjusted tax basis in its shares of our common stock or preferred stock will constitute capital gains to such stockholder.

We may choose to pay a portion of our dividends in our own stock, in which case you may be required to pay tax in excess of the cash you receive.

We have adopted a dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders, unless a stockholder elects to receive cash pursuant to such plan. We may distribute taxable dividends that are payable in part in our stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income (or as long-term capital gain or qualified dividend income to the extent such distribution is properly reported as such) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. The tax rate for ordinary income will vary depending on a stockholder's particular characteristics. For individuals, the top marginal federal ordinary income tax rate is 37%. To the extent distributions paid by us to non-corporate stockholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations, such distributions generally will be eligible for a maximum qualified dividend federal tax rate of 20%. However, in this regard, it is anticipated that distributions paid by us will generally not be attributable to such dividends and, therefore, generally will not qualify for the preferential federal tax rate. Distributions of our net capital gains (which is generally our realized net long-term capital gains in excess of realized net short-term capital losses) properly reported by us as "capital gain dividends" will be taxable to a U.S. stockholder as long-term capital gains currently at a maximum federal tax rate of 20%.

As a result of receiving dividends in the form of our common stock, 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 as a dividend 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 federal tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in shares of our common 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 shares of our common stock.

In addition, as discussed above, our loans may contain a PIK interest provision. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To avoid the imposition of corporate-level tax, we will need to make sufficient distributions, a portion of which may be paid in shares of our common stock, regardless of whether our recognition of income is accompanied by a corresponding receipt of cash.

If we sell common stock at a discount to our net asset value per share, stockholders who do not participate in such sale will experience immediate dilution in an amount that may be material.

The issuance or sale by us of shares of our common stock at a price per share, after offering expenses and commission, that is a discount to net asset value poses a risk of dilution to our stockholders. In particular, stockholders who do not purchase additional shares at or below the discounted price in proportion to their current ownership will experience an immediate decrease in net asset value per share (as well as in the aggregate net asset value of their shares if they do not participate at all). These stockholders will also experience a disproportionately greater decrease in their participation in our earnings and assets and their voting power than the increase we experience in our assets, potential earning power and voting interests from such issuance or sale. In addition, such sales may adversely affect the price at which our common stock trades.

Investing in our common stock 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 aggressive and, therefore, an investment in our common stock may not be suitable for someone with lower risk tolerance.

Shares of closed-end investment companies, including BDCs, often trade at a discount to their net asset value.

Shares of closed-end investment companies, including BDCs, may trade at a discount from net asset value. 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.

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

The Maryland General Corporation Law and our charter and bylaws contain provisions that may discourage, delay or make more difficult a change in control of us or the removal of our directors. We are subject to the Maryland Business Combination Act, subject to any applicable requirements of the 1940 Act. Our Board has adopted a resolution exempting from the Maryland Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our Board, including approval by a majority of our independent directors. If the resolution exempting business combinations is repealed or our Board does not approve a business combination, the Maryland Business Combination Act may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. The SEC staff has taken the position that, under the 1940 Act, an investment company may not avail itself of the Maryland Control Share Acquisition Act. As a result, we will amend our bylaws to be subject to the Maryland Control Share Acquisition Act, only if the Board determines that it would be in our best interests and, after notification, the SEC staff does not object to our determination that our being subject to the Maryland Control Share Acquisition Act does not conflict with the 1940 Act. If such conditions are met, and we amend our bylaws to repeal the exemption from the Maryland Control Share Acquisition Act, the Maryland Control Share Acquisition Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such a transaction.

We have adopted certain measures that may make it difficult for a third-party to obtain control of us, including provisions of our charter classifying our Board in three staggered terms and authorizing our Board to classify or reclassify shares of our capital stock in one or more classes or series and to cause the issuance of additional shares of our stock. These provisions, as well as other provisions of our charter and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders.

The market price of our securities may fluctuate significantly.

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 may include:

- significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which is not necessarily related to the operating performance of these companies;
- changes in regulatory policies or tax guidelines, particularly with respect to RICs or BDCs;
- loss of RIC or BDC status;
- the ability of MRCC SBIC, or any other SBIC subsidiary we may form to obtain and maintain an SBIC license;
- changes or perceived changes in earnings or variations in operating results;
- changes or perceived changes in the value of our portfolio of investments;
- changes in accounting guidelines governing valuation of our investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- departure of MC Advisors' key personnel;
- the occurrence of one or more natural disasters, pandemic outbreaks or other health crises (including but not limited to the COVID-19 outbreak);
- operating performance of companies comparable to us;
- general economic trends and other external factors, including the current COVID-19 pandemic; and
- loss of a major funding source.

Risks Relating to the 2026 Notes

The 4.75% Notes due 2026 (the "2026 Notes") are unsecured and therefore are effectively subordinated to any secured indebtedness we have incurred or may incur in the future.

The 2026 Notes are not secured by any of our assets or any of the assets of any of our subsidiaries. As a result, the 2026 Notes are effectively subordinated to any secured indebtedness we or our subsidiaries have incurred or that we or our subsidiaries may incur in the future (or any indebtedness that is initially unsecured as to which we subsequently grant a security interest) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the 2026 Notes. As of December 31, 2021, we had $151.0 million in outstanding indebtedness under the revolving credit facility. The indebtedness under the revolving credit facility is effectively senior to the 2026 Notes to the extent of the value of the assets securing such indebtedness.

The 2026 Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The 2026 Notes are obligations exclusively of the Company, and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the 2026 Notes, and the 2026 Notes are not required to be guaranteed by any subsidiary we may acquire or create in the future. Any assets of our subsidiaries are not directly available to satisfy the claims of our creditors, including holders of the 2026 Notes. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors of our subsidiaries will have priority over our equity interests in such entities (and therefore the claims of our creditors, including holders of the 2026 Notes) with respect to the assets of such entities. Even if we are recognized as a creditor of one or more of these entities, our claims would still be effectively subordinated to any security interests in the assets of any such entity and to any indebtedness or other liabilities of any such entity senior to our claims. Consequently, the 2026 Notes are structurally subordinated to all indebtedness and other liabilities, including trade payables, of any of our existing or future subsidiaries, including MRCC SBIC. As of December 31, 2021, our subsidiaries had total indebtedness outstanding of $56.9 million. Certain of these entities (excluding MRCC SBIC) currently serve as guarantors under our revolving credit facility, and in the future our subsidiaries may incur substantial additional indebtedness, all of which is and would be structurally senior to the 2026 Notes.

The indenture under which the 2026 Notes are issued contains limited protection for holders of the 2026 Notes.

The indenture under which the 2026 Notes are issued offers limited protection to holders of the 2026 Notes. The terms of the indenture and the 2026 Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on investments in the 2026 Notes. In particular, the terms of the indenture and the 2026 Notes do not place any restrictions on our or our subsidiaries' ability to:

- issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the 2026 Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the 2026 Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the 2026 Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the 2026 Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC, which generally prohibit us from incurring additional indebtedness, including through the issuance of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150% after such incurrence or issuance;

- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the 2026 Notes, including subordinated indebtedness, except that we have agreed that, for the period of time during which the 2026 Notes are outstanding, we will not violate Section 18(a)(1)(B) as modified by (i) Section 61(a)(2) of the 1940 Act or any successor provisions thereto, whether or not we are subject to such provisions of the 1940 Act and after giving effect to any exemptive relief granted to us by the SEC and (ii) the following two exceptions: (A) we will be permitted to declare a cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, but only up to such amount as is necessary for us to maintain our status as a RIC under Subchapter M of the Code; and (B) this restriction will not be triggered unless and until such time as our asset coverage has not been in compliance with the minimum asset coverage required by Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions (after giving effect to any exemptive relief granted to us by the SEC) for more than six consecutive months. If Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act were currently applicable to us, these provisions would generally prohibit us from declaring any cash dividend or distribution upon any class of our capital stock, or purchasing any such capital stock if our asset coverage, as defined in the 1940 Act, were below 150% at the time of the declaration of the dividend or distribution or the purchase and after deducting the amount of such dividend, distribution or purchase;

- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);

- enter into transactions with affiliates;

- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;

- make investments; or

- create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

Furthermore, the terms of the indenture and the 2026 Notes do not protect holders of the 2026 Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, if any, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity.

Our ability to recapitalize, incur additional debt (including additional debt that matures prior to the maturity of the 2026 Notes) and take a number of other actions that are not limited by the terms of the 2026 Notes may have important consequences for you as a holder of the 2026 Notes, including making it more difficult for us to satisfy our obligations with respect to the 2026 Notes or negatively affecting the market value of the 2026 Notes.

Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the 2026 Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for, trading levels, and prices of the 2026 Notes.

The 2026 Notes may or may not have an established trading market. If a trading market in the 2026 Notes is developed, it may not be maintained.

The 2026 Notes may or may not have an established trading market. If a trading market in the 2026 Notes is developed, it may not be maintained. If the 2026 Notes are traded, they may trade at a discount to their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, our financial condition or other relevant factors. Accordingly, we cannot assure you that a liquid trading market has been or will develop for the 2026 Notes, that you will be able to sell your 2026 Notes at a particular time or that the price you receive when you sell will be favorable. To the extent an active trading market does not develop or is not maintained, the liquidity and trading price for the 2026 Notes may be harmed. Accordingly, you may be required to bear the financial risk of an investment in the 2026 Notes for an indefinite period of time.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the 2026 Notes.

As of December 31, 2021, we had approximately $151.0 million of indebtedness outstanding under the revolving credit facility. Any default under the agreements governing our indebtedness, including a default under the revolving credit facility or other indebtedness to which we may be a party that is not waived by the required lenders, and the remedies sought by lenders or the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the 2026 Notes and substantially decrease the market value of the 2026 Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including the revolving credit facility), we could be in default under the terms of the agreements governing such indebtedness, including the 2026 Notes. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the revolving credit facility or other debt we may incur in the future could elect to terminate their commitment, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation.

If our operating performance declines and we are not able to generate sufficient cash flow to service our debt obligations, we may in the future need to refinance or restructure our debt, including the 2026 Notes, sell assets, reduce or delay capital investments, seek to raise additional capital or seek to obtain waivers from the lenders under the revolving credit facility or other debt that we may incur in the future to avoid being in default. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the 2026 Notes and our other debt. If we breach our covenants under the revolving credit facility or any of our other debt and seek a waiver, we may not be able to obtain a waiver from the required lenders or holders thereof. If this occurs, we would be in default under the revolving credit facility or other debt, the lenders or holders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations, including the lenders under the revolving credit facility, could proceed against the collateral securing the debt. Because the revolving credit facility has, and any future credit facilities will likely have, customary cross-default provisions, if we have a default under the terms of the 2026 Notes, the obligations under the revolving credit facility or any future credit facility may be accelerated and we may be unable to repay or finance the amounts due.

We may choose to redeem the 2026 Notes when prevailing interest rates are relatively low.

The 2026 Notes are redeemable in whole or in part upon certain conditions at any time or from time to time at our option. We may choose to redeem the 2026 Notes from time to time, especially if prevailing interest rates are lower than the rate borne by the 2026 Notes. If prevailing rates are lower at the time of redemption, and we redeem the 2026 Notes, you likely would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the 2026 Notes being redeemed. Our redemption right also may adversely impact your ability to sell the 2026 Notes as the optional redemption date or period approaches.

We may not be able to repurchase the 2026 Notes upon a Change of Control Repurchase Event.

We may not be able to repurchase the 2026 Notes upon certain change in control events described in the indentures under which the 2026 Notes were issued (each, a “Change of Control Repurchase Event”) because we may not have sufficient funds. We would not be able to borrow under our revolving credit facility to finance such a repurchase of the 2026 Notes, and we expect that any future credit facility would have similar limitations. Upon a Change of Control Repurchase Event, holders of the 2026 Notes may require us to repurchase for cash some or all of the 2026 Notes at a repurchase price equal to 100% of the aggregate principal amount of the 2026 Notes being repurchased, plus accrued and unpaid interest to, but not including, the repurchase date. The terms of our revolving credit facility provide that certain change of control events will constitute an event of default thereunder entitling the lenders to accelerate any indebtedness outstanding under our revolving credit facility at that time and to terminate our revolving credit facility. In this regard, the occurrence of a Change of Control Repurchase Event enabling the holders of the 2026 Notes to require the mandatory purchase of the 2026 Notes will constitute an event of default under our revolving credit facility, entitling the lenders to accelerate any indebtedness outstanding under our revolving credit facility at that time and to terminate our revolving credit facility. As a result, we may not be able to comply with our obligations under the Change of Control Repurchase Event provisions of the indenture governing the 2026 Notes unless we were to obtain the consent of the lenders under the revolving credit facility or find another means to do so. Our and our subsidiaries’ future financing facilities may contain similar restrictions and provisions. Our failure to purchase such tendered 2026 Notes upon the occurrence of such Change of Control Repurchase Event would cause an event of default under the indenture governing the 2026 Notes and a cross-default under the agreements governing the revolving credit facility, which may result in the acceleration of such indebtedness requiring us to repay that indebtedness immediately. If the holders of the 2026 Notes exercise their right to require us to repurchase 2026 Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could cause a default under our current and future debt instruments, and we may not have sufficient funds to repay any such accelerated indebtedness.

A downgrade, suspension or withdrawal of the credit rating assigned by a rating agency to us or the 2026 Notes or change in the debt markets could cause the liquidity or market value of the 2026 Notes 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 market value of the 2026 Notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the 2026 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. Neither we nor any underwriter undertakes any obligation to maintain our credit ratings or to advise holders of 2026 Notes of any changes in our credit ratings. 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 agencies if in their judgment future circumstances relating to the basis of the credit ratings, such as adverse changes in our company, so warrant. 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 of the Notes.

General Risk Factors

We may experience fluctuations in our quarterly operating 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 to us on the debt securities we acquire, the default rate on such securities, the level of our expenses, including the cost of our indebtedness, 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.

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

We and our portfolio companies are subject to regulation at the local, state and federal level. These laws and regulations, as well as their interpretation, may change from time to time, including as the result of interpretive guidance or other directives from the U.S. President and others in the executive branch, and new laws, regulations and interpretations may also come into effect, including those governing the types of investments we or our portfolio companies are permitted to make, any of which could have a material adverse effect on our business, and political uncertainty could increase regulatory uncertainty in the near term. The effects of legislative and regulatory proposals directed at the financial services industry or affecting taxation, may negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies, intensify the regulatory supervision of us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies. In addition, if we do not comply with applicable laws and regulations, we could lose any licenses that we then hold for the conduct of our business and may be subject to civil fines and criminal penalties.

Additionally, changes to the laws and regulations governing our operations, including those associated with RICs, may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities or result in the imposition of corporate-level taxes on us. Such changes could result in material differences to the strategies and plans set forth herein and may shift our investment focus from the areas of expertise of MC Advisors to other types of investments in which MC Advisors may have little or no expertise or experience. Any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our operations, cash flows or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business, financial condition and results of operations.

Efforts to comply with the Sarbanes-Oxley Act involve significant expenditures, and non-compliance with the Sarbanes-Oxley Act may adversely affect us and the market price of our securities.

As a publicly traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act, as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and other rules implemented by the SEC.

We are subject to the Sarbanes-Oxley Act, and the related rules and regulations promulgated by the SEC. Under current SEC rules, our management is required to report on its internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act and rules and regulations of the SEC thereunder. We are required to review on an annual basis our internal controls over financial reporting, and on a quarterly and annual basis to evaluate and disclose changes in our internal controls over financial reporting. As a result, we expect to continue to incur associated expenses, which may negatively impact our financial performance and our ability to make distributions. This process also will result in a diversion of our management's time and attention. We cannot be certain as to the timing of completion of our evaluation, testing and remediation actions or the impact of the same on our operations and may not be able to ensure that the process is effective or that the internal controls are or will be effective in a timely manner. There can be no assurance that our quarterly reviews and annual audits will not identify additional material weaknesses. In the event that we are unable to maintain or achieve compliance with the Sarbanes-Oxley Act and related rules, our value and results of operations may be adversely affected. As a result, we expect to incur significant associated expenses, which may negatively impact our financial performance and our ability to make distributions.

The failure in cyber security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning, could impair our ability to conduct business effectively.

The occurrence of a disaster such as a cyber-attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in our disaster recovery systems, or a support failure from external providers, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data. If a significant number of Monroe Capital employees were unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, we may experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss.

A disaster or a disruption in the infrastructure that supports our business, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or directly affecting our headquarters, could have a material adverse impact on our ability to continue to operate our business without interruption. Our disaster recovery programs may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses, if at all.

Third parties with which we do business may also be sources of cybersecurity or other technological risk. We outsource certain functions and these relationships allow for the storage and processing of our information, as well as client, counterparty, employee, and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure, destruction, or other cybersecurity incident that affects our data, resulting in increased costs and other consequences as described above.

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 businesses, liability to investors, regulatory intervention or reputational damage.

A data breach could negatively impact our business and result in significant penalties.

MC Advisors is subject to numerous laws in various jurisdictions relating to privacy and the storage, sharing, use, processing, disclosure and protection of information that we and our affiliates hold. The European Union's (the "EU") General Data Protection Regulation, the Cayman Islands Data Protection Law, 2017, and the California Consumer Privacy Act of 2018 are recent examples of such laws, and MC Advisors anticipates new privacy and data protection laws will be passed in other jurisdictions in the future. In general, these laws introduce many new obligations on MC Advisors and its affiliates and service providers and create new rights for parties who have given us their personal information, such as investors and others.

Breach of these laws could result in significant financial penalties for MC Advisors and/or us. As interpretation of these laws evolves and new laws are passed, MC Advisors could be required to make changes to its business practices, which could result in additional risks, costs and liabilities to us and adversely affect investment returns. While MC Advisors intends to comply with its privacy and data protection obligations under the privacy and data protection laws that are applicable to it, it is possible that MC Advisors will not be able to accurately anticipate the ways in which regulators and courts will apply or interpret these laws. A violation of applicable privacy and data protection law could result in negative publicity and/or subject MC Advisors or us, to significant costs associated with litigation, settlements, regulatory action, judgments, liabilities and/or penalties.

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. The principal executive offices of Monroe Capital are located at 311 South Wacker Drive, Suite 6400, Chicago, Illinois 60606. Monroe Capital and its affiliates currently have additional offices, and/or company representatives in New York, New York; Los Angeles, California; San Francisco, California; Atlanta, Georgia; Boston, Massachusetts; Naples, Florida; and Seoul, South Korea. MC Management furnishes us office space, and we reimburse it for such costs on an allocated basis.

ITEM 3. LEGAL PROCEEDINGS

Neither we nor our investment adviser is currently subject to any material legal proceedings.

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

Our common stock is traded on The Nasdaq Global Select Market under the ticker symbol "MRCC." Our common stock has historically traded at prices both above and below our net asset value per share. It is not possible to predict whether our common stock will trade at, above or below net asset value.

HOLDERS

As of March 2, 2022, there were seven holders of record of our common stock. This does not include the number of stockholders that hold shares in "street name" through banks or broker-dealers.

DISTRIBUTIONS

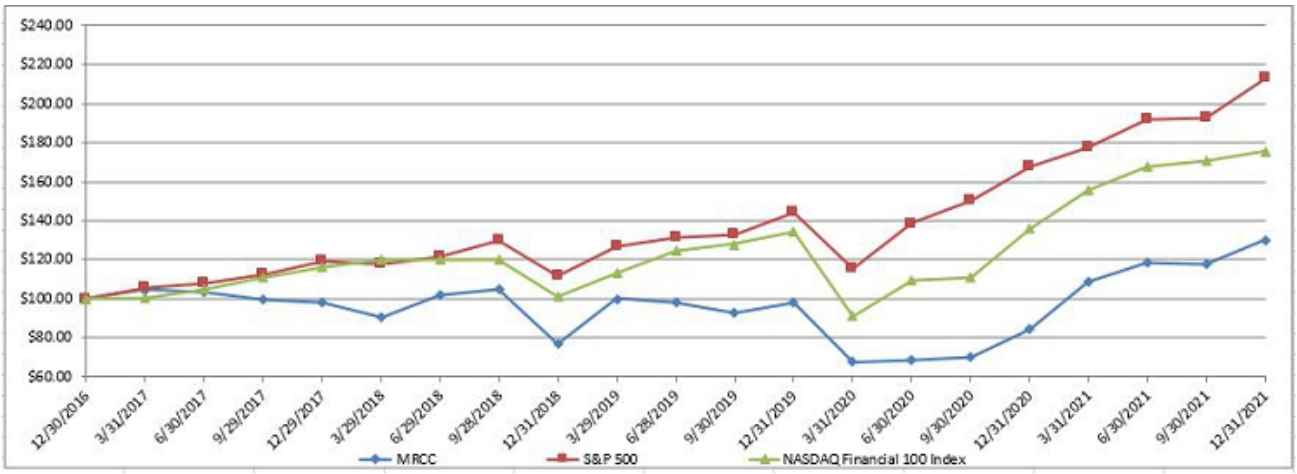
We currently intend to make distributions to our stockholders on a quarterly basis out of assets legally available for distribution. We may also make additional distributions to our stockholders from time to time. Our quarterly and additional distributions, if any, will be determined by our board of directors.

Our revolving credit facility, as amended, imposes certain conditions that may limit the amount of our distributions to stockholders. Distributions payable in our common stock under our dividend reinvestment plan are not limited by the revolving credit facility. Distributions in cash or property other than our common stock are generally limited to 115% of the amount of distributions required to maintain our status as a RIC.

In October 2012, we adopted an "opt out" dividend reinvestment plan for our common stockholders. When we declare a distribution, our stockholders' cash distributions will be automatically reinvested in additional shares of our common stock unless a stockholder specifically "opts out" of our dividend reinvestment plan. If a stockholder opts out, that stockholder will receive cash distributions.

PERFORMANCE GRAPH

The following graph compares the return on our common stock from December 31, 2016 to December 31, 2021 with that of the Standard & Poor's 500 Stock Index and the NASDAQ Financial 100 index. The graph assumes that on December 31, 2016, a person invested $100 in each of our common stock, the Standard & Poor's 500 Stock Index and the NASDAQ Financial 100 index. The graph measures total stockholder return, which takes into account both changes in stock price and dividends. The graph also assumes the reinvestment of all dividends prior to any tax effect. The graph and other information furnished under this Part II Item 5 of this Annual Report on Form 10-K shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under, or to the liabilities of Section 18 of, the Exchange Act. The stock price performance included in the below graph is not necessarily indicative of future stock performance.



Price Range of Common Stock and Distributions

Our common stock began trading on The Nasdaq Global Market under the ticker symbol “MRCC” on October 25, 2012. Prior to that date, there was no established trading market for our common stock. Our common stock is now traded on the Nasdaq Global Select Market. Our common stock has historically traded both above and below net asset value (“NAV”).

The following table sets forth the high and low closing sales prices of our common stock, the closing sales price as a premium (discount) to NAV per share and the distributions declared by us since January 1, 2020:

	NAV[1]	Closing Sales Price		Premium (Discount) of High Sales Price to NAV[2]	Premium (Discount) of Low Sales Price to NAV[2]	Declared Distributions[3][4]
		High	Low			
Year ending December 31, 2021						
Fourth Quarter	$ 11.51	$ 11.82	$ 10.15	2.7%	(11.8)%	$ 0.25
Third Quarter	$ 11.45	$ 11.13	$ 10.14	(2.8)%	(11.4)%	$ 0.25
Second Quarter	$ 11.36	$ 11.50	$ 10.17	1.2%	(10.5)%	$ 0.25
First Quarter	$ 11.08	$ 10.15	$ 8.08	(8.4)%	(27.1)%	$ 0.25
Year ending December 31, 2020						
Fourth Quarter	$ 11.00	$ 9.40	$ 6.45	(14.5)%	(41.4)%	$ 0.25
Third Quarter	$ 10.83	$ 7.61	$ 6.17	(29.7)%	(43.0)%	$ 0.25
Second Quarter	$ 10.37	$ 8.81	$ 6.01	(15.0)%	(42.0)%	$ 0.25
First Quarter	$ 10.04	$ 12.07	$ 4.90	20.2%	(51.2)%	$ 0.35

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) Calculated by taking the respective high or low closing sales price divided by the quarter end NAV and subtracting 1.

(3) Represents the distribution declared in the specified quarter. We have adopted an “opt out” dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, stockholders’ cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically “opt out” of the dividend reinvestment plan so as to receive cash distributions. See “Dividend Reinvestment Plan.”

(4) Our management monitors available taxable earnings, including net investment income and realized capital gains, to determine if a tax return of capital may occur for the year. To the extent that our taxable earnings fall below the total amount of our distributions for that fiscal year, a portion of those distributions may be deemed a tax return of capital to our stockholders. The tax character of distributions will be determined at the end of the fiscal year. There was no return of capital for tax purposes for the years ended December 31, 2021 or 2020.

FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in our common stock will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and actual amounts and percentages may vary. Except where the context suggests otherwise, whenever this prospectus contains a reference to fees or expenses paid by "you," "us," "the Company" or "Monroe Capital Corporation," or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in Monroe Capital Corporation.

	December 31, 2021
Stockholder transaction expenses:	
Sales load (as a percentage of offering price)	—%(1)
Offering expenses (as a percentage of offering price)	—%(2)
Dividend reinvestment plan expenses	—%(3)
Total stockholder transaction expenses (as a percentage of offering price)	—%(2)
Estimated annual expenses (as a percentage of net assets attributable to common stock):	
Base management fees	3.96%(4)
Incentive fees payable under the Investment Advisory Agreement	1.39%(5)
Interest payments on borrowed funds	6.22%(6)
Other expenses (estimated)	1.49%(7)
Acquired fund fees and expenses	0.88%(8)
Total annual expense (estimated)	13.94%(9)

(1) In the event that the securities to which this prospectus relates are sold to or through underwriters or agents, a corresponding prospectus supplement will disclose the applicable sales load.

(2) The related prospectus supplement will disclose the estimated amount of total offering expenses (which may include offering expenses borne by third parties on our behalf), the offering price and the offering expenses borne by us as a percentage of the offering price.

(3) The expenses of the dividend reinvestment plan are included in "other expenses." See "Dividend Reinvestment Plan."

(4) Our base management fee is calculated initially at an annual rate of 1.75% of our average invested assets (calculated as total assets excluding cash, which includes assets financed using leverage); provided however, the base management fee is calculated at an annual rate equal to 1.00% of our average invested assets (calculated as total assets excluding cash, which includes assets financed using leverage) that exceeds the product of (i) 200% and (ii) our average net assets. For the avoidance of doubt, the 200% is calculated in accordance with the asset coverage limitation as defined in the 1940 Act to give effect to our exemptive relief with respect to MRCC SBIC's SBA debentures. The "base management fee" percentage is calculated as a percentage of net assets attributable to common stockholders, rather than total assets, including assets that have been funded with borrowed monies, because common stockholders bear all of this cost. The base management fee in the table above assumes the base management fee remains consistent with fees incurred, gross of the base management fee waiver, if applicable, for the quarter ended December 31, 2021 of $2.5 million, based on average total assets (excluding cash) for the period of $568.4 million, as a percentage of our average net assets for the period of $248.1 million. See "Management and Other Agreements — Investment Advisory Agreement."

(5) Estimated assuming that annual incentive fees earned by MC Advisors remains consistent with the incentive fees earned, gross of the Incentive Fee Limitation due to the total return requirement and the incentive fee waivers, if applicable, for the quarter ended December 31, 2021 of $0.9 million, as a percentage of our average net assets of $248.1 million for the period. For information about our Incentive Fee Limitation and incentive fee waivers, see "Management and Other Agreements — Investment Advisory Agreement" and "Consolidated Statements of Operations" in our financial statements incorporated by reference into this prospectus.

The incentive fee consists of two parts:

The first part of the incentive fee, payable quarterly in arrears, equals 20% of our pre-incentive fee net investment income (including interest that is accrued but not yet received in cash), subject to a 2% quarterly (8% annualized) rate of return on the value of our net assets, or hurdle rate, and a "catch-up" provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, MC Advisors receives no incentive fee until our net investment income equals the hurdle rate of 2% but then receives, as a "catch-up," 100% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.5%. The effect of this provision is that, if pre-incentive fee net investment income exceeds 2.5% in any calendar quarter, MC Advisors will receive 20% of our pre-incentive fee net investment income as if a hurdle rate did not apply. The first component of the incentive fee will be computed and paid on income that includes, in the case of investments with a deferred interest feature such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities, accrued income that we have not yet received in cash. Since the hurdle rate is fixed, as interest rates rise, it will be easier for the MC Advisors to surpass the hurdle rate and receive an incentive fee based on net investment income. The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of our pre-incentive fee net investment income will be payable except to the extent that 20% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding calendar quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. In other words, any ordinary income incentive fee that is payable in a calendar quarter will be limited to the lesser of (i) 20% of the amount by which our pre-incentive fee net investment income for such calendar quarter exceeds the 2% hurdle, subject to the "catch-up" provision, and (ii) (x) 20% of the cumulative net increase in net assets resulting from operations for the then current and 11 preceding calendar quarters *minus* (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. For the foregoing purpose, the "cumulative net increase in net assets resulting from operations" is the sum of our pre-incentive fee net investment income, base management fees, realized gains and losses and unrealized appreciation and depreciation for the then current and 11 preceding calendar quarters.

The second part of the incentive fee, payable annually in arrears, equals 20% of our realized capital gains on a cumulative basis from inception through the end of the fiscal year, if any (or upon the termination of the Investment Advisory Agreement, as of the termination date), computed net of all realized capital losses on a cumulative basis and unrealized capital depreciation, less the aggregate amount of any previously paid capital gain incentive fees. We will accrue (but not pay) an expense for potential payment of capital gain incentive fees with respect to any unrealized appreciation on our portfolio.

See “Management and Other Agreements — Investment Advisory Agreement.”

(6) We may borrow funds from time to time to make investments to the extent we determine that it is appropriate to do so. The costs associated with any outstanding borrowings are indirectly borne by our investors. The table assumes borrowings are consistent with the average borrowings for the quarter ended December 31, 2021 of $334.6 million, no preferred stock issued or outstanding and average net assets of $248.1 million. For the quarter ended December 31, 2021, we had interest expense of $3.9 million (including fees for unused portions of commitments and amortization of deferred financing costs). As of December 31, 2021, the weighted average interest rate of our revolving credit facility (excluding debt issuance costs) was 3.14%, the weighted average interest rate on our SBA-guaranteed debentures (excluding debt issuance costs) was 3.18% and the interest rate on our senior unsecured notes was 4.75%. Although we do not have any current plans to issue debt securities or preferred stock in the next twelve months, we may issue debt securities or preferred stock, subject to our compliance with applicable requirements under the 1940 Act.

(7) Includes our estimated overhead expenses, including payments under the Administration Agreement based on our allocable portion of overhead and other expenses incurred by MC Management. The table above assumes "other expenses" remain consistent with the $0.9 million incurred during the quarter ended December 31, 2021 and average net assets for the period of $248.1 million.

(8) Our stockholders indirectly bear the expenses of our investment in SLF. SLF does not pay any fees to MC Advisors or its affiliates; however, SLF has entered into an administration agreement with MC Management, pursuant to which certain loan servicing and administrative functions are delegated to MC Management. SLF may reimburse MC Management for its allocable share of overhead and other expenses incurred by MC Management. For the quarter ended December 31, 2021, SLF incurred $52 thousand of allocable expenses. The table above assumes "acquired fund fees and expenses" remain consistent with the $0.5 million of expenses incurred for the quarter ended December 31, 2021 and average net assets for the period of $248.1 million. Future expenses for SLF may be substantially higher or lower because certain expenses may fluctuate over time.

(9) "Total annual expenses" as a percentage of consolidated net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We borrow money to leverage our net assets and increase our total assets. We calculate the "total annual expenses" percentage as a percentage of net assets (defined as total assets less indebtedness and after taking into account any incentive fees payable during the period), rather than the total assets, including assets that have been purchased with borrowed amounts. The terms of our indebtedness may be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Borrowings" incorporated by reference into this prospectus and in other documents incorporated by reference into this prospectus. If the "total annual expenses" percentage were calculated instead as a percentage of average consolidated total assets for the quarter ended December 31, 2021, our "total annual expenses" would be 5.91% of average consolidated total assets for the period of $585.0 million. With certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 150%. We have received exemptive relief from the SEC to permit us to exclude the debt of our SBIC subsidiary guaranteed by the SBA from the definition of senior securities for the purposes of the asset coverage ratio. We have included our estimated leverage expenses (consistent with the assumptions in footnote (7)) in "total annual expenses."

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our audited consolidated financial statements and related notes and other financial information appearing elsewhere in this Annual Report on Form 10-K. In addition to historical information, the following discussion and other parts of this Annual Report on Form 10-K contain forward-looking information that involves risks and uncertainties.

Please see "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

Overview

Monroe Capital Corporation is an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, for U.S. federal income tax purposes, we have elected to be treated as a regulated investment company ("RIC") under the subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). We are a specialty finance company focused on providing financing solutions primarily to lower middle-market companies in the United States and Canada. We provide customized financing solutions focused primarily on senior secured, junior secured and unitranche secured (a combination of senior secured and junior secured debt in the same facility in which we syndicate a "first out" portion of the loan to an investor and retain a "last out" portion of the loan) debt and, to a lesser extent, unsecured subordinated debt and equity, including equity co-investments in preferred and common stock, and warrants.

Our shares are currently listed on the NASDAQ Global Select Market under the symbol "MRCC".

Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through investment in senior secured, unitranche secured and junior secured debt and, to a lesser extent, unsecured subordinated debt and equity investments. We seek to use our extensive leveraged finance origination infrastructure and broad expertise in sourcing loans to invest in primarily senior secured, unitranche secured and junior secured debt of middle-market companies. Our investments will generally range between $2.0 million and $25.0 million each, although this investment size may vary proportionately with the size of our capital base. As of December 31, 2021, our portfolio included approximately 75.4% senior secured loans, 9.2% unitranche secured loans, 2.6% junior secured loans and 12.8% equity securities, compared to December 31, 2020, when our portfolio included approximately 74.1% senior secured loans, 11.7% unitranche secured loans, 2.6% junior secured loans and 11.6% equity securities. We expect that the companies in which we invest may be leveraged, often as a result of leveraged buy-outs or other recapitalization transactions, and, in certain cases, will not be rated by national ratings agencies. If such companies were rated, we believe that they would typically receive a rating below investment grade (between BB and CCC under the Standard & Poor's system) from the national rating agencies.

While our primary focus is to maximize current income and capital appreciation through debt investments in thinly traded or private U.S. companies, we may invest a portion of the portfolio in opportunistic investments in order to seek to enhance returns to stockholders. Such investments may include investments in real estate, specialty finance, litigation finance, fund finance, high-yield bonds, distressed debt, private equity or securities of public companies that are not thinly traded and securities of middle-market companies located outside of the United States. We expect that these public companies generally will have debt securities that are non-investment grade.

On February 28, 2014, our wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP ("MRCC SBIC"), a Delaware limited partnership, received a license from the Small Business Administration ("SBA") to operate as a Small Business Investment Company ("SBIC") under Section 301(c) of the Small Business Investment Act of 1958. MRCC SBIC commenced operations on September 16, 2013. See "*SBA Debentures*" below for more information.

Investment income

We generate interest income on the debt investments in portfolio company investments that we originate or acquire. Our debt investments, whether in the form of senior secured, unitranche secured or junior secured debt, typically have an initial term of three to seven years and bear interest at a fixed or floating rate. In some instances, we receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we receive repayments of some of our debt investments prior to their scheduled maturity date. In some cases, our investments provide for deferred interest of payment-in-kind ("PIK") interest. In addition, we may generate revenue in the form of commitment, origination, amendment, structuring or due diligence fees, fees for providing managerial assistance and consulting fees. Loan origination fees, original issue discount and market discount or premium are capitalized, and we accrete or amortize such amounts as interest income. We record prepayment premiums and prepayment gains (losses) on loans as interest income. As the frequency or volume of the repayments which trigger these prepayment premiums and prepayment gains (losses) may fluctuate significantly from period to period, the associated interest income recorded may also fluctuate significantly from period to period. Interest and fee income are recorded on the accrual basis to the extent we expect to collect such amounts. Interest income is accrued based upon the outstanding principal amount and contractual terms of debt and preferred equity investments. Interest is accrued on a daily basis. We record fees on loans based on the determination of whether the fee is considered a yield enhancement or payment for a service. If the fee is considered a yield enhancement associated with a funding of cash on a loan, the fee is generally deferred and recognized into interest income using the effective interest method if captured in the cost basis or using the straight-line method if the loan is unfunded and therefore there is no cost basis. If the fee is not considered a yield enhancement because a service was provided, and the fee is payment for that service, the fee is deemed earned and recognized as fee income in the period the service has been completed.

Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies. Each distribution received from limited liability company ("LLC") and limited partnership ("LP") investments is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, we will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient accumulated tax-basis earnings and profits in the LLC or LP prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment. The frequency and volume of the distributions on common equity securities and LLC and LP investments may fluctuate significantly from period to period.

Expenses

Our primary operating expenses include the payment of base management and incentive fees to MC Advisors, under the investment advisory and management agreement (the "Investment Advisory Agreement"), the payment of fees to MC Management for our allocable portion of overhead and other expenses under the administration agreement (the "Administration Agreement") and other operating costs. See Note 6 to our consolidated financial statements and "*Related Party Transactions*" below for additional information on our Investment Advisory Agreement and Administration Agreement. Our expenses also include interest expense on our various forms of indebtedness. We bear all other out-of-pocket costs and expenses of our operations and transactions.

Net gain (loss)

We recognize realized gains or losses on investments, foreign currency forward contracts and foreign currency and other transactions based on the difference between the net proceeds from the disposition and the cost basis without regard to unrealized gains or losses previously recognized within net realized gain (loss) on the consolidated statements of operations. We record current period changes in fair value of investments, foreign currency forward contracts, foreign currency and other transactions within net change in unrealized gain (loss) on the consolidated statements of operations.

Portfolio and Investment Activity

During the year ended December 31, 2021, we invested $146.9 million in 32 new portfolio companies and $80.0 million in 33 existing portfolio companies and had $234.5 million in aggregate amount of sales and principal repayments, resulting in net sales and repayments of $7.6 million for the year.

During the year ended December 31, 2020, we invested $73.1 million in 18 new portfolio companies and $70.3 million in 39 existing portfolio companies and had $194.6 million in aggregate amount of sales and principal repayments, resulting in net sales and repayments of $51.2 million for the year.

During the year ended December 31, 2019, we invested $98.6 million in 18 new portfolio companies and $132.0 million in 33 existing portfolio companies and had $166.1 million in aggregate amount of sales and principal repayments, resulting in net investments of $64.5 million for the year.

The following table shows portfolio yield by security type:

	December 31, 2021		December 31, 2020	
	Weighted Average Annualized Contractual Coupon Yield [1]	Weighted Average Annualized Effective Yield [2]	Weighted Average Annualized Contractual Coupon Yield [1]	Weighted Average Annualized Effective Yield [2]
Senior secured loans	8.5%	8.5%	8.1%	8.1%
Unitranche secured loans	5.1	5.4	6.3	6.5
Junior secured loans	10.1	10.1	7.6	7.6
Preferred equity securities	3.0	3.0	1.4	1.4
Total	7.9%	8.0%	7.7%	7.7%

(1) The weighted average annualized contractual coupon yield at period end is computed by dividing (a) the interest income on our debt investments and preferred equity investments (with a stated coupon rate) at the period end contractual coupon rate for each investment by (b) the par value of our debt investments (excluding debt investments acquired for no cost in a restructuring on non-accrual status) and the cost basis of our preferred equity investments. We exclude loans acquired for no cost in a restructuring on non-accrual status within this metric as management believes this disclosure provides a better indication of return on invested capital. This exclusion impacts only the junior secured loans and total disclosed above. The weighted average contractual coupon yield including debt investments acquired for no cost in a restructuring on non-accrual status was 9.0% for junior secured loans and 7.9% in total as of December 31, 2021. The weighted average contractual coupon yield including debt investments acquired for no cost in a restructuring on non-accrual status was 4.1% for junior secured loans and 7.5% in total as of December 31, 2020.

(2) The weighted average annualized effective yield on portfolio investments at period end is computed by dividing (a) interest income on our debt investments and preferred equity investments (with a stated coupon rate) at the period end effective rate for each investment by (b) the par value of our debt investments (excluding debt investments acquired for no cost in a restructuring on non-accrual status) and the cost basis of our preferred equity investments. We exclude loans acquired for no cost in a restructuring on non-accrual status within this metric as management believes this disclosure provides a better indication of return on invested capital. This exclusion impacts only the junior secured loans and total disclosed above. The weighted average effective yield including debt investments acquired for no cost in a restructuring on non-accrual status was 9.0% for junior secured loans and 7.9% in total as of December 31, 2021. The weighted average effective yield including debt investments acquired for no cost in a restructuring on non-accrual status was 4.1% for junior secured loans and 7.5% in total as of December 31, 2020. The weighted average annualized effective yield on portfolio investments is a metric on the investment portfolio alone and does not represent a return to stockholders. This metric is not inclusive of our fees and expenses, the impact of leverage on the portfolio or sales load that may be paid by stockholders.

The following table shows the composition of our investment portfolio (in thousands):

	December 31, 2021		December 31, 2020	
Fair Value:				
Senior secured loans	$ 423,700	75.4%	$ 405,224	74.1%
Unitranche secured loans	51,494	9.2	64,040	11.7
Junior secured loans	14,364	2.6	14,592	2.6
LLC equity interest in SLF	41,125	7.3	39,284	7.2
Equity securities	31,010	5.5	23,899	4.4
Total	$ 561,693	100.0%	$ 547,039	100.0%

Our portfolio composition remained relatively consistent with December 31, 2020. The increase in the effective yield on our portfolio included the benefit of reducing the number of investments on non-accrual status during the year ended December 31, 2021.

The following table shows our portfolio composition by industry (in thousands):

	December 31, 2021		December 31, 2020	
Fair Value:				
Aerospace & Defense	$ 7,972	1.4%	$ —	—%
Automotive	21,556	3.8	9,637	1.8
Banking, Finance, Insurance & Real Estate	99,091	17.6	72,627	13.3
Beverage, Food & Tobacco	19,133	3.4	20,676	3.8
Capital Equipment	12,839	2.3	13,750	2.5
Chemicals, Plastics & Rubber	10,163	1.8	27,754	5.1
Construction & Building	16,636	3.0	16,809	3.0
Consumer Goods: Durable	9,734	1.7	18,893	3.4
Consumer Goods: Non-Durable	8,460	1.5	13,027	2.4
Containers, Packaging & Glass	—	—	4,997	0.9
Environmental Industries	17,693	3.2	13,168	2.4
Healthcare & Pharmaceuticals	53,179	9.5	37,815	6.9
High Tech Industries	54,085	9.6	81,417	14.9
Hotels, Gaming & Leisure	2,706	0.5	1,771	0.3
Investment Funds & Vehicles	41,125	7.3	39,284	7.2
Media: Advertising, Printing & Publishing	16,794	3.0	31,553	5.8
Media: Broadcasting & Subscription	2,477	0.5	2,227	0.4
Media: Diversified & Production	24,220	4.3	6,811	1.2
Retail	11,478	2.0	18,443	3.4
Services: Business	71,540	12.7	78,584	14.4
Services: Consumer	39,248	7.0	25,306	4.6
Telecommunications	5,988	1.1	1,100	0.2
Wholesale	15,576	2.8	11,390	2.1
Total	$ 561,693	100.0%	$ 547,039	100.0%

Portfolio Asset Quality

MC Advisors' portfolio management staff closely monitors all credits, with senior portfolio managers covering agented and more complex investments. MC Advisors segregates our capital markets investments by industry. The MC Advisors' monitoring process and projections developed by Monroe Capital both have daily, weekly, monthly and quarterly components and related reports, each to evaluate performance against historical, budget and underwriting expectations. MC Advisors' analysts will monitor performance using standard industry software tools to provide consistent disclosure of performance. When necessary, MC Advisors will update our internal risk ratings, borrowing base criteria and covenant compliance reports.

As part of the monitoring process, MC Advisors regularly assesses the risk profile of each of our investments and rates each of them based on an internal proprietary system that uses the categories listed below, which we refer to as MC Advisors' investment performance risk rating. For any investment rated in grades 3, 4 or 5, MC Advisors, through its internal Portfolio Management Group ("PMG"), will increase its monitoring intensity and prepare regular updates for the investment committee, summarizing current operating results and material impending events and suggesting recommended actions. The PMG is responsible for oversight and management of any investments rated in grades 3, 4, or 5. MC Advisors monitors and, when appropriate, changes the investment ratings assigned to each investment in our portfolio. In connection with our valuation process, MC Advisors reviews these investment ratings on a quarterly basis. The investment performance risk rating system is described as follows:

Investment Performance Risk Rating	Summary Description
Grade 1	Includes investments exhibiting the least amount of risk in our portfolio. The issuer is performing above expectations or the issuer's operating trends and risk factors are generally positive.
Grade 2	Includes investments exhibiting an acceptable level of risk that is similar to the risk at the time of origination. The issuer is generally performing as expected or the risk factors are neutral to positive.
Grade 3	Includes investments performing below expectations and indicates that the investment's risk has increased somewhat since origination. The issuer may be out of compliance with debt covenants; however, scheduled loan payments are generally not past due.
Grade 4	Includes an issuer performing materially below expectations and indicates that the issuer's risk has increased materially since origination. In addition to the issuer being generally out of compliance with debt covenants, scheduled loan payments may be past due (but generally not more than six months past due).
Grade 5	Indicates that the issuer is performing substantially below expectations and the investment risk has substantially increased since origination. Most or all of the debt covenants are out of compliance or payments are substantially delinquent. Investments graded 5 are not anticipated to be repaid in full.

Our investment performance risk ratings do not constitute any rating of investments by a nationally recognized statistical rating organization or reflect or represent any third-party assessment of any of our investments.

In the event of a delinquency or a decision to rate an investment grade 4 or grade 5, the PMG, in consultation with the investment committee, will develop an action plan. Such a plan may require a meeting with the borrower's management or the lender group to discuss reasons for the default and the steps management is undertaking to address the under-performance, as well as amendments and waivers that may be required. In the event of a dramatic deterioration of a credit, MC Advisors and the PMG will form a team or engage outside advisors to analyze, evaluate and take further steps to preserve our value in the credit. In this regard, we would expect to explore all options, including in a private equity sponsored investment, assuming certain responsibilities for the private equity sponsor or a formal sale of the business with oversight of the sale process by us. The PMG and the investment committee have extensive experience in running debt work-out transactions and bankruptcies.

The following table shows the distribution of our investments on the 1 to 5 investment performance risk rating scale as of December 31, 2021 (in thousands):

Investment Performance Risk Rating	Investments at Fair Value	Percentage of Total Investments
1	$ 1,759	0.3%
2	465,224	82.9
3	75,942	13.5
4	18,136	3.2
5	632	0.1
Total	$ 561,693	100.0%

The following table shows the distribution of our investments on the 1 to 5 investment performance risk rating scale as of December 31, 2020 (in thousands):

Investment Performance Risk Rating	Investments at Fair Value	Percentage of Total Investments
1	$ 1,592	0.3%
2	428,554	78.4
3	92,001	16.8
4	19,844	3.6
5	5,048	0.9
Total	$ 547,039	100.0%

As of December 31, 2021, we had six borrowers with loans or preferred equity securities on non-accrual status (BLST Operating Company, LLC ("BLST"), Curion Holdings, LLC ("Curion"), Education Corporation of America ("ECA"), NECB Collections, LLC ("NECB"), Toojay's Management, LLC ("Toojay's OldCo") and Vinci Brands LLC formerly Incipio, LLC ("Incipio")), and these investments totaled $14.7 million in fair value, or 2.6% of our total investments at fair value. As of December 31, 2020, we had 12 borrowers with loans or preferred equity securities on non-accrual status (BLST, California Pizza Kitchen, Inc., Curion, ECA, Incipio last out term loan and third lien tranches, Luxury Optical Holdings Co. ("Luxury Optical"), NECB, Parterre Flooring & Surface Systems, LLC ("Parterre"), SHI Holdings, Inc. ("SHI"), The Worth Collection, Ltd. ("Worth"), Toojay's OldCo and Valudor Products, LLC preferred equity), and these investments totaled $22.3 million in fair value, or 4.1% of our total investments at fair value.

Results of Operations

Operating results were as follows (in thousands):

	For the years ended December 31,		
	2021	2020 [1]	2019
Total investment income	$ 53,830	$ 61,581	$ 68,193
Total expenses, net of fee waivers	31,380	30,823	39,142
Net investment income before income taxes	22,450	30,758	29,051
Income taxes, including excise taxes	282	370	17
Net investment income	22,168	30,388	29,034
Net realized gain (loss) on investments	(21,764)	2,551	(933)
Net realized gain (loss) on extinguishment of debt	(3,110)	—	—
Net realized gain (loss) on foreign currency forward contracts	(48)	(16)	12
Net realized gain (loss) on foreign currency and other transactions	(895)	(14)	(4)
Net realized gain (loss)	(25,817)	2,521	(925)
Net change in unrealized gain (loss) on investments	34,579	(30,559)	(8,002)
Net change in unrealized gain (loss) on foreign currency forward contracts	894	(54)	(75)
Net change in unrealized gain (loss) on foreign currency and other transactions	635	(650)	(818)
Net change in unrealized gain (loss)	36,108	(31,263)	(8,895)
Net increase (decrease) in net assets resulting from operations	$ 32,459	$ 1,646	$ 19,214

(1) In May 2020, an arbitrator issued a final award in favor of the estate of Rockdale Blackhawk, LLC (the "Estate") in the legal proceeding between the Estate and a national insurance carrier. Our share of the net proceeds from the award exceeded the contractual obligations due to us as a result of our right to receive excess proceeds pursuant to the terms of a sharing agreement between the lenders and the Estate. In June 2020, we received $33.1 million as an initial payment of proceeds from the legal proceedings from the Estate, of which $19.5 million was recorded as a reduction in the cost basis of our investment in Rockdale Blackhawk, LLC ("Rockdale"), $3.9 million was recorded as the collection of previously accrued interest, $7.4 million was recorded as investment income for previously unaccrued interest and fees and $2.3 million was recorded as realized gains. Additionally, as an offset, we recorded net change in unrealized (loss) of ($8.2) million primarily as a result of the reversal associated with the collection of proceeds from the Estate. Total net income associated with our investment in Rockdale was $1.9 million during the year ended December 31, 2020. As of December 31, 2021, we have a remaining investment in Rockdale associated with residual proceeds currently expected from the Estate of $1.7 million.

Investment Income

The composition of our investment income was as follows (in thousands):

	For the years ended December 31,		
	2021	2020	2019
Interest income	$ 35,738	$ 42,640	$ 54,254
PIK interest income	8,320	8,776	5,538
Dividend income [1]	5,712	4,557	4,110
Fee income	1,267	3,222	1,926
Prepayment gain (loss)	1,691	1,133	883
Accretion of discounts and amortization of premium	1,102	1,253	1,482
Total investment income	$ 53,830	$ 61,581	$ 68,193

(1) During the years ended December 31, 2021, 2020 and 2019, includes PIK dividends of $1,164, $157 and $54, respectively.

The decrease in investment income of $7.8 million during the year ended December 31, 2021 is primarily the result of the inclusion of $7.4 million of previously unrecorded interest and fee income associated with our investment in Rockdale during the year ended December 31, 2020. The decrease in investment income of $6.6 million during the year ended December 31, 2020 is primarily the result of declines in the effective rate on the portfolio driven by decreases in LIBOR, the placement of additional investments on non-accrual status and a decrease in average outstanding loan balances, partially offset by $7.4 million of interest and fee income associated with our investment in Rockdale that had not been recorded prior to the initial payment from the Estate.

Operating Expenses

The composition of our operating expenses was as follows (in thousands):

	For the years ended December 31,		
	2021	2020	2019
Interest and other debt financing expenses	$ 16,074	$ 17,989	$ 20,268
Base management fees, net of base management fee waivers [1]	9,514	9,377	10,780
Incentive fees, net of incentive fee waivers [2]	2,206	—	4,429
Professional fees	1,013	1,023	1,209
Administrative service fees	1,357	1,300	1,309
General and administrative expenses	1,072	989	991
Directors' fees	144	145	156
Total expenses, net of base management fee and incentive fee waivers	$ 31,380	$ 30,823	$ 39,142

(1) Base management fees for the year ended December 31, 2021, 2020 and 2019 were $9,514, $9,807 and $10,780, respectively, and MC Advisors elected to voluntarily waive zero, $430 and zero, respectively, of these base management fees.

(2) During the years ended December 31, 2021, 2020 and 2019, MC Advisors waived part one incentive fees (based on net investment income) of $1,484, $712 and $1,182, respectively. Incentive fees during the years ended December 31, 2021, 2020 and 2019 were limited by zero, $5,012 and $1,081 due to the Incentive Fee Limitation, respectively. See Note 6 in our attached consolidated financial statements for additional information on the Incentive Fee Limitation.

The composition of our interest and other debt financing expenses, average debt outstanding and average stated interest rates (i.e. the rate in effect plus spread) were as follows (in thousands):

	For the years ended December 31,		
	2021	2020	2019
Interest expense – revolving credit facility	$ 4,593	$ 5,594	$ 8,710
Interest expense – 2023 Notes	837	6,270	5,756
Interest expense – 2026 Notes	5,763	—	—
Interest expense – SBA debentures	2,676	3,944	3,933
Amortization of deferred financing costs	2,205	2,181	1,869
Total interest and other debt financing expenses	$ 16,074	$ 17,989	$ 20,268
Average debt outstanding	332,034	370,904	397,503
Average stated interest rate	4.1%	4.2%	4.5%

The increase in expenses of $0.6 million during the year ended December 31, 2021 is primarily the result of an increase in incentive fees, partially offset by a decrease in interest expense due to lower average debt outstanding (including our repayment of $58.1 million in SBA debentures during the year ended December 31, 2021). Additionally, the refinance of our 5.75% 2023 Notes with the 4.75% 2026 Notes during the year ended December 31, 2021 contributed to the decline in interest expense. The decrease in expenses of $8.3 million during the year ended December 31, 2020 is primarily the result of a decrease in incentive fees due to a larger Incentive Fee Limitation during the year ended December 31, 2020, a decrease in interest expense on our revolving credit facility as a result of lower average debt outstanding and a reduction in LIBOR and a decline in management fees due to a decrease in average portfolio size. Additionally, MC Advisors voluntarily waived base management fees of $0.4 million during the year ended December 31, 2020.

Income Taxes, Including Excise Taxes

We have elected to be treated as a RIC under Subchapter M of the Code and operate in a manner so as to qualify for the tax treatment available to RICs. To maintain qualification as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and distribute to stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our net ordinary income plus the excess, if any, of realized net short-term capital gains over realized net long-term capital losses.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income in excess of current year dividend distributions from such current year taxable income into the next year and pay a 4% excise tax on such income, as required. To the extent that we determine that our estimated current year annual taxable income may exceed estimated current year dividend distributions, we accrue excise tax, if any, on estimated excess taxable income as such taxable income is earned. For the years ended December 31, 2021, 2020 and 2019, we recorded a net expense on the consolidated statements of operations of $0.3 million, $0.4 million, and $10 thousand, respectively, for U.S. federal excise tax.

Certain of our consolidated subsidiaries are subject to U.S. federal and state corporate-level income taxes. For the years ended December 31, 2021, 2020 and 2019, we recorded a net tax expense on the consolidated statements of operations of $4 thousand, $2 thousand and $7 thousand, respectively, for these subsidiaries.

Net Realized Gain (Loss)

During the years ended December 31, 2021, 2020 and 2019, we had sales or dispositions of investments of $19.3 million, $32.4 million and $1.7 million, respectively, resulting in ($21.8) million, $2.6 million and ($0.9) million of net realized gain (loss), respectively. During 2021, the realized losses were primarily attributable to the realization of the previously recorded unrealized loss on our investments in Worth, SHI, Parterre and Answers Finance, LLC, partially offset by the gain on the disposition of Luxury Optical. During 2020, $2.3 million of the net realized gain was attributable to our investment in Rockdale.

We may enter into foreign currency forward contracts to reduce our exposure to foreign currency exchange rate fluctuations. During the years ended December 31, 2021, 2020 and 2019, we had ($48) thousand, ($16) thousand and $12 thousand of net realized gain (loss) on foreign currency forward contracts, respectively. During the years ended December 31, 2021, 2020 and 2019, we had ($0.9) million, ($14) thousand and ($4) thousand of net realized gain (loss) on foreign currency and other transactions, respectively.

Net Change in Unrealized Gain (Loss)

For the years ended December 31, 2021, 2020 and 2019, our investments had $34.6 million, ($30.6) million and ($8.0) million of net change in unrealized gain (loss), respectively. The net change in unrealized gain (loss) includes both unrealized gain on investments in our portfolio with mark-to-market gains during the year and unrealized loss on investments in our portfolio with mark-to-market losses during the year. The net change in unrealized gains during the year ended December 31, 2021 was primarily attributable to the realization of previously recorded unrealized losses upon the disposition of certain assets during the year. Excluding the $26.5 million reversal of previously recognized unrealized losses on our investments due to realizations during the year, we estimate approximately $9.7 million of the net unrealized gain on investments during the year ended December 31, 2021 was attributable to broad market movements and tightening of credit spreads in the loan markets. Approximately $7.9 million of these net unrealized gains were attributable to investments held in the portfolio directly, while approximately $1.8 million of these gains were attributable to our investment in SLF. This was partially offset by ($1.6) million in net unrealized losses on investments attributable to portfolio companies that have underlying credit or fundamental performance concerns resulting in a risk rating of Grade 3, 4 or 5 on our investment performance risk rating scale.

During the year ended December 31, 2020, our operating results were negatively impacted by the uncertainty surrounding the COVID-19 pandemic which has caused severe disruptions in the global economy and negatively impacted the fair value and performance of our investment portfolio. We estimate approximately ($20.9) million of the net unrealized losses were attributable to specific credit or fundamental performance of the underlying portfolio companies, a significant portion of which is as a result of the impact of the COVID-19 pandemic on individual credit performance. We also recorded ($8.4) million of net change in unrealized (loss) as a result of the reversal of previously recorded unrealized gains associated with the collection of proceeds from Rockdale. Additionally, we estimate that the remainder of the net unrealized losses during the year ended December 31, 2020, were attributable to broad market movements and widening of credit spreads. This includes net unrealized losses of ($3.1) million attributable to our investment in the SLF. The SLF's underlying investments are loans to middle-market borrowers that are generally larger than the rest of our portfolio which is focused on lower middle-market companies. These upper middle-market loans held within the SLF experienced higher volatility in valuation than the rest of our portfolio.

For the years ended December 31, 2021, 2020 and 2019, our foreign currency forward contracts had $0.9 million, ($54) thousand, and ($75) thousand of net change in unrealized gain (loss), respectively. For the years ended December 31, 2021, 2020 and 2019, our foreign currency borrowings had $0.6 million, ($0.7) million and ($0.8) million of net change in unrealized gain (loss), respectively.

Net Increase (Decrease) in Net Assets Resulting from Operations

For the years ended December 31, 2021, 2020 and 2019, the net increase (decrease) in net assets from operations was $32.5 million, $1.6 million and $19.2 million, respectively. Based on the weighted average shares of common stock outstanding for the years ended December 31, 2021, 2020 and 2019, our per share net increase (decrease) in net assets resulting from operations was $1.51, $0.08 and $0.94, respectively. The $30.8 million increase during the year ended December 31, 2021, is primarily the result of net unrealized mark-to-market gains on investments in the portfolio during the year ended December 31, 2021, as compared to the year ended December 31, 2020, where investments in the portfolio experienced significant net unrealized mark to mark-to-market losses, primarily as a result of market volatility and deterioration of fundamental performance on certain portfolio companies related to the COVID-19 pandemic.

The $17.6 million decrease during the year ended December 31, 2020, is primarily the result of a comparative increase in net mark-to-market losses on investments in the portfolio, partially offset by an increase in net investment income.

Liquidity and Capital Resources

As of December 31, 2021, we had $2.6 million in cash, $15.5 million in cash at MRCC SBIC, $151.0 million of total debt outstanding on our revolving credit facility, $130.0 million in 2026 Notes and $56.9 million in outstanding SBA debentures. We had $104.0 million available for additional borrowings on our revolving credit facility, subject to borrowing base availability. See "*Borrowings*" below for additional information.

In accordance with the 1940 Act, we are permitted to borrow amounts such that our asset coverage ratio, as defined in the 1940 Act, is at least 150% after such borrowing. We were granted exemptive relief from the SEC for permission to exclude the debt of MRCC SBIC guaranteed by the SBA from the asset coverage test under the 1940 Act. As of December 31, 2021 and December 31, 2020, our asset coverage ratio based on aggregate borrowings outstanding was 189% and 200%, respectively.

Cash Flows

For the year ended December 31, 2021, we experienced a net increase (decrease) in cash and restricted cash of ($14.3) million. During the same period operating activities provided $20.0 million, primarily as a result of sales of and principal repayments on portfolio investments, partially offset by purchases of portfolio investments. During the same period, we used $34.3 million in financing activities, primarily as a result of repayments on our 2023 Notes and SBA debentures and distributions to stockholders, partially offset by net proceeds from our 2026 Notes (net of deferred financing cost payments), net borrowings on our revolving credit facility and proceeds from shares issued under the at-the market ("ATM") securities offering program.

For the year ended December 31, 2020, we experienced a net increase (decrease) in cash and restricted cash of $2.8 million. During the same period operating activities provided $74.9 million, primarily as a result of sales of and principal repayments on portfolio investments, partially offset by purchases of portfolio investments. During the same period, we used $72.1 million in financing activities, primarily as a result of net repayments on our revolving credit facility and distributions to stockholders, partially offset by proceeds from shares issued under the ATM securities offering program.

For the year ended December 31, 2019, we experienced a net increase (decrease) in cash and restricted cash of $11.9 million. During the same period we used $39.2 million in operating activities, primarily as a result of purchases of portfolio investments, partially offset by sales of and principal repayments on portfolio investments. During the same period, we generated $51.2 million from financing activities, primarily as a result of net proceeds from our 2023 Notes (net of deferred financing cost payments) and net borrowings on our revolving credit facility, partially offset by distributions to stockholders.

Capital Resources

As a BDC, we distribute substantially all of our net income to our stockholders and have an ongoing need to raise additional capital for investment purposes. We intend to generate additional cash primarily from future offerings of securities, future borrowings and cash flows from operations, including income earned from investments in our portfolio companies. On both a short-term and long-term basis, our primary use of funds will be to invest in portfolio companies and make cash distributions to our stockholders. We may also use available funds to repay outstanding borrowings.

As a BDC, we are generally not permitted to issue and sell our common stock at a price below net asset value ("NAV") 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 NAV per share of our common stock if our board of directors ("Board"), including our independent directors, determines that such sale is in the best interests of us and our stockholders, and if our stockholders have approved such sales. On June 16, 2021, our stockholders once again voted to allow us to sell or otherwise issue common stock at a price below net asset value per share for a period of one year, subject to certain limitations. As of December 31, 2021 and 2020, we had 21,666,340 and 21,303,540 shares outstanding, respectively.

On June 24, 2015, our stockholders approved a proposal to authorize us to issue warrants, options or rights to subscribe to, convert to, or purchase our common stock in one or more offerings. This is a standing authorization and does not require annual re-approval by our stockholders.

Stock Issuances: On May 12, 2017, we entered into ATM equity distribution agreements with each of JMP Securities LLC ("JMP") and FBR Capital Markets & Co. ("FBR") and (the "ATM Program") through which we can sell, by means of ATM offerings from time to time, up to $50.0 million of our common stock. On May 8, 2020, we entered into an amendment to the ATM Program to extend its term. All other material terms of the ATM Program remain unchanged. There were no stock issuances during the year ended December 31, 2019. During the year ended December 31, 2020, we sold 858,976 shares at an average price of $7.78 per share for gross proceeds of $6.7 million under the ATM Program. Aggregate underwriter's discounts and commissions were $0.1 million and offering costs were $0.1 million, resulting in net proceeds of approximately $6.5 million. During the year ended December 31, 2021, we sold 362,800 shares at an average price of $11.53 per share for gross proceeds of $4.2 million under the ATM Program. Aggregate underwriter's discounts and commissions were $63 thousand and offering costs were $27 thousand, resulting in net proceeds of approximately $4.1 million.

Borrowings

Revolving Credit Facility: We have a $255.0 million revolving credit facility with ING Capital LLC, as agent. The revolving credit facility has an accordion feature which permits us, under certain circumstances to increase the size of the facility up to $400.0 million (subject to maintaining 150% asset coverage, as defined by the 1940 Act). The revolving credit facility is secured by a lien on all of our assets, including cash on hand, but excluding the assets of our wholly-owned subsidiary, MRCC SBIC. We may make draws under the revolving credit facility to make or purchase additional investments through March 1, 2023 and for general working capital purposes until March 1, 2024, the maturity date of the revolving credit facility.

Our ability to borrow under the revolving credit facility is subject to availability under the borrowing base, which permits us to borrow up to 72.5% of the fair market value of our portfolio company investments depending on the type of investment we hold and whether the investment is quoted. Our ability to borrow is also subject to certain concentration limits, and continued compliance with the representations, warranties and covenants given by us under the facility. The revolving credit facility contains certain financial and restrictive covenants, including, but not limited to, our maintenance of: (1) minimum consolidated total net assets at least equal to $150.0 million plus 65% of the net proceeds to us from sales of our equity securities after March 1, 2019; (2) a ratio of total assets (less total liabilities other than indebtedness) to total indebtedness of not less than 1.5 to 1; and (3) a senior debt coverage ratio of at least 2 to 1. The revolving credit facility also requires us to undertake customary indemnification obligations with respect to ING Capital LLC and other members of the lending group and to reimburse the lenders for expenses associated with entering into the credit facility. The revolving credit facility also has customary provisions regarding events of default, including events of default for nonpayment, change in control transactions at both Monroe Capital Corporation and MC Advisors, failure to comply with financial and negative covenants, and failure to maintain our relationship with MC Advisors. If we incur an event of default under the revolving credit facility and fail to remedy such default under any applicable grace period, if any, then the entire revolving credit facility could become immediately due and payable, which would materially and adversely affect our liquidity, financial condition, results of operations and cash flows.

Our revolving credit facility also imposes certain conditions that may limit the amount of our distributions to stockholders. Distributions payable in our common stock under the DRIP are not limited by the revolving credit facility. Distributions in cash or property other than common stock are generally limited to 115% of the amount of distributions required to maintain our status as a RIC.

As of December 31, 2021, we had U.S. dollar borrowings of $146.4 million and non-U.S. dollar borrowings denominated in Great Britain pounds of £3.4 million ($4.6 million in U.S. dollars) under the revolving credit facility. As of December 31, 2020, we had U.S. dollar borrowings of $104.6 million and non-U.S. dollar borrowings denominated in Great Britain pounds of £16.1 million ($22.0 million in U.S. dollars) under the revolving credit facility. The borrowings denominated in Great Britain pounds may be positively or negatively affected by movements in the rate of exchange between the U.S. dollar and the Great Britain pound. These movements are beyond our control and cannot be predicted. The borrowings denominated in Great Britain pounds are translated into U.S. dollars based on the spot rate at each balance sheet date. The impact resulting from changes in foreign currency borrowings is included in net change in unrealized gain (loss) on foreign currency and other transactions on our consolidated statements of operations and totaled $0.7 million, ($0.7) million and ($0.8) million for the years ended December 31, 2021, 2020 and 2019, respectively.

Borrowings under the revolving credit facility bear interest, at our election, at an annual rate of LIBOR (one-month, three-month or six-month at our discretion based on the term of the borrowing) plus 2.625% or at a daily rate equal to 1.625% per annum plus the greater of the prime interest rate, the federal funds rate plus 0.5% or LIBOR plus 1.0%, with a LIBOR floor of 0.5%. In addition to the stated interest rate on borrowings under the revolving credit facility, we are required to pay a commitment fee and certain conditional fees based on usage of the expanded borrowing base and usage of the asset coverage ratio flexibility. A commitment fee of 0.5% per annum on any unused portion of the revolving credit facility if the unused portion of the facility is less than 35% of the then available maximum borrowing or a commitment fee of 1.0% per annum on any unused portion of the revolving credit facility if the unused portion of the facility is greater than or equal to 35% of the then available maximum borrowing. As of December 31, 2021 and December 31, 2020, the outstanding borrowings were accruing at a weighted average interest rate of 3.1% and 3.2%, respectively.

2023 Notes: On February 18, 2021, we redeemed $109.0 million in aggregate principal amount of the 2023 Notes. The redemption was accounted for as a debt extinguishment in accordance with ASC Subtopic 470-50, Debt – Modifications and Extinguishment (“ASC 470-50”), which resulted in a realized loss of $2.3 million (primarily comprised of the unamortized deferred financing costs at the time of the redemption) and was recorded in net gain (loss) on extinguishment of debt on our consolidated statements of operations. The 2023 Notes were delisted from the Nasdaq Global Select Market, in conjunction with the redemption.

2026 Notes: On January 25, 2021, we closed a private offering of $130.0 million in aggregate principal amount of senior unsecured notes (the “2026 Notes”). Aggregate underwriting commissions were $3.3 million and other issuance costs were $0.7 million, resulting in proceeds of approximately $126.0 million. The 2026 Notes mature on February 15, 2026 and may be redeemed in whole or in part at any time or from time to time at our option at par plus a “make-whole” premium, if applicable. The 2026 Notes bear interest at an annual rate of 4.75% payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2021. The 2026 Notes are general, unsecured obligations and rank equal in right of payment with all of our existing and future unsecured indebtedness.

SBA Debentures: On February 28, 2014, our wholly-owned subsidiary, MRCC SBIC, received a license from the SBA to operate as a SBIC under Section 301(c) of the Small Business Investment Act of 1958, as amended. MRCC SBIC commenced operations on September 16, 2013.

The SBIC license allowed MRCC SBIC to obtain leverage by issuing SBA debentures. On March 1, 2022, MRCC SBIC fully repaid its outstanding SBA debentures and notified the SBA of its intent to surrender its license to operate as a SBIC. See *Recent Developments* for additional information. SBA debentures are non-recourse, interest only debentures with interest payable semi-annually and have a ten-year maturity. The principal amount of SBA debentures is not required to be paid prior to maturity but may be prepaid on a semi-annual basis without penalty. The interest rate of SBA debentures is fixed on a semi-annual basis (pooling date) at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, had a superior claim to MRCC SBIC’s assets over our stockholders.

During the year ended December 31, 2021, we repaid $58.1 million in aggregate amount of SBA debentures. The repayment was accounted for as a debt extinguishment in accordance with ASC 470-50 which resulted in a realized loss of $0.8 million (primarily comprised of the unamortized deferred financing costs at the time of the repayment) recorded in net gain (loss) on extinguishment of debt on our consolidated statements of operations. As of December 31, 2021, MRCC SBIC had $15.5 million in cash and $87.2 million in investments at fair value. As of December 31, 2020, MRCC SBIC had $25.7 million in cash and $131.2 million in investments at fair value.

As of both December 31, 2021 and 2020, MRCC SBIC had $57.6 million in leverageable capital and the following SBA debentures outstanding (in thousands):

Maturity Date	Interest Rate	December 31, 2021	December 31, 2020
September 2024	3.4%	$ 2,920	$ 12,920
March 2025	3.3%	14,800	14,800
March 2025	2.9%	7,080	7,080
September 2025	3.6%	—	5,200
March 2027	3.5%	—	20,000
September 2027	3.2%	32,100	32,100
March 2028	3.9%	—	18,520
September 2028	4.2%	—	4,380
Total		$ 56,900	$ 115,000

Distributions

Our Board will determine the timing and amount, if any, of our distributions. We intend to pay distributions on a quarterly basis. In order to avoid corporate-level tax on the income we distribute as a RIC, we must distribute to our stockholders at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, on an annual basis out of the assets legally available for such distributions. In addition, we also intend to distribute any realized net capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) at least annually out of the assets legally available for such distributions. Distributions to stockholders for the years ended December 31, 2021, 2020 and 2019 totaled $21.5 million ($1.00 per share), $23.1 million ($1.10 per share) and $28.6 million ($1.40 per share), respectively, none of which represented a return of capital. The tax character of such distributions is determined at the end of the fiscal year.

In October 2012, we adopted an “opt out” dividend reinvestment plan (“DRIP”) for our common stockholders. When we declare a distribution, our stockholders’ cash distributions will automatically be reinvested in additional shares of our common stock unless a stockholder specifically “opts out” of our DRIP. If a stockholder opts out, that stockholder will receive cash distributions. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes in the same manner as cash distributions, stockholders participating in our DRIP will not receive any corresponding cash distributions with which to pay any such applicable taxes.

MRCC Senior Loan Fund I, LLC

We co-invest with Life Insurance Company of the Southwest (“LSW”) in senior secured loans through SLF, an unconsolidated Delaware LLC. SLF is capitalized as underlying investment transactions are completed, taking into account available debt and equity commitments available for funding these investments. All portfolio and investment decisions in respect to SLF must be approved by the SLF investment committee, consisting of one representative of each of us and LSW. SLF may cease making new investments upon notification of either member but operations will continue until all investments have been sold or paid-off in the normal course of business. Investments held by SLF are measured at fair value using the same valuation methodologies as described below. Our investment is illiquid in nature as SLF does not allow for withdrawal from the LLC or the sale of a member’s interest unless approved by the board members of SLF. The full withdrawal of a member would result in an orderly wind-down of SLF.

SLF's profits and losses are allocated to us and LSW in accordance with the respective ownership interests. As of both December 31, 2021 and 2020, we and LSW each owned 50.0% of the LLC equity interests of SLF. As of both December 31, 2021 and 2020, SLF had $100.0 million in equity commitments from its members (in the aggregate), of which $84.3 million was funded.

As of both December 31, 2021 and 2020, we have committed to fund $50.0 million of LLC equity interest subscriptions to SLF. As of both December 31, 2021 and 2020, $42.2 million of our LLC equity interest subscriptions to SLF had been called and contributed, net of return of capital distributions subject to recall.

For the years ended December 31, 2021, 2020 and 2019, we received $4.3 million, $4.4 million and $4.0 million of dividend income from our LLC equity interest in SLF, respectively.

SLF has a senior secured revolving credit facility (as amended, the "SLF Credit Facility") with Capital One, N.A., through its wholly-owned subsidiary MRCC Senior Loan Fund I Financing SPV, LLC ("SLF SPV"), The SLF Credit Facility originally allowed SLF SPV to borrow up to $170.0 million, subject to leverage and borrowing base restrictions and borrowings on the SLF Credit Facility bore interest at an annual rate of LIBOR (three-month) plus 2.25%. On November 23, 2021, the SLF Credit Facility was amended to, among other things, extend the maturity date to November 23, 2031, allow SLF SPV to borrow up to $175.0 million at any one time, subject to leverage and borrowing base restrictions, and decrease the interest rate on the borrowings under the SLF Credit Facility to an annual rate of LIBOR (three-month) plus 2.10%.

SLF does not pay any fees to MC Advisors or its affiliates; however, SLF has entered into an administration agreement with Monroe Capital Management Advisors, LLC ("MC Management"), pursuant to which certain loan servicing and administrative functions are delegated to MC Management. SLF may reimburse MC Management for its allocable share of overhead and other expenses incurred by MC Management. For the years ended December 31, 2021, 2020 and 2019, SLF incurred $0.2 million, $0.2 million, and $0.2 million of allocable expenses, respectively. There are no agreements or understandings by which we guarantee any SLF obligations.

As of December 31, 2021 and 2020, SLF had total assets at fair value of $194.6 million and $209.7 million, respectively. As of December 31, 2021 and December 31, 2020, SLF had one portfolio company investment on non-accrual status with a fair value of $1.1 million and $1.0 million, respectively. The portfolio companies in SLF are in industries and geographies similar to those in which we may invest directly. Additionally, as of December 31, 2021 and 2020, SLF had $2.1 million and $0.8 million, respectively, in outstanding commitments to fund investments under undrawn revolvers and delayed draw commitments.

Below is a summary of SLF's portfolio, followed by a listing of the individual investments in SLF's portfolio as of December 31, 2021 and 2020:

	As of	
	December 31, 2021	**December 31, 2020**
Senior secured loans [(1)]	193,062	214,389
Weighted average current interest rate on senior secured loans [(2)]	5.9%	5.8%
Number of portfolio company investments in SLF	57	57
Largest portfolio company investment [(1)]	6,720	6,790
Total of five largest portfolio company investments [(1)]	27,074	27,064

(1) Represents outstanding principal amount, excluding unfunded commitments. Principal amounts in thousands.

(2) Computed as the (a) annual stated interest rate on accruing senior secured loans divided by (b) total senior secured loans at outstanding principal amount.

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2021
(in thousands)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate [b]	Maturity	Principal	Fair Value
Non-Controlled/Non-Affiliate Company Investments					
Senior Secured Loans					
Aerospace & Defense					
Bromford Industries Limited [c]	P+4.25%	7.50%	11/5/2025	2,744	$ 2,692
Bromford Industries Limited [c]	P+4.25%	7.50%	11/5/2025	1,829	1,794
Trident Maritime Systems, Inc.	L+5.50%	6.50%	2/26/2027	2,467	2,478
Trident Maritime Systems, Inc. (Revolver) [d]	L+5.50%	6.50%	2/26/2027	265	—
				7,305	6,964
Automotive					
Accelerate Auto Works Intermediate, LLC	L+4.75%	5.75%	12/1/2027	1,454	1,436
Accelerate Auto Works Intermediate, LLC (Delayed Draw) [d]	L+4.75%	5.75%	12/1/2027	388	—
Accelerate Auto Works Intermediate, LLC (Revolver) [d]	L+4.75%	5.75%	12/1/2027	132	—
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	1,709	1,718
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	253	255
Wheel Pros, Inc.	L+4.50%	5.25%	5/11/2028	1,952	1,951
				5,888	5,360
Banking, Finance, Insurance & Real Estate					
Avison Young (USA) Inc. [c]	L+5.75%	5.97%	1/30/2026	4,850	4,824
Harbour Benefit Holdings, Inc.	L+5.25%	6.25%	12/13/2024	2,948	2,932
Harbour Benefit Holdings, Inc.	L+5.25%	6.25%	12/13/2024	66	65
Keystone Purchaser, LLC [e]	L+6.25%	7.25%	5/7/2027	3,000	2,947
Lightbox Intermediate, L.P.	L+5.00%	5.13%	5/11/2026	4,875	4,814
Minotaur Acquisition, Inc. [e]	L+4.75%	4.85%	3/27/2026	4,912	4,894
				20,651	20,476
Beverage, Food & Tobacco					
CBC Restaurant Corp.	n/a	5.00% PIK [f]	12/30/2022	1,116	1,072
SW Ingredients Holdings, LLC	L+4.75%	5.75%	7/3/2025	3,619	3,619
				4,735	4,691
Capital Equipment					
Analogic Corporation	L+5.25%	6.25%	6/24/2024	4,752	4,702
DS Parent, Inc. [e]	L+5.75%	6.50%	12/8/2028	3,000	2,970
				7,752	7,672
Chemicals, Plastics & Rubber					
Polymer Solutions Group	L+7.00%	8.00%	1/3/2023	1,178	1,169
				1,178	1,169
Construction & Building					
The Cook & Boardman Group LLC	L+5.75%	6.75%	10/20/2025	2,910	2,838
				2,910	2,838
Consumer Goods: Durable					
International Textile Group, Inc.	L+5.00%	5.13%	5/1/2024	1,711	1,590
Runner Buyer Inc. [e]	L+5.50%	6.25%	10/23/2028	3,000	2,970
				4,711	4,560
Consumer Goods: Non-Durable					
PH Beauty Holdings III, INC	L+5.00%	5.18%	9/26/2025	2,418	2,284
				2,418	2,284
Containers, Packaging & Glass					
Liqui-Box Holdings, Inc.	L+4.50%	5.50%	2/26/2027	4,268	3,991
Polychem Acquisition, LLC	L+5.00%	5.50%	3/17/2025	2,918	2,917
Port Townsend Holdings Company, Inc. and Crown Corrugated Company	L+6.75%	5.75% Cash/ 2.00% PIK	4/3/2024	4,751	4,238
PVHC Holding Corp	L+4.75%	5.75%	8/5/2024	3,217	2,976
				15,154	14,122
Energy: Oil & Gas					
Drilling Info Holdings, Inc.	L+4.25%	4.35%	7/30/2025	4,516	4,471
Offen, Inc.	L+5.00%	5.10%	6/22/2026	2,388	2,387
Offen, Inc.	L+5.00%	5.10%	6/22/2026	876	876
				7,780	7,734
Healthcare & Pharmaceuticals					
Cano Health, LLC [e]	SF+4.00%	4.51%	11/23/2027	1,995	1,997
LSCS Holdings, Inc. [e]	L+4.50%	5.00%	12/15/2028	1,846	1,849
Radiology Partners, Inc.	L+4.25%	4.35%	7/9/2025	4,760	4,700
	L+5.00%	6.00%	12/17/2027	2,992	2,985

TEAM Public Choices, LLC [e]					
				11,593	11,531
High Tech Industries					
Corel Inc. [c]	L+5.00%	5.18%	7/2/2026	3,800	3,797
LW Buyer, LLC	L+5.00%	5.14%	12/30/2024	4,875	4,863
TGG TS Acquisition Company	L+6.50%	6.60%	12/12/2025	3,435	3,446
				12,110	12,106
Hotels, Gaming & Leisure					
Excel Fitness Holdings, Inc.	L+5.25%	6.25%	10/7/2025	4,165	4,155
North Haven Spartan US Holdco, LLC	L+5.00%	6.00%	6/6/2025	2,297	2,037
Tait LLC	L+5.00%	5.14%	3/28/2025	4,125	3,785
Tait LLC (Revolver)	P+4.00%	7.25%	3/28/2025	769	728
				11,356	10,705
Media: Advertising, Printing & Publishing					
Cadent, LLC	L+5.00%	6.00%	9/11/2023	4,339	4,296
Cadent, LLC (Revolver) [d]	L+5.00%	6.00%	9/11/2023	167	—
				4,506	4,296
Media: Diversified & Production					
Research Now Group, Inc. and Survey Sampling International, LLC	L+5.50%	6.50%	12/20/2024	6,720	6,645
STATS Intermediate Holdings, LLC	L+5.25%	5.41%	7/10/2026	4,900	4,897
The Octave Music Group, Inc.	L+6.00%	7.00%	5/29/2025	3,866	3,871
				15,486	15,413
Services: Business					
AQ Carver Buyer, Inc.	L+5.00%	6.00%	9/23/2025	4,888	4,900
CHA Holdings, Inc	L+4.50%	5.50%	4/10/2025	1,980	1,901
CHA Holdings, Inc	L+4.50%	5.50%	4/10/2025	418	401
Eliassen Group LLC	L+4.25%	4.35%	11/5/2024	3,956	3,956
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	4,326	4,329
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	781	781
Engage2Excel, Inc. (Revolver) [d]	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	555	541
Orbit Purchaser LLC	L+4.50%	5.50%	10/21/2024	2,431	2,425
Orbit Purchaser LLC	L+4.50%	5.50%	10/21/2024	1,877	1,873
Orbit Purchaser LLC	L+4.50%	5.50%	10/21/2024	549	548
Output Services Group, Inc.	L+4.50%	5.50%	3/27/2024	4,815	4,145
Secretariat Advisors LLC [e]	L+4.75%	5.50%	12/29/2028	1,710	1,693
Secretariat Advisors LLC [d] [e]	L+4.75%	5.50%	12/29/2028	270	—
SIRVA Worldwide Inc.	L+5.50%	5.60%	8/4/2025	1,850	1,683
Teneo Holdings LLC	L+5.25%	6.25%	7/11/2025	4,888	4,908
The Kleinfelder Group, Inc.	L+5.25%	6.25%	11/29/2024	2,387	2,387
				37,681	36,471
Services: Consumer					
360Holdco, Inc.	L+4.75%	5.75%	8/2/2025	2,168	2,161
360Holdco, Inc. (Delayed Draw) [d]	L+4.75%	5.75%	8/2/2025	827	—
Laseraway Intermediate Holdings II, LLC	L+5.75%	6.50%	10/14/2027	2,222	2,214
				5,217	4,375
Telecommunications					
Intermedia Holdings, Inc.	L+6.00%	7.00%	7/21/2025	1,778	1,770
Mavenir Systems, Inc.	L+4.75%	5.25%	8/18/2028	1,667	1,669
Sandvine Corporation	L+4.50%	4.60%	10/31/2025	2,000	1,999
				5,445	5,438
Utilities: Oil & Gas					
NGS US Finco, LLC	L+4.25%	5.25%	10/1/2025	1,695	1,644
NGS US Finco, LLC	L+5.25%	6.25%	10/1/2025	248	244
				1,943	1,888
Wholesale					
BMC Acquisition, Inc.	L+5.25%	6.25%	12/30/2024	4,486	4,469
HALO Buyer, Inc.	L+4.50%	5.50%	6/30/2025	4,824	4,547
				9,310	9,016
TOTAL INVESTMENTS					**$ 189,109**

(a) All investments are U.S. companies unless otherwise noted.

(b) The majority of investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L"), Secured Overnight Financing Rate ("SOFR" or "SF") or Prime ("P") which reset daily, monthly, quarterly or semiannually. We have provided the spread over LIBOR or Prime and the current contractual rate of interest in effect at December 31, 2021. Certain investments are subject to a LIBOR or Prime interest rate floor.

(c) This is an international company.

(d) All or a portion of this commitment was unfunded as of December 31, 2021. As such, interest is earned only on the funded portion of this commitment. Principal reflects the commitment outstanding.

(e) Investment position or portion thereof unsettled at December 31, 2021.

(f) This position was on non-accrual status as of December 31, 2021, meaning that we have ceased accruing interest income on the position.

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2020
(in thousands)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate [b]	Maturity	Principal	Fair Value
Non-Controlled/Non-Affiliate Company Investments					
Senior Secured Loans					
Aerospace & Defense					
Bromford Industries Limited [c]	L+5.25%	6.25%	11/5/2025	2,772	$ 2,685
Bromford Industries Limited [c]	L+5.25%	6.25%	11/5/2025	1,848	1,790
Trident Maritime SH, Inc.	L+4.75%	5.75%	6/4/2024	4,401	4,363
Trident Maritime SH, Inc. (Revolver) [d]	L+4.75%	5.75%	6/4/2024	340	—
				9,361	8,838
Automotive					
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	1,726	1,716
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	256	254
Wheel Pros, LLC	L+5.25%	6.25%	11/10/2027	3,000	2,961
				4,982	4,931
Banking, Finance, Insurance & Real Estate					
Avison Young (USA), Inc. [c]	L+5.00%	5.25%	1/30/2026	4,900	4,659
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.)	L+5.25%	6.25%	12/13/2024	4,653	4,585
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.) (Delayed Draw) [d]	L+5.25%	6.25%	12/13/2024	264	102
Lightbox Intermediate, L.P.	L+5.00%	5.15%	5/11/2026	4,925	4,777
Minotaur Acquisition, Inc.	L+5.00%	5.15%	3/27/2026	2,947	2,900
				17,689	17,023
Beverage, Food & Tobacco					
CBC Restaurant Corp.	n/a	5.00% PIK [e]	4/28/2022	1,117	1,031
SW Ingredients Holdings, LLC	L+4.00%	5.00%	7/3/2025	3,656	3,647
				4,773	4,678
Capital Equipment					
Analogic Corporation	L+5.25%	6.25%	6/24/2024	4,800	4,800
				4,800	4,800
Chemicals, Plastics & Rubber					
Polymer Solutions Group	L+7.00%	8.00%	6/30/2021	1,216	1,189
				1,216	1,189
Construction & Building					
ISC Purchaser, LLC	L+4.00%	5.00%	7/11/2025	4,937	4,896
The Cook & Boardman Group, LLC	L+5.75%	6.75%	10/20/2025	2,940	2,811
				7,877	7,707
Consumer Goods: Durable					
International Textile Group, Inc.	L+5.00%	5.37%	5/1/2024	1,758	1,597
				1,758	1,597
Consumer Goods: Non-Durable					
PH Beauty Holdings III, Inc.	L+5.00%	5.23%	9/26/2025	2,442	2,149
				2,442	2,149
Containers, Packaging & Glass					
Liqui-Box Holdings, Inc.	L+4.50%	5.50%	2/26/2027	4,312	3,848
Polychem Acquisition, LLC	L+5.00%	5.15%	3/17/2025	2,948	2,948
Port Townsend Holdings Company, Inc.	L+6.75%	5.75% Cash/ 2.00% PIK	4/3/2024	4,683	4,263
PVHC Holding Corp.	L+4.75%	5.75%	8/5/2024	3,250	2,844
				15,193	13,903
Energy: Oil & Gas					
Drilling Info Holdings, Inc.	L+4.25%	4.40%	7/30/2025	4,563	4,429
Offen, Inc.	L+5.00%	5.15%	6/22/2026	2,412	2,343
Offen, Inc.	L+5.00%	5.15%	6/22/2026	885	860
				7,860	7,632
Healthcare & Pharmaceuticals					
LSCS Holdings, Inc.	L+4.25%	4.51%	3/17/2025	2,299	2,253
LSCS Holdings, Inc.	L+4.25%	4.51%	3/17/2025	593	582
Radiology Partners, Inc.	L+4.25%	4.40%	7/9/2025	4,760	4,692
				7,652	7,527
High Tech Industries					
AQA Acquisition Holding, Inc.	L+4.25%	5.25%	5/24/2023	3,257	3,257
Corel, Inc. [c]	L+5.00%	5.23%	7/2/2026	3,900	3,844
LW Buyer, LLC	L+5.00%	5.15%	12/30/2024	4,925	4,900
TGG TS Acquisition Company	L+6.50%	6.65%	12/12/2025	3,753	3,720

				15,835	15,721
Hotels, Gaming & Leisure					
Excel Fitness Holdings, Inc.	L+5.25%	6.25%	10/7/2025	4,207	3,878
North Haven Spartan US Holdco, LLC	L+5.00%	6.00%	6/6/2025	2,321	1,979
Tait, LLC	L+5.00%	5.23%	3/28/2025	4,167	3,669
Tait, LLC (Revolver)	P+4.00%	7.25%	3/28/2025	769	711
				11,464	10,237
Media: Advertising, Printing & Publishing					
Cadent, LLC	L+5.50%	6.50%	9/11/2023	4,728	4,622
Cadent, LLC (Revolver) [(d)]	L+5.50%	6.50%	9/11/2023	167	—
Digital Room Holdings, Inc.	L+5.00%	5.27%	5/21/2026	4,362	4,133
Monotype Imaging Holdings, Inc.	L+5.50%	6.50%	10/9/2026	4,906	4,653
				14,163	13,408
Media: Diversified & Production					
Research Now Group, Inc. and Survey Sampling International, LLC	L+5.50%	6.50%	12/20/2024	6,790	6,708
Stats Intermediate Holding, LLC	L+5.25%	5.47%	7/10/2026	4,950	4,909
The Octave Music Group, Inc.	L+6.00%	6.25% Cash/ 0.75% PIK	5/29/2025	4,871	4,335
				16,611	15,952
Services: Business					
AQ Carver Buyer, Inc.	L+5.00%	6.00%	9/23/2025	4,937	4,888
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	2,002	1,872
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	422	395
Eliassen Group, LLC	L+4.25%	4.40%	11/5/2024	3,017	2,922
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	4,299	4,178
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	776	754
Engage2Excel, Inc. (Revolver) [(d)]	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	548	364
GI Revelation Acquisition, LLC	L+5.00%	5.15%	4/16/2025	1,365	1,344
Legility, LLC	L+6.00%	7.00%	12/17/2025	4,906	4,735
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	2,456	2,407
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	1,897	1,859
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	555	544
Output Services Group, Inc.	L+4.50%	5.50%	3/27/2024	4,865	3,648
SIRVA Worldwide, Inc.	L+5.50%	5.65%	8/4/2025	1,900	1,741
Teneo Holdings, LLC	L+5.25%	6.25%	7/11/2025	4,938	4,903
The Kleinfelder Group, Inc.	L+5.25%	6.25%	11/29/2024	2,450	2,450
				41,333	39,004
Services: Consumer					
Cambium Learning Group, Inc.	L+4.50%	4.75%	12/18/2025	4,900	4,883
LegalZoom.com, Inc.	L+4.50%	4.65%	11/21/2024	2,694	2,706
				7,594	7,589
Telecommunications					
Intermedia Holdings, Inc.	L+6.00%	7.00%	7/21/2025	1,797	1,795
Mavenir Systems, Inc.	L+6.00%	7.00%	5/8/2025	3,900	3,893
				5,697	5,688
Transportation: Cargo					
GlobalTranz Enterprises, LLC	L+5.00%	5.15%	5/15/2026	3,262	3,050
				3,262	3,050
Utilities: Oil & Gas					
NGS US Finco, LLC	L+4.25%	5.25%	10/1/2025	1,712	1,640
NGS US Finco, LLC	L+5.25%	6.25%	10/1/2025	250	246
				1,962	1,886
Wholesale					
BMC Acquisition, Inc.	L+5.25%	6.25%	12/30/2024	4,850	4,802
HALO Buyer, Inc.	L+4.50%	5.50%	6/30/2025	4,875	4,533
PT Intermediate Holdings III, LLC	L+5.50%	6.50%	10/15/2025	1,980	1,851
				11,705	11,186
TOTAL INVESTMENTS					**$ 205,695**

(a) All investments are U.S. companies unless otherwise noted.

(b) The majority of the investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L") or Prime Rate ("Prime" or "P") which reset daily, monthly, quarterly, or semiannually. For each such investment, we have provided the spread over LIBOR or Prime and the current contractual interest rate in effect at December 31, 2020. Certain investments are subject to a LIBOR or Prime interest rate floor, or rate cap.

(c) This is an international company.

(d) All or a portion of this commitment was unfunded as of December 31, 2020. As such, interest is earned only on the funded portion of this commitment. Principal reflects the commitment outstanding.

(e) This position was on non-accrual status as of December 31, 2020, meaning that we have ceased accruing interest income on the position.

Below is certain summarized financial information for SLF as of December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	December 31, 2021	December 31, 2020
Assets		
Investments, at fair value	$ 189,109	$ 205,695
Cash	40	351
Restricted cash	4,862	2,948
Interest receivable	600	629
Other assets	12	43
Total assets	194,623	209,666
Liabilities		
Revolving credit facility	94,765	131,497
Less: Unamortized deferred financing costs	(2,319)	(969)
Total debt, less unamortized deferred financing costs	92,446	130,528
Payable for open trades	19,367	—
Interest payable	242	294
Accounts payable and accrued expenses	318	277
Total liabilities	112,373	131,099
Members' capital	82,250	78,567
Total liabilities and members' capital	$ 194,623	$ 209,666

	For the years ended December 31,		
	2021	2020	2019
Investment income:			
Interest income	$ 13,164	$ 15,578	$ 16,294
Total investment income	13,164	15,578	16,294
Expenses:			
Interest and other debt financing expenses	3,918	5,227	7,056
Professional fees	647	666	718
Total expenses	4,565	5,893	7,774
Net investment income	8,599	9,685	8,520
Net gain (loss):			
Net realized gain (loss)	—	(1,713)	7
Net change in unrealized gain (loss)	3,734	(5,429)	(781)
Net gain (loss)	3,734	(7,142)	(774)
Net increase (decrease) in members' capital	$ 12,333	$ 2,543	$ 7,746

Related Party Transactions

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

- We have an Investment Advisory Agreement with MC Advisors, an investment advisor registered with the SEC, to manage our investing activities. We pay MC Advisors a fee for its services under the Investment Advisory Agreement consisting of two components - a base management fee and an incentive fee. See Note 6 to our consolidated financial statements and "Significant Accounting Estimates and Critical Accounting Policies - *Capital Gains Incentive Fee*" for additional information.

- We have an Administration Agreement with MC Management to provide us with the office facilities and administrative services necessary to conduct our day-to-day operations. See Note 6 to our consolidated financial statements for additional information.

- SLF has an administration agreement with MC Management to provide SLF with certain loan servicing and administrative functions. SLF may reimburse MC Management for its allocable share of overhead and other expenses incurred by MC Management. See Note 3 to our consolidated financial statements and "Liquidity and Capital Resources - *MRCC Senior Loan Fund I, LLC*" for additional information.

- Theodore L. Koenig, our Chief Executive Officer and Chairman of our Board is also a manager of MC Advisors and the President and Chief Executive Officer of MC Management. Aaron D. Peck, our Chief Financial Officer and Chief Investment Officer, serves as a director on our Board and is also a managing director of MC Management.

- We have a license agreement with Monroe Capital LLC, under which Monroe Capital LLC has agreed to grant us a non-exclusive, royalty-free license to use the name “Monroe Capital” for specified purposes in our business.

In addition, we have adopted a formal code of ethics that governs the conduct of MC Advisors’ officers, directors and employees. Our officers and directors also remain subject to the duties imposed by both the 1940 Act and Maryland General Corporation Law.

Contractual Obligations and Off-Balance Sheet Arrangements

The following table shows our significant contractual payment obligations for repayment as of December 31, 2021 (in thousands):

	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
Revolving credit facility	$ 151,045	$ —	$ 151,045	$ —	$ —
2026 Notes	130,000	—	—	130,000	—
SBA debentures payable	56,900	—	2,920	21,880	32,100
Unfunded commitments [(1)]	55,483	55,483	—	—	—
Total contractual obligations	$ 393,428	$ 55,483	$ 153,965	$ 151,880	$ 32,100

(1) Unfunded commitments represent all amounts unfunded, excluding our investments in SLF, as of December 31, 2021. These amounts may or may not be funded to the borrowing party now or in the future. The unfunded commitments relate to loans or equity investments with various maturity dates, but we are showing this amount in the less than one year category as this entire amount was eligible for funding to the borrowers as of December 31, 2021.

We may become a party to financial instruments with off-balance sheet risk in the normal course of our business to meet the financial needs of our portfolio companies. These instruments may include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized on the consolidated statements of assets and liabilities. As of December 31, 2021 and 2020, we had outstanding commitments to fund investments under undrawn revolvers, capital expenditure loans, delayed draw commitments and subscription agreements, excluding unfunded commitments in SLF, totaling $55.5 million and $52.3 million, respectively. As of both December 31, 2021 and 2020, we had unfunded commitments to SLF of $7.8 million that may be contributed primarily for the purpose of funding new investments approved by the SLF investment committee. Drawdowns of the commitments to SLF require authorization from one of our representatives on SLF’s board of managers. Additionally, we have entered into certain contracts with other parties that contain a variety of indemnifications. Our maximum exposure under these arrangements is unknown. However, we have not experienced claims or losses pursuant to these contracts and believe the risk of loss related to such indemnifications to be remote.

Off-Balance Sheet Arrangements

Other than contractual commitments and other legal contingencies incurred in the normal course of our business, we do not have any off-balance sheet financings or liabilities.

Senior Securities

Information about our senior securities is shown in the following table as of December 31, 2021 and for the years indicated in the table (dollars in thousands). This annual information has been derived from our audited consolidated financial statements for each respective period, which have been audited by RSM US LLP, our independent registered public accounting firm. RSM US LLP’s report on the senior securities table as of December 31, 2021 is attached as an exhibit 99.1 of this report.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities[1]	Asset Coverage per Unit[2]	Involuntary Liquidating Preference per Unit[3]	Asset Market Value per Unit[4]
Revolving Credit Facility				
December 31, 2021	$ 151,045	$ 1,888	—	N/A
December 31, 2020	126,559	1,995	—	N/A
December 31, 2019	180,294	1,862	—	N/A
December 31, 2018	136,026	2,262	—	N/A
December 31, 2017	117,092	3,380	—	N/A
December 31, 2016	129,000	2,848	—	N/A
December 31, 2015	123,700	2,462	—	N/A
December 31, 2014	82,300	2,547	—	N/A
December 31, 2013	76,000	2,644	—	N/A
December 31, 2012	55,000	2,521	—	N/A
5.75% Notes due 2023				
December 31, 2020	$ 109,000	$ 1,995	—	$ 940 [5]
December 31, 2019	109,000	1,862	—	1,005 [5]
December 31, 2018	69,000	2,262	—	986 [5]
4.75% Notes due 2026				
December 31, 2021	$ 130,000	$ 1,888	—	N/A
Secured Borrowings[6]				
December 31, 2016[7]	$ 1,320	$ 2,848	—	N/A
December 31, 2015[8]	2,535	2,462	—	N/A
December 31, 2014[9]	4,134	2,547	—	N/A
December 31, 2013[10]	7,997	2,644	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) The asset coverage ratio of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by senior securities representing indebtedness. This asset coverage ratio is multiplied by $1,000 to determine the Asset Coverage per Unit (including for the 5.75% Notes due 2023 and 4.75% Notes due 2026, which were issued in $25 and $2,000 increments, respectively). On October 2, 2014, we received exemptive relief from the SEC to permit us to exclude the debt of MRCC SBIC guaranteed by the SBA from our asset coverage test under the 1940 Act.

(3) 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 "—" in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.

(4) Not applicable, except for with respect to the 5.75% Notes due 2023, as the other senior securities are not registered for public trading.

(5) The average market value for the 5.75% Notes due 2023 is calculated as the average daily closing prices of such notes on the Nasdaq Global Select Market for the years ended December 31, 2020, 2019 and 2018, as applicable, divided by the par value per unit of such notes. This average market value is multiplied by $1,000 to determine the Average Market Value per Unit.

(6) Certain partial loan sales do not qualify for sale accounting under ASC Topic 860 — *Transfers and Servicing* because these sales do not meet the definition of a "participating interest," as defined in the guidance, in order for sale treatment to be allowed. Participations or other partial loan sales which do not meet the definition of a participating interest remain as an investment on the accompanying consolidated statements of assets and liabilities and the portion sold is recorded as a secured borrowing in the liabilities section of the consolidated statements of assets and liabilities. Amounts presented in this table represent the par amount outstanding.

(7) The secured borrowings have a weighted average stated interest rate of 6.26%, a weighted average years to maturity of 1.0 year and a fair value as of December 31, 2016 of $1,314.

(8) The secured borrowings have a weighted average stated interest rate of 5.75%, a weighted average years to maturity of 2.0 years and a fair value as of December 31, 2015 of $2,476.

(9) The secured borrowings have a weighted average stated interest rate of 5.45%, a weighted average years to maturity of 3.0 years and a fair value as of December 31, 2014 of $4,008.

(10) The secured borrowings have a weighted average stated interest rate of 4.33%, a weighted average years to maturity of 4.0 years and a fair value as of December 31, 2013 of $7,943.

Market Trends

We have identified the following general trends that may affect our business:

Target Market: We believe that small and middle-market companies in the United States with annual revenues between $10.0 million and $2.5 billion represent a significant growth segment of the U.S. economy and often require substantial capital investments to grow. Middle-market companies have generated a significant number of investment opportunities for investment funds managed or advised by Monroe Capital, and we believe that this market segment will continue to produce significant investment opportunities for us.

Specialized Lending Requirements: We believe that several factors render many U.S. financial institutions ill-suited to lend to U.S. middle-market companies. For example, based on the experience of our management team, lending to U.S. middle-market companies (1) is generally more labor intensive than lending to larger companies due to the smaller size of each investment and the fragmented nature of information for such companies, (2) requires due diligence and underwriting practices consistent with the demands and economic limitations of the middle-market and (3) may also require more extensive ongoing monitoring by the lender.

Demand for Debt Capital: We believe there is a large pool of uninvested private equity capital for middle-market companies. We expect private equity firms will seek to leverage their investments by combining equity capital with senior secured loans and mezzanine debt from other sources, such as us.

Competition from Other Lenders: We believe that many traditional bank lenders, in recent years, de-emphasized their service and product offerings to middle-market businesses in favor of lending to large corporate clients and managing capital market transactions. In addition, many commercial banks face significant balance sheet constraints as they seek to build capital and meet future regulatory capital requirements. These factors may result in opportunities for alternative funding sources to middle-market companies and therefore drive increased new investment opportunities for us. Conversely, there has been a significant amount of capital raised over the past several years dedicated to middle market lending which has increased competitive pressure in the BDC and investment company marketplace for senior and subordinated debt, which in turn could result in lower yields and weaker financial covenants for new assets.

Pricing and Deal Structures: We believe that the volatility in global markets over the last several years and current macroeconomic issues including changes in bank regulations for middle-market banks has reduced access to, and availability of, debt capital to middle-market companies, causing a reduction in competition and generally more favorable capital structures and deal terms. Sizable recent capital raises in the private debt marketplace have created significantly increased competition over the last few years, reducing available pricing and creating less favorable capital structures; however, we believe that current market conditions for our target market may continue to create favorable opportunities to invest at attractive risk-adjusted returns.

Market Environment: We believe middle market investments are attractive in uncertain market environments such as the current market environment following the COVID-19 outbreak that began in late 2019 and early 2020, and that these investments have historically generated considerable yield premia with more favorable capital structures for lenders when compared to the market for large corporate loans.[(1)] On the other hand, we believe that the increased competition for direct lending to middle market businesses could result in less favorable pricing terms for our potential investments. If pricing, terms and structures weaken, we would expect to experience decreased net interest income, lower yields and increased risk of credit loss. However, we believe that Monroe Capital's scale, product suite, entrenched relationships and strong market position will continue to allow us to find investment opportunities with attractive risk-adjusted returns.

(1) Standard & Poor's "LCD Middle Market Review Q4 2021 – New-issue first-lien yield-to-maturity. Middle Market loans have, on average, generated higher yields in comparison to large corporate loans based on data starting in the fourth quarter of 2005.

Recent Developments

On March 1, 2022, we repaid all $56.9 million of our remaining SBA debentures utilizing a borrowing on the revolving credit facility and the restricted cash at MRCC SBIC. Additionally, MRCC SBIC notified the SBA of its intent to surrender its license to operate as a SBIC.

On March 2, 2022, our Board declared a quarterly distribution of $0.25 per share payable on March 31, 2022 to holders of record on March 16, 2022.

Significant Accounting Estimates and Critical Accounting Policies

Revenue Recognition

We record interest and fee income on an accrual basis to the extent that we expect to collect such amounts. For loans and debt securities with contractual PIK interest, we do not accrue PIK interest if the portfolio company valuation indicates that such PIK interest is not collectible. We do not accrue as a receivable interest on loans and debt securities if we have reason to doubt our ability to collect such interest. Loan origination fees, original issue discount and market discount or premium are capitalized, and then we amortize such amounts using the effective interest method as interest income over the life of the investment. Upon the prepayment of a loan or debt security, any unamortized premium or discount or loan origination fees are recorded as interest income. We record prepayment premiums on loans and debt securities as interest income when we receive such amounts. Interest income is accrued based upon the outstanding principal amount and contractual terms of debt and preferred equity investments. Interest is accrued on a daily basis. We record fees on loans based on the determination of whether the fee is considered a yield enhancement or payment for a service. If the fee is considered a yield enhancement associated with a funding of cash on a loan, the fee is generally deferred and recognized into interest income using the effective interest method if captured in the cost basis or using the straight-line method if the loan is unfunded and therefore there is no cost basis. If the fee is not considered a yield enhancement because a service was provided, and the fee is payment for that service, the fee is deemed earned and recognized as fee income in the period the service has been completed.

Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies. Each distribution received from LLC and LP investments is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, we will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient accumulated tax-basis earnings and profits in the LLC or LP prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

Valuation of Portfolio Investments

As a BDC, we generally invest in illiquid securities including debt and, to a lesser extent, equity securities of middle-market companies. Under procedures established by our Board, we value investments for which market quotations are readily available and within a recent date at such market quotations. When doing so, we determine whether the quote obtained is sufficient in accordance with generally accepted accounting principles in the United States of America to determine the fair value of the security. Debt and equity securities that are not publicly traded or whose market prices are not readily available or whose market prices are not regularly updated are valued at fair value as determined in good faith by our Board. Such determination of fair values may involve subjective judgments and estimates. Investments purchased within 60 days of maturity are valued at cost plus accreted discount, or minus amortized premium, which approximates fair value.

Our Board is ultimately and solely responsible for determining the fair value of the portfolio investments that are not publicly traded, whose market prices are not readily available on a quarterly basis in good faith or in any other situation where portfolio investments require a fair value determination. Because we expect that there will not be a readily available market for many of the investments in our portfolio, we expect to value many of our portfolio investments at fair value as determined in good faith by our Board using a documented valuation policy and a consistently applied valuation process. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

With respect to investments for which market quotations are not readily available, our Board undertakes a multi-step valuation process each quarter, as described below:

- the quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of MC Advisors responsible for the credit monitoring of the portfolio investment;

- our Board engages one or more independent valuation firm(s) to conduct independent appraisals of a selection of investments for which market quotations are not readily available. We will consult with independent valuation firm(s) relative to each portfolio company at least once in every calendar year, but the independent appraisals are generally received quarterly for each investment;

- to the extent an independent valuation firm is not engaged to conduct an investment appraisal on an investment for which market quotations are not readily available, the investment will be valued by the MC Advisors investment professional responsible for the credit monitoring;

- preliminary valuation conclusions are then documented and discussed with the investment committee of MC Advisors;

- the audit committee of our Board reviews the preliminary valuations of MC Advisors and of the independent valuation firm(s) and MC Advisors adjusts or further supplements the valuation recommendations to reflect any comments provided by the audit committee; and

- our Board discusses these valuations and determines the fair value of each investment in the portfolio in good faith, based on the input of MC Advisors, the independent valuation firm(s) and the audit committee.

We generally use the income approach to determine fair value for loans where market quotations are not readily available, as long as it is appropriate. If there is deterioration in credit quality or a debt investment is in workout status, we may consider other factors in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio company or the proceeds that would be received in a liquidation analysis. This liquidation analysis may also include probability weighting of alternative outcomes. We generally consider our debt to be performing if the borrower is not in default, the borrower is remitting payments in a timely manner, the loan is in covenant compliance and the loan is otherwise not deemed to be impaired. In determining the fair value of the performing debt, we consider fluctuations in current interest rates, the trends in yields of debt instruments with similar credit ratings, financial condition of the borrower, economic conditions and other relevant factors, both qualitative and quantitative. In the event that a debt instrument is not performing, as defined above, we will evaluate the value of the collateral utilizing the same framework described above for a performing loan to determine the value of the debt instrument.

Under the income approach, discounted cash flow models are utilized to determine the present value of the future cash flow streams of our debt investments, based on future interest and principal payments as set forth in the associated loan agreements. In determining fair value under the income approach, we also consider the following factors: applicable market yields and leverage levels, credit quality, prepayment penalties, the nature and realizable value of any collateral, the portfolio company's ability to make payments, and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made.

Under the market approach, the enterprise value methodology is typically utilized to determine the fair value of an investment. There is no one methodology to estimate enterprise value and, in fact, for any one portfolio company, enterprise value is generally best expressed as a range of values, from which we derive a single estimate of enterprise value. In estimating the enterprise value of a portfolio company, we analyze various factors consistent with industry practice, including but not limited to original transaction multiples, the portfolio company's historical and projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the nature and realizable value of any collateral, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public. Typically, the enterprise values of private companies are based on multiples of earnings before interest, income taxes, depreciation and amortization ("EBITDA"), cash flows, net income, revenues, or in limited cases, book value.

In addition, for certain debt investments, we may base our valuation on indicative bid and ask prices provided by an independent third-party pricing service. Bid prices reflect the highest price that we and others may be willing to pay. Ask prices represent the lowest price that we and others may be willing to accept. We generally use the midpoint of the bid/ask range as our best estimate of fair value of such investment.

As of December 31, 2021, our Board determined, in good faith, the fair value of our investment portfolio in accordance with GAAP and our valuation procedures based on the facts and circumstances known by us at that time, or reasonably expected to be known at that time. Due to the overall volatility that the COVID-19 pandemic has caused, any valuations conducted in the future in conformity with GAAP could result in a lower fair value of our portfolio. The potential impact of COVID-19 on our results going forward will depend to a large extent on future developments or new information that may emerge regarding the full duration and severity of COVID-19 including the actions taken by governments and other entities to contain COVID-19 or treat its impact, all of which are beyond our control. Accordingly, we cannot predict the extent to which our financial condition and results of operations will be affected at this time.

Net Realized Gain or Loss and Net Change in Unrealized Gain or Loss

We measure realized gain or loss by the difference between the net proceeds from the sale and the amortized cost basis of the investment, without regard to unrealized gain or loss previously recognized. Net change in unrealized gain or loss reflects the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized gain or loss, when gain or loss is realized. Additionally, we do not isolate the portion of the change in fair value resulting from foreign currency exchange rate fluctuations from the changes in fair values of the underlying investment. All fluctuations in fair value are included in net change in unrealized gain (loss) on our consolidated statements of operations. The impact resulting from changes in foreign exchange rates on the revolving credit facility borrowings is included in net change in unrealized gain (loss) on foreign currency and other transactions.

Capital Gains Incentive Fee

Pursuant to the terms of the Investment Advisory Agreement with MC Advisors, the incentive fee on capital gains earned on liquidated investments of our portfolio is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement). This fee equals 20% of our incentive fee capital gains (i.e., our realized capital gains on a cumulative basis from inception, calculated as of the end of the applicable period, net of all realized capital losses and unrealized capital depreciation on a cumulative basis), less the aggregate amount of any previously paid capital gains incentive fees. On a quarterly basis, we accrue for the capital gains incentive fee by calculating such fee as if it were due and payable as of the end of such period.

While the Investment Advisory Agreement with MC Advisors neither includes nor contemplates the inclusion of unrealized gains in the calculation of the capital gains incentive fee, pursuant to an interpretation of an American Institute for Certified Public Accountants Technical Practice Aid for investment companies, we include unrealized gains in the calculation of the capital gains incentive fee expense and related accrued capital gains incentive fee. This accrual reflects the incentive fees that would be payable to MC Advisors if our entire portfolio was liquidated at its fair value as of the balance sheet date even though MC Advisors is not entitled to an incentive fee with respect to unrealized gains unless and until such gains are actually realized.

During the years ended December 31, 2021, 2020 and 2019, we did not have any further reductions in accrued capital gains incentive fees as they were already at zero, primarily as a result of accumulated realized and unrealized losses on the portfolio.

New Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* ("ASU 2020-04"). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective as of March 12, 2020 through December 31, 2022. We did not utilize the optional expedients and exceptions provided by ASU 2020-04 during the year ended December 31, 2021.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates and the valuations of our investment portfolio. Uncertainty with respect to the economic effects of the COVID-19 outbreak has introduced significant volatility in the financial markets, and the effects of this volatility could materially impact our market risks. For additional information concerning the COVID-19 pandemic and its potential impact on our business and our operating results, see Part I, Item 1A. Risk Factors, "Risk Factors – Risks Relating to Our Business and Structure – The COVID-19 pandemic has caused severe disruptions in the global economy, which has had, and may continue to have, a negative impact on our portfolio companies and our business and operations."

The majority of the loans in our portfolio have floating interest rates, and we expect that our loans in the future may also have floating interest rates. These loans are usually based on a floating LIBOR or SOFR and typically have interest rate re-set provisions that adjust applicable interest rates under such loans to current market rates on a monthly or quarterly basis. The majority of the loans in our current portfolio have interest rate floors which will effectively convert the loans to fixed rate loans in the event interest rates decrease. In addition, our revolving credit facility has a floating interest rate provision, whereas our SBA debentures and the 2026 Notes have fixed interest rates until maturity. We expect that other credit facilities into which we may enter in the future may also have floating interest rate provisions. See "Risk Factors – Risks Relating to Our Business and Structure – The interest rates of our revolving credit facility and loans to our portfolio companies that extend beyond 2023 might be subject to change based on recent regulatory changes" for more information regarding risks associated with our portfolio loans and borrowings that utilize LIBOR as a reference rate.

Assuming that the consolidated statement of assets and liabilities as of December 31, 2021 was to remain constant and that we took no actions to alter our existing interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates (in thousands):

Change in Interest Rates	Increase (decrease) in interest income	Increase (decrease) in interest expense	Net increase (decrease) in investment income
Down 25 basis points	$ —	$ (3)	$ 3
Up 100 basis points	440	917	(477)
Up 200 basis points	4,610	2,427	2,183
Up 300 basis points	8,993	3,938	5,055

Although we believe that this analysis is indicative of our existing sensitivity to interest rate changes, it does not adjust for changes in the credit market, credit quality, the size and composition of the assets in our portfolio and other business developments, including borrowing under the credit facility or other borrowings that could affect net increase in net assets resulting from operations, or net income. Accordingly, we can offer no assurances that actual results would not differ materially from the analysis above.

We may in the future hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contracts to the extent permitted under the 1940 Act and applicable commodities laws. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to the investments in our portfolio with fixed interest rates or interest rate floors.

We may also have exposure to foreign currencies (currently the Great Britain pound and Australian dollar) related to certain investments. Such investments are translated into U.S. dollars based on the spot rate at each balance sheet date, exposing us to movements in the exchange rate. In order to reduce our exposure to fluctuations in exchange rates, we may borrow in foreign currency under our revolving credit facility to finance such investments or we may enter into foreign currency forward contracts. As of December 31, 2021, we have non-U.S. dollar borrowings denominated in Great Britain pounds of £3.4 million ($4.6 million U.S. dollars) outstanding under the revolving credit facility. As of December 31, 2021, we had foreign currency forward contracts in place for £0.2 million and AUD 19.1 million associated with future principal and interest payments on certain investments.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements are annexed to this Annual Report beginning on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that, at the end of the period covered by our Annual Report on Form 10-K, our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC'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. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) of the Exchange Act). Under the supervision and with participation of our Chief Executive Officer and Chief Financial Officer, the company conducted an evaluation of the effectiveness of internal control over financial reporting based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the Company's evaluation under the framework in *Internal Control – Integrated Framework (2013)*, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2021.

Changes in Internal Control Over Financial Reporting

No change occurred in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

We will file a definitive Proxy Statement for our 2022 Annual Meeting of Stockholders with the Securities and Exchange Commission (the "SEC"), pursuant to Regulation 14A, not later than 120 days after the end of our fiscal year. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of our definitive Proxy Statement that specifically address the items set forth herein are incorporated by reference.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following exhibits are included, or incorporated by reference, in this Annual Report on Form 10-K for the year ended December 31, 2021 (and are numbered in accordance with Item 601 of Regulation S-K).

(a)(1) and (2) Consolidated Financial Statements and Schedules

See the Index to Consolidated Financial Statements at page F-1 of this report.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Monroe Capital Corporation and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities of Monroe Capital Corporation and its Subsidiaries (collectively, 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 three years in the period ended December 31, 2021, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the 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 net assets, and cash flows for each of the three years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

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 Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with 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. 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 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 procedures included confirmation of investments owned as of December 31, 2021 and 2020, by correspondence with the custodians and issuers of equity securities and other appropriate procedures where replies from issuers of equity securities 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 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 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 financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the 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.

Valuation of investments using significant unobservable inputs

The fair value of the Company's investments categorized as Level 3 investments within the fair value hierarchy was $519,527 thousand as of December 31, 2021. As discussed in Notes 2 and 4 to the consolidated financial statements, the Company measures its Level 3 investments at fair value using significant unobservable inputs.

We identified the valuation of Level 3 investments as a critical audit matter because of management estimation and judgment necessary to select valuation techniques and the use of significant unobservable inputs in the valuation techniques. When performing our audit procedures over management's estimate of fair value of Level 3 investments, a high degree of auditor judgement and specialized skills are required.

The procedures we performed to address this critical audit matter include the following, among others:

- We evaluated the appropriateness of valuation techniques used for a sample of Level 3 investments and tested certain related significant unobservable inputs by comparing these inputs to external sources. We evaluated the reasonableness of significant changes in valuation techniques or significant unobservable inputs for those investments from the prior year-end. We involved valuation specialists with specialized skills and knowledge who assisted in evaluating the Company's valuation techniques compared to those of a market participant, using market information to develop a range of market yield, financial performance measures, and discount rate assumptions and comparing them to the assumptions used by the Company.

- For certain investments, we developed an independent estimate of the fair value and compared our estimate to management's estimate.

- We evaluated management's ability to reasonably estimate fair value by comparing management's historical estimates to subsequent transactions, taking into account changes in market or investment specific conditions, where applicable.

/s/ RSM US LLP

We have served as the Company's auditor since 2011.

Chicago, Illinois
March 2, 2022

MONROE CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except per share data)

	December 31, 2021	December 31, 2020
ASSETS		
Investments, at fair value:		
Non-controlled/non-affiliate company investments	$ 430,287	$ 398,040
Non-controlled affiliate company investments	90,281	109,715
Controlled affiliate company investments	41,125	39,284
Total investments, at fair value (amortized cost of: $576,178 and $596,103, respectively)	561,693	547,039
Cash	2,622	6,769
Restricted cash	15,459	25,657
Unrealized gain on foreign currency forward contracts	781	—
Interest receivable	9,476	4,606
Other assets	427	1,052
Total assets	590,458	585,123
LIABILITIES		
Debt:		
Revolving credit facility	151,045	126,559
2023 Notes	—	109,000
2026 Notes	130,000	—
SBA debentures payable	56,900	115,000
Total debt	337,945	350,559
Less: Unamortized deferred financing costs	(5,794)	(7,052)
Total debt, less unamortized deferred financing costs	332,151	343,507
Interest payable	3,304	2,764
Unrealized loss on foreign currency forward contracts	—	113
Management fees payable	2,454	1,978
Incentive fees payable	435	—
Accounts payable and accrued expenses	2,643	2,327
Total liabilities	340,987	350,689
Net assets	$ 249,471	$ 234,434
Commitments and contingencies (See Note 12)		
ANALYSIS OF NET ASSETS		
Common stock, $0.001 par value, 100,000 shares authorized, 21,666 and 21,304 shares issued and outstanding, respectively	$ 22	$ 21
Capital in excess of par value	298,687	294,897
Accumulated undistributed (overdistributed) earnings	(49,238)	(60,484)
Total net assets	$ 249,471	$ 234,434
Net asset value per share	$ 11.51	$ 11.00

See Notes to Consolidated Financial Statements.

MONROE CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year ended December 31,		
	2021	**2020**	**2019**
Investment income:			
Non-controlled/non-affiliate company investments:			
Interest income	$ 33,381	$ 42,928	$ 54,388
Payment-in-kind interest income	1,836	3,928	544
Dividend income	400	10	65
Fee income	1,231	3,222	1,926
Total investment income from non-controlled/non-affiliate company investments	36,848	50,088	56,923
Non-controlled affiliate company investments:			
Interest income	5,150	2,098	2,231
Payment-in-kind interest income	6,484	4,848	4,994
Dividend income	987	147	—
Fee income	36	—	—
Total investment income from non-controlled affiliate company investments	12,657	7,093	7,225
Controlled affiliate company investments:			
Dividend income	4,325	4,400	4,045
Total investment income from controlled affiliate company investments	4,325	4,400	4,045
Total investment income	53,830	61,581	68,193
Operating expenses:			
Interest and other debt financing expenses	16,074	17,989	20,268
Base management fees	9,514	9,807	10,780
Incentive fees	3,690	712	5,611
Professional fees	1,013	1,023	1,209
Administrative service fees	1,357	1,300	1,309
General and administrative expenses	1,072	989	991
Directors' fees	144	145	156
Expenses before base management fee and incentive fee waivers	32,864	31,965	40,324
Base management fee waivers	—	(430)	—
Incentive fee waivers	(1,484)	(712)	(1,182)
Total expenses, net of base management fee and incentive fee waivers	31,380	30,823	39,142
Net investment income before income taxes	22,450	30,758	29,051
Income taxes, including excise taxes	282	370	17
Net investment income	22,168	30,388	29,034
Net gain (loss):			
Net realized gain (loss):			
Non-controlled/non-affiliate company investments	(16,127)	2,551	34
Non-controlled affiliate company investments	(5,637)	—	(967)
Extinguishment of debt	(3,110)	—	—
Foreign currency forward contracts	(48)	(16)	12
Foreign currency and other transactions	(895)	(14)	(4)
Net realized gain (loss)	(25,817)	2,521	(925)
Net change in unrealized gain (loss):			
Non-controlled/non-affiliate company investments	27,788	(20,397)	859
Non-controlled affiliate company investments	4,950	(7,034)	(8,689)
Controlled affiliate company investments	1,841	(3,128)	(172)
Foreign currency forward contracts	894	(54)	(75)
Foreign currency and other transactions	635	(650)	(818)
Net change in unrealized gain (loss)	36,108	(31,263)	(8,895)
Net gain (loss)	10,291	(28,742)	(9,820)
Net increase (decrease) in net assets resulting from operations	$ 32,459	$ 1,646	$ 19,214
Per common share data:			
Net investment income per share - basic and diluted	$ 1.03	$ 1.45	$ 1.42
Net increase (decrease) in net assets resulting from operations per share - basic and diluted	$ 1.51	$ 0.08	$ 0.94
Weighted average common shares outstanding - basic and diluted	21,453	20,924	20,445

See Notes to Consolidated Financial Statements.

MONROE CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(in thousands)

	Common Stock				
	Number of shares	Par value	Capital in excess of par value	Accumulated undistributed (overdistributed) earnings	Total net assets
Balances at December 31, 2018	20,445	$ 20	$ 288,911	$ (30,164)	$ 258,767
Net investment income	—	—	—	29,034	29,034
Net realized gain (loss)	—	—	—	(925)	(925)
Net change in unrealized gain (loss)	—	—	—	(8,895)	(8,895)
Issuance of common stock, net of offering and underwriting costs	—	—	—	—	—
Distributions to stockholders	—	—	—	(28,624)	(28,624)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	(61)	61	—
Balances at December 31, 2019	20,445	$ 20	$ 288,850	$ (39,513)	$ 249,357
Net investment income	—	$ —	$ —	$ 30,388	$ 30,388
Net realized gain (loss)	—	—	—	2,521	2,521
Net change in unrealized gain (loss)	—	—	—	(31,263)	(31,263)
Issuance of common stock, net of offering and underwriting costs	859	1	6,494	—	6,495
Distributions to stockholders	—	—	—	(23,064)	(23,064)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	(447)	447	—
Balances at December 31, 2020	21,304	$ 21	$ 294,897	$ (60,484)	$ 234,434
Net investment income	—	$ —	$ —	$ 22,168	$ 22,168
Net realized gain (loss)	—	—	—	(25,817)	(25,817)
Net change in unrealized gain (loss)	—	—	—	36,108	36,108
Issuance of common stock, net of offering and underwriting costs	362	1	4,091	—	4,092
Distributions to stockholders	—	—	—	(21,514)	(21,514)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	(301)	301	—
Balances at December 31, 2021	21,666	$ 22	$ 298,687	$ (49,238)	$ 249,471

See Notes to Consolidated Financial Statements.

MONROE CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year ended December 31,		
	2021	**2020**	**2019**
Cash flows from operating activities:			
Net increase (decrease) in net assets resulting from operations	$ 32,459	$ 1,646	$ 19,214
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:			
Net realized (gain) loss on investments	21,764	(2,551)	933
Net realized (gain) loss on extinguishment of debt	3,110	—	—
Net realized (gain) loss on foreign currency forward contracts	48	16	(12)
Net realized (gain) loss on foreign currency and other transactions	895	14	4
Net change in unrealized (gain) loss on investments	(34,579)	30,559	8,002
Net change in unrealized (gain) loss on foreign currency forward contracts	(894)	54	75
Net change in unrealized (gain) loss on foreign currency and other transactions	(635)	650	818
Payment-in-kind interest income	(8,320)	(8,776)	(5,538)
Net accretion of discounts and amortization of premiums	(1,102)	(1,253)	(1,482)
Purchases of investments	(226,863)	(143,358)	(230,605)
Proceeds from principal payments, sales of investments and settlement of forward contracts	234,398	194,555	166,092
Amortization of deferred financing costs	2,205	2,181	1,869
Changes in operating assets and liabilities:			
Interest receivable	(4,870)	4,083	(915)
Other assets	625	(557)	197
Interest payable	540	1	213
Management fees payable	476	(773)	433
Incentive fees payable	435	(1,374)	1,374
Accounts payable and accrued expenses	316	(186)	83
Net cash provided by (used in) operating activities	20,008	74,931	(39,245)
Cash flows from financing activities:			
Borrowings on revolving credit facility	309,300	96,200	334,997
Repayments of revolving credit facility	(285,020)	(150,600)	(291,550)
Proceeds from 2023 Notes	—	—	40,000
Repayment of 2023 Notes	(109,000)	—	—
Proceeds from 2026 Notes	130,000	—	—
Repayment of SBA debentures	(58,100)	—	—
Payments of deferred financing costs	(4,057)	(1,180)	(3,660)
Proceeds from shares sold, net of offering and underwriting costs	4,092	6,495	—
Stockholder distributions paid, net of stock issued under the dividend reinvestment plan of $0, $0 and $0, respectively	(21,514)	(23,064)	(28,624)
Net cash provided by (used in) financing activities	(34,299)	(72,149)	51,163
Net increase (decrease) in Cash and Restricted cash	(14,291)	2,782	11,918
Effect of foreign currency exchange rates	(54)	1	(1)
Cash and Restricted cash, beginning of year	32,426	29,643	17,726
Cash and Restricted cash, end of year	$ 18,081	$ 32,426	$ 29,643
Supplemental disclosure of cash flow information:			
Cash interest paid during the year	$ 13,221	$ 15,721	$ 18,130
Cash paid (refund received) for income taxes, including excise taxes during the year	$ 400	$ 85	$ (13)

The following tables provide a reconciliation of cash and restricted cash reported on the Consolidated Statements of Assets and Liabilities that sum to the total of the same such amounts on the Consolidated Statements of Cash Flows:

	December 31, 2021	**December 31, 2020**	**December 31, 2019**
Cash	$ 2,622	$ 6,769	$ 2,234
Restricted cash	15,459	25,657	27,409
Total cash and restricted cash shown on the Consolidated Statements of Cash Flows	$ 18,081	$ 32,426	$ 29,643

See Notes to Consolidated Financial Statements.

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2021
(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Non-Controlled/Non-Affiliate Company Investments								
Senior Secured Loans								
Automotive								
Born To Run, LLC	L+6.00%	7.00%	4/1/2021	4/1/2027	3,483	$ 3,419	$ 3,544	1.4%
Born To Run, LLC (Delayed Draw) [f] [g]	L+6.00%	7.00%	4/1/2021	4/1/2027	569	33	34	0.0%
Hastings Manufacturing Company	L+7.25%	8.25%	4/24/2018	4/24/2023	2,524	2,508	2,524	1.0%
Lifted Trucks Holdings, LLC	L+5.75%	6.75%	8/2/2021	8/2/2027	7,000	6,866	6,979	2.8%
Lifted Trucks Holdings, LLC (Delayed Draw) [f] [g]	L+5.75%	6.75%	8/2/2021	8/2/2027	1,400	—	—	0.0%
Lifted Trucks Holdings, LLC (Revolver) [f]	L+5.75%	6.75%	8/2/2021	8/2/2027	1,667	444	443	0.2%
Magneto & Diesel Acquisition, Inc.	L+5.50%	6.50%	12/18/2018	12/18/2023	4,850	4,812	4,850	1.9%
Magneto & Diesel Acquisition, Inc.	L+5.50%	6.50%	7/6/2020	12/18/2023	1,908	1,885	1,938	0.8%
Magneto & Diesel Acquisition, Inc.	L+5.50%	6.50%	8/4/2021	12/18/2023	829	815	842	0.4%
Magneto & Diesel Acquisition, Inc. (Revolver) [f]	L+5.50%	6.50%	12/18/2018	12/18/2023	500	—	—	0.0%
					24,730	20,782	21,154	8.5%
Banking, Finance, Insurance & Real Estate								
Florida East Coast Industries, LLC [h]	n/a	10.50%	8/9/2021	6/28/2024	3,572	3,477	3,571	1.4%
J2 BWA Funding LLC (Delayed Draw) [f] [g] [h]	n/a	9.00%	12/24/2020	12/24/2026	2,710	677	677	0.3%
Liftforward SPV II, LLC [h]	L+10.75%	11.25%	11/10/2016	9/30/2022	744	744	713	0.3%
MV Realty Holdings, LLC (Delayed Draw) [f] [g] [h]	L+9.75%	11.25%	7/29/2021	7/29/2026	8,000	971	1,289	0.5%
NCBP Property, LLC [h]	L+9.50%	10.50%	12/18/2020	12/16/2022	1,950	1,940	1,955	0.8%
Oceana Australian Fixed Income Trust [h] [i] [j]	n/a	10.75%	6/29/2021	6/29/2026	3,288	3,400	3,288	1.3%
Oceana Australian Fixed Income Trust [h] [i] [j]	n/a	11.50%	2/25/2021	2/25/2026	7,805	8,460	7,805	3.1%
StarCompliance MidCo, LLC	L+6.75%	7.75%	1/12/2021	1/11/2027	2,000	1,965	2,000	0.8%
StarCompliance MidCo, LLC	L+6.75%	7.75%	10/12/2021	1/11/2027	336	329	336	0.1%
StarCompliance MidCo, LLC (Revolver) [f]	L+6.75%	7.75%	1/12/2021	1/11/2027	322	—	—	0.0%
W3 Monroe RE Debt LLC [h]	n/a	10.00% PIK	2/5/2021	2/4/2028	2,906	2,906	2,906	1.2%
					33,633	24,869	24,540	9.8%
Beverage, Food & Tobacco								
LVF Holdings, Inc.	L+6.25%	7.25%	6/10/2021	6/10/2027	1,496	1,468	1,496	0.6%
LVF Holdings, Inc.	L+6.25%	7.25%	6/10/2021	6/10/2027	1,432	1,432	1,432	0.6%
LVF Holdings, Inc. (Delayed Draw) [f] [g]	L+6.25%	7.25%	6/10/2021	6/10/2027	344	—	—	0.0%
LVF Holdings, Inc. (Revolver) [f]	L+6.25%	7.25%	6/10/2021	6/10/2027	238	119	119	0.0%
LX/JT Intermediate Holdings, Inc. [k]	L+6.00%	7.50%	3/11/2020	3/11/2025	9,375	9,246	9,239	3.7%
LX/JT Intermediate Holdings, Inc. (Revolver) [f]	L+6.00%	7.50%	3/11/2020	3/11/2025	833	—	—	0.0%
Toojay's Management LLC [l]	n/a	n/a[m]	10/26/2018	10/26/2022	1,448	1,407	—	0.0%
Toojay's Management LLC [l]	n/a	n/a[m]	10/26/2018	10/26/2022	199	199	—	0.0%
Toojay's Management LLC (Revolver) [l]	n/a	n/a[m]	10/26/2018	10/26/2022	66	66	—	0.0%
					15,431	13,937	12,286	4.9%

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
December 31, 2021
(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Capital Equipment								
MCP Shaw Acquisitionco, LLC [k]	SF+6.50%	7.50%	2/28/2020	11/28/2025	9,733	$ 9,595	$ 9,699	3.9%
MCP Shaw Acquisitionco, LLC	SF+6.50%	7.50%	12/29/2021	11/28/2025	3,002	2,942	2,992	1.2%
MCP Shaw Acquisitionco, LLC (Delayed Draw) [f] [g]	SF+6.50%	7.50%	12/29/2021	11/28/2025	983	—	—	0.0%
MCP Shaw Acquisitionco, LLC (Revolver) [f]	SF+6.50%	7.50%	2/28/2020	11/28/2025	1,784	—	—	0.0%
					15,502	12,537	12,691	5.1%
Chemicals, Plastics & Rubber								
Valudor Products LLC	L+7.50%	7.00% Cash/ 1.50% PIK	6/18/2018	6/19/2023	1,585	1,574	1,871	0.7%
Valudor Products LLC	L+7.50%	8.50%	12/22/2021	6/19/2023	548	548	1,469	0.6%
Valudor Products LLC [n]	L+7.50%	8.50% PIK	6/18/2018	6/19/2023	237	234	230	0.1%
Valudor Products LLC (Revolver) [f]	L+9.50%	10.50%	6/18/2018	6/19/2023	1,095	480	479	0.2%
					3,465	2,836	4,049	1.6%
Construction & Building								
Dude Solutions Holdings, Inc.	L+6.25%	7.25%	6/14/2019	6/13/2025	9,900	9,755	9,870	4.0%
Dude Solutions Holdings, Inc. (Revolver) [f]	L+6.25%	7.25%	6/14/2019	6/13/2025	1,304	—	—	0.0%
TCFIII OWL Buyer LLC	L+6.00%	7.00%	4/19/2021	4/17/2026	2,040	2,008	2,040	0.8%
TCFIII OWL Buyer LLC	L+6.00%	7.00%	4/19/2021	4/17/2026	2,491	2,491	2,491	1.0%
TCFIII OWL Buyer LLC	L+6.00%	7.00%	12/17/2021	4/17/2026	2,235	2,196	2,235	0.9%
					17,970	16,450	16,636	6.7%
Consumer Goods: Durable								
Independence Buyer, Inc.	L+5.75%	6.75%	8/3/2021	8/3/2026	6,000	5,887	6,000	2.4%
Independence Buyer, Inc. (Revolver) [f]	L+5.75%	6.75%	8/3/2021	8/3/2026	1,423	—	—	0.0%
Recycled Plastics Industries, LLC	L+6.75%	7.75%	8/4/2021	8/4/2026	3,491	3,426	3,491	1.4%
Recycled Plastics Industries, LLC (Revolver) [f]	L+6.75%	7.75%	8/4/2021	8/4/2026	473	142	142	0.1%
					11,387	9,455	9,633	3.9%
Consumer Goods: Non-Durable								
The Kyjen Company, LLC	L+6.50%	7.50%	5/14/2021	4/3/2026	993	983	997	0.4%
The Kyjen Company, LLC (Revolver) [f]	L+6.50%	7.50%	5/14/2021	4/3/2026	105	43	43	0.0%
Thrasio, LLC	L+7.00%	8.00%	12/18/2020	12/18/2026	2,470	2,438	2,470	1.0%
					3,568	3,464	3,510	1.4%
Environmental Industries								
Quest Resource Management Group, LLC	L+6.50%	7.50%	10/19/2020	10/20/2025	990	924	989	0.4%
Quest Resource Management Group, LLC	L+6.50%	7.50%	10/19/2020	10/20/2025	1,087	1,087	1,086	0.4%
Quest Resource Management Group, LLC	L+6.50%	7.50%	12/7/2021	10/20/2025	3,856	3,779	3,853	1.6%
Quest Resource Management Group, LLC (Delayed Draw) [f] [g]	L+6.50%	7.50%	12/7/2021	10/20/2025	1,778	—	—	0.0%
StormTrap, LLC	L+5.50%	6.50%	12/10/2018	12/8/2023	7,170	7,114	7,170	2.9%
StormTrap, LLC (Revolver) [f]	L+5.50%	6.50%	12/10/2018	12/8/2023	432	—	—	0.0%
Synergy Environmental Corporation [k]	L+6.00%	7.00%	4/29/2016	9/29/2023	2,853	2,846	2,853	1.1%
Synergy Environmental Corporation [k]	L+6.00%	7.00%	4/29/2016	9/29/2023	477	476	477	0.2%
Synergy Environmental Corporation	L+6.00%	7.00%	4/29/2016	9/29/2023	810	810	810	0.3%
Synergy Environmental Corporation (Revolver) [f]	L+6.00%	7.00%	4/29/2016	9/29/2023	671	—	—	0.0%
					20,124	17,036	17,238	6.9%

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
December 31, 2021
(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Healthcare & Pharmaceuticals								
Apotheco, LLC	L+8.50%	6.50% Cash/ 3.00% PIK	4/8/2019	4/8/2024	3,632	$ 3,597	$ 3,462	1.4%
Apotheco, LLC (Revolver)	L+8.50%	6.50% Cash/ 3.00% PIK	4/8/2019	4/8/2024	955	955	910	0.4%
Brickell Bay Acquisition Corp.	L+6.50%	7.50%	2/12/2021	2/12/2026	1,899	1,865	1,889	0.7%
Brickell Bay Acquisition Corp. (Delayed Draw) [f] [g]	L+6.50%	7.50%	2/12/2021	2/12/2026	382	—	—	0.0%
Caravel Autism Health, LLC	L+5.75%	6.75%	6/30/2021	6/30/2027	5,000	4,906	4,699	1.9%
Caravel Autism Health, LLC (Delayed Draw) [f] [g]	L+5.75%	6.75%	6/30/2021	6/30/2027	3,750	187	176	0.1%
Caravel Autism Health, LLC (Revolver) [f]	L+5.75%	6.75%	6/30/2021	6/30/2027	1,250	625	587	0.2%
Dorado Acquisition, Inc.	L+6.75%	7.75%	6/30/2021	6/30/2026	4,988	4,895	4,983	2.0%
Dorado Acquisition, Inc. (Delayed Draw) [f] [g]	L+6.75%	7.75%	6/30/2021	6/30/2026	216	—	—	0.0%
Dorado Acquisition, Inc. (Revolver) [f]	L+6.75%	7.75%	6/30/2021	6/30/2026	596	—	—	0.0%
INH Buyer, Inc.	L+6.00%	7.00%	6/30/2021	6/28/2028	2,939	2,911	2,857	1.1%
NationsBenefits, LLC	L+7.00%	8.00%	8/20/2021	8/20/2026	4,000	3,924	3,993	1.6%
NationsBenefits, LLC (Revolver) [f]	L+7.00%	8.00%	8/20/2021	8/20/2026	445	—	—	0.0%
Rockdale Blackhawk, LLC	n/a	n/a[o]	3/31/2015	n/a[p]	—	—	1,681	0.7%
Seran BioScience, LLC	L+6.25%	7.25%	12/31/2020	12/31/2025	2,481	2,440	2,487	1.0%
Seran BioScience, LLC (Revolver) [f]	L+6.25%	7.25%	12/31/2020	12/31/2025	444	—	—	0.0%
					32,977	26,305	27,724	11.1%
High Tech Industries								
Arcstor Midco, LLC	L+7.00%	8.00%	3/16/2021	3/16/2027	4,466	4,386	4,433	1.8%
MarkLogic Corporation	L+6.00%	7.00%	10/20/2020	10/20/2025	3,465	3,396	3,517	1.4%
MarkLogic Corporation	L+6.00%	7.00%	11/23/2021	10/20/2025	323	317	330	0.1%
MarkLogic Corporation (Delayed Draw) [f] [g]	L+6.00%	7.00%	11/23/2021	10/20/2025	215	—	—	0.0%
MarkLogic Corporation (Revolver) [f]	L+6.00%	7.00%	10/20/2020	10/20/2025	269	—	—	0.0%
Mindbody, Inc.	L+8.50%	8.00% Cash/ 1.50% PIK	2/15/2019	2/14/2025	6,487	6,415	6,438	2.6%
Mindbody, Inc.	L+8.50%	8.00% Cash/ 1.50% PIK	9/22/2021	2/14/2025	669	669	664	0.3%
Mindbody, Inc. (Revolver) [f]	L+8.00%	9.00%	2/15/2019	2/14/2025	667	—	—	0.0%
Newforma, Inc. [k]	L+5.50%	6.50%	6/30/2017	6/30/2022	3,890	3,882	3,890	1.6%
Newforma, Inc. (Revolver) [f]	L+5.50%	6.50%	6/30/2017	6/30/2022	1,250	—	—	0.0%
Planful, Inc.	L+6.50%	7.50%	12/28/2018	12/30/2024	9,500	9,414	9,472	3.8%
Planful, Inc.	L+6.50%	7.50%	1/11/2021	12/30/2024	1,325	1,325	1,322	0.5%
Planful, Inc. (Revolver) [f]	L+6.50%	7.50%	12/28/2018	12/30/2024	442	88	88	0.0%
					32,968	29,892	30,154	12.1%
Hotels, Gaming & Leisure								
Equine Network, LLC	L+8.00%	9.00%	12/31/2020	12/31/2025	1,737	1,704	1,733	0.7%
Equine Network, LLC	L+8.00%	9.00%	1/29/2021	12/31/2025	788	774	786	0.3%
Equine Network, LLC (Delayed Draw) [f] [g]	L+8.00%	9.00%	12/31/2020	12/31/2025	427	—	—	0.0%
Equine Network, LLC (Revolver) [f]	L+8.00%	9.00%	12/31/2020	12/31/2025	171	85	85	0.1%
					3,123	2,563	2,604	1.1%

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Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Media: Advertising, Printing & Publishing								
Destination Media, Inc. [k]	L+5.50%	6.50%	4/7/2017	4/7/2022	1,738	$ 1,736	$ 1,738	0.7%
Destination Media, Inc. (Revolver) [f]	L+5.50%	6.50%	4/7/2017	4/7/2022	542	—	—	0.0%
North Haven USHC Acquisition, Inc.	L+6.00%	7.00%	10/30/2020	10/30/2025	2,475	2,435	2,475	1.0%
North Haven USHC Acquisition, Inc.	L+6.00%	7.00%	3/12/2021	10/30/2025	717	717	717	0.3%
North Haven USHC Acquisition, Inc. (Delayed Draw) [f] [g]	L+6.00%	7.00%	9/3/2021	10/30/2025	1,441	482	487	0.2%
North Haven USHC Acquisition, Inc. (Revolver) [f]	L+6.00%	7.00%	10/30/2020	10/30/2025	240	—	—	0.0%
Relevate Health Group, LLC	L+6.00%	7.00%	11/20/2020	11/20/2025	1,489	1,465	1,504	0.6%
Relevate Health Group, LLC (Delayed Draw) [f] [g]	L+6.00%	7.00%	11/20/2020	11/20/2025	784	666	673	0.3%
Relevate Health Group, LLC (Revolver) [f]	L+6.00%	7.00%	11/20/2020	11/20/2025	316	—	—	0.0%
Spherix Global Inc.	SF+6.00%	7.00%	12/22/2021	12/22/2026	1,100	1,081	1,081	0.4%
Spherix Global Inc. (Revolver) [f]	SF+6.00%	7.00%	12/22/2021	12/22/2026	122	—	—	0.0%
XanEdu Publishing, Inc.	L+6.50%	7.50%	1/28/2020	1/28/2025	4,631	4,555	4,647	1.8%
XanEdu Publishing, Inc. (Revolver) [f]	L+6.50%	7.50%	1/28/2020	1/28/2025	742	—	—	0.0%
					16,337	13,137	13,322	5.3%
Media: Broadcasting & Subscription								
Vice Group Holding Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	5/2/2019	11/2/2022	1,526	1,523	1,526	0.6%
Vice Group Holding Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	11/4/2019	11/2/2022	293	291	293	0.1%
Vice Group Holding Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	5/2/2019	11/2/2022	478	478	478	0.2%
Vice Group Holding Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	5/2/2019	11/2/2022	180	180	180	0.1%
					2,477	2,472	2,477	1.0%
Media: Diversified & Production								
Attom Intermediate Holdco, LLC	L+6.15%	7.15%	1/4/2019	1/4/2024	1,940	1,923	1,937	0.8%
Attom Intermediate Holdco, LLC	L+6.15%	7.15%	6/25/2020	1/4/2024	473	467	472	0.2%
Attom Intermediate Holdco, LLC	L+6.15%	7.15%	7/1/2021	1/4/2024	279	273	278	0.1%
Attom Intermediate Holdco, LLC (Revolver) [f]	L+5.75%	6.75%	1/4/2019	1/4/2024	320	160	160	0.1%
Chess.com, LLC	L+6.50%	7.50%	12/31/2021	12/31/2027	6,000	5,880	5,880	2.3%
Chess.com, LLC (Revolver) [f]	L+6.50%	7.50%	12/31/2021	12/31/2027	652	—	—	0.0%
Crownpeak Technology, Inc.	L+5.75%	6.75%	2/28/2019	2/28/2024	4,000	3,962	4,000	1.6%
Crownpeak Technology, Inc.	L+5.75%	6.75%	2/28/2019	2/28/2024	60	60	60	0.0%
Crownpeak Technology, Inc. (Revolver) [f]	L+5.75%	6.75%	2/28/2019	2/28/2024	167	—	—	0.0%
CyberGrants Holdings, LLC	L+6.50%	7.25%	9/8/2021	9/8/2027	10,900	10,744	10,900	4.4%
CyberGrants Holdings, LLC (Delayed Draw) [f] [g]	L+6.50%	7.25%	9/8/2021	9/8/2027	1,069	—	—	0.0%
CyberGrants Holdings, LLC (Revolver) [f]	L+6.50%	7.25%	9/8/2021	9/8/2027	1,069	—	—	0.0%
					26,929	23,469	23,687	9.5%
Retail								
BLST Operating Company, LLC	L+8.50%	1.00% Cash/ 9.00% PIK[m]	8/28/2020	8/28/2025	1,147	1,025	1,143	0.5%
Forman Mills, Inc. [k]	L+9.50%	8.50% Cash/ 2.00% PIK	1/14/2020	12/30/2022	1,336	1,336	1,330	0.5%
Forman Mills, Inc. [k]	L+9.50%	8.50% Cash/ 2.00% PIK	10/4/2016	12/30/2022	282	281	281	0.1%
Forman Mills, Inc. [k]	L+9.50%	8.50% Cash/ 2.00% PIK	10/4/2016	12/30/2022	7,623	7,600	7,524	3.0%
					10,388	10,242	10,278	4.1%

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Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Services: Business								
Aras Corporation	L+7.00%	4.25% Cash/ 3.75% PIK	4/13/2021	4/13/2027	2,079	$ 2,044	$ 2,103	0.8%
Aras Corporation (Revolver) [f]	L+7.00%	4.25% Cash/ 3.75% PIK	4/13/2021	4/13/2027	150	—	—	0.0%
Burroughs, Inc. [k]	L+6.50%	7.50%	12/22/2017	12/22/2022	5,501	5,477	5,480	2.2%
Burroughs, Inc. (Revolver) [f]	L+6.50%	7.50%	12/22/2017	12/22/2022	1,220	—	—	0.0%
Certify, Inc.	L+5.50%	6.50%	2/28/2019	2/28/2024	9,000	8,935	9,000	3.6%
Certify, Inc.	L+5.50%	6.50%	2/28/2019	2/28/2024	1,227	1,227	1,227	0.5%
Certify, Inc. (Revolver) [f]	L+5.50%	6.50%	2/28/2019	2/28/2024	409	102	102	0.0%
HS4 Acquisitionco, Inc.	L+6.75%	7.75%	7/9/2019	7/9/2025	10,000	9,869	9,910	4.0%
HS4 Acquisitionco, Inc. (Revolver) [f]	L+6.75%	7.75%	7/9/2019	7/9/2025	817	—	—	0.0%
IT Global Holding LLC [h]	L+9.00%	10.00%	11/15/2018	11/10/2023	3,405	3,374	4,411	1.8%
IT Global Holding LLC [h]	L+9.00%	10.00%	7/19/2019	11/10/2023	1,270	1,255	1,645	0.7%
IT Global Holding LLC (Revolver) [h]	L+9.00%	10.00%	11/15/2018	11/10/2023	875	875	1,060	0.4%
RedZone Robotics, Inc.	L+6.75%	7.75%	6/1/2018	6/5/2023	213	211	213	0.1%
RedZone Robotics, Inc. (Revolver) [f]	L+6.75%	7.75%	6/1/2018	6/5/2023	158	—	—	0.0%
Relativity ODA LLC	L+7.50%	8.50% PIK	5/12/2021	5/12/2027	1,896	1,854	1,894	0.8%
Relativity ODA LLC (Revolver) [f]	L+7.50%	8.50% PIK	5/12/2021	5/12/2027	180	—	—	0.0%
Security Services Acquisition Sub Corp.	L+6.00%	7.00%	9/30/2021	9/30/2026	7,980	7,872	7,972	3.2%
Security Services Acquisition Sub Corp. [k]	L+6.00%	7.00%	2/15/2019	9/30/2026	3,413	3,382	3,409	1.4%
Security Services Acquisition Sub Corp. [k]	L+6.00%	7.00%	2/15/2019	9/30/2026	2,455	2,455	2,452	1.0%
Security Services Acquisition Sub Corp. [k]	L+6.00%	7.00%	2/15/2019	9/30/2026	2,157	2,157	2,154	0.9%
Security Services Acquisition Sub Corp.	L+6.00%	7.00%	2/15/2019	9/30/2026	1,551	1,551	1,549	0.6%
ServiceMax, Inc. [h]	L+7.00%	8.00%	11/1/2021	11/1/2027	3,500	3,431	3,500	1.4%
ServiceMax, Inc. (Revolver) [f] [h]	L+7.00%	8.00%	11/1/2021	11/1/2027	350	—	—	0.0%
VPS Holdings, LLC	L+9.00%	8.00% Cash/ 2.00% PIK	10/5/2018	10/4/2024	3,447	3,410	3,325	1.3%
VPS Holdings, LLC	L+9.00%	8.00% Cash/ 2.00% PIK	10/5/2018	10/4/2024	2,817	2,817	2,717	1.1%
VPS Holdings, LLC (Revolver) [f]	L+9.00%	8.00% Cash/ 2.00% PIK	10/5/2018	10/4/2024	1,001	101	97	0.0%
					67,071	62,399	64,220	25.8%
Services: Consumer								
Express Wash Acquisition Company, LLC	L+6.50%	7.50%	12/28/2020	12/26/2025	3,203	3,156	3,203	1.3%
Express Wash Acquisition Company, LLC	L+6.50%	7.50%	9/3/2021	12/26/2025	7,275	7,156	7,275	2.9%
Express Wash Acquisition Company, LLC	L+6.50%	7.50%	9/3/2021	12/26/2025	3,500	3,500	3,500	1.4%
Express Wash Acquisition Company, LLC (Delayed Draw) [f] [g]	L+6.50%	7.50%	9/3/2021	12/26/2025	2,500	925	925	0.4%
Express Wash Acquisition Company, LLC (Revolver) [f]	L+6.50%	7.50%	12/28/2020	12/26/2025	750	400	400	0.2%
IDIG Parent, LLC	L+6.00%	7.00%	12/15/2020	12/15/2026	5,517	5,423	5,530	2.2%
IDIG Parent, LLC	L+6.00%	7.00%	12/15/2020	12/15/2026	918	918	920	0.4%
IDIG Parent, LLC (Revolver) [f]	L+6.00%	7.00%	12/15/2020	12/15/2026	429	—	—	0.0%
Mammoth Holdings, LLC	L+6.00%	7.00%	10/16/2018	10/16/2023	1,940	1,924	1,940	0.8%
Mammoth Holdings, LLC	L+6.00%	7.00%	10/16/2018	10/16/2023	4,073	4,073	4,073	1.5%
Mammoth Holdings, LLC	L+6.00%	7.00%	3/12/2021	10/16/2023	6,355	6,355	6,368	2.6%
Mammoth Holdings, LLC (Delayed Draw) [f] [g]	L+6.00%	7.00%	6/15/2021	10/16/2023	1,646	988	989	0.4%
Mammoth Holdings, LLC (Revolver) [f]	L+6.00%	7.00%	10/16/2018	10/16/2023	657	—	—	0.0%
					38,763	34,818	35,123	14.1%

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Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Telecommunications								
Calabrio, Inc.	L+7.00%	8.00%	4/16/2021	4/16/2027	3,400	$ 3,322	$ 3,400	1.4%
Calabrio, Inc. (Revolver) [f]	L+7.00%	8.00%	4/16/2021	4/16/2027	409	—	—	0.0%
VHT Solutions	L+7.00%	8.00% PIK	12/21/2021	12/21/2026	1,500	1,470	1,470	0.6%
VHT Solutions (Delayed Draw) [f] [g]	L+7.00%	8.00% PIK	12/21/2021	12/21/2026	120	—	—	0.0%
VHT Solutions (Revolver) [f]	L+7.00%	8.00% PIK	12/21/2021	12/21/2026	43	—	—	0.0%
					5,472	4,792	4,870	2.0%
Wholesale								
Nearly Natural, Inc. [k]	L+11.50%	8.50% Cash/ 4.00% PIK	12/15/2017	12/15/2022	6,601	6,572	6,520	2.6%
Nearly Natural, Inc.	L+11.50%	8.50% Cash/ 4.00% PIK	2/16/2021	12/15/2022	3,099	3,066	3,061	1.2%
Nearly Natural, Inc. [k]	L+11.50%	8.50% Cash/ 4.00% PIK	9/22/2020	12/15/2022	1,706	1,691	1,685	0.7%
Nearly Natural, Inc. [k]	L+11.50%	8.50% Cash/ 4.00% PIK	8/28/2019	12/15/2022	1,859	1,859	1,836	0.7%
Nearly Natural, Inc. (Revolver)	L+11.50%	8.50% Cash/ 4.00% PIK	12/15/2017	12/15/2022	2,430	2,430	2,400	1.0%
					15,695	15,618	15,502	6.2%
Total Non-Controlled/Non-Affiliate Senior Secured Loans					**398,010**	**347,073**	**351,698**	**141.1%**
Unitranche Secured Loans [q]								
Aerospace & Defense								
Cassavant Holdings, LLC	L+6.50%	7.50%	9/8/2021	9/8/2026	7,980	7,828	7,972	3.2%
					7,980	7,828	7,972	3.2%
Chemicals, Plastics & Rubber								
MFG Chemical, LLC [k]	L+8.00%	9.00%	6/23/2017	6/23/2022	5,555	5,546	5,555	2.2%
MFG Chemical, LLC	L+8.00%	9.00%	3/15/2018	6/23/2022	543	543	543	0.2%
					6,098	6,089	6,098	2.4%
Consumer Goods: Non-Durable								
Vinci Brands LLC (fka Incipio, LLC)	n/a	2.00% PIK[m]	7/6/2018	2/6/2024	7,026	7,026	4,950	2.0%
Vinci Brands LLC (fka Incipio, LLC) [r]	n/a	2.00% PIK[m]	3/9/2018	2/6/2024	3,065	3,065	—	0.0%
Vinci Brands LLC (fka Incipio, LLC) [s]	n/a	2.00% PIK[m]	12/26/2014	2/6/2024	13,552	13,528	—	0.0%
Vinci Brands LLC (fka Incipio, LLC) [t]	n/a	2.00% PIK[m]	12/26/2014	2/6/2024	1,149	1,149	—	0.0%
					24,792	24,768	4,950	2.0%
Healthcare & Pharmaceuticals								
Priority Ambulance, LLC [u]	L+6.50%	7.50%	7/18/2018	4/12/2022	10,015	10,015	10,010	4.0%
Priority Ambulance, LLC [v]	L+6.50%	7.50%	4/12/2017	4/12/2022	1,253	1,251	1,253	0.5%
Priority Ambulance, LLC	L+6.50%	7.50%	12/13/2018	4/12/2022	655	655	655	0.3%
Priority Ambulance, LLC	L+6.50%	7.50%	10/22/2020	4/12/2022	990	990	989	0.4%
					12,913	12,911	12,907	5.2%
High Tech Industries								
Energy Services Group, LLC	L+8.42%	9.42%	5/4/2017	5/4/2022	3,725	3,720	3,725	1.5%
Energy Services Group, LLC [h] [w]	SN+8.42%	9.42%	5/4/2017	5/4/2022	4,541	4,458	4,541	1.8%
Energy Services Group, LLC	L+8.42%	9.42%	5/4/2017	5/4/2022	1,060	1,047	1,060	0.4%
WillowTree, LLC	L+5.00%	6.00%	10/9/2018	10/9/2023	7,639	7,584	7,651	3.1%
					16,965	16,809	16,977	6.8%

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Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Services: Business								
Onit, Inc.	L+7.25%	8.25%	12/20/2021	5/2/2025	1,500	$ 1,472	$ 1,472	0.6%
					1,500	1,472	1,472	0.6%
Telecommunications								
VB E1, LLC (Delayed Draw) [f] [g]	L+7.65%	8.15%	11/18/2020	11/18/2026	2,250	1,100	1,118	0.4%
					2,250	1,100	1,118	0.4%
Total Non-Controlled/Non-Affiliate Unitranche Secured Loans					**72,498**	**70,977**	**51,494**	**20.6%**
Junior Secured Loans								
Banking, Finance, Insurance & Real Estate								
Florida East Coast Industries, LLC [h]	n/a	16.00% PIK	8/9/2021	6/28/2024	1,520	1,482	1,530	0.6%
MoneyLion, Inc. [h]	n/a	12.00%	8/27/2021	5/1/2023	1,500	1,488	1,522	0.6%
Witkoff/Monroe 700 JV LLC (Delayed Draw) [f] [g] [h]	n/a	8.00% Cash/ 4.00% PIK	7/2/2021	7/2/2026	5,576	4,665	4,886	2.0%
					8,596	7,635	7,938	3.2%
Services: Consumer								
Education Corporation of America	L+11.00%	5.72% Cash/ 5.50% PIK[m]	9/3/2015	n/a[p]	833	831	576	0.2%
					833	831	576	0.2%
Total Non-Controlled/Non-Affiliate Junior Secured Loans					**9,429**	**8,466**	**8,514**	**3.4%**
Equity Securities [x] [y]								
Automotive								
Born To Run, LLC (269,438 Class A units)	—	—[z]	4/1/2021	—	—	269	293	0.1%
Lifted Trucks Holdings, LLC (111,111 Class A units) [aa]	—	—[z]	8/2/2021	—	—	111	109	0.1%
						380	402	0.2%
Banking, Finance, Insurance & Real Estate								
J2 BWA Funding LLC (0.7% profit sharing) [h] [aa]	—	—[z]	12/24/2020	—	—	—	—	0.0%
MV Realty Holdings, LLC (729 common units) [h] [aa]	—	—[z]	7/29/2021	—	—	300	558	0.2%
MV Realty Holdings, LLC (warrant to purchase up to 0.8% of the equity) [h] [aa]	—	—[z]	7/28/2021	7/28/2031	—	363	1,007	0.4%
PKS Holdings, LLC (5,680 preferred units) [h]	n/a	12.00% PIK	11/30/2017	—	—	58	219	0.1%
PKS Holdings, LLC (5,714 preferred units) [h]	n/a	12.00% PIK	11/30/2017	—	—	9	34	0.0%
PKS Holdings, LLC (132 preferred units) [h]	n/a	12.00% PIK	11/30/2017	—	—	1	5	0.0%
PKS Holdings, LLC (916 preferred units) [h]	n/a	12.00% PIK	11/30/2017	—	—	9	34	0.0%
Witkoff/Monroe 700 JV LLC (2,141 preferred units) [h] [aa]	n/a	8.00% Cash/ 4.00% PIK	7/2/2021	—	—	2	2	0.0%
						742	1,859	0.7%

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Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Beverage, Food & Tobacco								
California Pizza Kitchen, Inc. (78,699 common units)	—	—[z]	8/19/2016	—	—	$ 5,468	$ 3,699	1.5%
						5,468	3,699	1.5%
Capital Equipment								
MCP Shaw Acquisitionco, LLC (118,906 Class A-2 units) [aa]	—	—[z]	2/28/2020	—	—	119	148	0.1%
						119	148	0.1%
Chemicals, Plastics & Rubber								
Valudor Products LLC (501,014 Class A-1 units) [aa]	n/a	10.00% PIK	6/18/2018	—	—	501	16	0.0%
						501	16	0.0%
Consumer Goods: Durable								
Independence Buyer, Inc. (81 Class A units)	—	—[z]	8/3/2021	—	—	81	101	0.0%
						81	101	0.0%
Environmental Industries								
Quest Resource Management Group, LLC (warrant to purchase up to 0.2% of the equity)	—	—[z]	10/19/2020	3/19/2028	—	67	286	0.1%
Quest Resource Management Group, LLC (warrant to purchase up to 0.2% of the equity)	—	—[z]	10/19/2021	3/19/2028	—	—	169	0.1%
						67	455	0.2%
Healthcare & Pharmaceuticals								
Dorado Acquisition, Inc. (178,891 Class A-1 units)	—	—[z]	6/30/2021	—	—	179	179	0.1%
Dorado Acquisition, Inc. (178,891 Class A-2 units)	—	—[z]	6/30/2021	—	—	—	9	0.0%
NationsBenefits, LLC (888,889 Series A units) [aa]	n/a	9.00% PIK	8/20/2021	—	—	736	714	0.3%
NationsBenefits, LLC (106,667 shares of common units) [aa]	—	—[z]	8/20/2021	—	—	153	67	0.0%
Seran BioScience, LLC (33,333 common units) [aa]	—	—[z]	12/31/2020	—	—	334	714	0.3%
						1,402	1,683	0.7%
High Tech Industries								
MarkLogic Corporation (290,239 Class A units)	—	—[z]	10/20/2020	—	—	290	423	0.2%
Planful, Inc. (473,082 Class A units)	n/a	8.00% PIK	12/28/2018	—	—	473	557	0.2%
Recorded Future, Inc. (80,486 Class A units) [ab]	—	—[z]	7/3/2019	—	—	81	203	0.1%
						844	1,183	0.5%
Hotels, Gaming & Leisure								
Equine Network, LLC (99 Class A units) [aa]	—	—[z]	12/31/2020	—	—	99	102	0.0%
						99	102	0.0%

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
December 31, 2021
(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Media: Advertising, Printing & Publishing								
AdTheorent Holding Company, Inc. (177,362 shares of common stock) [h] [aj]	—	—[z]	12/22/2016	—	—	$ 114	$ 1,041	0.4%
InMobi Pte, Ltd. (warrant to purchase up to 2.8% of the equity) [h] [j]	—	—[z]	9/18/2015	9/18/2025	—	—	2,204	0.9%
Relevate Health Group, LLC (40 preferred units)	n/a	12.00% PIK	11/20/2020	—	—	40	40	0.0%
Relevate Health Group, LLC (40 Class B common units)	—	—[z]	11/20/2020	—	—	—	—	0.0%
Spherix Global Inc. (81 Class A units)	—	—[z]	12/22/2021	—	—	81	81	0.0%
XanEdu Publishing, Inc. (49,479 Class A units)	n/a	8.00% PIK	1/28/2020	—	—	49	106	0.0%
						284	3,472	1.3%
Media: Diversified & Production								
Attom Intermediate Holdco, LLC (297,197 Class A units) [aa]	—	—[z]	1/4/2019	—	—	297	446	0.2%
Chess.com, LLC (2 Class A units) [aa]	—	—[z]	12/31/2021	—	—	87	87	0.0%
						384	533	0.2%
Retail								
BLST Operating Company, LLC (139,883 Class A units) [aa]	—	—[z]	8/28/2020	—	—	712	420	0.2%
Forman Mills, Inc. (warrant to purchase up to 2.6% of the equity) [k]	—	—[z]	1/14/2020	1/14/2029	—	—	702	0.3%
Luxury Optical Holdings Co. [af]	n/a	n/a[z]	9/12/2014	—	—	—	78	0.0%
						712	1,200	0.5%
Services: Business								
APCO Worldwide, Inc. (100 Class A voting common stock)	—	—[z]	11/1/2017	—	—	395	737	0.3%
						395	737	0.3%
Services: Consumer								
Education Corporation of America - Series G Preferred Stock (8,333 shares)	n/a	12.00% PIK[m]	9/3/2015	—	—	7,492	2,281	0.9%
Express Wash Acquisition Company, LLC (121,311 Class A units) [aa]	n/a	8.00% PIK	12/28/2020	—	—	125	208	0.1%
IDIG Parent, LLC (245,958 shares of common stock) [aa] [ac]	—	—[z]	1/4/2021	—	—	248	428	0.2%
						7,865	2,917	1.2%
Wholesale								
Nearly Natural, Inc. (152,174 Class A units)	—	—[z]	12/15/2017	—	—	153	69	0.0%
Nearly Natural, Inc. (39,394 Class AA units)	—	—[z]	8/27/2021	—	—	39	5	0.0%
						192	74	0.0%
Total Non-Controlled/Non-Affiliate Equity Securities						**19,535**	**18,581**	**7.4%**
Total Non-Controlled/Non-Affiliate Company Investments						**$ 446,051**	**$ 430,287**	**172.5%**
Non-Controlled Affiliate Company Investments [ad]								
Senior Secured Loans								
Banking, Finance, Insurance & Real Estate								
American Community Homes, Inc.	L+10.00%	11.50% PIK	7/22/2014	3/31/2022	10,457	$ 10,457	$ 10,457	4.2%
American Community Homes, Inc.	L+14.50%	16.00% PIK	7/22/2014	3/31/2022	4,753	4,753	4,753	1.9%
American Community Homes, Inc.	L+10.00%	11.50% PIK	5/24/2017	3/31/2022	634	634	634	0.3%
American Community Homes, Inc.	L+10.00%	11.50% PIK	8/10/2018	3/31/2022	2,331	2,331	3,164	1.3%
American Community Homes, Inc.	L+10.00%	11.50% PIK	3/29/2019	3/31/2022	4,315	4,315	4,357	1.8%
American Community Homes, Inc.	L+10.00%	11.50% PIK	9/30/2019	3/31/2022	20	20	20	0.0%
American Community Homes, Inc.	L+10.00%	11.50% PIK	12/30/2019	3/31/2022	99	99	99	0.0%
HFZ Capital Group LLC [h] [ae]	L+12.50%	14.00% PIK	10/20/2017	n/a[p]	13,242	13,242	15,084	6.0%
HFZ Capital Group LLC [h] [ae]	L+12.50%	14.00% PIK	10/20/2017	n/a[p]	4,758	4,758	5,420	2.2%
MC Asset Management (Corporate), LLC [h]	L+15.00%	16.00% PIK	1/26/2021	1/26/2024	7,154	7,154	7,154	2.9%
MC Asset Management (Corporate), LLC (Delayed Draw) [f] [g] [h]	L+15.00%	16.00% PIK	4/26/2021	1/26/2024	1,643	850	850	0.3%
Second Avenue SFR Holdings II LLC (Revolver) [f] [h]	L+7.00%	7.50%	8/11/2021	8/9/2024	4,875	2,104	2,104	0.8%
					54,281	50,717	54,096	21.7%

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CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
December 31, 2021
(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Beverage, Food & Tobacco								
TJ Management HoldCo LLC (Revolver) [f]	L+5.50%	6.50%	9/9/2020	6/28/2024	477	$ —	$ —	0.0%
					477	—	—	0.0%
Healthcare & Pharmaceuticals								
Ascent Midco, LLC [k]	L+5.50%	6.50%	2/5/2020	2/5/2025	6,392	6,308	6,392	2.6%
Ascent Midco, LLC (Revolver) [f]	L+5.50%	6.50%	2/5/2020	2/5/2025	1,129	—	—	0.0%
					7,521	6,308	6,392	2.6%
High Tech Industries								
Mnine Holdings, Inc.	L+8.00%	4.00% Cash/ 5.00% PIK	11/2/2018	12/30/2022	5,193	5,165	5,771	2.3%
					5,193	5,165	5,771	2.3%
Services: Business								
Curion Holdings, LLC [ag]	n/a	14.00% PIK[m]	5/2/2017	8/31/2022	4,533	4,497	4,561	1.8%
Curion Holdings, LLC (Revolver) [f]	n/a	14.00% PIK[m]	5/2/2017	8/31/2022	871	528	550	0.2%
					5,404	5,025	5,111	2.0%
Services: Consumer								
NECB Collections, LLC (Revolver) [f]	L+11.00%	12.00% PIK[m]	6/25/2019	n/a[p]	1,356	1,312	632	0.3%
					1,356	1,312	632	0.3%
Total Non-Controlled Affiliate Senior Secured Loans					**74,232**	**68,527**	**72,002**	**28.9%**
Junior Secured Loans								
Banking, Finance, Insurance & Real Estate								
Second Avenue SFR Holdings II LLC [h]	n/a	8.00%	8/6/2021	7/28/2028	5,850	5,850	5,850	2.3%
					5,850	5,850	5,850	2.3%
Services: Business								
Curion Holdings, LLC [k]	n/a	15.00% PIK[m]	8/17/2018	1/2/2023	1,720	1	—	0.0%
Curion Holdings, LLC [k]	n/a	15.00% PIK[m]	8/17/2018	1/2/2023	44	—	—	0.0%
					1,764	1	—	0.0%
Total Non-Controlled Affiliate Company Junior Secured Loans					**7,614**	**5,851**	**5,850**	**2.3%**
Equity Securities [y] [ad]								
Banking, Finance, Insurance & Real Estate								
American Community Homes, Inc. (warrant to purchase up to 22.3% of the equity)	—	—[z]	10/9/2014	12/18/2024	—	—	264	0.1%
MC Asset Management (Corporate), LLC (15.9% of interests) [h] [aa] [ae]	—	—[z]	6/11/2019	—	—	793	644	0.2%
Second Avenue SFR Holdings II LLC (24.4% of interests) [h]	—	—[z]	8/6/2021	—	—	3,900	3,900	1.6%
						4,693	4,808	1.9%
Beverage, Food & Tobacco								
TJ Management HoldCo LLC (16 shares of common stock) [l] [aa]	—	—[z]	9/9/2020	—	—	1,631	3,148	1.3%
						1,631	3,148	1.3%

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CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
December 31, 2021
(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Healthcare & Pharmaceuticals								
Ascent Midco, LLC (2,032,258 Class A units) [aa]	n/a	8.00% PIK	2/5/2020	—	—	$ 2,032	$ 2,554	1.0%
Familia Dental Group Holdings, LLC (1,105 Class A units) [aa] [ah]	—	—[z]	4/8/2016	—	—	3,785	1,919	0.8%
						5,817	4,473	1.8%
High Tech Industries								
Mnine Holdings, Inc. (6,400 Class B units)	—	—[z]	6/30/2020	—	—	—	—	0.0%
						—	—	0.0%
Services: Business								
Curion Holdings, LLC (58,779 shares of common stock) [k]	—	—[z]	8/17/2018	—	—	—	—	0.0%
						—	—	0.0%
Services: Consumer								
NECB Collections, LLC (20.8% of units) [aa]	—	—[z]	6/21/2019	—	—	1,458	—	0.0%
						1,458	—	0.0%
Total Non-Controlled Affiliate Equity Securities						**13,599**	**12,429**	**5.0%**
Total Non-Controlled Affiliate Company Investments						**$ 87,977**	**$ 90,281**	**36.2%**
Controlled Affiliate Company Investments [ai]								
Equity Securities								
Investment Funds & Vehicles								
MRCC Senior Loan Fund I, LLC (50.0% of the equity interests) [h]	—	—	10/31/2017	—	—	$ 42,150	$ 41,125	16.5%
Total Controlled Affiliate Equity Securities						**42,150**	**41,125**	**16.5%**
Total Controlled Affiliate Company Investments						**$ 42,150**	**$ 41,125**	**16.5%**
TOTAL INVESTMENTS						**$ 576,178**	**$ 561,693**	**225.2%**

Derivative Instruments

Foreign currency forward contracts

Description	Notional Amount to be Purchased		Notional Amount to be Sold		Counterparty	Settlement Date	Unrealized Gain (Loss)
Foreign currency forward contract	$	101	£	82	Bannockburn Global Forex, LLC	1/3/2022	$ (10)
Foreign currency forward contract	$	97	£	79	Bannockburn Global Forex, LLC	4/4/2022	(10)
Foreign currency forward contract	$	36	£	29	Bannockburn Global Forex, LLC	5/6/2022	(3)
Foreign currency forward contract	$	121	AUD	156	Bannockburn Global Forex, LLC	1/19/2022	8
Foreign currency forward contract	$	105	AUD	136	Bannockburn Global Forex, LLC	2/16/2022	7
Foreign currency forward contract	$	102	AUD	132	Bannockburn Global Forex, LLC	3/16/2022	6
Foreign currency forward contract	$	113	AUD	146	Bannockburn Global Forex, LLC	4/19/2022	7
Foreign currency forward contract	$	107	AUD	138	Bannockburn Global Forex, LLC	5/17/2022	7
Foreign currency forward contract	$	119	AUD	153	Bannockburn Global Forex, LLC	6/17/2022	7
Foreign currency forward contract	$	107	AUD	138	Bannockburn Global Forex, LLC	7/18/2022	7
Foreign currency forward contract	$	108	AUD	140	Bannockburn Global Forex, LLC	8/16/2022	7
Foreign currency forward contract	$	118	AUD	153	Bannockburn Global Forex, LLC	9/16/2022	7
Foreign currency forward contract	$	117	AUD	152	Bannockburn Global Forex, LLC	10/19/2022	7
Foreign currency forward contract	$	105	AUD	136	Bannockburn Global Forex, LLC	11/16/2022	6
Foreign currency forward contract	$	109	AUD	142	Bannockburn Global Forex, LLC	12/16/2022	7
Foreign currency forward contract	$	118	AUD	153	Bannockburn Global Forex, LLC	1/18/2023	7
Foreign currency forward contract	$	108	AUD	140	Bannockburn Global Forex, LLC	2/16/2023	6
Foreign currency forward contract	$	102	AUD	132	Bannockburn Global Forex, LLC	3/16/2023	6
Foreign currency forward contract	$	123	AUD	160	Bannockburn Global Forex, LLC	4/20/2023	7
Foreign currency forward contract	$	93	AUD	121	Bannockburn Global Forex, LLC	5/16/2023	5
Foreign currency forward contract	$	121	AUD	156	Bannockburn Global Forex, LLC	6/19/2023	7
Foreign currency forward contract	$	107	AUD	138	Bannockburn Global Forex, LLC	7/18/2023	6
Foreign currency forward contract	$	113	AUD	146	Bannockburn Global Forex, LLC	8/16/2023	6
Foreign currency forward contract	$	113	AUD	146	Bannockburn Global Forex, LLC	9/18/2023	6
Foreign currency forward contract	$	114	AUD	148	Bannockburn Global Forex, LLC	10/18/2023	6
Foreign currency forward contract	$	107	AUD	140	Bannockburn Global Forex, LLC	11/16/2023	6
Foreign currency forward contract	$	109	AUD	142	Bannockburn Global Forex, LLC	12/18/2023	6
Foreign currency forward contract	$	115	AUD	150	Bannockburn Global Forex, LLC	1/17/2024	6
Foreign currency forward contract	$	110	AUD	143	Bannockburn Global Forex, LLC	2/16/2024	6
Foreign currency forward contract	$	11,827	AUD	15,410	Bannockburn Global Forex, LLC	3/18/2024	635
							$ 781

(a) All of the Company's investments are issued by eligible portfolio companies, as defined in the Investment Company Act of 1940 (the “1940 Act”), unless otherwise noted. All of the Company's investments are issued by U.S. portfolio companies unless otherwise noted.

(b) The majority of the investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate (“LIBOR” or “L”), Prime Rate (“Prime” or “P”), Sterling Overnight Index Average ("SONIA" or "SN") or Secured Overnight Financing Rate ("SOFR" or "SF") which reset daily, monthly, quarterly, or semiannually. For each such investment, the Company has provided the spread over LIBOR, Prime, or SOFR and the current contractual interest rate in effect at December 31, 2021. Certain investments are subject to a LIBOR, Prime, or SOFR interest rate floor, or rate cap. Certain investments contain a Payment-in-Kind (“PIK”) provision.

(c) Except as otherwise noted, all of the Company’s portfolio company investments, which as of December 31, 2021 represented 225.2% of the Company’s net assets or 95.1% of the Company’s total assets, are subject to legal restrictions on sales.

(d) Except as otherwise noted, because there is no readily available market value for these investments, the fair value of these investments is determined in good faith using significant unobservable inputs by the Company's board of directors as required by the 1940 Act. See Note 4 in the accompanying notes to the consolidated financial statements.

(e) Percentages are based on net assets of $249,471 as of December 31, 2021.

(f) All or a portion of this commitment was unfunded at December 31, 2021. As such, interest is earned only on the funded portion of this commitment.

(g) This delayed draw loan requires that certain financial covenants be met by the portfolio company prior to any fundings.

(h) This investment is treated as a non-qualifying investment under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company’s total assets. As of December 31, 2021, non-qualifying assets totaled 22.5% of the Company’s total assets.

(i) This loan is denominated in Australian dollars and is translated into U.S. dollars as of the valuation date.

(j) This is an international company.

(k) All of this loan is held in the Company’s wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company’s revolving credit facility.

(l) During the three months ended September 30, 2020, the senior secured lender group of Toojay’s Management, LLC (“Toojay’s OldCo”) established TJ Management HoldCo, LLC (“Toojay’s NewCo”) in order to acquire certain of the assets of Toojay’s OldCo as part of a bankruptcy restructuring. The Company owns 15.9% of the equity in Toojay’s NewCo. Toojay’s NewCo credit bid a portion of the senior secured debt in Toojay’s OldCo to acquire certain assets of Toojay’s OldCo which constitute the ongoing operations of the portfolio company. The Company’s portion of this credit bid was $2,386, and as such the Company's outstanding senior secured debt investment in Toojay’s OldCo was reduced by the amount of the credit bid and the Company’s cost basis of its new equity investment in Toojay’s NewCo was increased by the amount of the credit bid. While the Company still has loans outstanding at Toojay’s OldCo, the Company has valued these positions at zero as of December 31, 2021.

(m) This position was on non-accrual status as of December 31, 2021, meaning that the Company has ceased accruing interest income on the position. See Note 2 in the accompanying notes to the consolidated financial statements for additional information on the Company’s accounting policies.

(n) This investment represents a note convertible to preferred shares of the borrower.

(o) In May 2020, an arbitrator issued a final award in favor of the estate of Rockdale Blackhawk, LLC (the “Estate”) in the legal proceeding between the Estate and a national insurance carrier. The Company's share of the net proceeds from the award exceeded the contractual obligations due to the Company as a result of the Company’s right to receive excess proceeds pursuant to the terms of a sharing agreement between the lenders and the Estate investment is a non-income producing security.

(p) This is a demand note with no stated maturity.
(q) The Company structures its unitranche secured loans as senior secured loans. The Company obtains security interests in the assets of these portfolio companies that serve as collateral in support of the repayment of these loans. This collateral may take the form of first-priority liens on the assets of a portfolio company. Generally, the Company syndicates a “first out” portion of the loan to an investor and retains a "last out” portion of the loan, in which case the “first out” portion of the loan will generally receive priority with respect to payments of principal, interest and any other amounts due thereunder. Unitranche structures combine characteristics of traditional first lien senior secured as well as second lien and subordinated loans and the Company’s unitranche secured loans will expose the Company to the risks associated with second lien and subordinated loans and may limit the Company’s recourse or ability to recover collateral upon a portfolio company’s bankruptcy. Unitranche secured loans typically provide for moderate loan amortization in the initial years of the facility, with the majority of the amortization deferred until loan maturity. Unitranche secured loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term, and there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. In many cases the Company, together with its affiliates, are the sole or majority lender of these unitranche secured loans, which can afford the Company additional influence with a borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.
(r) A portion of this loan (principal of $54) is held in the Company’s wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company’s revolving credit facility.
(s) A portion of this loan (principal of $4,969) is held in the Company’s wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company’s revolving credit facility.
(t) A portion of this loan (principal of $421) is held in the Company’s wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company’s revolving credit facility.
(u) A portion of this loan (principal of $9,258) is held in the Company’s wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company’s revolving credit facility.
(v) A portion of this loan (principal of $525) is held in the Company’s wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company’s revolving credit facility.
(w) This loan is denominated in Great Britain pounds and is translated into U.S. dollars as of the valuation date.
(x) Represents less than 5% ownership of the portfolio company’s voting securities.
(y) Ownership of certain equity investments may occur through a holding company or partnership.
(z) Represents a non-income producing security.
(aa) Investment is held by a taxable subsidiary of the Company. See Note 2 in the accompanying notes to the consolidated financial statements for additional information on the Company’s wholly-owned taxable subsidiaries.
(ab) As of December 31, 2021, the Company was party to a subscription agreement with a commitment to fund an additional equity investment of $16.
(ac) As of December 31, 2021, the Company was party to a subscription agreement with a commitment to fund an equity investment of $43.
(ad) As defined in the 1940 Act, the Company is deemed to be an “Affiliated Person” of the portfolio company as it owns 5% or more of the portfolio company’s voting securities. See Note 5 in the accompanying notes to the consolidated financial statements for additional information on transactions in which the issuer was an Affiliated Person (but not a portfolio company that the Company is deemed to control).
(ae) The Company restructured its investment in HFZ Capital Group LLC (“HFZ”) during the three months ended December 31, 2020. As part of the restructuring of HFZ, the Company obtained a 15.9% equity interest in MC Asset Management (Corporate), LLC (“Corporate”). Corporate owns 100% of the equity of MC Asset Management Industrial, LLC (“Industrial”). In conjunction with these restructurings, the Company participated $4,758 of principal of its loan to HFZ as an equity contribution to Industrial. This participation did not qualify for sale accounting under ASC Topic 860–Transfers and Servicing because the sale did not meet the definition of a “participating interest”, as defined in the guidance, in order for sale treatment to be allowed. As a result, the Company continues to reflect its full investment in HFZ but has split the loan into two investments.
(af) During the three months ended December 31, 2021, the Company sold its investment in Luxury Optical Holdings Co. The remaining fair value at December 31, 2021 represents the remaining expected escrow proceeds associated with the sale.
(ag) A portion of this loan (principal of $4,226) is held in the Company’s wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company’s revolving credit facility.
(ah) As of December 31, 2021, the Company was party to a subscription agreement with a commitment to fund an additional equity investment of $428.
(ai) As defined in the 1940 Act, the Company is deemed to be both an “Affiliated Person” of and to “Control” this portfolio company as it owns more than 25% of the portfolio company’s voting securities. See Note 5 in the accompanying notes to the consolidated financial statements for additional information on transactions in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control.
(aj) The fair value of this investment was valued using Level 1 inputs. See Note 4 in the accompanying notes to the consolidated financial statements.

n/a - not applicable

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(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Non-Controlled/Non-Affiliate Company Investments								
Senior Secured Loans								
Automotive								
Hastings Manufacturing Company	L+8.25%	9.25%	4/24/2018	4/24/2023	2,820	$ 2,790	$ 2,829	1.2%
Magneto & Diesel Acquisition, Inc.	L+6.05%	7.10%	12/18/2018	12/18/2023	4,876	4,820	4,876	2.1%
Magneto & Diesel Acquisition, Inc.	L+6.05%	7.10%	7/6/2020	12/18/2023	1,918	1,885	1,932	0.8%
Magneto & Diesel Acquisition, Inc. (Revolver) [f]	L+6.05%	7.10%	12/18/2018	12/18/2023	500	—	—	0.0%
					10,114	9,495	9,637	4.1%
Banking, Finance, Insurance & Real Estate								
777 SPV I, LLC [g]	L+8.50%	10.25%	4/15/2019	4/14/2023	4,665	4,628	4,760	2.0%
J2 BWA Funding, LLC (Delayed Draw) [f] [g] [h]	n/a	10.00%	12/24/2020	12/24/2026	2,750	—	—	0.0%
Liftforward SPV II, LLC [g]	L+10.75%	11.25%	11/10/2016	6/30/2021	2,057	2,057	1,929	0.8%
NCBP Property, LLC [g]	L+9.50%	10.50%	12/18/2020	12/16/2022	1,950	1,931	1,931	0.8%
US Claims Litigation Funding, LLC (Revolver) [f] [g]	L+8.75%	9.75%	11/30/2020	11/29/2024	1,500	850	850	0.4%
					12,922	9,466	9,470	4.0%
Beverage, Food & Tobacco								
LX/JT Intermediate Holdings, Inc. [j]	L+6.00%	7.50%	3/11/2020	3/11/2025	9,732	9,564	9,567	4.1%
LX/JT Intermediate Holdings, Inc. (Revolver) [f]	L+6.00%	7.50%	3/11/2020	3/11/2025	833	—	—	0.0%
Toojay's Management, LLC [k]	n/a	n/a[l]	10/26/2018	10/26/2022	1,448	1,407	—	0.0%
Toojay's Management, LLC [k]	n/a	n/a[l]	10/26/2018	10/26/2022	199	199	—	0.0%
Toojay's Management, LLC (Revolver) [k]	n/a	n/a[l]	10/26/2018	10/26/2022	66	66	—	0.0%
					12,278	11,236	9,567	4.1%
Capital Equipment								
MCP Shaw Acquisitionco, LLC [j]	L+6.50%	7.50%	2/28/2020	11/28/2025	9,924	9,752	9,721	4.2%
MCP Shaw Acquisitionco, LLC (Revolver) [f]	L+6.50%	7.50%	2/28/2020	11/28/2025	1,784	—	—	0.0%
					11,708	9,752	9,721	4.2%
Chemicals, Plastics & Rubber								
Midwest Composite Technologies, LLC [j]	L+6.75%	7.75%	12/2/2019	8/31/2023	14,925	14,701	14,926	6.4%
Midwest Composite Technologies, LLC	L+6.75%	7.75%	8/31/2018	8/31/2023	887	876	887	0.4%
Midwest Composite Technologies, LLC (Delayed Draw) [f] [h]	L+6.75%	7.75%	8/31/2018	8/31/2023	509	179	179	0.1%
Midwest Composite Technologies, LLC (Revolver) [f]	L+6.75%	7.75%	8/31/2018	8/31/2023	90	—	—	0.0%
Valudor Products, LLC	L+7.50%	7.00% Cash/ 1.50% PIK	6/18/2018	6/19/2023	1,561	1,543	1,702	0.7%
Valudor Products, LLC [m]	L+7.50%	8.50% PIK	6/18/2018	6/19/2023	217	214	—	0.0%
Valudor Products, LLC (Revolver) [f]	L+9.50%	10.50%	6/18/2018	6/19/2023	818	549	521	0.2%
					19,007	18,062	18,215	7.8%
Construction & Building								
Cali Bamboo, LLC	L+9.50%	8.00% Cash/ 2.50% PIK	7/10/2015	3/31/2022	6,859	6,857	6,859	2.9%
Cali Bamboo, LLC (Revolver) [f]	L+9.50%	8.00% Cash/ 2.50% PIK	7/10/2015	3/31/2022	2,165	—	—	0.0%
Dude Solutions Holdings, Inc.	L+7.50%	8.50%	6/14/2019	6/13/2025	9,975	9,794	9,950	4.3%
Dude Solutions Holdings, Inc. (Revolver) [f]	L+7.50%	8.50%	6/14/2019	6/13/2025	1,304	—	—	0.0%
					20,303	16,651	16,809	7.2%
Consumer Goods: Durable								
Franchise Group Intermediate Holdco, LLC	L+8.00%	9.50%	2/24/2020	2/14/2025	3,425	3,366	3,382	1.4%
Nova Wildcat Amerock, LLC	L+5.25%	6.25%	10/12/2018	10/12/2023	9,009	8,897	9,009	3.9%
Nova Wildcat Amerock, LLC (Revolver) [f]	L+5.25%	6.25%	10/12/2018	10/12/2023	931	—	—	0.0%
Parterre Flooring & Surface Systems, LLC [j]	L+9.00%	10.00%[l]	8/22/2017	8/22/2022	7,613	7,533	2,351	1.0%
Parterre Flooring & Surface Systems, LLC (Revolver)	L+9.00%	10.00%[l]	8/22/2017	8/22/2022	696	696	215	0.1%
					21,674	20,492	14,957	6.4%
Consumer Goods: Non-Durable								
Thrasio, LLC	L+7.00%	8.00%	12/18/2020	12/18/2026	1,500	1,463	1,463	0.6%
Thrasio, LLC (Delayed Draw) [f] [h]	L+7.00%	8.00%	12/18/2020	12/18/2026	990	—	—	0.0%
					2,490	1,463	1,463	0.6%
Environmental Industries								
Quest Resource Management Group, LLC	L+8.50%	9.75%	10/19/2020	10/20/2025	1,000	933	979	0.4%
Quest Resource Management Group, LLC (Delayed Draw) [f] [h]	L+8.50%	9.75%	10/19/2020	10/20/2025	1,087	—	—	0.0%
StormTrap, LLC	L+5.50%	6.50%	12/10/2018	12/8/2023	7,840	7,751	7,840	3.4%
StormTrap, LLC (Revolver) [f]	L+5.50%	6.50%	12/10/2018	12/8/2023	432	—	—	0.0%
Synergy Environmental Corporation [j]	L+6.00%	7.00%	4/29/2016	9/29/2023	2,885	2,874	2,888	1.2%
Synergy Environmental Corporation [j]	L+6.00%	7.00%	4/29/2016	9/29/2023	482	481	483	0.2%
Synergy Environmental Corporation	L+6.00%	7.00%	4/29/2016	9/29/2023	823	823	824	0.4%
Synergy Environmental Corporation (Revolver) [f]	L+6.00%	7.00%	4/29/2016	9/29/2023	671	67	67	0.0%
					15,220	12,929	13,081	5.6%

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Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Healthcare & Pharmaceuticals								
American Optics Holdco, Inc. [g] [n]	L+6.50%	7.50%	9/13/2017	9/13/2022	2,165	$ 2,148	$ 2,165	0.9%
American Optics Holdco, Inc. [g] [n]	L+6.50%	7.50%	9/13/2017	9/13/2022	1,637	1,622	1,637	0.7%
American Optics Holdco, Inc. (Revolver) [f] [g] [n]	L+6.50%	7.50%	9/13/2017	9/13/2022	220	—	—	0.0%
American Optics Holdco, Inc. (Revolver) [f] [g] [n]	L+6.50%	7.50%	9/13/2017	9/13/2022	440	—	—	0.0%
Apotheco, LLC	L+8.50%	6.50% Cash / 3.00% PIK	4/8/2019	4/8/2024	3,541	3,491	3,315	1.4%
Apotheco, LLC (Revolver)	L+8.50%	6.50% Cash / 3.00% PIK	4/8/2019	4/8/2024	927	927	868	0.4%
Rockdale Blackhawk, LLC	n/a	n/a[o]	3/31/2015	n/a[i]	—	—	1,592	0.7%
Seran BioScience, LLC	L+7.25%	8.25%	12/31/2020	12/31/2025	2,500	2,450	2,450	1.0%
Seran BioScience, LLC (Revolver) [f]	L+7.25%	8.25%	12/31/2020	12/31/2025	444	—	—	0.0%
					11,874	10,638	12,027	5.1%
High Tech Industries								
MarkLogic Corporation	L+8.00%	9.00%	10/20/2020	10/20/2025	3,500	3,415	3,544	1.5%
MarkLogic Corporation (Revolver) [f]	L+8.00%	9.00%	10/20/2020	10/20/2025	269	—	—	0.0%
Mindbody, Inc.	L+8.50%	8.00% Cash / 1.50% PIK	2/15/2019	2/14/2025	6,389	6,297	6,143	2.6%
Mindbody, Inc. (Revolver) [f]	L+8.00%	9.00%	2/15/2019	2/14/2025	667	—	—	0.0%
Newforma, Inc. [j]	L+5.00%	6.00%	6/30/2017	6/30/2022	11,899	11,836	11,899	5.1%
Newforma, Inc. (Revolver) [f]	L+5.00%	6.00%	6/30/2017	6/30/2022	1,250	—	—	0.0%
Planful, Inc. (fka Host Analytics, Inc.)	L+6.00%	7.00%	12/28/2018	12/28/2023	9,500	9,375	9,443	4.0%
Planful, Inc. (fka Host Analytics, Inc.) (Revolver) [f]	L+6.00%	7.00%	12/28/2018	12/28/2023	442	88	88	0.0%
RPL Bidco Limited [g] [n] [p]	L+7.50%	8.00%	11/9/2017	11/9/2023	14,429	13,867	14,429	6.2%
RPL Bidco Limited [g] [n] [p]	L+7.50%	8.00%	5/22/2018	11/9/2023	1,777	1,639	1,777	0.8%
RPL Bidco Limited (Revolver) [f] [g] [n] [p]	L+7.50%	8.00%	11/9/2017	11/9/2023	547	—	—	0.0%
					50,669	46,517	47,323	20.2%
Hotels, Gaming & Leisure								
Equine Network, LLC	L+8.00%	9.00%	12/31/2020	12/31/2025	1,750	1,711	1,711	0.7%
Equine Network, LLC (Delayed Draw) [f] [h]	L+8.00%	9.00%	12/31/2020	12/31/2025	427	—	—	0.0%
Equine Network, LLC (Revolver) [f]	L+8.00%	9.00%	12/31/2020	12/31/2025	171	—	—	0.0%
					2,348	1,711	1,711	0.7%
Media: Advertising, Printing & Publishing								
AdTheorent Holding Company, LLC	L+8.50%	9.00%	12/22/2016	12/22/2021	2,700	2,687	2,683	1.2%
Destination Media, Inc. [j]	L+5.50%	6.50%	4/7/2017	4/7/2022	4,324	4,304	4,315	1.8%
Destination Media, Inc. (Revolver)	L+5.50%	6.50%	4/7/2017	4/7/2022	542	542	542	0.2%
North Haven USHC Acquisition, Inc.	L+6.50%	7.50%	10/30/2020	10/30/2025	2,500	2,451	2,525	1.1%
North Haven USHC Acquisition, Inc. (Revolver) [f]	L+6.50%	7.50%	10/30/2020	10/30/2025	240	—	—	0.0%
Relevate Health Group, LLC	L+6.25%	7.25%	11/20/2020	11/20/2025	1,500	1,470	1,506	0.6%
Relevate Health Group, LLC (Delayed Draw) [f] [h]	L+6.25%	7.25%	11/20/2020	11/20/2025	789	671	674	0.3%
Relevate Health Group, LLC (Revolver) [f]	L+6.25%	7.25%	11/20/2020	11/20/2025	316	—	—	0.0%
Stratus Unlimited, LLC (fka MC Sign Lessor Corp.)	L+7.00%	8.00%	12/22/2017	8/30/2024	15,563	15,498	15,465	6.6%
Stratus Unlimited, LLC (fka MC Sign Lessor Corp.) (Revolver) [f]	L+7.00%	8.00%	12/22/2017	8/30/2024	3,490	—	—	0.0%
XanEdu Publishing, Inc.	L+6.50%	7.50%	1/28/2020	1/28/2025	1,886	1,854	1,890	0.8%
XanEdu Publishing, Inc. (Revolver) [f]	L+6.50%	7.50%	1/28/2020	1/28/2025	495	197	197	0.1%
					34,345	29,674	29,797	12.7%
Media: Broadcasting & Subscription								
Vice Group Holding, Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	5/2/2019	11/2/2022	1,355	1,348	1,372	0.6%
Vice Group Holding, Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	11/4/2019	11/2/2022	260	257	263	0.1%
Vice Group Holding, Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	5/2/2019	11/2/2022	425	425	430	0.2%
Vice Group Holding, Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	5/2/2019	11/2/2022	160	160	162	0.1%
					2,200	2,190	2,227	1.0%
Media: Diversified & Production								
Attom Intermediate Holdco, LLC	L+5.75%	6.75%	1/4/2019	1/4/2024	1,960	1,935	1,927	0.8%
Attom Intermediate Holdco, LLC	L+7.50%	8.75%	6/25/2020	1/4/2024	478	469	492	0.2%
Attom Intermediate Holdco, LLC (Revolver) [f]	L+5.75%	6.75%	1/4/2019	1/4/2024	320	—	—	0.0%
Crownpeak Technology, Inc.	L+6.25%	7.25%	2/28/2019	2/28/2024	4,000	3,946	3,962	1.7%
Crownpeak Technology, Inc.	L+6.25%	7.25%	2/28/2019	2/28/2024	60	60	59	0.0%
Crownpeak Technology, Inc. (Revolver) [f]	L+6.25%	7.25%	2/28/2019	2/28/2024	167	—	—	0.0%
					6,985	6,410	6,440	2.7%
Retail								
BLST Operating Company, LLC (fka Bluestem Brands, Inc.)	L+8.50%	1.00% Cash/ 9.00% PIK[l]	8/28/2020	8/28/2025	1,259	1,254	1,039	0.4%
Forman Mills, Inc. [j]	L+9.50%	8.50% Cash/ 2.00% PIK	1/14/2020	12/30/2022	1,308	1,308	1,292	0.5%
Forman Mills, Inc. [j]	L+9.50%	8.50% Cash/ 2.00% PIK	10/4/2016	12/30/2022	744	741	735	0.3%
Forman Mills, Inc. [j]	L+9.50%	8.50% Cash/ 2.00% PIK	10/4/2016	12/30/2022	7,459	7,429	6,944	3.0%
LuLu's Fashion Lounge, LLC	L+9.50%	8.00% Cash/ 2.50% PIK	8/21/2017	8/29/2022	4,123	4,074	3,525	1.5%
The Worth Collection, Ltd. [j]	L+8.50%	9.00%[l]	9/29/2016	9/29/2021	10,587	10,248	120	0.1%
					25,480	25,054	13,655	5.8%

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Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Services: Business								
Arcserve (USA), LLC	L+6.00%	7.00%	5/1/2019	5/1/2024	4,634	$ 4,567	$ 4,644	2.0%
Atlas Sign Industries of FLA, LLC [j]	L+11.50%	11.50% Cash/ 1.00% PIK	5/14/2018	5/15/2023	3,563	3,368	3,324	1.4%
Burroughs, Inc. [j]	L+7.50%	8.50%	12/22/2017	12/22/2022	5,726	5,681	5,726	2.4%
Burroughs, Inc. (Revolver) [f]	L+7.50%	8.50%	12/22/2017	12/22/2022	1,220	170	170	0.1%
Certify, Inc.	L+5.75%	6.75%	2/28/2019	2/28/2024	9,000	8,907	9,000	3.8%
Certify, Inc.	L+5.75%	6.75%	2/28/2019	2/28/2024	1,227	1,227	1,227	0.5%
Certify, Inc. (Revolver) [f]	L+5.75%	6.75%	2/28/2019	2/28/2024	409	102	102	0.0%
HS4 Acquisitionco, Inc.	L+6.75%	7.75%	7/9/2019	7/9/2025	10,050	9,887	9,929	4.2%
HS4 Acquisitionco, Inc. (Revolver) [f]	L+6.75%	7.75%	7/9/2019	7/9/2025	817	—	—	0.0%
IT Global Holding, LLC	L+9.00%	10.00%	11/15/2018	11/10/2023	9,975	9,845	9,794	4.2%
IT Global Holding, LLC	L+9.00%	10.00%	7/19/2019	11/10/2023	3,719	3,661	3,651	1.6%
IT Global Holding, LLC (Revolver)	L+9.00%	10.00%	11/15/2018	11/10/2023	875	875	875	0.4%
Madison Logic, Inc. [j]	L+7.50%	8.00%	11/30/2016	11/30/2021	9,080	9,037	9,080	3.9%
Madison Logic, Inc. (Revolver) [f]	L+7.50%	8.00%	11/30/2016	11/30/2021	988	—	—	0.0%
RedZone Robotics, Inc.	L+7.25%	7.75% Cash/ 0.50% PIK	6/1/2018	6/5/2023	591	585	556	0.2%
RedZone Robotics, Inc. (Revolver) [f]	L+6.75%	7.75%	6/1/2018	6/5/2023	158	—	—	0.0%
Security Services Acquisition Sub Corp. [j]	L+6.00%	7.00%	2/15/2019	2/15/2024	3,439	3,394	3,442	1.5%
Security Services Acquisition Sub Corp. [j]	L+6.00%	7.00%	2/15/2019	2/15/2024	2,473	2,473	2,476	1.1%
Security Services Acquisition Sub Corp. [j]	L+6.00%	7.00%	2/15/2019	2/15/2024	2,180	2,180	2,182	0.9%
Security Services Acquisition Sub Corp.	L+6.00%	7.00%	2/15/2019	2/15/2024	1,563	1,563	1,564	0.7%
VPS Holdings, LLC	L+7.00%	8.00%	10/5/2018	10/4/2024	3,663	3,611	3,469	1.5%
VPS Holdings, LLC	L+7.00%	8.00%	10/5/2018	10/4/2024	2,989	2,989	2,831	1.2%
VPS Holdings, LLC (Revolver) [f]	L+7.00%	8.00%	10/5/2018	10/4/2024	1,000	100	95	0.0%
					79,339	74,222	74,137	31.6%
Services: Consumer								
Express Wash Acquisition Company, LLC	L+6.50%	7.50%	12/28/2020	12/26/2025	2,500	2,456	2,456	1.0%
Express Wash Acquisition Company, LLC (Revolver) [f]	L+6.50%	7.50%	12/28/2020	12/26/2025	1,000	—	—	0.0%
IDIG Parent, LLC [q]	L+6.50%	7.50%	12/15/2020	12/15/2026	10,200	9,997	9,996	4.3%
IDIG Parent, LLC (Delayed Draw) [f] [h]	L+6.50%	7.50%	12/15/2020	12/15/2026	1,684	—	—	0.0%
IDIG Parent, LLC (Revolver) [f]	L+6.50%	7.50%	12/15/2020	12/15/2026	723	—	—	0.0%
Mammoth Holdings, LLC	L+6.00%	7.00%	10/16/2018	10/16/2023	1,960	1,936	1,949	0.8%
Mammoth Holdings, LLC	L+6.00%	7.00%	10/16/2018	10/16/2023	4,115	4,115	4,092	1.8%
Mammoth Holdings, LLC (Revolver) [f]	L+6.00%	7.00%	10/16/2018	10/16/2023	500	—	—	0.0%
					22,682	18,504	18,493	7.9%
Wholesale								
Nearly Natural, Inc. [j]	L+6.75%	7.75%	12/15/2017	12/15/2022	6,685	6,625	6,650	2.9%
Nearly Natural, Inc. [j]	L+6.75%	7.75%	9/22/2020	12/15/2022	1,728	1,698	1,719	0.7%
Nearly Natural, Inc. [j]	L+6.75%	7.75%	8/28/2019	12/15/2022	1,882	1,882	1,872	0.8%
Nearly Natural, Inc. (Revolver) [f]	L+6.75%	7.75%	12/15/2017	12/15/2022	2,397	959	959	0.4%
					12,692	11,164	11,200	4.8%
Total Non-Controlled/Non-Affiliate Senior Secured Loans					**374,330**	**335,630**	**319,930**	**136.5%**
Unitranche Secured Loans [r]								
Banking, Finance, Insurance & Real Estate								
Kudu Investment Holdings, LLC [g]	L+5.75%	6.75%	12/23/2019	12/23/2025	7,932	7,849	7,971	3.4%
Kudu Investment Holdings, LLC (Delayed Draw) [f] [g] [h]	L+5.75%	6.75%	12/23/2019	12/23/2025	2,357	448	451	0.2%
					10,289	8,297	8,422	3.6%
Chemicals, Plastics & Rubber								
MFG Chemical, LLC [j]	L+6.00%	6.50%	6/23/2017	6/23/2022	9,232	9,184	8,627	3.7%
MFG Chemical, LLC	L+6.00%	6.50%	3/15/2018	6/23/2022	976	976	912	0.4%
					10,208	10,160	9,539	4.1%
Consumer Goods: Durable								
RugsUSA, LLC	L+6.00%	7.00%	5/2/2018	4/28/2023	3,937	3,918	3,936	1.7%
					3,937	3,918	3,936	1.7%
Healthcare & Pharmaceuticals								
Priority Ambulance, LLC [s]	L+6.50%	7.50%	7/18/2018	4/12/2022	10,015	10,015	9,930	4.2%
Priority Ambulance, LLC [t]	L+6.50%	7.50%	4/12/2017	4/12/2022	1,253	1,242	1,243	0.5%
Priority Ambulance, LLC	L+6.50%	7.50%	12/13/2018	4/12/2022	672	672	666	0.3%
Priority Ambulance, LLC (Delayed Draw) [f] [h]	L+6.50%	7.50%	10/22/2020	4/12/2022	1,009	—	—	0.0%
					12,949	11,929	11,839	5.0%
High Tech Industries								
Energy Services Group, LLC	L+8.42%	9.42%	5/4/2017	5/4/2022	3,948	3,930	3,948	1.7%
Energy Services Group, LLC [g] [p]	L+8.42%	9.42%	5/4/2017	5/4/2022	4,861	4,699	4,861	2.0%
Energy Services Group, LLC	L+8.42%	9.42%	5/4/2017	5/4/2022	1,124	1,110	1,124	0.5%
WillowTree, LLC	L+5.50%	6.50%	10/9/2018	10/9/2023	7,840	7,755	7,707	3.3%
					17,773	17,494	17,640	7.5%
Telecommunications								
VB E1, LLC (Delayed Draw) [f] [h]	L+8.50%	9.00%	11/18/2020	11/18/2026	2,250	1,100	1,100	0.5%
					2,250	1,100	1,100	0.5%
Total Non-Controlled/Non-Affiliate Unitranche Secured Loans					**57,406**	**52,898**	**52,476**	**22.4%**

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
December 31, 2020
(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Junior Secured Loans								
Beverage, Food & Tobacco								
California Pizza Kitchen, Inc.	L+12.50%	1.00% Cash/ 14.00% PIK[l]	8/19/2016	5/23/2025	1,264	$ 1,264	$ 1,011	0.4%
CSM Bakery Solutions, LLC	L+7.75%	8.75%	5/23/2013	2/4/2022	5,954	5,954	5,909	2.5%
					7,218	7,218	6,920	2.9%
Capital Equipment								
ALTA Enterprises, LLC [g]	L+8.00%	9.80%	2/14/2020	8/13/2025	3,850	3,732	3,886	1.7%
					3,850	3,732	3,886	1.7%
High Tech Industries								
Micro Holdings Corp.	L+7.50%	7.65%	8/16/2017	8/18/2025	3,000	2,981	3,024	1.3%
					3,000	2,981	3,024	1.3%
Services: Consumer								
Education Corporation of America	L+11.00%	5.75% Cash/ 5.50% PIK[l]	9/3/2015	n/a[i]	833	831	762	0.3%
					833	831	762	0.3%
Total Non-Controlled/Non-Affiliate Junior Secured Loans					**14,901**	**14,762**	**14,592**	**6.2%**
Equity Securities [u] [v]								
Banking, Finance, Insurance & Real Estate								
J2 BWA Funding, LLC (0.7% profit sharing) [g]	—	—[w]	12/24/2020	—	—	—	—	0.0%
PKS Holdings, LLC (5,680 preferred units) [g]	n/a	5.00% PIK	11/30/2017	—	—	58	214	0.1%
PKS Holdings, LLC (5,714 preferred units) [g]	n/a	5.00% PIK	11/30/2017	—	—	9	33	0.0%
PKS Holdings, LLC (132 preferred units) [g]	n/a	5.00% PIK	11/30/2017	—	—	1	5	0.0%
PKS Holdings, LLC (916 preferred units) [g]	n/a	5.00% PIK	11/30/2017	—	—	9	33	0.0%
						77	285	0.1%
Beverage, Food & Tobacco								
California Pizza Kitchen, Inc. (78,699 preferred units)	—	—[w]	8/19/2016	—	—	5,468	866	0.4%
						5,468	866	0.4%
Capital Equipment								
MCP Shaw Acquisitionco, LLC (118,906 Class A-2 units)	—	—[w]	2/28/2020	—	—	119	143	0.1%
						119	143	0.1%
Chemicals, Plastics & Rubber								
Valudor Products, LLC (501,014 Class A-1 units)	n/a	10.00% PIK[l]	6/18/2018	—	—	501	—	0.0%
						501	—	0.0%
Environmental Industries								
Quest Resource Holding Corporation (warrant to purchase up to 0.2% of the equity)	—	—[w]	10/19/2020	3/19/2028	—	67	87	0.0%
						67	87	0.0%
Healthcare & Pharmaceuticals								
Seran BioScience, LLC (33,333 common units)	—	—[w]	12/31/2020	—	—	333	333	0.1%
						333	333	0.1%
High Tech Industries								
Answers Finance, LLC (76,539 shares of common stock)	—	—[w]	4/14/2017	—	—	2,344	54	0.0%
MarkLogic Corporation (289,941 Class A units)	—	—[w]	10/20/2020	—	—	290	286	0.1%
Planful, Inc. (fka Host Analytics, Inc.) (473,082 Class A units)	n/a	8.00% PIK	12/28/2018	—	—	473	603	0.3%
Recorded Future, Inc. (80,486 Class A units) [x]	—	—[w]	7/3/2019	—	—	81	131	0.1%
						3,188	1,074	0.5%
Hotels, Gaming & Leisure								
Equine Network, LLC (60 Class A units)	n/a	10.00% PIK	12/31/2020	—	—	60	60	0.0%
						60	60	0.0%
Media: Advertising, Printing & Publishing								
AdTheorent Holding Company, LLC (128,866 Class A voting units)	—	—[w]	12/22/2016	—	—	129	445	0.2%
InMobi Pte, Ltd. (warrant to purchase up to 2.8% of the equity) [g] [n]	—	—[w]	9/18/2015	9/18/2025	—	—	203	0.1%
Relevate Health Group, LLC (40 preferred units)	n/a	12.00% PIK	11/20/2020	—	—	40	40	0.0%
Relevate Health Group, LLC (40 Class B common units)	—	—[w]	11/20/2020	—	—	—	1	0.0%
Stratus Unlimited, LLC (fka MC Sign Lessor Corp.) (686 shares of common units)	—	—[w]	8/30/2019	—	—	872	996	0.4%
XanEdu Publishing, Inc. (49,479 Class A units)	n/a	8.00% PIK	1/28/2020	—	—	49	71	0.0%
						1,090	1,756	0.7%
Media: Diversified & Production								
Attom Intermediate Holdco, LLC (297,197 Class A units)	—	—[w]	1/4/2019	—	—	297	371	0.2%
						297	371	0.2%
Retail								
BLST Operating Company, LLC (fka Bluestem Brands, Inc.) (139,883 Class A units)	—	—[w]	8/28/2020	—	—	1,072	140	0.1%
Forman Mills, Inc. (warrant to purchase up to 2.6% of the equity)	—	—[w]	1/14/2020	1/14/2029	—	—	48	0.0%
The Tie Bar Operating Company, LLC - Class A preferred units (1,275 units)	—	—[w]	6/25/2013	—	—	87	4	0.0%
The Tie Bar Operating Company, LLC - Class B preferred units (1,275 units)	—	—[w]	6/25/2013	—	—	—	—	0.0%
						1,159	192	0.1%
Services: Business								
APCO Worldwide, Inc. (100 Class A voting common stock)	—	—[w]	11/1/2017	—	—	395	433	0.2%
Atlas Sign Industries of FLA, LLC (warrant to purchase up to 0.8% of the equity)	—	—[w]	5/14/2018	5/14/2026	—	125	35	0.0%
						520	468	0.2%
Services: Consumer								
Education Corporation of America - Series G preferred stock (8,333 shares)	n/a	12.00% PIK[l]	9/3/2015	—	—	7,492	5,117	2.2%
Express Wash Acquisition Company, LLC (100,000 Class A units)	n/a	8.00% PIK	12/28/2020	—	—	100	100	0.0%
						7,592	5,217	2.2%

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(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Wholesale								
Nearly Natural, Inc. (152,174 Class A units)	—	—[w]	12/15/2017	—	—	$ 152	$ 190	0.1%
						152	190	0.1%
Total Non-Controlled/Non-Affiliate Equity Securities						**20,623**	**11,042**	**4.7%**
Total Non-Controlled/Non-Affiliate Company Investments						**$ 423,913**	**$ 398,040**	**169.8%**
Non-Controlled Affiliate Company Investments [y]								
Senior Secured Loans								
Banking, Finance, Insurance & Real Estate								
American Community Homes, Inc.	L+10.00%	11.50% PIK	7/22/2014	2/26/2021	9,401	$ 9,401	$ 9,401	4.0%
American Community Homes, Inc.	L+14.50%	16.00% PIK	7/22/2014	2/26/2021	6,239	6,239	6,239	2.7%
American Community Homes, Inc.	L+14.50%	16.00% PIK	3/17/2016	2/26/2021	825	825	825	0.4%
American Community Homes, Inc.	L+10.00%	11.50% PIK	5/24/2017	2/26/2021	570	570	570	0.2%
American Community Homes, Inc.	L+14.50%	16.00% PIK	5/24/2017	2/26/2021	335	335	335	0.2%
American Community Homes, Inc.	L+10.00%	11.50% PIK	8/10/2018	2/26/2021	2,095	2,095	2,915	1.2%
American Community Homes, Inc.	L+10.00%	11.50% PIK	3/29/2019	2/26/2021	3,879	3,879	3,879	1.7%
American Community Homes, Inc.	L+10.00%	11.50% PIK	9/30/2019	2/26/2021	18	18	18	0.0%
American Community Homes, Inc.	L+10.00%	11.50% PIK	12/30/2019	2/26/2021	89	89	89	0.0%
HFZ Capital Group, LLC [g] [af]	L+12.50%	14.00% PIK	10/20/2017	n/a[i]	13,242	13,242	13,106	5.6%
HFZ Capital Group, LLC [g] [af]	L+12.50%	14.00% PIK	10/20/2017	n/a[i]	4,758	4,758	4,709	2.0%
MC Asset Management (Industrial), LLC [g] [af]	L+17.00%	18.00% PIK	6/11/2019	10/30/2024	10,702	10,695	11,579	4.9%
					52,153	52,146	53,665	22.9%
Beverage, Food & Tobacco								
TJ Management HoldCo, LLC (Revolver) [f] [k]	L+5.50%	6.50%	9/9/2020	9/8/2023	795	—	—	0.0%
					795	—	—	0.0%
Containers, Packaging & Glass								
Summit Container Corporation	L+8.00%	9.00%	12/5/2013	3/31/2021	3,259	3,269	3,204	1.4%
Summit Container Corporation (Revolver) [f]	L+8.00%	9.00%	6/15/2018	3/31/2021	6,015	1,657	1,654	0.7%
					9,274	4,926	4,858	2.1%
Healthcare & Pharmaceuticals								
Ascent Midco, LLC [j]	L+5.50%	6.50%	2/5/2020	2/5/2025	6,930	6,814	6,997	3.0%
Ascent Midco, LLC (Delayed Draw) [f] [h] [j]	L+5.50%	6.50%	2/5/2020	2/5/2025	2,838	—	—	0.0%
Ascent Midco, LLC (Revolver) [f]	L+5.50%	6.50%	2/5/2020	2/5/2025	1,129	—	—	0.0%
SHI Holdings, Inc. [j]	L+10.75%	10.90% PIK[l]	7/10/2014	n/a[i]	2,899	2,897	188	0.1%
SHI Holdings, Inc. (Revolver) [f]	L+10.75%	10.90% PIK[l]	7/10/2014	n/a[i]	4,667	4,585	297	0.1%
					18,463	14,296	7,482	3.2%
High Tech Industries								
Mnine Holdings, Inc.	L+8.00%	4.00% Cash/ 5.00% PIK	11/2/2018	12/30/2022	11,768	11,665	12,356	5.3%
					11,768	11,665	12,356	5.3%
Retail								
Luxury Optical Holdings Co.	L+8.00%	9.00% PIK[l]	9/12/2014	12/15/2021	1,481	1,481	1,430	0.6%
Luxury Optical Holdings Co. (Delayed Draw) [f] [h]	L+11.50%	12.50%[l]	9/29/2017	12/15/2021	3,565	624	624	0.3%
Luxury Optical Holdings Co. (Revolver)	L+8.00%	9.00% PIK[l]	9/12/2014	12/15/2021	68	68	66	0.0%
					5,114	2,173	2,120	0.9%
Services: Business								
Curion Holdings, LLC [j]	n/a	14.00% PIK[l]	5/2/2017	5/2/2022	4,226	4,189	3,159	1.4%
Curion Holdings, LLC (Revolver) [f]	n/a	14.00% PIK[l]	5/2/2017	5/2/2022	871	836	820	0.3%
					5,097	5,025	3,979	1.7%
Services: Consumer								
NECB Collections, LLC (Revolver) [f]	L+11.00%	12.00% PIK[l]	6/25/2019	6/30/2021	1,356	1,312	834	0.3%
					1,356	1,312	834	0.3%
Total Non-Controlled Affiliate Senior Secured Loans					**104,020**	**91,543**	**85,294**	**36.4%**
Unitranche Secured Loans [r]								
Consumer Goods: Non-Durable								
Incipio, LLC [z]	L+8.50%	9.50% PIK[l]	12/26/2014	8/22/2022	14,701	14,677	1,764	0.8%
Incipio, LLC [aa]	L+8.50%	9.50% PIK	3/9/2018	8/22/2022	4,278	4,278	4,227	1.8%
Incipio, LLC	L+8.50%	9.50% PIK	7/6/2018	8/22/2022	1,818	1,818	1,805	0.8%
Incipio, LLC	L+8.50%	9.50% PIK	1/15/2020	8/22/2022	1,530	1,530	1,519	0.6%
Incipio, LLC	L+8.50%	9.50% PIK	4/17/2019	8/22/2022	766	766	761	0.3%
Incipio, LLC (Delayed Draw) [f] [h]	L+8.50%	9.50% PIK	7/8/2020	8/22/2022	2,525	1,498	1,488	0.6%
					25,618	24,567	11,564	4.9%
Total Non-Controlled Affiliate Unitranche Secured Loans					**25,618**	**24,567**	**11,564**	**4.9%**
Junior Secured Loans								
Consumer Goods: Non-Durable								
Incipio, LLC [ab]	n/a	10.70% PIK[l]	6/18/2018	8/22/2022	3,766	—	—	0.0%
Incipio, LLC [ac]	n/a	10.70% PIK[l]	6/18/2018	8/22/2022	7,194	—	—	0.0%
					10,960	—	—	0.0%

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CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
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(in thousands, except for shares and units)

Portfolio Company [a]	Spread Above Index [b]	Interest Rate	Acquisition Date [c]	Maturity	Principal	Amortized Cost	Fair Value [d]	% of Net Assets [e]
Services: Business								
Curion Holdings, LLC [j]	n/a	15.00% PIK[l]	8/17/2018	1/2/2023	1,720	$ 1	$ —	0.0%
Curion Holdings, LLC [j]	n/a	15.00% PIK[l]	8/17/2018	1/2/2023	44	—	—	0.0%
					1,764	1	—	0.0%
Total Non-Controlled Affiliate Company Junior Secured Loans					**12,724**	**1**	**—**	**0.0%**
Equity Securities [v] [y]								
Banking, Finance, Insurance & Real Estate								
American Community Homes, Inc. (warrant to purchase up to 22.3% of the equity)	—	—[w]	10/9/2014	12/18/2024	—	—	—	0.0%
MC Asset Management (Corporate), LLC (15.9% of interests) [g] [af]	—	—[w]	6/11/2019	—	—	793	785	0.3%
						793	785	0.3%
Beverage, Food & Tobacco								
TJ Management HoldCo, LLC (16 shares of common stock) [k]	—	—[w]	9/9/2020	—	—	2,386	3,323	1.4%
						2,386	3,323	1.4%
Consumer Goods: Non-Durable								
Incipio, LLC (1,774 shares of Series C common units)	—	—[w]	7/6/2018	—	—	—	—	0.0%
						—	—	0.0%
Containers, Packaging & Glass								
Summit Container Corporation (warrant to purchase up to 19.5% of the equity)	—	—[w]	1/6/2014	1/6/2024	—	—	139	0.1%
						—	139	0.1%
Healthcare & Pharmaceuticals								
Ascent Midco, LLC (2,032,258 Class A units)	n/a	8.00% PIK	2/5/2020	—	—	2,032	3,016	1.3%
Familia Dental Group Holdings, LLC (1,052 Class A units) [ad]	—	—[w]	4/8/2016	—	—	3,602	3,118	1.3%
SHI Holdings, Inc. (24 shares of common stock)	—	—[w]	12/14/2016	—	—	27	—	0.0%
						5,661	6,134	2.6%
High Tech Industries								
Mnine Holdings, Inc. (6,400 Class B units)	—	—[w]	6/30/2020	—	—	—	—	0.0%
						—	—	0.0%
Retail								
Luxury Optical Holdings Co. (91 preferred units)	n/a	15.00% PIK[l]	9/12/2014	—	—	3,631	2,476	1.1%
Luxury Optical Holdings Co. (86 shares of common stock)	—	—[w]	9/29/2017	—	—	—	—	0.0%
						3,631	2,476	1.1%
Services: Business								
Curion Holdings, LLC (58,779 shares of common stock)	—	—[w]	8/17/2018	—	—	—	—	0.0%
						—	—	0.0%
Services: Consumer								
NECB Collections, LLC (20.8% of units)	—	—[w]	6/21/2019	—	—	1,458	—	0.0%
						1,458	—	0.0%
Total Non-Controlled Affiliate Equity Securities						**13,929**	**12,857**	**5.5%**
Total Non-Controlled Affiliate Company Investments						**$ 130,040**	**$ 109,715**	**46.8%**
Controlled Affiliate Company Investments [ae]								
Equity Securities								
Investment Funds & Vehicles								
MRCC Senior Loan Fund I, LLC (50.0% of the equity interests) [g]	—	—	10/31/2017	—	—	$ 42,150	$ 39,284	16.7%
Total Controlled Affiliate Equity Securities						**42,150**	**39,284**	**16.7%**
Total Controlled Affiliate Company Investments						**$ 42,150**	**$ 39,284**	**16.7%**
TOTAL INVESTMENTS						**$ 596,103**	**$ 547,039**	**233.3%**

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CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
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Derivative Instruments

Foreign currency forward contracts

Description	Notional Amount to be Purchased		Notional Amount to be Sold		Counterparty	Settlement Date	Unrealized Gain (Loss)
Foreign currency forward contract	$	107	£	87	Bannockburn Global Forex, LLC	1/4/2021	$ (12)
Foreign currency forward contract	$	264	£	206	Bannockburn Global Forex, LLC	3/3/2021	(18)
Foreign currency forward contract	$	33	£	26	Bannockburn Global Forex, LLC	3/3/2021	(2)
Foreign currency forward contract	$	103	£	84	Bannockburn Global Forex, LLC	4/2/2021	(12)
Foreign currency forward contract	$	271	£	212	Bannockburn Global Forex, LLC	6/1/2021	(19)
Foreign currency forward contract	$	33	£	26	Bannockburn Global Forex, LLC	6/1/2021	(2)
Foreign currency forward contract	$	103	£	83	Bannockburn Global Forex, LLC	7/2/2021	(11)
Foreign currency forward contract	$	102	£	83	Bannockburn Global Forex, LLC	10/4/2021	(11)
Foreign currency forward contract	$	101	£	82	Bannockburn Global Forex, LLC	1/3/2022	(11)
Foreign currency forward contract	$	97	£	79	Bannockburn Global Forex, LLC	4/4/2022	(11)
Foreign currency forward contract	$	36	£	29	Bannockburn Global Forex, LLC	5/6/2022	(4)
							$ (113)

(a) All of the Company's investments are issued by eligible portfolio companies, as defined in the Investment Company Act of 1940 (the "1940 Act"), unless otherwise noted. All of the Company's investments are issued by U.S. portfolio companies unless otherwise noted.
(b) The majority of the investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L") or Prime Rate ("Prime" or "P") which reset daily, monthly, quarterly, or semiannually. For each such investment, the Company has provided the spread over LIBOR or Prime and the current contractual interest rate in effect at December 31, 2020. Certain investments are subject to a LIBOR or Prime interest rate floor, or rate cap. Certain investments contain a payment-in-kind ("PIK") provision.
(c) Except as otherwise noted, all of the Company's portfolio company investments, which as of December 31, 2020 represented 233.3% of the Company's net assets or 93.5% of the Company's total assets, are subject to legal restrictions on sales.
(d) Because there is no readily available market value for these investments, the fair value of these investments is determined in good faith using significant unobservable inputs by the Company's board of directors as required by the 1940 Act. (See Note 4 in the accompanying notes to the consolidated financial statements.)
(e) Percentages are based on net assets of $234,434 as of December 31, 2020.
(f) All or a portion of this commitment was unfunded at December 31, 2020. As such, interest is earned only on the funded portion of this commitment.
(g) This investment is treated as a non-qualifying investment under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of December 31, 2020, non-qualifying assets totaled 19.9% of the Company's total assets.
(h) This delayed draw loan requires that certain financial covenants be met by the portfolio company prior to any fundings.
(i) This is a demand note with no stated maturity.
(j) All of this loan is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
(k) During the three months ended September 30, 2020, the senior secured lender group of Toojay's Management, LLC ("Toojay's OldCo") established TJ Management HoldCo, LLC ("Toojay's NewCo") in order to acquire certain of the assets of Toojay's OldCo as part of a bankruptcy restructuring. The Company owns 15.9% of the equity in Toojay's NewCo. Toojay's NewCo credit bid a portion of the senior secured debt in Toojay's OldCo to acquire certain assets of Toojay's OldCo which constitute the ongoing operations of the portfolio company. The Company's portion of this credit bid was $2,386, and as such the Company's outstanding senior secured debt investment in Toojay's OldCo was reduced by the amount of the credit bid and the Company's cost basis of its new equity investment in Toojay's NewCo was increased by the amount of the credit bid. While the Company still has loans outstanding at Toojay's OldCo, the Company has valued these positions at zero as of December 31, 2020.
(l) This position was on non-accrual status as of December 31, 2020, meaning that the Company has ceased accruing interest income on the position. See Note 2 in the accompanying notes to the consolidated financial statements for additional information on the Company's accounting policies.
(m) This investment represents a note convertible to preferred shares of the borrower.
(n) This is an international company.
(o) In May 2020, an arbitrator issued a final award in favor of the estate of Rockdale Blackhawk, LLC (the "Estate") in the legal proceeding between the Estate and a national insurance carrier. The Company's share of the net proceeds from the award exceeded the contractual obligations due to the Company as a result of the Company's right to receive excess proceeds pursuant to the terms of a sharing agreement between the lenders and the Estate. In June 2020, the Company received $33,135 as an initial payment of proceeds from the legal proceedings from the Estate, of which $19,540 was recorded as a reduction in the cost basis of the Company's investment in Rockdale, $3,878 was recorded as the collection of previously accrued interest, $7,378 was recorded as investment income for previously unaccrued interest and fees and $2,339 was recorded as realized gains. Additionally, as an offset, the Company recorded net change in unrealized (loss) of ($8,243) primarily as a result of the reversal associated with the collection of proceeds from the Estate. Total net income associated with the Company's investment in Rockdale was $1,887 during the year ended December 31, 2020. As of December 31, 2020, the Company has this remaining investment in Rockdale associated with residual proceeds currently expected from the Estate. This investment is a non-income producing security.
(p) This loan is denominated in Great Britain pounds and is translated into U.S. dollars as of the valuation date.
(q) As of December 31, 2020, the Company was party to a subscription agreement with a commitment to fund an equity investment of $289.
(r) The Company structures its unitranche secured loans as senior secured loans. The Company obtains security interests in the assets of these portfolio companies that serve as collateral in support of the repayment of these loans. This collateral may take the form of first-priority liens on the assets of a portfolio company. Generally, the Company syndicates a "first out" portion of the loan to an investor and retains a "last out" portion of the loan, in which case the "first out" portion of the loan will generally receive priority with respect to payments of principal, interest and any other amounts due thereunder. Unitranche structures combine characteristics of traditional first lien senior secured as well as second lien and subordinated loans and the Company's unitranche secured loans will expose the Company to the risks associated with second lien and subordinated loans and may limit the Company's recourse or ability to recover collateral upon a portfolio company's bankruptcy. Unitranche secured loans typically provide for moderate loan amortization in the initial years of the facility, with the majority of the amortization deferred until loan maturity. Unitranche secured loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term, and there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. In many cases the Company, together with its affiliates, are the sole or majority lender of these unitranche secured loans, which can afford the Company additional influence with a borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.
(s) A portion of this loan (principal of $9,258) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
(t) A portion of this loan (principal of $525) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
(u) Represents less than 5% ownership of the portfolio company's voting securities.
(v) Ownership of certain equity investments may occur through a holding company or partnership.
(w) Represents a non-income producing security.
(x) As of December 31, 2020, the Company was party to a subscription agreement with a commitment to fund an additional equity investment of $16.
(y) As defined in the 1940 Act, the Company is deemed to be an "Affiliated Person" of the portfolio company as it owns 5% or more of the portfolio company's voting securities. See Note 5 in the accompanying notes to the consolidated financial statements for additional information on transactions in which the issuer was an Affiliated Person (but not a portfolio company that the Company is deemed to control).
(z) A portion of this loan (principal of $5,390) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
(aa) A portion of this loan (principal of $54) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
(ab) A portion of this loan (principal of $1,015) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
(ac) A portion of this loan (principal of $1,938) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
(ad) As of December 31, 2020, the Company was party to a subscription agreement with a commitment to fund an additional equity investment of $611.
(ae) As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" this portfolio company as it owns more than 25% of the portfolio company's voting securities. See Note 5 in the accompanying notes to the consolidated financial statements for additional information on transactions in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.
(af) The Company restructured its investments in HFZ Capital Group LLC ("HFZ") and HFZ Member RB portfolio, LLC ("Member RB") during the three months ended December 31, 2020. As part of the restructuring of HFZ, the Company obtained a 15.9% equity interest in MC Asset Management (Corporate), LLC ("Corporate"). As part of the Member RB restructuring, the Company exchanged its loan in Member RB for a promissory note in MC Asset Management (Industrial), LLC ("Industrial"). Corporate owns 100% of the equity of Industrial. In conjunction with these restructurings, the Company participated $4,758 of principal of its loan to HFZ as an equity contribution to Industrial. This participation did not qualify for sale accounting under ASC Topic 860 – *Transfers and Servicing* because the sale did not meet the definition of a "participating interest", as defined in the guidance, in order for sale treatment to be allowed. As a result, the Company continues to reflect its full investment in HFZ but has split the loan into two investments.

n/a - not applicable

Note 1. Organization and Principal Business

Monroe Capital Corporation (together with its subsidiaries, the "Company") is an externally managed, non-diversified, closed-end management investment company and has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). The Company's investment objective is to maximize the total return to its stockholders in the form of current income and capital appreciation through investment in senior secured, junior secured and unitranche secured (a combination of senior secured and junior secured debt in the same facility in which the Company syndicates a "first out" portion of the loan to an investor and retains a "last out" portion of the loan) debt and, to a lesser extent, unsecured subordinated debt and equity co-investments in preferred and common stock and warrants. The Company is managed by Monroe Capital BDC Advisors, LLC ("MC Advisors"), a registered investment adviser under the Investment Advisers Act of 1940, as amended. In addition, for U.S. federal income tax purposes, the Company has elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

On February 28, 2014, the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP ("MRCC SBIC"), a Delaware limited partnership, received a license from the Small Business Administration ("SBA") to operate as a Small Business Investment Company ("SBIC") under Section 301(c) of the Small Business Investment Act of 1958, as amended. MRCC SBIC commenced operations on September 16, 2013. See Note 7 for additional information.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). The accompanying consolidated financial statements of the Company and related financial information have been prepared pursuant to the requirements for reporting on Form 10-K and Articles 6 and 10 of Regulation S-X. The Company has determined it meets the definition of an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 - *Financial Services - Investment Companies* ("ASC Topic 946"). Certain prior period amounts have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation

As permitted under ASC Topic 946, the Company will generally not consolidate its investment in a portfolio company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the results of the Company's wholly-owned subsidiaries, including MRCC SBIC and its wholly-owned general partner MCC SBIC GP, LLC, and the Company's wholly-owned taxable subsidiaries (the "Taxable Subsidies") in its consolidated financial statements. The purpose of the Taxable Subsidiaries is to permit the Company to hold equity investments in portfolio companies that are taxed as partnerships for U.S. federal income tax purposes while complying with the "source of income" requirements contained in the RIC tax provisions. The Taxable Subsidiaries are not consolidated with the Company for U.S. federal corporate income tax purposes, and each Taxable Subsidiary is subject to U.S. federal corporate income tax on its taxable income. All intercompany balances and transactions have been eliminated. The Company does not consolidate its non-controlling interest in MRCC Senior Loan Fund I, LLC ("SLF"). See further description of the Company's investment in SLF in Note 3.

Fair Value of Financial Instruments

The Company applies fair value to substantially all of its financial instruments in accordance with ASC Topic 820 — *Fair Value Measurements and Disclosures* ("ASC Topic 820"). ASC Topic 820 defines fair value, establishes a framework used to measure fair value, and requires disclosures for fair value measurements, including the categorization of financial instruments into a three-level hierarchy based on the transparency of valuation inputs. See Note 4 for further discussion regarding the fair value measurements and hierarchy.

ASC Topic 820 requires disclosure of the fair value of financial instruments for which it is practical to estimate such value. The Company believes that the carrying amounts of its other financial instruments such as cash, receivables and payables approximate the fair value of such items due to the short maturity of such instruments.

Revenue Recognition

The Company's revenue recognition policies are as follows:

Investments and related investment income: Interest and dividend income is recorded on the accrual basis to the extent that the Company expects to collect such amounts. Interest income is accrued based upon the outstanding principal amount and contractual terms of debt and preferred equity investments. Interest is accrued on a daily basis. The Company records fees on loans based on the determination of whether the fee is considered a yield enhancement or payment for a service. If the fee is considered a yield enhancement associated with a funding of cash on a loan, the fee is generally deferred and recognized into interest income using the effective interest method if captured in the cost basis or using the straight-line method if the loan is unfunded and therefore there is no cost basis. If the fee is not considered a yield enhancement because a service was provided, and the fee is payment for that service, the fee is deemed earned and recognized as fee income in the period the service has been completed.

Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies. Each distribution received from limited liability company ("LLC") and limited partnership ("LP") investments is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient accumulated tax-basis earnings and profits in the LLC or LP prior to the applicable distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment. For the years ended December 31, 2021, 2020 and 2019, the Company received return of capital distributions from its equity investments and its investment in LLC equity interest in SLF of $1,177, zero and $69, respectively.

The Company has certain investments in its portfolio that contain a payment-in-kind ("PIK") provision, which represents contractual interest or dividends that are added to the principal balance and recorded as income. The Company stops accruing PIK interest or PIK dividends when it is determined that PIK interest or PIK dividends are no longer collectible. To maintain RIC tax treatment, and to avoid incurring corporate U.S. federal income tax, substantially all of this income must be paid out to stockholders in the form of distributions, even though the Company has not yet collected the cash.

Loan origination fees, original issue discount and market discount or premiums are capitalized, and the Company then amortizes such amounts using the effective interest method as interest income over the life of the investment. Unamortized discounts and loan origination fees totaled $4,370 and $4,844 as of December 31, 2021 and 2020, respectively. Upfront loan origination and closing fees received for the years ended December 31, 2021, 2020 and 2019 totaled $3,752, $1,909 and $3,250, respectively. Upon the prepayment of a loan or debt security, any unamortized premium or discount or loan origination fees are recorded as interest income.

The components of the Company's investment income were as follows:

	For the years ended December 31,		
	2021	2020	2019
Interest income	$ 35,738	$ 42,640	$ 54,254
PIK interest income	8,320	8,776	5,538
Dividend income [1]	5,712	4,557	4,110
Fee income	1,267	3,222	1,926
Prepayment gain (loss)	1,691	1,133	883
Accretion of discounts and amortization of premium	1,102	1,253	1,482
Total investment income	$ 53,830	$ 61,581	$ 68,193

(1) During the years ended December 31, 2021, 2020 and 2019, includes PIK dividends of $1,164, $157 and $54, respectively.

Investment transactions are recorded on a trade-date basis. Realized gains or losses on portfolio investments are calculated based upon the difference between the net proceeds from the disposition and the amortized cost basis of the investment, without regard to unrealized gains or losses previously recognized. Realized gains and losses are recorded within net realized gain (loss) on investments on the consolidated statements of operations. Changes in the fair value of investments from the prior period, as determined by the Company's board of directors (the "Board") through the application of the Company's valuation policy, are included within net change in unrealized gain (loss) on investments on the consolidated statements of operations.

Non-accrual: Loans or preferred equity securities are placed on non-accrual status when principal, interest or dividend payments become materially past due, or when there is reasonable doubt that principal, interest or dividends will be collected. Additionally, any original issue discount and market discount are no longer accreted to interest income as of the date the loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are restored to accrual status when past due principal, interest, or dividends are paid, or are expected to be paid, and, in management's judgment are likely to remain current. The fair value of the Company's investments on non-accrual status totaled $14,693 and $22,273 at December 31, 2021 and 2020, respectively.

Distributions

Distributions to common stockholders are recorded on the applicable record date. The amount, if any, to be distributed to common stockholders is determined by the Board each quarter and is generally based upon the Company's earnings estimated by management. Net realized capital gains, if any, are generally distributed at least annually.

The determination of the tax attributes for the Company's distributions is made annually, based upon its taxable income for the full year and distributions paid for the full year. Ordinary dividend distributions from a RIC do not qualify for the preferential tax rate on qualified dividend income from domestic corporations and qualified foreign corporations, except to the extent that the RIC received the income in the form of qualifying dividends from domestic corporations and qualified foreign corporations. The tax attributes for distributions will generally include both ordinary income and capital gains, but may also include qualified dividends or return of capital.

In October 2012, the Company adopted a dividend reinvestment plan ("DRIP") that provides for the reinvestment of dividends on behalf of its stockholders, unless a stockholder has elected to receive dividends in cash. When the Company declares a cash dividend, the Company's stockholders who have not "opted out" of the DRIP at least three days prior to the dividend payment date will have their cash dividend automatically reinvested into additional shares of the Company's common stock. The Company has the option to satisfy the share requirements of the DRIP through the issuance of new shares of common stock or through open market purchases of common stock by the DRIP plan administrator. Newly issued shares are valued based upon the final closing price of the Company's common stock on a date determined by the Board. Shares purchased in the open market to satisfy the DRIP requirements will be valued based upon the average price of the applicable shares purchased by the DRIP plan administrator, before any associated brokerage or other costs. See Note 10 for additional information on the Company's distributions.

Segments

In accordance with ASC Topic 280 — *Segment Reporting*, the Company has determined that it has a single reporting segment and operating unit structure.

Cash

The Company deposits its cash in a financial institution and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Restricted Cash

Restricted cash includes amounts held within MRCC SBIC. Cash held within an SBIC is generally restricted to the originations of new loans from the SBIC and the payment of SBA debentures and related interest expense.

Unamortized Deferred Financing Costs

Deferred financing costs represent fees and other direct incremental costs incurred in connection with the Company's borrowings. As of December 31, 2021 and 2020, the Company had unamortized deferred financing costs of $5,794 and $7,052, respectively, presented as a direct reduction of the carrying amount of debt on the consolidated statements of assets and liabilities. These amounts are amortized and included in interest and other debt financing expenses on the consolidated statements of operations over the estimated average life of the borrowings. Amortization of deferred financing costs for the years ended December 31, 2021, 2020 and 2019 was $2,205, $2,181 and $1,869, respectively.

Offering Costs

Offering costs include, among other things, fees paid in relation to legal, accounting, regulatory and printing work completed in preparation of debt and equity offerings. Offering costs from equity offerings are charged against the proceeds from the offering within the consolidated statements of changes in net assets. Offering costs from debt offerings are reclassified to unamortized deferred financing costs on the consolidated statements of assets and liabilities as noted above. As of December 31, 2021 and 2020, other assets on the consolidated statements of assets and liabilities included $123 and $562, respectively, of deferred offering costs which will be charged against the proceeds from future debt or equity offerings when completed.

Investments Denominated in Foreign Currency

As of December 31, 2021, the Company held investments in one portfolio company that was denominated in Great Britain pounds and one portfolio company that was denominated in Australian dollars. As of December 31, 2020, the Company held investments in two portfolio companies that were denominated in Great Britain pounds.

At each balance sheet date, portfolio company investments denominated in foreign currencies are translated into U.S. 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 U.S. 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 U.S. dollars using the applicable foreign exchange rates described above, the Company does not isolate the portion of the change in fair value resulting from foreign currency exchange rates fluctuations from the change in fair value of the underlying investment. All fluctuations in fair value are included in net change in unrealized gain (loss) on investments on the Company's consolidated statements of operations.

Investments denominated in foreign currencies and foreign currency transactions may involve certain consideration 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.

Derivative Instruments

The Company may enter into foreign currency forward contracts to reduce the Company's exposure to foreign currency exchange rate fluctuations. In a foreign currency forward contract, the Company agrees to receive or deliver a fixed quantity of one currency for another, at a pre-determined price at a future date. Foreign currency forward contracts are marked-to-market based on the difference between the forward rate and the exchange rate at the current period end. Unrealized gain (loss) on foreign currency forward contracts are recorded on the Company's consolidated statements of assets and liabilities by counterparty on a net basis.

The Company does not utilize hedge accounting and as such values its foreign currency forward contracts at fair value with the change in unrealized gain or loss recorded in net change in unrealized gain (loss) on foreign currency forward contracts and the realized gain or loss recorded in net realized gain (loss) on foreign currency forward contracts on the Company's consolidated statements of operations.

Income Taxes

The Company has elected to be treated as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment available to RICs. To maintain qualification as a RIC, the Company must, among other things, meet certain source-of-income and asset diversification requirements and distribute to stockholders, for each taxable year, at least 90% of the Company's "investment company taxable income," which is generally the Company's net ordinary income plus the excess, if any, of realized net short-term capital gains over realized net long-term capital losses. If the Company qualifies as a RIC and satisfies the annual distribution requirement, the Company will not have to pay corporate-level federal income taxes on any income that the Company distributes to its stockholders. The Company intends to make distributions in an amount sufficient to maintain RIC status each year and to avoid any federal income taxes on income. The Company is also subject to nondeductible federal excise taxes if the Company does not distribute at least 98% of net ordinary income, 98.2% of any capital gain net income, if any, and any recognized and undistributed income from prior years for which it paid no federal income taxes. To the extent that the Company determines that its estimated current year annual taxable income may exceed estimated current year dividend distributions, the Company accrues excise tax, calculated as 4% of the estimated excess taxable income, if any, as taxable income is earned. For the years ended December 31, 2021, 2020 and 2019, the Company recorded a net expense on the consolidated statements of operations of $278, $368, and $10, respectively, for U.S. federal excise tax. As of December 31, 2021 and 2020, payables for excise taxes of $183 and $306, respectively, were included in accounts payable and accrued expenses on the consolidated statements of assets and liabilities.

The Company's consolidated Taxable Subsidiaries may be subject to U.S. federal and state corporate-level income taxes. For the years ended December 31, 2021, 2020 and 2019, the Company recorded a net tax expense of $4, $2 and $7, respectively, on the consolidated statements of operations for these subsidiaries. As of both December 31, 2021 and 2020, no payables for corporate-level income taxes were accrued.

The Company accounts for income taxes in conformity with ASC Topic 740 — *Income Taxes* ("ASC Topic 740"). ASC Topic 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. ASC Topic 740 requires the evaluation of tax positions taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. It is the Company's policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense. The Company did not take any material uncertain income tax positions through December 31, 2021. The 2018 through 2021 tax years remain subject to examination by U.S. federal and state tax authorities.

Subsequent Events

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the consolidated financial statements were issued. There have been no subsequent events that occurred during such period that would require disclosure in this Form 10-K or would be required to be recognized in the consolidated financial statements as of and for the year ended December 31, 2021, except as disclosed in Note 14.

Recent Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* ("ASU 2020-04"). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective as of March 12, 2020 through December 31, 2022. The Company did not utilize the optional expedients and exceptions provided by ASU 2020-04 during the year ended December 31, 2021.

Note 3. Investments

The following tables show the composition of the Company's investment portfolio, at amortized cost and fair value (with corresponding percentage of total portfolio investments):

	December 31, 2021		December 31, 2020	
Amortized Cost:				
Senior secured loans	$ 415,600	72.1%	$ 427,173	71.7%
Unitranche secured loans	70,977	12.3	77,465	13.0
Junior secured loans	14,317	2.5	14,763	2.4
LLC equity interest in SLF	42,150	7.3	42,150	7.1
Equity securities	33,134	5.8	34,552	5.8
Total	$ 576,178	100.0%	$ 596,103	100.0%

	December 31, 2021		December 31, 2020	
Fair Value:				
Senior secured loans	$ 423,700	75.4%	$ 405,224	74.1%
Unitranche secured loans	51,494	9.2	64,040	11.7
Junior secured loans	14,364	2.6	14,592	2.6
LLC equity interest in SLF	41,125	7.3	39,284	7.2
Equity securities	31,010	5.5	23,899	4.4
Total	$ 561,693	100.0%	$ 547,039	100.0%

The following tables show the composition of the Company's investment portfolio by geographic region, at amortized cost and fair value (with corresponding percentage of total portfolio investments). The geographic composition is determined by the location of the corporate headquarters of the portfolio company, which may not be indicative of the primary source of the portfolio company's business:

	December 31, 2021		December 31, 2020	
Amortized Cost:				
International	$ 11,860	2.0%	$ 19,276	3.2%
Midwest	145,023	25.2	149,468	25.1
Northeast	107,828	18.7	139,553	23.4
Southeast	164,100	28.5	142,721	24.0
Southwest	40,121	7.0	23,857	4.0
West	107,246	18.6	121,228	20.3
Total	$ 576,178	100.0%	$ 596,103	100.0%

	December 31, 2021		December 31, 2020	
Fair Value:				
International	$ 11,093	2.0%	$ 20,008	3.7%
Midwest	143,435	25.5	144,261	26.4
Northeast	112,175	20.0	123,349	22.5
Southeast	159,807	28.4	138,406	25.3
Southwest	44,380	7.9	25,557	4.7
West	90,803	16.2	95,458	17.4
Total	$ 561,693	100.0%	$ 547,039	100.0%

The following tables show the composition of the Company's investment portfolio by industry, at amortized cost and fair value (with corresponding percentage of total portfolio investments):

	December 31, 2021		December 31, 2020	
Amortized Cost:				
Aerospace & Defense	$ 7,828	1.4%	$ —	—%
Automotive	21,162	3.7	9,495	1.6
Banking, Finance, Insurance & Real Estate	94,506	16.4	70,779	11.9
Beverage, Food & Tobacco	21,036	3.7	26,308	4.4
Capital Equipment	12,656	2.2	13,603	2.3
Chemicals, Plastics & Rubber	9,426	1.6	28,723	4.8
Construction & Building	16,450	2.9	16,651	2.8
Consumer Goods: Durable	9,536	1.7	24,410	4.1
Consumer Goods: Non-Durable	28,232	4.9	26,030	4.3
Containers, Packaging & Glass	—	—	4,926	0.8
Environmental Industries	17,103	3.0	12,996	2.2
Healthcare & Pharmaceuticals	52,743	9.2	42,857	7.2
High Tech Industries	52,710	9.1	81,845	13.7
Hotels, Gaming & Leisure	2,662	0.5	1,771	0.3
Investment Funds & Vehicles	42,150	7.3	42,150	7.1
Media: Advertising, Printing & Publishing	13,421	2.3	30,764	5.1
Media: Broadcasting & Subscription	2,472	0.4	2,190	0.4
Media: Diversified & Production	23,853	4.1	6,707	1.1
Retail	10,954	1.9	32,017	5.4
Services: Business	69,292	12.0	79,768	13.4
Services: Consumer	46,284	8.0	29,697	5.0
Telecommunications	5,892	1.0	1,100	0.2
Wholesale	15,810	2.7	11,316	1.9
Total	$ 576,178	100.0%	$ 596,103	100.0%

	December 31, 2021		December 31, 2020	
Fair Value:				
Aerospace & Defense	$ 7,972	1.4%	$ —	—%
Automotive	21,556	3.8	9,637	1.8
Banking, Finance, Insurance & Real Estate	99,091	17.6	72,627	13.3
Beverage, Food & Tobacco	19,133	3.4	20,676	3.8
Capital Equipment	12,839	2.3	13,750	2.5
Chemicals, Plastics & Rubber	10,163	1.8	27,754	5.1
Construction & Building	16,636	3.0	16,809	3.0
Consumer Goods: Durable	9,734	1.7	18,893	3.4
Consumer Goods: Non-Durable	8,460	1.5	13,027	2.4
Containers, Packaging & Glass	—	—	4,997	0.9
Environmental Industries	17,693	3.2	13,168	2.4
Healthcare & Pharmaceuticals	53,179	9.5	37,815	6.9
High Tech Industries	54,085	9.6	81,417	14.9
Hotels, Gaming & Leisure	2,706	0.5	1,771	0.3
Investment Funds & Vehicles	41,125	7.3	39,284	7.2
Media: Advertising, Printing & Publishing	16,794	3.0	31,553	5.8
Media: Broadcasting & Subscription	2,477	0.5	2,227	0.4
Media: Diversified & Production	24,220	4.3	6,811	1.2
Retail	11,478	2.0	18,443	3.4
Services: Business	71,540	12.7	78,584	14.4
Services: Consumer	39,248	7.0	25,306	4.6
Telecommunications	5,988	1.1	1,100	0.2
Wholesale	15,576	2.8	11,390	2.1
Total	$ 561,693	100.0%	$ 547,039	100.0%

MRCC Senior Loan Fund I, LLC

The Company co-invests with Life Insurance Company of the Southwest ("LSW") in senior secured loans through SLF, an unconsolidated Delaware LLC. SLF is capitalized as underlying investment transactions are completed, taking into account available debt and equity commitments available for funding these investments. All portfolio and investment decisions in respect to SLF must be approved by the SLF investment committee, consisting of one representative from the Company and one representative from LSW. SLF may cease making new investments upon notification of either member but operations will continue until all investments have been sold or paid-off in the normal course of business. Investments held by SLF are measured at fair value using the same valuation methodologies as described in Note 4. The Company's investment is illiquid in nature as SLF does not allow for withdrawal from the LLC or the sale of a member's interest unless approved by the board members of SLF. The full withdrawal of a member would result in an orderly wind-down of SLF.

SLF's profits and losses are allocated to the Company and LSW in accordance with their respective ownership interests. As of both December 31, 2021 and 2020, the Company and LSW each owned 50.0% of the LLC equity interests of SLF. As of both December 31, 2021 and 2020, SLF had $100,000 in equity commitments from its members (in the aggregate), of which $84,300 was funded.

As of both December 31, 2021 and 2020, the Company had committed to fund $50,000 of LLC equity interest subscriptions to SLF. As of both December 31, 2021 and 2020, $42,150 of the Company's LLC equity interest subscriptions to SLF had been called and contributed, net of return of capital distributions subject to recall.

For the years ended December 31, 2021, 2020 and 2019, the Company received $4,325, $4,400 and $4,045 of dividend income from its LLC equity interest in SLF, respectively.

SLF has a senior secured revolving credit facility (as amended, the "SLF Credit Facility") with Capital One, N.A., through its wholly-owned subsidiary MRCC Senior Loan Fund I Financing SPV, LLC ("SLF SPV"), The SLF Credit Facility originally allowed SLF SPV to borrow up to $170,000, subject to leverage and borrowing base restrictions and borrowings on the SLF Credit Facility bore interest at an annual rate of LIBOR (three-month) plus 2.25%. On November 23, 2021, the SLF Credit Facility was amended to, among other things, extend the maturity date to November 23, 2031, allow SLF SPV to borrow up to $175,000 at any one time, subject to leverage and borrowing base restrictions, and decrease the interest rate on the borrowings under the SLF Credit Facility to an annual rate of LIBOR (three-month) plus 2.10%.

SLF does not pay any fees to MC Advisors or its affiliates; however, SLF has entered into an administration agreement with Monroe Capital Management Advisors, LLC ("MC Management"), pursuant to which certain loan servicing and administrative functions are delegated to MC Management. SLF may reimburse MC Management for its allocable share of overhead and other expenses incurred by MC Management. For the years ended December 31, 2021, 2020, and 2019, SLF incurred $211, $209, and $201, of allocable expenses, respectively. There are no agreements or understandings by which the Company guarantees any SLF obligations.

As of December 31, 2021 and 2020, SLF had total assets at fair value of $194,623 and $209,666, respectively. As of December 31, 2021 and December 31, 2020, SLF had one portfolio company investment on non-accrual status with a fair value of $1,072 and $1,031, respectively. The portfolio companies in SLF are in industries and geographies similar to those in which the Company may invest directly. Additionally, as of December 31, 2021 and 2020, SLF had $2,061 and $839, respectively, in outstanding commitments to fund investments under undrawn revolvers and delayed draw commitments.

Below is a summary of SLF's portfolio, followed by a listing of the individual investments in SLF's portfolio as of December 31, 2021 and 2020:

	As of	
	December 31, 2021	**December 31, 2020**
Senior secured loans [(1)]	193,062	214,389
Weighted average current interest rate on senior secured loans [(2)]	5.9%	5.8%
Number of portfolio company investments in SLF	57	57
Largest portfolio company investment [(1)]	6,720	6,790
Total of five largest portfolio company investments [(1)]	27,074	27,064

(1) Represents outstanding principal amount, excluding unfunded commitments.
(2) Computed as the (a) annual stated interest rate on accruing senior secured loans divided by (b) total senior secured loans at outstanding principal amount.

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2021

Portfolio Company [a]	Spread Above Index [b]	Interest Rate [b]	Maturity	Principal	Fair Value
Non-Controlled/Non-Affiliate Company Investments					
Senior Secured Loans					
Aerospace & Defense					
Bromford Industries Limited [c]	P+4.25%	7.50%	11/5/2025	2,744	$ 2,692
Bromford Industries Limited [c]	P+4.25%	7.50%	11/5/2025	1,829	1,794
Trident Maritime Systems, Inc.	L+5.50%	6.50%	2/26/2027	2,467	2,478
Trident Maritime Systems, Inc. (Revolver) [d]	L+5.50%	6.50%	2/26/2027	265	—
				7,305	6,964
Automotive					
Accelerate Auto Works Intermediate, LLC	L+4.75%	5.75%	12/1/2027	1,454	1,436
Accelerate Auto Works Intermediate, LLC (Delayed Draw) [d]	L+4.75%	5.75%	12/1/2027	388	—
Accelerate Auto Works Intermediate, LLC (Revolver) [d]	L+4.75%	5.75%	12/1/2027	132	—
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	1,709	1,718
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	253	255
Wheel Pros, Inc.	L+4.50%	5.25%	5/11/2028	1,952	1,951
				5,888	5,360
Banking, Finance, Insurance & Real Estate					
Avison Young (USA) Inc. [c]	L+5.75%	5.97%	1/30/2026	4,850	4,824
Harbour Benefit Holdings, Inc.	L+5.25%	6.25%	12/13/2024	2,948	2,932
Harbour Benefit Holdings, Inc.	L+5.25%	6.25%	12/13/2024	66	65
Keystone Purchaser, LLC [e]	L+6.25%	7.25%	5/7/2027	3,000	2,947
Lightbox Intermediate, L.P.	L+5.00%	5.13%	5/11/2026	4,875	4,814
Minotaur Acquisition, Inc. [e]	L+4.75%	4.85%	3/27/2026	4,912	4,894
				20,651	20,476
Beverage, Food & Tobacco					
CBC Restaurant Corp.	n/a	5.00% PIK [f]	12/30/2022	1,116	1,072
SW Ingredients Holdings, LLC	L+4.75%	5.75%	7/3/2025	3,619	3,619
				4,735	4,691
Capital Equipment					
Analogic Corporation	L+5.25%	6.25%	6/24/2024	4,752	4,702
DS Parent, Inc. [e]	L+5.75%	6.50%	12/8/2028	3,000	2,970
				7,752	7,672
Chemicals, Plastics & Rubber					
Polymer Solutions Group	L+7.00%	8.00%	1/3/2023	1,178	1,169
				1,178	1,169
Construction & Building					
The Cook & Boardman Group LLC	L+5.75%	6.75%	10/20/2025	2,910	2,838
				2,910	2,838
Consumer Goods: Durable					
International Textile Group, Inc.	L+5.00%	5.13%	5/1/2024	1,711	1,590
Runner Buyer Inc. [e]	L+5.50%	6.25%	10/23/2028	3,000	2,970
				4,711	4,560
Consumer Goods: Non-Durable					
PH Beauty Holdings III, INC	L+5.00%	5.18%	9/26/2025	2,418	2,284
				2,418	2,284
Containers, Packaging & Glass					
Liqui-Box Holdings, Inc.	L+4.50%	5.50%	2/26/2027	4,268	3,991
Polychem Acquisition, LLC	L+5.00%	5.50%	3/17/2025	2,918	2,917
Port Townsend Holdings Company, Inc. and Crown Corrugated Company	L+6.75%	5.75% Cash/ 2.00% PIK	4/3/2024	4,751	4,238
PVHC Holding Corp	L+4.75%	5.75%	8/5/2024	3,217	2,976
				15,154	14,122
Energy: Oil & Gas					
Drilling Info Holdings, Inc.	L+4.25%	4.35%	7/30/2025	4,516	4,471
Offen, Inc.	L+5.00%	5.10%	6/22/2026	2,388	2,387
Offen, Inc.	L+5.00%	5.10%	6/22/2026	876	876
				7,780	7,734
Healthcare & Pharmaceuticals					
Cano Health, LLC [e]	SF+4.00%	4.51%	11/23/2027	1,995	1,997
LSCS Holdings, Inc. [e]	L+4.50%	5.00%	12/15/2028	1,846	1,849
Radiology Partners, Inc.	L+4.25%	4.35%	7/9/2025	4,760	4,700
	L+5.00%	6.00%	12/17/2027	2,992	2,985

TEAM Public Choices, LLC [e]					
				11,593	11,531
High Tech Industries					
Corel Inc. [c]	L+5.00%	5.18%	7/2/2026	3,800	3,797
LW Buyer, LLC	L+5.00%	5.14%	12/30/2024	4,875	4,863
TGG TS Acquisition Company	L+6.50%	6.60%	12/12/2025	3,435	3,446
				12,110	12,106
Hotels, Gaming & Leisure					
Excel Fitness Holdings, Inc.	L+5.25%	6.25%	10/7/2025	4,165	4,155
North Haven Spartan US Holdco, LLC	L+5.00%	6.00%	6/6/2025	2,297	2,037
Tait LLC	L+5.00%	5.14%	3/28/2025	4,125	3,785
Tait LLC (Revolver)	P+4.00%	7.25%	3/28/2025	769	728
				11,356	10,705
Media: Advertising, Printing & Publishing					
Cadent, LLC	L+5.00%	6.00%	9/11/2023	4,339	4,296
Cadent, LLC (Revolver) [d]	L+5.00%	6.00%	9/11/2023	167	—
				4,506	4,296
Media: Diversified & Production					
Research Now Group, Inc. and Survey Sampling International, LLC	L+5.50%	6.50%	12/20/2024	6,720	6,645
STATS Intermediate Holdings, LLC	L+5.25%	5.41%	7/10/2026	4,900	4,897
The Octave Music Group, Inc.	L+6.00%	7.00%	5/29/2025	3,866	3,871
				15,486	15,413
Services: Business					
AQ Carver Buyer, Inc.	L+5.00%	6.00%	9/23/2025	4,888	4,900
CHA Holdings, Inc	L+4.50%	5.50%	4/10/2025	1,980	1,901
CHA Holdings, Inc	L+4.50%	5.50%	4/10/2025	418	401
Eliassen Group LLC	L+4.25%	4.35%	11/5/2024	3,956	3,956
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	4,326	4,329
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	781	781
Engage2Excel, Inc. (Revolver) [d]	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	555	541
Orbit Purchaser LLC	L+4.50%	5.50%	10/21/2024	2,431	2,425
Orbit Purchaser LLC	L+4.50%	5.50%	10/21/2024	1,877	1,873
Orbit Purchaser LLC	L+4.50%	5.50%	10/21/2024	549	548
Output Services Group, Inc.	L+4.50%	5.50%	3/27/2024	4,815	4,145
Secretariat Advisors LLC [e]	L+4.75%	5.50%	12/29/2028	1,710	1,693
Secretariat Advisors LLC [d] [e]	L+4.75%	5.50%	12/29/2028	270	—
SIRVA Worldwide Inc.	L+5.50%	5.60%	8/4/2025	1,850	1,683
Teneo Holdings LLC	L+5.25%	6.25%	7/11/2025	4,888	4,908
The Kleinfelder Group, Inc.	L+5.25%	6.25%	11/29/2024	2,387	2,387
				37,681	36,471
Services: Consumer					
360Holdco, Inc.	L+4.75%	5.75%	8/2/2025	2,168	2,161
360Holdco, Inc. (Delayed Draw) [d]	L+4.75%	5.75%	8/2/2025	827	—
Laseraway Intermediate Holdings II, LLC	L+5.75%	6.50%	10/14/2027	2,222	2,214
				5,217	4,375
Telecommunications					
Intermedia Holdings, Inc.	L+6.00%	7.00%	7/21/2025	1,778	1,770
Mavenir Systems, Inc.	L+4.75%	5.25%	8/18/2028	1,667	1,669
Sandvine Corporation	L+4.50%	4.60%	10/31/2025	2,000	1,999
				5,445	5,438
Utilities: Oil & Gas					
NGS US Finco, LLC	L+4.25%	5.25%	10/1/2025	1,695	1,644
NGS US Finco, LLC	L+5.25%	6.25%	10/1/2025	248	244
				1,943	1,888
Wholesale					
BMC Acquisition, Inc.	L+5.25%	6.25%	12/30/2024	4,486	4,469
HALO Buyer, Inc.	L+4.50%	5.50%	6/30/2025	4,824	4,547
				9,310	9,016
TOTAL INVESTMENTS					**$ 189,109**

(a) All investments are U.S. companies unless otherwise noted.

(b) The majority of investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L"), Secured Overnight Financing Rate ("SOFR" or "SF") or Prime ("P") which reset daily, monthly, quarterly or semiannually. The Company has provided the spread over LIBOR or Prime and the current contractual rate of interest in effect at December 31, 2021. Certain investments are subject to a LIBOR or Prime interest rate floor.

(c) This is an international company.

(d) All or a portion of this commitment was unfunded as of December 31, 2021. As such, interest is earned only on the funded portion of this commitment. Principal reflects the commitment outstanding.

(e) Investment position or portion thereof unsettled at December 31, 2021.

(f) This position was on non-accrual status as of December 31, 2021, meaning that the Company has ceased accruing interest income on the position.

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2020

Portfolio Company [a]	Spread Above Index [b]	Interest Rate [b]	Maturity	Principal	Fair Value
Non-Controlled/Non-Affiliate Company Investments					
Senior Secured Loans					
Aerospace & Defense					
Bromford Industries Limited [c]	L+5.25%	6.25%	11/5/2025	2,772	$ 2,685
Bromford Industries Limited [c]	L+5.25%	6.25%	11/5/2025	1,848	1,790
Trident Maritime SH, Inc.	L+4.75%	5.75%	6/4/2024	4,401	4,363
Trident Maritime SH, Inc. (Revolver) [d]	L+4.75%	5.75%	6/4/2024	340	—
				9,361	8,838
Automotive					
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	1,726	1,716
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	256	254
Wheel Pros, LLC	L+5.25%	6.25%	11/10/2027	3,000	2,961
				4,982	4,931
Banking, Finance, Insurance & Real Estate					
Avison Young (USA), Inc. [c]	L+5.00%	5.25%	1/30/2026	4,900	4,659
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.)	L+5.25%	6.25%	12/13/2024	4,653	4,585
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.) (Delayed Draw) [d]	L+5.25%	6.25%	12/13/2024	264	102
Lightbox Intermediate, L.P.	L+5.00%	5.15%	5/11/2026	4,925	4,777
Minotaur Acquisition, Inc.	L+5.00%	5.15%	3/27/2026	2,947	2,900
				17,689	17,023
Beverage, Food & Tobacco					
CBC Restaurant Corp.	n/a	5.00% PIK[e]	4/28/2022	1,117	1,031
SW Ingredients Holdings, LLC	L+4.00%	5.00%	7/3/2025	3,656	3,647
				4,773	4,678
Capital Equipment					
Analogic Corporation	L+5.25%	6.25%	6/24/2024	4,800	4,800
				4,800	4,800
Chemicals, Plastics & Rubber					
Polymer Solutions Group	L+7.00%	8.00%	6/30/2021	1,216	1,189
				1,216	1,189
Construction & Building					
ISC Purchaser, LLC	L+4.00%	5.00%	7/11/2025	4,937	4,896
The Cook & Boardman Group, LLC	L+5.75%	6.75%	10/20/2025	2,940	2,811
				7,877	7,707
Consumer Goods: Durable					
International Textile Group, Inc.	L+5.00%	5.37%	5/1/2024	1,758	1,597
				1,758	1,597
Consumer Goods: Non-Durable					
PH Beauty Holdings III, Inc.	L+5.00%	5.23%	9/26/2025	2,442	2,149
				2,442	2,149
Containers, Packaging & Glass					
Liqui-Box Holdings, Inc.	L+4.50%	5.50%	2/26/2027	4,312	3,848
Polychem Acquisition, LLC	L+5.00%	5.15%	3/17/2025	2,948	2,948
Port Townsend Holdings Company, Inc.	L+6.75%	5.75% Cash/ 2.00% PIK	4/3/2024	4,683	4,263
PVHC Holding Corp.	L+4.75%	5.75%	8/5/2024	3,250	2,844
				15,193	13,903
Energy: Oil & Gas					
Drilling Info Holdings, Inc.	L+4.25%	4.40%	7/30/2025	4,563	4,429
Offen, Inc.	L+5.00%	5.15%	6/22/2026	2,412	2,343
Offen, Inc.	L+5.00%	5.15%	6/22/2026	885	860
				7,860	7,632
Healthcare & Pharmaceuticals					
LSCS Holdings, Inc.	L+4.25%	4.51%	3/17/2025	2,299	2,253
LSCS Holdings, Inc.	L+4.25%	4.51%	3/17/2025	593	582
Radiology Partners, Inc.	L+4.25%	4.40%	7/9/2025	4,760	4,692
				7,652	7,527
High Tech Industries					
AQA Acquisition Holding, Inc.	L+4.25%	5.25%	5/24/2023	3,257	3,257
Corel, Inc. [c]	L+5.00%	5.23%	7/2/2026	3,900	3,844
LW Buyer, LLC	L+5.00%	5.15%	12/30/2024	4,925	4,900
TGG TS Acquisition Company	L+6.50%	6.65%	12/12/2025	3,753	3,720

				15,835	15,721
Hotels, Gaming & Leisure					
Excel Fitness Holdings, Inc.	L+5.25%	6.25%	10/7/2025	4,207	3,878
North Haven Spartan US Holdco, LLC	L+5.00%	6.00%	6/6/2025	2,321	1,979
Tait, LLC	L+5.00%	5.23%	3/28/2025	4,167	3,669
Tait, LLC (Revolver)	P+4.00%	7.25%	3/28/2025	769	711
				11,464	10,237
Media: Advertising, Printing & Publishing					
Cadent, LLC	L+5.50%	6.50%	9/11/2023	4,728	4,622
Cadent, LLC (Revolver) [(d)]	L+5.50%	6.50%	9/11/2023	167	—
Digital Room Holdings, Inc.	L+5.00%	5.27%	5/21/2026	4,362	4,133
Monotype Imaging Holdings, Inc.	L+5.50%	6.50%	10/9/2026	4,906	4,653
				14,163	13,408
Media: Diversified & Production					
Research Now Group, Inc. and Survey Sampling International, LLC	L+5.50%	6.50%	12/20/2024	6,790	6,708
Stats Intermediate Holding, LLC	L+5.25%	5.47%	7/10/2026	4,950	4,909
The Octave Music Group, Inc.	L+6.00%	6.25% Cash/ 0.75% PIK	5/29/2025	4,871	4,335
				16,611	15,952
Services: Business					
AQ Carver Buyer, Inc.	L+5.00%	6.00%	9/23/2025	4,937	4,888
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	2,002	1,872
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	422	395
Eliassen Group, LLC	L+4.25%	4.40%	11/5/2024	3,017	2,922
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	4,299	4,178
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	776	754
Engage2Excel, Inc. (Revolver) [(d)]	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	548	364
GI Revelation Acquisition, LLC	L+5.00%	5.15%	4/16/2025	1,365	1,344
Legility, LLC	L+6.00%	7.00%	12/17/2025	4,906	4,735
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	2,456	2,407
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	1,897	1,859
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	555	544
Output Services Group, Inc.	L+4.50%	5.50%	3/27/2024	4,865	3,648
SIRVA Worldwide, Inc.	L+5.50%	5.65%	8/4/2025	1,900	1,741
Teneo Holdings, LLC	L+5.25%	6.25%	7/11/2025	4,938	4,903
The Kleinfelder Group, Inc.	L+5.25%	6.25%	11/29/2024	2,450	2,450
				41,333	39,004
Services: Consumer					
Cambium Learning Group, Inc.	L+4.50%	4.75%	12/18/2025	4,900	4,883
LegalZoom.com, Inc.	L+4.50%	4.65%	11/21/2024	2,694	2,706
				7,594	7,589
Telecommunications					
Intermedia Holdings, Inc.	L+6.00%	7.00%	7/21/2025	1,797	1,795
Mavenir Systems, Inc.	L+6.00%	7.00%	5/8/2025	3,900	3,893
				5,697	5,688
Transportation: Cargo					
GlobalTranz Enterprises, LLC	L+5.00%	5.15%	5/15/2026	3,262	3,050
				3,262	3,050
Utilities: Oil & Gas					
NGS US Finco, LLC	L+4.25%	5.25%	10/1/2025	1,712	1,640
NGS US Finco, LLC	L+5.25%	6.25%	10/1/2025	250	246
				1,962	1,886
Wholesale					
BMC Acquisition, Inc.	L+5.25%	6.25%	12/30/2024	4,850	4,802
HALO Buyer, Inc.	L+4.50%	5.50%	6/30/2025	4,875	4,533
PT Intermediate Holdings III, LLC	L+5.50%	6.50%	10/15/2025	1,980	1,851
				11,705	11,186
TOTAL INVESTMENTS					**$ 205,695**

(a) All investments are U.S. companies unless otherwise noted.

(b) The majority of the investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L") or Prime Rate ("Prime" or "P") which reset daily, monthly, quarterly, or semiannually. For each such investment, the Company has provided the spread over LIBOR or Prime and the current contractual interest rate in effect at December 31, 2020. Certain investments are subject to a LIBOR or Prime interest rate floor, or rate cap.

(c) This is an international company.

(d) All or a portion of this commitment was unfunded as of December 31, 2020. As such, interest is earned only on the funded portion of this commitment. Principal reflects the commitment outstanding.

(e) This position was on non-accrual status as of December 31, 2020, meaning that the Company has ceased accruing interest income on the position.

Below is certain summarized financial information for SLF as of December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019:

	December 31, 2021	December 31, 2020
Assets		
Investments, at fair value	$ 189,109	$ 205,695
Cash	40	351
Restricted cash	4,862	2,948
Interest receivable	600	629
Other assets	12	43
Total assets	194,623	209,666
Liabilities		
Revolving credit facility	94,765	131,497
Less: Unamortized deferred financing costs	(2,319)	(969)
Total debt, less unamortized deferred financing costs	92,446	130,528
Payable for open trades	19,367	—
Interest payable	242	294
Accounts payable and accrued expenses	318	277
Total liabilities	112,373	131,099
Members' capital	82,250	78,567
Total liabilities and members' capital	$ 194,623	$ 209,666

	For the years ended December 31,		
	2021	2020	2019
Investment income:			
Interest income	$ 13,164	$ 15,578	$ 16,294
Total investment income	13,164	15,578	16,294
Expenses:			
Interest and other debt financing expenses	3,918	5,227	7,056
Professional fees	647	666	718
Total expenses	4,565	5,893	7,774
Net investment income	8,599	9,685	8,520
Net gain (loss):			
Net realized gain (loss)	—	(1,713)	7
Net change in unrealized gain (loss)	3,734	(5,429)	(781)
Net gain (loss)	3,734	(7,142)	(774)
Net increase (decrease) in members' capital	$ 12,333	$ 2,543	$ 7,746

Note 4. Fair Value Measurements

Investments

The Company values all investments in accordance with ASC Topic 820. ASC Topic 820 requires enhanced disclosures about assets and liabilities that are measured and reported at fair value. As defined in 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 market participants at the measurement date. Where available, fair value is based on observable market prices or parameters, or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation models involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the assets or liabilities or market and the assets' or liabilities' complexity.

ASC Topic 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability of inputs used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Based on the observability of the inputs used in the valuation techniques, the Company is required to provide disclosures on fair value measurements according to the fair value hierarchy. The fair value hierarchy ranks the observability of the inputs used to determine fair values. Investments carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 — Valuations based on inputs other than quoted prices in active markets, including quoted prices for similar assets or liabilities, which are either directly or indirectly observable.

- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement. This includes situations where there is little, if any, market activity for the assets or liabilities. The inputs into the determination of fair value are based upon the best information available and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's or liability's categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. 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 asset or liability.

With respect to investments for which market quotations are not readily available, the Company's Board undertakes a multi-step valuation process each quarter, as described below:

- the quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of MC Advisors responsible for the credit monitoring of the portfolio investment;

- the Board engages one or more independent valuation firm(s) to conduct independent appraisals of a selection of investments for which market quotations are not readily available. The Company will consult with independent valuation firm(s) relative to each portfolio company at least once in every calendar year, but the independent appraisals are generally received quarterly for each investment;

- to the extent an independent valuation firm is not engaged to conduct an investment appraisal on an investment for which market quotations are not readily available, the investment will be valued by the MC Advisors investment professional responsible for the credit monitoring;

- preliminary valuation conclusions are then documented and discussed with the investment committee of MC Advisors;

- the audit committee of the Board reviews the preliminary valuations of MC Advisors and of the independent valuation firm(s) and MC Advisors adjusts or further supplements the valuation recommendations to reflect any comments provided by the audit committee; and

- the Board discusses these valuations and determines the fair value of each investment in the portfolio in good faith, based on the input of MC Advisors, the independent valuation firm(s) and the audit committee.

The accompanying consolidated schedules of investments held by the Company consist primarily of private debt instruments ("Level 3 debt"). The Company generally uses the income approach to determine fair value for Level 3 debt where market quotations are not readily available, as long as it is appropriate. If there is deterioration in credit quality or a debt investment is in workout status, the Company may consider other factors in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio company or the proceeds that would be received in a liquidation analysis. This liquidation analysis may include probability weighting of alternative outcomes. The Company generally considers its Level 3 debt to be performing if the borrower is not in default, the borrower is remitting payments in a timely manner; the loan is in covenant compliance or is otherwise not deemed to be impaired. In determining the fair value of the performing Level 3 debt, the Company considers fluctuations in current interest rates, the trends in yields of debt instruments with similar credit ratings, financial condition of the borrower, economic conditions and other relevant factors, both qualitative and quantitative. In the event that a Level 3 debt instrument is not performing, as defined above, the Company will evaluate the value of the collateral utilizing the same framework described above for a performing loan to determine the value of the Level 3 debt instrument.

Under the income approach, discounted cash flow models are utilized to determine the present value of the future cash flow streams of its debt investments, based on future interest and principal payments as set forth in the associated loan agreements. In determining fair value under the income approach, the Company also considers the following factors: applicable market yields and leverage levels, credit quality, prepayment penalties, the nature and realizable value of any collateral, the portfolio company's ability to make payments, and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made.

Under the market approach, the enterprise value methodology is typically utilized to determine the fair value of an investment. There is no one methodology to estimate enterprise value and, in fact, for any one portfolio company, enterprise value is generally best expressed as a range of values, from which the Company derives a single estimate of enterprise value. In estimating the enterprise value of a portfolio company, the Company analyzes various factors consistent with industry practice, including but not limited to original transaction multiples, the portfolio company's historical and projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the nature and realizable value of any collateral, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public. Typically, the enterprise values of private companies are based on multiples of earnings before interest, income taxes, depreciation and amortization ("EBITDA"), cash flows, net income, revenues, or in limited cases, book value.

In addition, for certain debt investments, the Company may base its valuation on indicative bid and ask prices provided by an independent third-party pricing service. Bid prices reflect the highest price that the Company and others may be willing to pay. Ask prices represent the lowest price that the Company and others may be willing to accept. The Company generally uses the midpoint of the bid/ask range as its best estimate of fair value of such investment.

As of December 31, 2021, the Board determined, in good faith, the fair value of the Company's portfolio investments in accordance with GAAP and the Company's valuation procedures based on the facts and circumstances known by the Company at that time, or reasonably expected to be known at that time. Due to the overall volatility that the COVID-19 pandemic has caused, any valuations conducted in the future in conformity with GAAP could result in a lower fair value of the Company's portfolio. The potential impact of COVID-19 on the Company's results going forward will depend to a large extent on future developments or new information that may emerge regarding the full duration and severity of COVID-19, including the actions taken by governments and other entities to contain COVID-19 or treat its impact, all of which are beyond the Company's control. Accordingly, the Company cannot predict the extent to which its financial condition and results of operations will be affected at this time.

Foreign Currency Forward Contracts

The valuation for the Company's foreign currency forward contracts is based on the difference between the exchange rate associated with the forward contract and the exchange rate at the current period end. Foreign currency forward contracts are categorized as Level 2 in the fair value hierarchy.

Fair Value Disclosures

The following tables present fair value measurements of investments and foreign currency forward contracts, by major class according to the fair value hierarchy:

	Fair Value Measurements			
December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments:				
Senior secured loans	$ —	$ —	$ 423,700	$ 423,700
Unitranche secured loans	—	—	51,494	51,494
Junior secured loans	—	—	14,364	14,364
Equity securities	1,041	—	29,969	31,010
Investments measured at NAV (1) (2)	—	—	—	41,125
Total investments	$ 1,041	$ —	$ 519,527	$ 561,693
Foreign currency forward contracts asset (liability)	$ —	$ 781	$ —	$ 781

	Fair Value Measurements			
December 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments:				
Senior secured loans	$ —	$ —	$ 405,224	$ 405,224
Unitranche secured loans	—	—	64,040	64,040
Junior secured loans	—	—	14,592	14,592
Equity securities	—	—	23,899	23,899
Investments measured at NAV (1) (2)	—	—	—	39,284
Total investments	$ —	$ —	$ 507,755	$ 547,039
Foreign currency forward contracts asset (liability)	$ —	$ (113)	$ —	$ (113)

(1) Certain investments that are measured at fair value using the NAV have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the consolidated statements of assets and liabilities.

(2) Represents the Company's investment in LLC equity interests in SLF. The fair value of this investment has been determined using the NAV of the Company's ownership interest in SLF's members' capital.

Senior secured loans, unitranche secured loans and junior secured loans are collateralized by tangible and intangible assets of the borrowers. These investments include loans to entities that have some level of challenge in obtaining financing from other, more conventional institutions, such as a bank. Interest rates on these loans are either fixed or floating, and are based on current market conditions and credit ratings of the borrower. Excluding loans on non-accrual, the contractual interest rates on the loans ranged from 6.00% to 16.00% at December 31, 2021 and 6.00% to 18.00% at December 31, 2020. The maturity dates on the loans outstanding at December 31, 2021 range between March 2022 and July 2028.

The following tables provide a reconciliation of the beginning and ending balances for investments at fair value that use Level 3 inputs for the years ended December 31, 2021 and 2020:

	Investments				
	Senior secured loans	Unitranche secured loans	Junior secured loans	Equity securities	Total Level 3 investments
Balance as of December 31, 2020	$ 405,224	$ 64,040	$ 14,592	$ 23,899	$ 507,755
Net realized gain (loss) on investments	(22,512)	—	—	748	(21,764)
Net change in unrealized gain (loss) on investments	30,041	(6,054)	218	8,533	32,738
Purchases of investments and other adjustments to cost [1]	204,213	10,815	13,652	7,605	236,285
Proceeds from principal payments and sales of investments [2]	(193,266)	(17,307)	(14,098)	(9,775)	(234,446)
Reclassifications [3]	—	—	—	—	—
Transfers in (out) of Level 3 [4]	—	—	—	(1,041)	(1,041)
Balance as of December 31, 2021	$ 423,700	$ 51,494	$ 14,364	$ 29,969	$ 519,527

	Investments				
	Senior secured loans	Unitranche secured loans	Junior secured loans	Equity securities	Total Level 3 investments
Balance as of December 31, 2019	$ 475,157	$ 76,247	$ 13,676	$ 8,739	$ 573,819
Net realized gain (loss) on investments	2,341	89	—	121	2,551
Net change in unrealized gain (loss) on investments	(17,782)	(11,535)	953	933	(27,431)
Purchases of investments and other adjustments to cost [1]	139,835	6,342	4,050	3,160	153,387
Proceeds from principal payments and sales of investments [2]	(175,627)	(14,312)	(4,472)	(160)	(194,571)
Reclassifications [3]	(18,700)	7,209	385	11,106	—
Balance as of December 31, 2020	$ 405,224	$ 64,040	$ 14,592	$ 23,899	$ 507,755

(1) Includes purchases of new investments, effects of refinancing and restructurings, premium and discount accretion and amortization and PIK interest.
(2) Represents net proceeds from investments sold and principal paydowns received.
(3) Represents non-cash reclassification of investment type due to the restructuring.
(4) Represents non-cash transfers between fair value categories.

The total net change in unrealized gain (loss) on investments included on the consolidated statements of operations for the year ended December 31, 2021, attributable to Level 3 investments still held at December 31, 2021 was $7,402. The total net change in unrealized gain (loss) on investments included on the consolidated statements of operations for the year ended December 31, 2020, attributable to Level 3 investments still held at December 31, 2020 was ($16,603). Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in or out of Level 3 as of the beginning of the period in which the reclassifications occur. During the year ended December 31, 2021 one investment transferred from Level 3 to Level 1 as a result of an acquisition. There were no transfers among Levels 1, 2 and 3 during the years ended December 31, 2020.

Significant Unobservable Inputs

ASC Topic 820 requires disclosure of quantitative information about the significant unobservable inputs used in the valuation of assets and liabilities classified as Level 3 within the fair value hierarchy. Disclosure of this information is not required in circumstances where a valuation (unadjusted) is obtained from a third-party pricing service and the information regarding the unobservable inputs is not reasonably available to the Company and as such, the disclosures provided below exclude those investments valued in that manner. The tables below are not intended to be all-inclusive, but rather to provide information on significant unobservable inputs and valuation techniques used by the Company.

The valuation techniques and significant unobservable inputs used in recurring Level 3 fair value measurements of assets and liabilities as of December 31, 2021 were as follows:

	Fair Value	Valuation Technique	Unobservable Input	Weighted Average Mean	Range Minimum	Range Maximum
Assets:						
Senior secured loans	$ 305,252	Discounted cash flow	EBITDA multiples	7.7x	5.0x	20.0x
			Market yields	9.6%	5.3%	20.0%
Senior secured loans	79,913	Discounted cash flow	Revenue multiples	6.5x	0.5x	13.0x
			Market yields	8.4%	5.2%	13.1%
Senior secured loans	23,484	Enterprise value	Book value multiples	1.5x	1.5x	1.5x
Senior secured loans	5,771	Enterprise value	Revenue multiples	2.8x	2.8x	2.8x
Senior secured loans	5,111	Enterprise value	EBITDA multiples	6.5x	6.5x	6.5x
Senior secured loans	3,026	Liquidation	Probability weighting of alternative outcomes	88.2%	48.2%	100.0%
Unitranche secured loans	45,072	Discounted cash flow	EBITDA multiples	8.4x	5.5x	11.0x
			Market yields	8.5%	7.3%	13.3%
Unitranche secured loans	4,950	Enterprise value	Revenue multiples	0.6x	0.6x	0.6x
Unitranche secured loans	1,472	Discounted cash flow	Revenue multiples	14.0x	14.0x	14.0x
			Market yields	8.3%	8.3%	8.3%
Junior secured loans	12,266	Discounted cash flow	Market yields	15.8%	8.0%	25.1%
Junior secured loans	1,522	Discounted cash flow	Revenue multiples	15.0x	15.0x	15.0x
			Market yields	2.0%	2.0%	2.0%
Junior secured loans	576	Liquidation	Probability weighting of alternative outcomes	69.1%	69.1%	69.1%
Equity securities	15,688	Enterprise value	EBITDA multiples	5.6x	4.5x	15.1x
Equity securities	6,448	Enterprise value	Revenue multiples	4.8x	0.6x	12.3x
Equity securities	2,281	Liquidation	Probability weighting of alternative outcomes	24.4%	24.4%	24.4%
Equity securities	714	Discounted cash flow	EBITDA multiples	13.3x	13.3x	13.3x
			Market yields	12.3%	12.3%	12.3%
Equity securities	455	Option pricing model	Volatility	42.5%	42.5%	42.5%
Equity securities	264	Enterprise value	Tangible book value multiples	1.5x	1.5x	1.5x
Total Level 3 Assets	**$ 514,265** (1)					

(1) Excludes loans of $5,262 at fair value where valuation (unadjusted) is obtained from a third-party pricing service for which such disclosure is not required.

The valuation techniques and significant unobservable inputs used in recurring Level 3 fair value measurements of assets and liabilities as of December 31, 2020 were as follows:

	Fair Value	Valuation Technique	Unobservable Input	Weighted Average Mean	Range Minimum	Range Maximum
Assets:						
Senior secured loans	$ 271,926	Discounted cash flow	EBITDA multiples	7.5x	2.8x	16.6x
			Market yields	9.5%	6.2%	18.8%
Senior secured loans	74,479	Discounted cash flow	Revenue multiples	4.8x	0.5x	10.5x
			Market yields	9.2%	6.1%	18.5%
Senior secured loans	24,271	Enterprise value	Book value multiples	2.0x	2.0x	2.0x
Senior secured loans	15,515	Enterprise value	Revenue multiples	2.0x	0.7x	2.4x
Senior secured loans	7,525	Liquidation	Probability weighting of alternative outcomes	63.2%	1.1%	100.0%
Senior secured loans	6,944	Enterprise value	EBITDA multiples	8.0x	8.0x	8.0x
Unitranche secured loans	52,476	Discounted cash flow	EBITDA multiples	9.7x	8.0x	12.5x
			Market yields	9.3%	7.5%	12.8%
Unitranche secured loans	9,800	Discounted cash flow	Revenue multiples	0.7x	0.7x	0.7x
			Market yields	10.7%	10.5%	11.0%
Unitranche secured loans	1,764	Enterprise value	Revenue multiples	0.7x	0.7x	0.7x
Junior secured loans	3,886	Discounted cash flow	Market yields	10.0%	10.0%	10.0%
Junior secured loans	762	Liquidation	Probability weighting of alternative outcomes	91.5%	91.5%	91.5%
Equity securities	10,865	Enterprise value	EBITDA multiples	7.6x	2.8x	15.3x
Equity securities	6,771	Enterprise value	Revenue multiples	1.3x	0.5x	11.0x
Equity securities	5,117	Liquidation	Probability weighting of alternative outcomes	54.6%	54.6%	54.6%
Equity securities	87	Option pricing model	Volatility	70.0%	70.0%	70.0%
Total Level 3 Assets	**$ 492,188** (1)					

(1) Excludes loans of $15,567 at fair value where valuation (unadjusted) is obtained from a third-party pricing service for which such disclosure is not required.

The significant unobservable input used in the income approach of fair value measurement of the Company's investments is the discount rate used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. Increases (decreases) in the discount rate would result in a decrease (increase) in the fair value estimate of the investment. Included in the consideration and selection of discount rates are the following factors: risk of default, rating of the investment and comparable investments, and call provisions.

The significant unobservable inputs used in the market approach of fair value measurement of the Company's investments are the market multiples of EBITDA or revenue of the comparable guideline public companies. The Company selects a population of public companies for each investment with similar operations and attributes of the portfolio company. Using these guideline public companies' data, a range of multiples of enterprise value to EBITDA or revenue is calculated. The Company selects percentages from the range of multiples for purposes of determining the portfolio company's estimated enterprise value based on said multiple and generally the latest twelve months EBITDA or revenue of the portfolio company (or other meaningful measure). Increases (decreases) in the multiple will result in an increase (decrease) in enterprise value, resulting in an increase (decrease) in the fair value estimate of the investment.

Other Financial Assets and Liabilities

ASC Topic 820 requires disclosure of the fair value of financial instruments for which it is practical to estimate such value. The Company believes that the carrying amounts of its other financial instruments such as cash, receivables and payables approximate the fair value of such items due to the short maturity of such instruments. Fair value of the Company's revolving credit facility is estimated by discounting remaining payments using applicable market rates or market quotes for similar instruments at the measurement date, if applicable. As of both December 31, 2021 and 2020, the Company believes that the carrying value of its revolving credit facility approximates fair value. The 2026 Notes are carried at cost and with their longer maturity dates, fair value is estimated by discounting remaining payments using current market rates for similar instruments and considering such factors as the legal maturity date and the ability of market participants to prepay the notes. As of December 31, 2021, the Company believes that the carrying value of the 2026 Notes approximates fair value. SBA debentures are carried at cost and with their longer maturity dates, fair value is estimated by discounting remaining payments using current market rates for similar instruments and considering such factors as the legal maturity date and the ability of market participants to prepay the SBA debentures. As of both December 31, 2021 and 2020, the Company believes that the carrying value of the SBA debentures approximates fair value.

Note 5. Transactions with Affiliated Companies

An affiliated company is a company in which the Company has an ownership interest of 5% or more of its voting securities. A controlled affiliate company is a company in which the Company has an ownership interest of more than 25% of its voting securities. Please see the Company's consolidated schedule of investments for the type of investment, principal amount, interest rate including the spread, and the maturity date. Transactions related to the Company's investments with affiliates for the years ended December 31, 2021 and 2020 were as follows:

Portfolio Company	Fair value at December 31, 2020	Transfers in (out)	Purchases (cost)	Sales and paydowns (cost)	PIK interest (cost)	Discount accretion	Net realized gain (loss)	Net unrealized gain (loss)	Fair value at December 31, 2021
Non-Controlled affiliate company investments:									
American Community Homes, Inc.	$ 9,401	$ —	$ —	$ (90)	$ 1,146	$ —	$ —	$ —	$ 10,457
American Community Homes, Inc.	6,239	—	—	(2,229)	743	—	—	—	4,753
American Community Homes, Inc.	825	—	—	(838)	13	—	—	—	—
American Community Homes, Inc.	570	—	—	(5)	69	—	—	—	634
American Community Homes, Inc.	335	—	—	(341)	6	—	—	—	—
American Community Homes, Inc.	2,915	—	—	(20)	256	—	—	13	3,164
American Community Homes, Inc.	3,879	—	—	(37)	473	—	—	42	4,357
American Community Homes, Inc.	18	—	—	—	2	—	—	—	20
American Community Homes, Inc.	89	—	—	(1)	11	—	—	—	99
American Community Homes, Inc. (warrant to purchase up to 22.3% of the equity)	—	—	—	—	—	—	—	264	264
	24,271	—	—	(3,561)	2,719	—	—	319	23,748
Ascent Midco, LLC	6,997	—	—	(531)	—	25	—	(99)	6,392
Ascent Midco, LLC (Delayed Draw)	—	—	—	—	—	—	—	—	—
Ascent Midco, LLC (Revolver)	—	—	—	—	—	—	—	—	—
Ascent Midco, LLC (2,032,258 Class A units)	3,016	—	—	—	—	—	—	(462)	2,554
	10,013	—	—	(531)	—	25	—	(561)	8,946
Curion Holdings, LLC	3,159	—	308	—	—	—	—	1,094	4,561
Curion Holdings, LLC (Revolver)	820	—	—	(308)	—	—	—	38	550
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Curion Holdings, LLC (58,779 shares of common stock)	—	—	—	—	—	—	—	—	—
	3,979	—	308	(308)	—	—	—	1,132	5,111
Familia Dental Group Holdings, LLC (1,105 Class A units)	3,118	—	183	—	—	—	—	(1,382)	1,919
	3,118	—	183	—	—	—	—	(1,382)	1,919
HFZ Capital Group, LLC	13,106	—	—	—	—	—	—	1,978	15,084
HFZ Capital Group, LLC	4,709	—	—	—	—	—	—	711	5,420
MC Asset Management (Corporate), LLC	—	—	6,423	—	731	—	—	—	7,154
MC Asset Management (Corporate), LLC (Delayed Draw)	—	—	793	—	57	—	—	—	850
MC Asset Management (Corporate), LLC (15.9% interest)	785	—	—	—	—	—	—	(141)	644
MC Asset Management (Industrial), LLC	11,579	—	—	(12,119)	1,423	1	—	(884)	—
	30,179	—	7,216	(12,119)	2,211	1	—	1,664	29,152
Incipio, LLC [1]	1,764	—	—	—	—	—	—	(1,764)	—
Incipio, LLC [1]	4,227	(1,562)	—	—	48	—	—	(2,713)	—
Incipio, LLC [1]	1,805	(1,732)	—	—	15	—	—	(88)	—
Incipio, LLC [1]	761	(730)	—	—	6	—	—	(37)	—
Incipio, LLC [1]	1,519	(1,458)	—	—	13	—	—	(74)	—
Incipio, LLC [1]	1,488	(1,527)	108	—	9	—	—	(78)	—
Incipio, LLC (Junior secured loan) [1]	—	—	—	—	—	—	—	—	—
Incipio, LLC (Junior secured loan) [1]	—	—	—	—	—	—	—	—	—
Incipio, LLC (1,774 shares of Series C common units) [1]	—	—	—	—	—	—	—	—	—
	11,564	(7,009)	108	—	91	—	—	(4,754)	—
Luxury Optical Holdings Co. [2]	1,430	—	—	(1,640)	159	—	—	51	—
Luxury Optical Holdings Co. (Delayed Draw) [2]	624	—	1,729	(2,353)	—	—	—	—	—
Luxury Optical Holdings Co. (Revolver) [2]	66	—	—	(75)	7	—	—	2	—
Luxury Optical Holdings Co. (91 preferred units) [2]	2,476	(78)	—	(6,132)	694	—	1,807	1,233	—
Luxury Optical Holdings Co. (86 shares of common stock) [2]	—	—	—	—	—	—	—	—	—
	4,596	(78)	1,729	(10,200)	860	—	1,807	1,286	—
Mnine Holdings, Inc.	12,356	—	—	(7,137)	603	34	—	(85)	5,771
Mnine Holdings, Inc. (6,400 Class B units)	—	—	—	—	—	—	—	—	—
	12,356	—	—	(7,137)	603	34	—	(85)	5,771
NECB Collections, LLC (Revolver)	834	—	—	—	—	—	—	(202)	632
NECB Collections, LLC, LLC (20.8% of units)	—	—	—	—	—	—	—	—	—
	834	—	—	—	—	—	—	(202)	632
SHI Holdings, Inc.	188	—	—	—	—	—	(2,897)	2,709	—
SHI Holdings, Inc. (Revolver)	297	—	—	(315)	—	—	(4,270)	4,288	—
SHI Holdings, Inc. (24 shares of common stock)	—	—	—	—	—	—	(27)	27	—
	485	—	—	(315)	—	—	(7,194)	7,024	—
Second Avenue SFR Holdings II LLC (Revolver)	—	—	2,104	—	—	—	—	—	2,104
Second Avenue SFR Holdings II LLC (Delayed Draw)	—	—	5,850	—	—	—	—	—	5,850
Second Avenue SFR Holdings II LLC (24.4% of interests)	—	—	3,900	—	—	—	—	—	3,900
	—	—	11,854	—	—	—	—	—	11,854
Summit Container Corporation	3,204	—	—	(3,019)	—	—	(250)	65	—
Summit Container Corporation (Revolver)	1,654	—	5,402	(7,059)	—	—	—	3	—
Summit Container Corporation (warrant to purchase up to 19.5% of the equity)	139	—	—	—	—	—	—	(139)	—
	4,997	—	5,402	(10,078)	—	—	(250)	(71)	—
TJ Management HoldCo, LLC (Revolver)	—	—	—	—	—	—	—	—	—
TJ Management HoldCo, LLC (16 shares of common stock)	3,323	—	—	(755)	—	—	—	580	3,148
	3,323	—	—	(755)	—	—	—	580	3,148
Total non-controlled affiliate company investments	**$ 109,715**	**$ (7,087)**	**$ 26,800**	**$ (45,004)**	**$ 6,484**	**$ 60**	**$ (5,637)**	**$ 4,950**	**$ 90,281**
Controlled affiliate company investments:									
MRCC Senior Loan Fund I, LLC	$ 39,284	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,841	$ 41,125
	39,284	—	—	—	—	—	—	1,841	41,125
Total Controlled affiliate company investments	**$ 39,284**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 1,841**	**$ 41,125**

Portfolio Company	Fair value at December 31, 2019	Transfers in (out)	Purchases (cost)	Sales and paydowns (cost)	PIK interest (cost)	Discount accretion	Net realized gain (loss)	Net unrealized gain (loss)	Fair value at December 31, 2020
Non-controlled affiliate company investments:									
American Community Homes, Inc.	$ 6,764	$ —	$ —	$ (523)	$ 1,095	$ 8	$ —	$ 2,057	$ 9,401
American Community Homes, Inc.	4,289	—	—	(345)	985	5	—	1,305	6,239
American Community Homes, Inc.	512	—	—	(46)	203	1	—	155	825
American Community Homes, Inc.	410	—	—	(31)	65	2	—	124	570
American Community Homes, Inc.	230	—	—	(19)	54	—	—	70	335
American Community Homes, Inc.	1,472	—	—	(126)	299	—	—	1,270	2,915
American Community Homes, Inc.	2,760	—	—	(232)	508	—	—	843	3,879
American Community Homes, Inc.	11	—	—	(1)	5	—	—	3	18
American Community Homes, Inc.	1,168	—	—	(1,117)	20	—	—	18	89
American Community Homes, Inc. (Revolver)	—	—	2,500	(2,538)	38	—	—	—	—
American Community Homes, Inc. (warrant to purchase up to 22.3% of the equity)	—	—	—	—	—	—	—	—	—
	17,616	—	2,500	(4,978)	3,272	16	—	5,845	24,271
Ascent Midco, LLC	—	—	6,860	(70)	—	24	—	183	6,997
Ascent Midco, LLC (Delayed Draw)	—	—	—	—	—	—	—	—	—
Ascent Midco, LLC (Revolver)	—	—	734	(734)	—	—	—	—	—
Ascent Midco, LLC (2,032,258 Class A units)	—	—	2,032	—	—	—	—	984	3,016
	—	—	9,626	(804)	—	24	—	1,167	10,013
Curion Holdings, LLC	3,279	—	—	—	—	—	—	(120)	3,159
Curion Holdings, LLC (Revolver)	441	—	385	—	—	—	—	(6)	820
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Curion Holdings, LLC (58,779 shares of common stock)	—	—	—	—	—	—	—	—	—
	3,720	—	385	—	—	—	—	(126)	3,979
Familia Dental Group Holdings, LLC (1,052 Class A units) [3]	—	3,407	—	—	—	—	—	(289)	3,118
	—	3,407	—	—	—	—	—	(289)	3,118
HFZ Capital Group, LLC [4]	—	13,025	—	—	—	—	—	81	13,106
HFZ Capital Group, LLC [4]	—	4,680	—	—	—	—	—	29	4,709
MC Asset Management (Corporate), LLC (15.9% of interests) [4]	—	793	—	—	—	—	—	(8)	785
MC Asset Management (Industrial), LLC [4]	—	10,632	—	—	—	2	—	945	11,579
	—	29,130	—	—	—	2	—	1,047	30,179
Incipio, LLC	12,343	—	—	—	128	—	—	(10,707)	1,764
Incipio, LLC	3,750	—	—	—	463	—	—	14	4,227
Incipio, LLC	1,606	—	—	—	197	—	—	2	1,805
Incipio, LLC	686	—	—	—	74	—	—	1	761
Incipio, LLC	—	—	1,404	—	126	—	—	(11)	1,519
Incipio, LLC (Delayed Draw)	—	—	1,458	—	40	—	—	(10)	1,488
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Incipio, LLC (1,774 shares of Series C common units)	—	—	—	—	—	—	—	—	—
	18,385	—	2,862	—	1,028	—	—	(10,711)	11,564
Luxury Optical Holdings Co. [5]	3,457	(2,371)	—	—	—	3	—	341	1,430
Luxury Optical Holdings Co. (Delayed Draw) [5]	620	—	—	—	—	—	—	4	624
Luxury Optical Holdings Co. (Revolver) [5]	159	(109)	—	—	—	—	—	16	66
Luxury Optical Holdings Co. (90 preferred units) [5]	—	2,480	—	—	—	—	—	(4)	2,476
Luxury Optical Holdings Co. (86 shares of common stock) [5]	—	—	—	—	—	—	—	—	—
	4,236	—	—	—	—	3	—	357	4,596
Mnine Holdings, Inc. [6]	—	10,321	—	—	1,161	21	—	853	12,356
Mnine Holdings, Inc. (6,400 Class B units) [6]	—	—	—	—	—	—	—	—	—
	—	10,321	—	—	1,161	21	—	853	12,356
NECB Collections, LLC (Revolver)	1,148	—	112	—	52	—	—	(478)	834
NECB Collections, LLC (20.8% of units)	318	—	—	—	—	—	—	(318)	—
	1,466	—	112	—	52	—	—	(796)	834
SHI Holdings, Inc.	2,459	—	—	—	—	—	—	(2,271)	188
SHI Holdings, Inc. (Revolver)	3,601	—	345	—	—	—	—	(3,649)	297
SHI Holdings, Inc. (24 shares of common stock)	—	—	—	—	—	—	—	—	—
	6,060	—	345	—	—	—	—	(5,920)	485
Summit Container Corporation	2,971	—	—	—	—	—	—	233	3,204
Summit Container Corporation (Revolver)	5,406	—	33,558	(37,376)	—	—	—	66	1,654
Summit Container Corporation (warrant to purchase up to 19.5% of the equity)	—	—	—	—	—	—	—	139	139
	8,377	—	33,558	(37,376)	—	—	—	438	4,997
TJ Management HoldCo, LLC (Revolver) [7]	—	—	127	(127)	—	—	—	—	—
TJ Management HoldCo, LLC (16 shares of common stock) [7]	—	2,222	—	—	—	—	—	1,101	3,323
	—	2,222	127	(127)	—	—	—	1,101	3,323
Total non-controlled affiliate company investments	**$ 59,860**	**$ 45,080**	**$ 49,515**	**$ (43,285)**	**$ 5,513**	**$ 66**	**$ —**	**$ (7,034)**	**$ 109,715**
Controlled affiliate company investments:									
MRCC Senior Loan Fund I, LLC	$ 42,412	$ —	$ —	$ —	$ —	$ —	$ —	$ (3,128)	$ 39,284
	42,412	—	—	—	—	—	—	(3,128)	39,284
Total controlled affiliate company investments	**$ 42,412**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ (3,128)**	**$ 39,284**

(1) During the three months ended September 30, 2021, Incipio, LLC ("Incipio") underwent a restructuring whereby substantially all of the assets of Incipio were acquired by a new entity, Vinci Brands LLC ("Vinci"). The senior lenders at Incipio, including the Company, were part of the new financing at Vinci. The Company's investments in Vinci are not categorized as affiliate company investments as the Company does not have an equity interest in Vinci. For the purpose of this schedule, transfers out represents the fair value at June 30, 2021.

(2) During the three months ended December 31, 2021, the Company sold its investment in LOH. For the purpose of this schedule, transfers (out) represents the fair value of the remaining escrow proceeds.

(3) The Company restructured its investment in Familia Dental Group Holdings, LLC ("Familia") during the three months ended December 31, 2020. As a part of the restructuring, the Company obtained a 9.9% equity stake in Familia in exchange for a $3,606 reduction of a secured loan position. For the purpose of this schedule, transfers in represent the fair value at September 30, 2020.

(4) The Company restructured its investments in HFZ Capital Group LLC ("HFZ") and HFZ Member RB portfolio, LLC ("Member RB") during the three months ended December 31, 2020. As part of the restructuring of HFZ, the Company obtained a 15.9% equity interest in MC Asset Management (Corporate), LLC ("Corporate"). As part of the Member RB restructuring, the Company exchanged its loan in Member RB for a promissory note in MC Asset Management (Industrial), LLC ("Industrial"). Corporate owns 100% of the equity of Industrial. In conjunction with these restructurings, the Company participated $4,758 of principal of its loan to HFZ as an equity contribution to Industrial. This participation did not qualify for sale accounting under ASC Topic 860 – *Transfers and Servicing* because the sale did not meet the definition of a "participating interest", as defined in the guidance, in order for sale treatment to be allowed. As a result, the Company continues to reflect its full investment in HFZ but has split the loan into two investments. For the purpose of this schedule, transfers in represent the fair value at September 30, 2020.

(5) The Company restructured its investment in Luxury Optical Holdings Co. ("LOH") during the three months ended December 31, 2020. As a part of the restructuring, the Company obtained 9.1% of the preferred units of LOH in exchange for a $3,632 reduction of the secured loan positions. For the purpose of this schedule, transfers in (out) represent the fair value at September 30, 2020. The Company also increased its delayed draw commitment to LOH.

(6) The Company restructured its investment in Mnine Holdings, Inc. ("Mnine") during the three months ended June 30, 2020. As a part of the restructuring, the Company also received 5.3% of the equity of Mnine. For the purpose of this schedule, transfers in represent the fair value at March 31, 2020.

(7) During the three months ended September 30, 2020, the senior secured lender group of Toojay's Management, LLC ("Toojay's OldCo") established TJ Management HoldCo, LLC ("Toojay's NewCo") in order to acquire certain of the assets of Toojay's OldCo as part of a bankruptcy restructuring. The Company owns 15.9% of the equity in Toojay's NewCo. Toojay's NewCo credit bid a portion of the senior secured debt in Toojay's OldCo to acquire certain assets of Toojay's OldCo which constitute the ongoing operations of the portfolio company. The Company's portion of this credit bid was $2,386, and as such the Company's outstanding senior secured debt investment in Toojay's OldCo was reduced by the amount of the credit bid and the Company's cost basis of its new equity investment in Toojay's NewCo was increased by the amount of the credit bid. For the purpose of this schedule, transfers in represent the fair value at June 30, 2020 of the senior secured debt investment that was exchanged in the credit bid. The Company also provided a follow-on revolver commitment to Toojay's NewCo.

Portfolio Company	For the years ended December 31, 2021 Interest Income	2021 Dividend Income	2021 Fee Income	2020 Interest Income	2020 Dividend Income	2020 Fee Income
Non-controlled affiliate company investments:						
American Community Homes, Inc.	$ 1,148	$ —	$ —	$ 1,103	$ —	$ —
American Community Homes, Inc.	742	—	—	990	—	—
American Community Homes, Inc.	13	—	—	203	—	—
American Community Homes, Inc.	69	—	—	67	—	—
American Community Homes, Inc.	5	—	—	54	—	—
American Community Homes, Inc.	255	—	—	299	—	—
American Community Homes, Inc.	473	—	—	497	—	—
American Community Homes, Inc.	31	—	—	6	—	—
American Community Homes, Inc.	12	—	—	19	—	—
American Community Homes, Inc. (Revolver)	—	—	—	219	—	—
American Community Homes, Inc. (Warrant)	—	—	—	—	—	—
	2,748	—	—	3,457	—	—
Ascent Midco, LLC	471	—	—	456	—	—
Ascent Midco, LLC (Delayed Draw)	9	—	—	14	—	—
Ascent Midco, LLC (Revolver)	4	—	—	20	—	—
Ascent Midco, LLC (Class A units)	—	174	—	—	147	—
	484	174	—	490	147	—
Curion Holdings, LLC	—	—	—	—	—	—
Curion Holdings, LLC (Revolver)	—	—	—	—	—	—
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—
Curion Holdings, LLC (Common units)	—	—	—	—	—	—
	—	—	—	—	—	—
Familia Dental Group Holdings, LLC (Class A units)	—	—	—	—	—	—
	—	—	—	—	—	—
HFZ Capital Group, LLC	1,880	—	—	613	—	—
HFZ Capital Group, LLC	675	—	—	31	—	—
MC Asset Management (Corporate), LLC	1,024	—	—	n/a	n/a	n/a
MC Asset Management (Corporate), LLC (Delayed Draw)	91	—	—	n/a	n/a	n/a
MC Asset Management (Corporate), LLC (LLC interest)	—	—	—	n/a	n/a	n/a
MC Asset Management (Industrial), LLC	2,136	—	—	98	—	—
	5,806	—	—	742	—	—
Incipio, LLC	—	—	—	(309)	—	—
Incipio, LLC	—	—	—	403	—	—
Incipio, LLC	—	—	—	170	—	—
Incipio, LLC	—	—	—	71	—	—
Incipio, LLC	—	—	—	138	—	—
Incipio, LLC	—	—	—	49	—	—
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—
Incipio, LLC (Common units)	—	—	—	—	—	—
	—	—	—	522	—	—
Luxury Optical Holdings Co.	166	—	—	4	—	—
Luxury Optical Holdings Co. (Delayed Draw)	219	—	36	80	—	—
Luxury Optical Holdings Co. (Revolver)	7	—	—	—	—	—
Luxury Optical Holdings Co. (Preferred units)	694	813	—	—	—	—
Luxury Optical Holdings Co. (Common stock)	—	—	—	—	—	—
	1,086	813	36	84	—	—
Mnine Holdings, Inc.	1,301	—	—	966	—	—
Mnine Holdings, Inc. (Common units)	—	—	—	—	—	—
	1,301	—	—	966	—	—
NECB Collections, LLC (Revolver)	—	—	—	77	—	—
NECB Collections, LLC (LLC units)	—	—	—	—	—	—
	—	—	—	77	—	—
Second Avenue SFR Holdings II LLC (Revolver)	22	—	—	n/a	n/a	n/a
Second Avenue SFR Holdings II LLC (Delayed Draw)	83	—	—	n/a	n/a	n/a
Second Avenue SFR Holdings II LLC (LLC interest)	—	—	—	n/a	n/a	n/a
	105	—	—	n/a	n/a	n/a
SHI Holdings, Inc.	—	—	—	(2)	—	—
SHI Holdings, Inc. (Revolver)	—	—	—	(3)	—	—
SHI Holdings, Inc. (Common stock)	—	—	—	—	—	—
	—	—	—	(5)	—	—

Summit Container Corporation	57	—	—	304	—	—
Summit Container Corporation (Revolver)	35	—	—	304	—	—
Summit Container Corporation (Warrant)	—	—	—	—	—	—
	92	—	—	608	—	—
TJ Management HoldCo, LLC (Revolver)	12	—	—	5	—	—
TJ Management HoldCo, LLC (Common stock)	—	—	—	—	—	—
	12	—	—	5	—	—
Total non-controlled affiliate company investments	**$ 11,634**	**$ 987**	**$ 36**	**$ 6,946**	**$ 147**	**$ —**
Controlled affiliate company investments:						
MRCC Senior Loan Fund I, LLC	$ —	$ 4,325	$ —	$ —	$ 4,400	$ —
	—	4,325	—	—	4,400	—
Total controlled affiliate company investments	**$ —**	**$ 4,325**	**$ —**	**$ —**	**$ 4,400**	**$ —**

Note 6. Transactions with Related Parties

The Company has entered into an investment advisory agreement with MC Advisors (the "Investment Advisory Agreement"), under which MC Advisors, subject to the overall supervision of the Board, provides investment advisory services to the Company. The Company pays MC Advisors a fee for its services under the Investment Advisory Agreement consisting of two components - a base management fee and an incentive fee. The cost of both the base management fee and the incentive fee are borne by the Company's stockholders, unless such fees are waived by MC Advisors.

On November 4, 2019, the Board approved a change to the Investment Advisory Agreement to amend the base management fee structure. Effective July 1, 2019, the base management fee is calculated initially at an annual rate equal to 1.75% of average invested assets (calculated as total assets excluding cash, which includes assets financed using leverage); provided, however, the base management fee is calculated at an annual rate equal to 1.00% of the Company's average invested assets (calculated as total assets excluding cash, which includes assets financed using leverage) that exceeds the product of (i) 200% and (ii) the Company's average net assets. For the avoidance of doubt, the 200% is calculated in accordance with the asset coverage limitation as defined in the 1940 Act to give effect to the Company's exemptive relief with respect to MRCC SBIC's SBA debentures. This has the effect of reducing the Company's base management fee rate on assets in excess of regulatory leverage of 1:1 debt to equity to 1.00% per annum. The base management fee is payable quarterly in arrears.

Prior to July 1, 2019 the base management fee was calculated at an annual rate equal to 1.75% of average invested assets (calculated as total assets excluding cash, which included assets financed using leverage) and was payable quarterly in arrears.

Base management fees for the years ended December 31, 2021, 2020 and 2019 were $9,514, $9,807 and $10,780, respectively. MC Advisors elected to voluntarily waive zero, $430, and zero of such base management fees for the years ended December 31, 2021, 2020, and 2019, respectively.

The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20% of "pre-incentive fee net investment income" for the immediately preceding quarter, subject to a 2% (8% annualized) preferred return, or "hurdle," and a "catch up" feature. The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of pre-incentive fee net investment income will be payable except to the extent that 20% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding calendar quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters (the "Incentive Fee Limitation"). Therefore, any ordinary income incentive fee that is payable in a calendar quarter will be limited to the lesser of (1) 20% of the amount by which pre-incentive fee net investment income for such calendar quarter exceeds the 2% hurdle, subject to the "catch-up" provision, and (2) (x) 20% of the cumulative net increase in net assets resulting from operations for the then current and 11 preceding calendar quarters minus (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. For the foregoing purpose, the "cumulative net increase in net assets resulting from operations" is the sum of pre-incentive fee net investment income, realized gains and losses and unrealized gains and losses for the then current and 11 preceding calendar quarters. The second part of the incentive fee is determined and payable in arrears as of the end of each fiscal year in an amount equal to 20% of realized capital gains, if any, on a cumulative basis from inception through the end of the year, computed net of all realized capital losses on a cumulative basis and unrealized depreciation, less the aggregate amount of any previously paid capital gain incentive fees.

The composition of the Company's incentive fees was as follows:

	For the years ended December 31,		
	2021	2020	2019
Part one incentive fees [1]	$ 3,690	$ 5,724	$ 6,692
Part two incentive fees [2]	—	—	—
Incentive Fee Limitation	—	(5,012)	(1,081)
Incentive fees, excluding the impact of incentive fee waivers	3,690	712	5,611
Incentive fee waivers [3]	(1,484)	(712)	(1,182)
Total incentive fees, net of incentive fee waivers	$ 2,206	$ —	$ 4,429

(1) Based on pre-incentive fee net investment income.

(2) Based upon net realized and unrealized gains and losses, or capital gains. The Company accrues, but does not pay, a capital gains incentive fee in connection with any unrealized capital appreciation, as appropriate. If, on a cumulative basis, the sum of net realized gain (loss) plus net unrealized gain (loss) decreases during a period, the Company will reverse any excess capital gains incentive fee previously accrued such that the amount of capital gains incentive fee accrued is no more than 20% of the sum of net realized gain (loss) plus net unrealized gain (loss).

(3) Represents part one incentive fees waived by MC Advisors.

The Company has entered into an administration agreement with MC Management (the "Administration Agreement"), under which the Company reimburses MC Management, subject to the review and approval of the Board, for its allocable portion of overhead and other expenses, including the costs of furnishing the Company with office facilities and equipment and providing clerical, bookkeeping, record-keeping and other administrative services at such facilities, and the Company's allocable portion of the cost of the chief financial officer and chief compliance officer and their respective staffs. To the extent that MC Management outsources any of its functions, the Company will pay the fees associated with such functions on a direct basis, without incremental profit to MC Management. For the years ended December 31, 2021, 2020 and 2019, the Company incurred $3,442, $3,312 and $3,509, respectively, in administrative expenses (included within Professional fees, Administrative service fees and General and administrative expenses on the consolidated statements of operations) under the Administration Agreement, of which $1,357, $1,300 and $1,309, respectively, was related to MC Management overhead and salary allocation and paid directly to MC Management. As of December 31, 2021 and 2020, $337 and $327, respectively, of expenses were due to MC Management under this agreement and are included in accounts payable and accrued expenses on the consolidated statements of assets and liabilities.

The Company has entered into a license agreement with Monroe Capital LLC under which Monroe Capital LLC has agreed to grant the Company a non-exclusive, royalty-free license to use the name "Monroe Capital" for specified purposes in its business. Under this agreement, the Company has the right to use the "Monroe Capital" name at no cost, subject to certain conditions, for so long as MC Advisors or one of its affiliates remains its investment adviser. Other than with respect to this limited license, the Company has no legal right to the "Monroe Capital" name or logo.

As of both December 31, 2021 and 2020, the Company had accounts payable to members of the Board of zero, representing accrued and unpaid fees for their services.

Note 7. Borrowings

In accordance with the 1940 Act, the Company is permitted to borrow amounts such that its asset coverage ratio, as defined in the 1940 Act, is at least 150% after such borrowing. The Company has been granted exemptive relief from the SEC for permission to exclude the debt of MRCC SBIC guaranteed by the SBA from the asset coverage test under the 1940 Act. As of December 31, 2021 and December 31, 2020, the Company's asset coverage ratio based on aggregate borrowings outstanding was 189% and 200%, respectively.

Revolving Credit Facility: The Company has a $255,000 revolving credit facility with ING Capital LLC, as agent. The revolving credit facility has an accordion feature which permits the Company, under certain circumstances to increase the size of the facility up to $400,000 (subject to maintaining 150% asset coverage, as defined by the 1940 Act). The revolving credit facility is secured by a lien on all of the Company's assets, including cash on hand, but excluding the assets of the Company's wholly-owned subsidiary, MRCC SBIC. The Company may make draws under the revolving credit facility to make or purchase additional investments through March 1, 2023 and for general working capital purposes until March 1, 2024, the maturity date of the revolving credit facility.

The Company's ability to borrow under the revolving credit facility is subject to availability under the borrowing base, which permits the Company to borrow up to 72.5% of the fair market value of its portfolio company investments depending on the type of investment the Company holds and whether the investment is quoted. The Company's ability to borrow is also subject to certain concentration limits, and continued compliance with the representations, warranties and covenants given by the Company under the facility. The revolving credit facility contains certain financial and restrictive covenants, including, but not limited to, the Company's maintenance of: (1) minimum consolidated total net assets at least equal to $150,000 plus 65% of the net proceeds to the Company from sales of its equity securities after March 1, 2019; (2) a ratio of total assets (less total liabilities other than indebtedness) to total indebtedness of not less than 1.5 to 1; and (3) a senior debt coverage ratio of at least 2 to 1. The revolving credit facility also requires the Company to undertake customary indemnification obligations with respect to ING Capital LLC and other members of the lending group and to reimburse the lenders for expenses associated with entering into the credit facility. The revolving credit facility also has customary provisions regarding events of default, including events of default for nonpayment, change in control transactions at both Monroe Capital Corporation and MC Advisors, failure to comply with financial and negative covenants, and failure to maintain the Company's relationship with MC Advisors. If the Company incurs an event of default under the revolving credit facility and fails to remedy such default under any applicable grace period, if any, then the entire revolving credit facility could become immediately due and payable, which would materially and adversely affect the Company's liquidity, financial condition, results of operations and cash flows.

The Company's revolving credit facility also imposes certain conditions that may limit the amount of the Company's distributions to stockholders. Distributions payable in the Company's common stock under the DRIP are not limited by the revolving credit facility. Distributions in cash or property other than common stock are generally limited to 115% of the amount of distributions required to maintain the Company's status as a RIC.

As of December 31, 2021, the Company had U.S. dollar borrowings of $146,400 and non-U.S. dollar borrowings denominated in Great Britain pounds of £3,433 ($4,645 in U.S. dollars) under the revolving credit facility. As of December 31, 2020, the Company had U.S. dollar borrowings of $104,550 and non-U.S. dollar borrowings denominated in Great Britain pounds of £16,100 ($22,009 in U.S. dollars) under the revolving credit facility. The borrowings denominated in Great Britain pounds may be positively or negatively affected by movements in the rate of exchange between the U.S. dollar and the Great Britain pound. These movements are beyond the control of the Company and cannot be predicted. The borrowings denominated in Great Britain pounds are translated into U.S. dollars based on the spot rate at each balance sheet date. The impact resulting from changes in foreign currency borrowings is included in net change in unrealized gain (loss) on foreign currency and other transactions on the Company's consolidated statements of operations and totaled $660, ($665) and ($821) for the years ended December 31, 2021, 2020 and 2019, respectively. For the year-ended December 31, 2021, the Company repaid borrowings denominated in Great Britain pounds of £12,667. As a result of this repayment, the Company recognized a realized gain (loss) on foreign currency and other transactions on the Company's consolidated statements of operations of ($866) for year ended December 31, 2021. There were no repayments of foreign currency borrowings for the year ended December 31, 2020 and 2019.

Borrowings under the revolving credit facility bear interest, at the Company's election, at an annual rate of LIBOR (one-month, three-month or six-month at the Company's discretion based on the term of the borrowing) plus 2.625% or at a daily rate equal to 1.625% per annum plus the greater of the prime interest rate, the federal funds rate plus 0.5% or LIBOR plus 1.0%, with a LIBOR floor of 0.5%. In addition to the stated interest rate on borrowings under the revolving credit facility, the Company is required to pay a commitment fee and certain conditional fees based on usage of the expanded borrowing base and usage of the asset coverage ratio flexibility. A commitment fee of 0.5% per annum on any unused portion of the revolving credit facility if the unused portion of the facility is less than 35% of the then available maximum borrowing or a commitment fee of 1.0% per annum on any unused portion of the revolving credit facility if the unused portion of the facility is greater than or equal to 35% of the then available maximum borrowing. As of December 31, 2021 and December 31, 2020, the outstanding borrowings were accruing at a weighted average interest rate of 3.1% and 3.2%, respectively.

2023 Notes: On February 18, 2021, the Company redeemed $109,000 in aggregate principal amount of the 2023 Notes. The redemption was accounted for as a debt extinguishment in accordance with ASC Subtopic 470-50, Debt – Modifications and Extinguishments ("ASC 470-50"), which resulted in a realized loss of $2,335 (primarily comprised of the unamortized deferred financing costs at the time of the redemption) recorded in net gain (loss) on extinguishment of debt on the Company's consolidated statements of operations. The 2023 Notes were delisted from the Nasdaq Global Select Market in conjunction with the redemption.

2026 Notes: On January 25, 2021, the Company closed a private offering of $130,000 in aggregate principal amount of senior unsecured notes (the "2026 Notes"). Aggregate underwriting commissions were $3,325 and other issuance costs were $683, resulting in net proceeds of approximately $125,992. The 2026 Notes mature on February 15, 2026 and may be redeemed in whole or in part at any time or from time to time at the Company's option at par plus a "make-whole" premium, if applicable. The 2026 Notes bear interest at an annual rate of 4.75% payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2021. The 2026 Notes are general, unsecured obligations and rank equal in right of payment with all of the Company's existing and future unsecured indebtedness. As of December 31, 2021, the Company had $130,000 in aggregate principal amount of senior unsecured notes outstanding.

SBA Debentures: On February 28, 2014, the Company's wholly-owned subsidiary, MRCC SBIC received a license from the SBA to operate as a SBIC under Section 301(c) of the Small Business Investment Act of 1958, as amended. MRCC SBIC commenced operations on September 16, 2013.

The SBIC license allowed MRCC SBIC to obtain leverage by issuing SBA debentures. On March 1, 2022, MRCC SBIC fully repaid its outstanding debentures and notified the SBA of its intent to surrender its license to operate as a SBIC. See Note 14 for additional information. SBA debentures are non-recourse, interest only debentures with interest payable semi-annually and have a 10-year maturity. The principal amount of SBA debentures is not required to be paid prior to maturity but may be prepaid on a semi-annual basis. The interest rate of SBA debentures is fixed on a semi-annual basis (pooling date) at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, has a superior claim to MRCC SBIC's assets over the Company's stockholders.

During the year ended December 31, 2021, the Company repaid $58,100 in aggregate principal amount of the SBA debentures. The repayment was accounted for as a debt extinguishment in accordance with ASC 470-50 which resulted in a realized loss of $775 (primarily comprised of the unamortized deferred financing costs at the time of the repayment) recorded in net gain (loss) on extinguishment of debt on the Company's consolidated statements of operations. As of December 31, 2021, MRCC SBIC had $15,459 in cash and $87,248 in investments at fair value. As of December 31, 2020, MRCC SBIC had $25,657 in cash and $131,167 in investments at fair value.

As of both December 31, 2021 and December 31, 2020, MRCC SBIC had $57,624 in leverageable capital and the following SBA debentures outstanding:

Maturity Date	Interest Rate	December 31, 2021	December 31, 2020
September 2024	3.4%	$ 2,920	$ 12,920
March 2025	3.3%	14,800	14,800
March 2025	2.9%	7,080	7,080
September 2025	3.6%	—	5,200
March 2027	3.5%	—	20,000
September 2027	3.2%	32,100	32,100
March 2028	3.9%	—	18,520
September 2028	4.2%	—	4,380
Total		$ 56,900	$ 115,000

Components of interest expense: The components of the Company's interest expense and other debt financing expenses, average debt outstanding and average stated interest rates (i.e. the rate in effect plus spread) were as follows:

	For the years ended December 31,		
	2021	2020	2019
Interest expense – revolving credit facility	$ 4,593	$ 5,594	$ 8,710
Interest expense – 2023 Notes	837	6,270	5,756
Interest expense – 2026 Notes	5,763	—	—
Interest expense – SBA debentures	2,676	3,944	3,933
Amortization of deferred financing costs	2,205	2,181	1,869
Total interest and other debt financing expenses	$ 16,074	$ 17,989	$ 20,268
Average debt outstanding	332,034	370,904	397,503
Average stated interest rate	4.1%	4.2%	4.5%

Note 8. Derivative Instruments

The Company enters into foreign currency forward contracts from time to time to help mitigate the impact that an adverse change in foreign exchange rates would have on future interest cash flows from the Company's investments denominated in foreign currencies. As of December 31, 2021 and 2020, the counterparty to these foreign currency forward contracts was Bannockburn Global Forex, LLC. Net unrealized gain or loss on foreign currency forward contracts are included in net change in unrealized gain (loss) on foreign currency forward contracts and net realized gain or loss on forward currency forward contracts are included in net realized gain (loss) on foreign currency forward contracts on the accompanying consolidated statements of operations.

Certain information related to the Company's foreign currency forward contracts is presented below as of December 31, 2021 and December 31, 2020.

	As of December 31, 2021				
Description	Notional Amount to be Sold	Settlement Date	Gross Amount of Unrealized Gain	Gross Amount of Unrealized Loss	Balance Sheet location of Net Amounts
Foreign currency forward contract	£ 82	1/3/2022	$ —	$ (10)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£ 79	4/4/2022	—	(10)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£ 29	5/6/2022	—	(3)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 156	1/19/2022	8	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 136	2/16/2022	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 132	3/16/2022	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 146	4/19/2022	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 138	5/17/2022	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 153	6/17/2022	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 138	7/18/2022	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 140	8/16/2022	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 153	9/16/2022	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 152	10/19/2022	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 136	11/16/2022	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 142	12/16/2022	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 153	1/18/2023	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 140	2/16/2023	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 132	3/16/2023	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 160	4/20/2023	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 121	5/16/2023	5	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 156	6/19/2023	7	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 138	7/18/2023	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 146	8/16/2023	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 146	9/18/2023	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 148	10/18/2023	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 140	11/16/2023	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 142	12/18/2023	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 150	1/17/2024	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 143	2/16/2024	6	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD 15,410	3/18/2024	635	—	Unrealized gain on foreign currency forward contracts
			$ 804	$ (23)	

	As of December 31, 2020				
	Notional Amount to be Sold	Settlement Date	Gross Amount of Unrealized Gain	Gross Amount of Unrealized Loss	Balance Sheet location of Net Amounts
Foreign currency forward contract	£ 87	1/4/2021	$ —	$ (12)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 206	3/3/2021	—	(18)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 26	3/3/2021	—	(2)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 84	4/2/2021	—	(12)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 212	6/1/2021	—	(19)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 26	6/1/2021	—	(2)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 83	7/2/2021	—	(11)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 83	10/4/2021	—	(11)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 82	1/3/2022	—	(11)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 79	4/4/2022	—	(11)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 29	5/6/2022	—	(4)	Unrealized loss on foreign currency forward contracts
Total			$ —	$ (113)	

For the years ended December 31, 2021, 2020 and 2019, the Company recognized net change in unrealized gain (loss) on foreign currency forward contracts of $894, ($54) and ($75), respectively. For the years ended December 31, 2021, 2020 and 2019, the Company recognized net realized gain (loss) on foreign currency forward contracts of ($48), ($16) and $12, respectively.

Note 9. Income Taxes

The Company has elected to be treated as a RIC under Subchapter M of the Code. As a RIC, the Company is not taxed on any investment company taxable income or capital gains which it distributes to stockholders. The Company intends to distribute all of its investment company taxable income and capital gains annually. Accordingly, no provision for federal income tax has been made in the consolidated financial statements.

Dividends from net investment income and distributions from net realized capital gains are determined in accordance with U.S. federal tax regulations, which may differ from amounts in accordance with U.S. GAAP and those differences could be material. These book-to-tax differences are either temporary or permanent in nature. Reclassifications due to permanent book-to-tax differences have no impact on net assets.

The following permanent differences were reclassified for tax purposes:

	For the years ended December 31,		
	2021	2020	2019
Increase (decrease) in capital in excess of par value	$ (301)	$ (447)	$ (61)
Increase (decrease) in accumulated undistributed (overdistributed) earnings	301	447	61

Taxable income generally differs from net increase (decrease) in net assets resulting from operations for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses and generally excludes unrealized gain (loss) on investments as investment gains and losses are not included in taxable income until they are realized.

Capital losses in excess of capital gains earned in a tax year may generally be carried forward and used to offset capital gains, subject to certain limitations. Under the Regulated Investment Company Modernization Act of 2010, capital losses incurred after September 30, 2011 are not subject to expiration and retain their character as either short-term or long-term capital losses. As of December 31, 2021 and 2020, the Company had short-term capital loss carryforwards of $1,489 and $1,303, respectively. As of December 31, 2021 and 2020, the Company had long-term capital loss carryforwards of $40,931 and $19,353, respectively.

The following table reconciles net increase in net assets resulting from operations to taxable income:

	For the years ended December 31,		
	2021	2020	2019
Net increase (decrease) in net assets resulting from operations	$ 32,459	$ 1,646	$ 19,214
Net change in unrealized (gain) loss	(36,108)	31,263	8,895
Other realized gain (loss) for tax but not book	—	(857)	105
Other income (loss) for tax but not book	—	217	171
Other deductions for book in excess of deductions for tax	—	—	—
Expenses not currently deductible	282	370	10
Net capital loss carryforward	21,764	(1,694)	817
Total taxable income	$ 18,397	$ 30,945	$ 29,212

For income tax purposes, distributions paid to stockholders are reported as ordinary income, return of capital, long term capital gains or a combination thereof. The following table provides the tax character of distributions paid:

	For the years ended December 31,		
	2021	2020	2019
Ordinary income	$ 21,514	$ 23,064	$ 28,624
Long-term capital gains	—	—	—
Total	$ 21,514	$ 23,064	$ 28,624

The Company's consolidated Taxable Subsidiaries are subject to U.S. federal and state income taxes. For the years ended December 31, 2021, 2020 and 2019, the Company recorded a net tax expense of approximately $4, $2 and $7, respectively, for these Taxable Subsidiaries.

As of December 31, 2021, the estimated cost basis of investment for U.S. federal income tax purposes was $576,327, resulting in estimated net unrealized loss of $14,634, comprised of estimated gross unrealized gains and losses of $22,135 and $36,769, respectively. As of December 31, 2020, the estimated cost basis of investment for U.S. federal income tax purposes was $601,462, resulting in estimated net unrealized loss of $54,423, comprised of estimated gross unrealized gains and losses of $10,812 and $65,235, respectively.

Note 10. Distributions

The Company's distributions are recorded on the record date. The following table summarizes distributions declared during the years ended December 31, 2021, 2020 and 2019:

Date Declared	Record Date	Payment Date	Amount Per Share	Cash Distribution	DRIP Shares Issued	DRIP Shares Value	DRIP Shares Repurchased in the Open Market	Cost of DRIP Shares Repurchased
Year ended December 31, 2021:								
March 2, 2021	March 16, 2021	March 31, 2021	$ 0.25	$ 5,326	—	$ —	35,611	$ 364
June 2, 2021	June 16, 2021	June 30, 2021	0.25	5,386	—	—	31,277	343
September 2, 2021	September 16, 2021	September 30, 2021	0.25	5,386	—	—	35,623	369
December 2, 2021	December 16, 2021	December 31, 2021	0.25	5,416	—	—	27,905	315
Total distributions declared			$ 1.00	$ 21,514	—	$ —	130,416	$ 1,391
Year ended December 31, 2020:								
March 3, 2020	March 16, 2020	March 31, 2020	$ 0.35	$ 7,155	—	$ —	55,938	$ 374
May 8, 2020	June 15, 2020	June 30, 2020	0.25	5,257	—	—	40,612	283
September 4, 2020	September 16, 2020	September 30, 2020	0.25	5,326	—	—	44,246	305
December 4, 2020	December 16, 2020	December 31, 2020	0.25	5,326	—	—	45,667	365
Total distributions declared			$ 1.10	$ 23,064	—	$ —	186,463	$ 1,327
Year ended December 31, 2019:								
March 5, 2019	March 15, 2019	March 29, 2019	$ 0.35	$ 7,156	—	$ —	27,498	$ 342
May 31, 2019	June 14, 2019	June 28, 2019	0.35	7,156	—	—	30,802	363
September 3, 2019	September 16, 2019	September 30, 2019	0.35	7,156	—	—	33,674	355
December 2, 2019	December 16, 2019	December 31, 2019	0.35	7,156	—	—	31,662	349
Total distributions declared			$ 1.40	$ 28,624	—	$ —	123,636	$ 1,409

None of the distributions declared during the years ended December 31, 2021, 2020 and 2019 represented a return of capital for tax purposes.

Note 11. Stock Issuances and Repurchases

Stock Issuances: On May 12, 2017, the Company entered into at-the-market ("ATM") equity distribution agreements with each of JMP Securities LLC ("JMP") and FBR Capital Markets & Co. ("FBR") (the "ATM Program") through which we could sell, by means of ATM offerings, from time to time, up to $50,000 of our common stock. On May 8, 2020, the Company entered into an amendment to the ATM Program to extend its term. All other material terms of the ATM Program remain unchanged. There were no stock issuances during the year ended December 31, 2019. During the year ended December 31, 2020, the Company sold 858,976 shares at an average price of $7.78 per share for gross proceeds of $6,684 under the ATM Program. Aggregate underwriter's discounts and commissions were $100 and offering costs were $89, resulting in net proceeds of approximately $6,495. During the year ended December 31, 2021, we sold 362,800 shares at an average price of $11.53 per share for gross proceeds of $4,182 under the ATM Program. Aggregate underwriter's discounts and commissions were $63 and offering costs were $27, resulting in net proceeds of approximately $4,092.

Note 12. Commitments and Contingencies

Commitments: As of December 31, 2021 and 2020, the Company had $55,483 and $52,252, respectively, in outstanding commitments to fund investments under undrawn revolvers, capital expenditure loans, delayed draw commitments and subscription agreements (excluding SLF). As described in Note 3, the Company had unfunded commitments of $7,850 to SLF as of both December 31, 2021 and 2020, that may be contributed primarily for the purpose of funding new investments approved by the SLF investment committee. Drawdowns of the commitments to SLF require authorization from one of the Company's representatives on SLF's board of managers. Management believes that the Company's available cash balances and/or ability to draw on the revolving credit facility provide sufficient funds to cover its unfunded commitments as of December 31, 2021.

Indemnifications: In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide general indemnifications. The Company's maximum exposure under these agreements is unknown, as these involve future claims that may be made against the Company but that have not occurred. The Company expects the risk of any future obligations under these indemnifications to be remote.

Concentration of credit and counterparty risk: Credit risk arises primarily from the potential inability of counterparties to perform in accordance with the terms of the contract. In the event that the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparties or issuers of the instruments. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Market risk: The Company's investments and borrowings are subject to market risk. Market risk is the potential for changes in the value due to market changes. Market risk is directly impacted by the volatility and liquidity in the markets in which the investments and borrowings are traded.

Legal proceedings: In the normal course of business, the Company may be subject to legal and regulatory proceedings that are generally incidental to its ongoing operations. While there can be no assurance of the ultimate disposition of any such proceedings, the Company is not currently aware of any such proceedings or disposition that would have a material adverse effect on the Company's consolidated financial statements.

Note 13. Financial Highlights

The financial highlights for the Company are as follows:

	For the years ended December 31,				
	2021	**2020**	**2019**	**2018**	**2017**
Per share data:					
Net asset value at beginning of year [1]	$ 11.00	$ 12.20	$ 12.66	$ 13.77	$ 14.52
Net investment income [2]	1.03	1.45	1.42	1.57	1.40
Net gain (loss) [2]	0.48	(1.37)	(0.48)	(1.28)	(0.75)
Net increase (decrease) in net assets from operations [2]	1.51	0.08	0.94	0.29	0.65
Stockholder distributions – income	(1.00)	(1.10)	(1.40)	(1.40)	(1.37)
Stockholder distributions – capital gains	—	—	—	—	(0.03)
Stockholder distributions – return of capital	—	—	—	—	—
Effect of share issuance above (below) NAV [3]	—	(0.18)	—	—	—
Effect of share repurchases [3]	—	—	—	—	—
Other [3]	—	—	—	—	—
Net asset value at end of year	$ 11.51	$ 11.00	$ 12.20	$ 12.66	$ 13.77
Net assets at end of year	$ 249,471	$ 234,434	$ 249,357	$ 258,767	$ 278,699
Shares outstanding at end of year	21,666,340	21,303,540	20,444,564	20,444,564	20,239,957
Per share market value at end of year	$ 11.22	$ 8.03	$ 10.86	$ 9.60	$ 13.75
Total return based on market value [4]	53.26%	(13.86)%	27.68%	(21.74)%	(1.82)%
Total return based on average net asset value [5]	13.40%	0.72%	7.53%	2.17%	4.58%
Ratio/Supplemental data:					
Ratio of net investment income to average net assets [6]	9.15%	13.32%	11.38%	11.85%	9.80%
Ratio of total expenses, net of incentive fee waivers, to average net assets [6][7]	13.07%	13.68%	15.35%	9.84%	9.46%
Portfolio turnover [8]	41.80%	25.24%	27.18%	31.53%	39.39%

	For the years ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Per share data:					
Net asset value at beginning of year [1]	$ 14.19	$ 14.05	$ 13.92	$ 14.54	$ 15.00
Net investment income [2]	1.55	1.60	1.57	1.13	0.15
Net gain (loss) [2]	0.13	(0.07)	(0.12)	0.15	0.03
Net increase (decrease) in net assets from operations [2]	1.68	1.53	1.45	1.28	0.18
Stockholder distributions – income	(1.40)	(1.37)	(1.36)	(1.15)	(0.14)
Stockholder distributions – capital gains	—	(0.03)	—	—	—
Stockholder distributions – return of capital	—	—	—	(0.21)	(0.20)
Effect of share issuance above (below) NAV [3]	0.05	—	—	(0.57)	(0.30)
Effect of share repurchases [3]	—	—	0.04	0.03	—
Other [3]	—	0.01	—	—	—
Net asset value at end of year	$ 14.52	$ 14.19	$ 14.05	$ 13.92	$ 14.54
Net assets at end of year	$ 240,850	$ 184,535	$ 133,738	$ 138,092	$ 83,634
Shares outstanding at end of year	16,581,869	13,008,007	9,517,910	9,918,269	5,750,103
Per share market value at end of year	$ 15.38	$ 13.09	$ 14.46	$ 12.20	$ 14.83
Total return based on market value [4]	28.95%	(0.21)%	30.67%	(9.29)%	1.15%
Total return based on average net asset value [5]	11.70%	11.04%	10.34%	9.17%	1.14%
Ratio/Supplemental data:					
Ratio of net investment income to average net assets [6]	10.81%	11.56%	11.20%	7.71%	5.00%
Ratio of total expenses, net of incentive fee waivers, to average net assets [6][7]	10.81%	11.20%	11.03%	8.53%	5.77%
Portfolio turnover [8]	22.41%	30.70%	47.03%	39.77%	11.88%

(1) The beginning net asset value for 2012 represents the initial public offering price on October 24, 2012.

(2) Calculated using the weighted average shares outstanding during the years ended December 31, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013 and for the period from October 24, 2012 to December 31, 2012, respectively.

(3) Includes the effect of share issuances above (below) net asset value and the impact of different share amounts used in calculating per share data as a result of calculating certain per share data based on weighted average shares outstanding during the period and certain per share data based on shares outstanding as of a period end or transaction date.

(4) Total return based on market value is calculated assuming a purchase of common shares at the market value on the first day and a sale at the market value on the last day of the periods reported. Distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Company's DRIP. Total return based on market value does not reflect brokerage commissions.

(5) Total return based on average net asset value is calculated by dividing the net increase (decrease) in net assets resulting from operations by the average net asset value.

(6) Ratios for the period from October 24, 2012 to December 31, 2012 are annualized. Incentive fees included within the ratio are not annualized.

(7) The following is a schedule of supplemental ratios for the years presented.

	2021	2020	2019	2018	2017
Ratio of total investment income to average net assets [6]	22.22%	27.00%	26.73%	21.69%	19.26%
Ratio of interest and other debt financing expenses to average net assets [6]	6.63%	7.89%	7.95%	4.56%	3.13%
Ratio of total expenses (without incentive fees) to average net assets [6]	12.16%	13.86%	13.61%	9.19%	7.43%
Ratio of incentive fees, net of incentive fee waivers, to average net assets [8] [9]	0.91%	0.00%	1.74%	0.65%	2.03%

	2016	2015	2014	2013	2012
Ratio of total investment income to average net assets [6]	21.62%	22.76%	22.23%	17.10%	10.82%
Ratio of interest and other debt financing expenses to average net assets [6]	3.26%	3.33%	3.23%	2.59%	1.93%
Ratio of total expenses (without incentive fees) to average net assets [6]	8.17%	8.31%	8.42%	7.15%	5.76%
Ratio of incentive fees, net of incentive fee waivers, to average net assets [8] [9]	2.64%	2.89%	2.61%	1.38%	0.01%

(8) Ratios for the period from October 24, 2012 to December 31, 2012 are not annualized.

(9) The ratio of waived incentive fees to average net assets was 0.61%, 0.31%, 0.46%, zero and 0.12%, 0.13%, zero, zero, zero and zero for the years ended December 31, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013 and for the period from October 24, 2012 to December 31, 2012, respectively.

Note 14. Subsequent Events

The Company has evaluated subsequent events through March 2, 2022, the date on which the consolidated financial statements were issued.

On March 1, 2022, the Company repaid all $56,900 of its remaining SBA debentures utilizing a borrowing on the revolving credit facility and the restricted cash at MRCC SBIC. Additionally, MRCC SBIC notified the SBA of its intent to surrender its license to operate as a SBIC.

On March 2, 2022, the Board declared a quarterly distribution of $0.25 per share payable on March 31, 2022 to holders of record on March 16, 2022.

Note 15. Selected Quarterly Financial Data (unaudited)

	For the quarter ended			
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Total investment income	$ 13,039	$ 15,214	$ 12,364	$ 13,213
Net investment income	$ 5,373	$ 6,312	$ 5,157	$ 5,326
Net gain (loss)	$ 1,462	$ 927	$ 6,173	$ 1,729
Net increase (decrease) in net assets resulting from operations	$ 6,835	$ 7,239	$ 11,330	$ 7,055
Net investment income per share – basic and diluted	$ 0.25	$ 0.29	$ 0.24	$ 0.25
Net increase (decrease) in net assets resulting from operations per share – basic and diluted	$ 0.32	$ 0.34	$ 0.53	$ 0.33
Net asset value per share at period end	$ 11.51	$ 11.45	$ 11.36	$ 11.08

	For the quarter ended			
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Total investment income	$ 12,552	$ 13,385	$ 20,642	$ 15,002
Net investment income	$ 5,326	$ 5,644	$ 12,636	$ 6,782
Net gain (loss)	$ 3,751	$ 9,541	$ 1,598	$ (43,632)
Net increase (decrease) in net assets resulting from operations	$ 9,077	$ 15,185	$ 14,234	$ (36,850)
Net investment income per share – basic and diluted	$ 0.25	$ 0.26	$ 0.61	$ 0.33
Net increase (decrease) in net assets resulting from operations per share – basic and diluted	$ 0.42	$ 0.71	$ 0.69	$ (1.81)
Net asset value per share at period end	$ 11.00	$ 10.83	$ 10.37	$ 10.04

	For the quarter ended			
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total investment income	$ 17,985	$ 17,330	$ 16,719	$ 16,159
Net investment income	$ 7,649	$ 7,238	$ 7,073	$ 7,074
Net gain (loss)	$ (3,521)	$ (3,585)	$ (3,081)	$ 367
Net increase (decrease) in net assets resulting from operations	$ 4,128	$ 3,653	$ 3,992	$ 7,441
Net investment income per share – basic and diluted	$ 0.37	$ 0.35	$ 0.35	$ 0.35
Net increase (decrease) in net assets resulting from operations per share – basic and diluted	$ 0.21	$ 0.17	$ 0.20	$ 0.36

Net asset value per share at period end	$ 12.20	$ 12.34	$ 12.52	$ 12.67

(a)(3) Exhibits

Exhibit Number	Description of Document
3.1	Amended and Restated Articles of Incorporation of Monroe Capital Corporation (Incorporated by reference to Exhibit (a)(1) of the Registrant's Pre-Effective Amendment No. 8 to the Registration Statement on Form N-2 (File No. 333-172601) filed on October 18, 2012)
3.2	Bylaws of Monroe Capital Corporation (Incorporated by reference to Exhibit (b)(1) of the Registrant's Pre-Effective Amendment No. 8 to the Registration Statement on Form N-2 (File No. 333-172601) filed on October 18, 2012)
4.1	Form of Stock Certificate of Monroe Capital Corporation (Incorporated by reference to Exhibit (d) of the Registrant's Pre-Effective Amendment No. 8 to the Registration Statement on Form N-2 (File No. 333-172601) filed on October 18, 2012)
4.2	Indenture by and between the Registrant and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit (d)(7) of the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2 (File No. 333-216665) filed on September 12, 2018)
4.3	First Supplemental Indenture by and between the Registrant and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit (d)(8) of the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2 (File No. 333-216665) filed on September 12, 2018)
4.4	Form of Global Note with respect to the 5.75% Notes due 2023 (Incorporated by reference to Exhibit (d)(8) of the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2 (File No. 333-216665) filed on September 12, 2018, and Exhibit A therein)
4.5	Second Supplemental Indenture by and between the Registrant and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K (File No. 814-00866) filed on January 25, 2021)
4.6	Form of Global Note with respect to the 4.75% Notes due 2026 (Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K (File No. 814-00866) filed on January 25, 2021, and Exhibit A therein)
4.7	Description of Securities (filed herewith)
10.1	Dividend Reinvestment Plan (Incorporated by reference to Exhibit (e) of the Registrant's Pre-Effective Amendment No. 8 to the Registration Statement on Form N-2 (File No. 333-172601) filed on October 18, 2012)
10.2	Amended and Restated Investment Advisory and Management Agreement between Registrant and MC Advisors (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K (File No. 814-00866) filed on November 6, 2019)
10.3	Form of Custodian Agreement (Incorporated by reference to Exhibit (j) of the Registrant's Pre-Effective Amendment No. 8 to the Registration Statement on Form N-2 (File No. 333-172601) filed on October 18, 2012)
10.4	Administration Agreement between Registrant and MC Management (Incorporated by reference to Exhibit (k)(1) of the Registrant's Pre-Effective Amendment No. 8 to the Registration Statement on Form N-2 (File No. 333-172601) filed on October 18, 2012)
10.5	License Agreement between the Registrant and Monroe Capital, LLC (Incorporated by reference to Exhibit (k)(2) of the Registrant's Pre-Effective Amendment No. 8 to the Registration Statement on Form N-2 (File No. 333-172601) filed on October 18, 2012)
10.6	MRCC Senior Loan Fund I, LLC Limited Liability Company Agreement dated October 31, 2017, by and between the Registrant and NLV Financial Corporation (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K (File No. 814-00866) filed on November 1, 2017)
10.7	Second Amended and Restated Senior Secured Revolving Credit Agreement among the Registrant as borrower, the Lenders party thereto and ING Capital LLC, as Administrative Agent, dated March 1, 2019 (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K (File No. 814-00866) filed on March 5, 2019)
10.8	Amendment No. 1 to Second Amended and Restated Senior Secured Revolving Credit Agreement among the Registrant, as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, dated March 20, 2019 (Incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K (File No. 814-00866) filed on March 20, 2019)
10.9	Amendment No. 2 to Second Amended and Restated Senior Secured Revolving Credit Agreement among the Registrant, as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, dated September 27, 2019 (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K (File No. 814-00866) filed on October 2, 2019)
10.10	Amendment No. 3 and Limited Waiver to Second Amended and Restated Senior Secured Revolving Credit Agreement among the Registrant, as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, dated May 21, 2020 (Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K (File No. 814-00866) filed on May 22, 2020)
10.11	Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement among the Registrant, as borrower, the Lenders party thereto, and ING Capital LLC, as Administrative Agent, dated December 30, 2021 (filed herewith)
21.1	List of Subsidiaries (filed herewith)
23.1	Consent of RSM US LLP (filed herewith)
31.1	Certification of Chief Executive Officer 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 (filed herewith)
31.2	Certification of Chief Financial Officer 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 (filed herewith)
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
99.1	Report of RSM US LLP on Senior Securities Table (filed herewith)

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 2, 2022

Monroe Capital Corporation (Registrant)

By /s/ Theodore L. Koenig
Theodore L. Koenig
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)

By /s/ Aaron D. Peck
Aaron D. Peck
Chief Financial Officer, Chief Investment Officer and Director
(Principal Financial and Accounting Officer)

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.

Signature	Title	Date
/s/ Theodore L. Koenig Theodore L. Koenig	Chairman, Chief Executive Officer and Director *(Principal Executive Officer)*	March 2, 2022
/s/ Aaron D. Peck Aaron D. Peck	Chief Financial Officer, Chief Investment Officer and Director *(Principal Financial and Accounting Officer)*	March 2, 2022
/s/ Thomas J. Allison Thomas J. Allison	Director	March 2, 2022
/s/ Jeffrey A. Golman Jeffrey A. Golman	Director	March 2, 2022
/s/ Jorde M. Nathan Jorde M. Nathan	Director	March 2, 2022
/s/ Robert S. Rubin Robert S. Rubin	Director	March 2, 2022
/s/ Jeffrey D. Steele Jeffrey D. Steele	Director	March 2, 2022

Exhibit 4.7

DESCRIPTION OF SECURITIES

A. Common Stock, par value $0.001 per share

As of December 31, 2021, the authorized capital stock of Monroe Capital Corporation (the "Company," "we," "our" or "us") consisted of 100,000,000 shares of stock, par value $0.001 per share, and no shares of preferred stock. Our common stock is listed on The Nasdaq Global Select Market under the ticker symbol "MRCC." There are no outstanding options or warrants to purchase our stock. No stock has been authorized for issuance under any equity compensation plan. Under Maryland law, our stockholders generally are not personally liable for our debts or obligations.

Under our charter, our board of directors is authorized to classify and reclassify any unissued shares of stock into other classes or series of stock and authorize the issuance of the shares of stock without obtaining stockholder approval. As permitted by the Maryland General Corporation Law, our charter provides that the board of directors, without any action by our stockholders, may amend the charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

All shares of our common stock have equal rights as to earnings, assets, voting, and dividends and other distributions and, when they are issued, will be duly authorized, validly issued, fully paid and nonassessable. Distributions may be paid to the holders of our common stock if, as and when authorized by our board of directors and declared by us out of funds legally available therefor. Shares of our common stock have no preemptive, exchange, conversion or redemption rights and are freely transferable, except where their transfer is restricted by federal and state securities laws or by contract. In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time. Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our common stock possess exclusive voting power.

Certain Provisions of the Maryland General Corporation Law and Our Charter and Bylaws

The Maryland General Corporation Law and our charter and bylaws contain provisions that could make it more difficult for a potential acquirer to acquire us by means of a tender offer, proxy contest or otherwise. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

Classified Board of Directors

Our board of directors is divided into three classes of directors serving staggered three-year terms. Directors of each class are elected to serve for three-year terms and until their successors are duly elected and qualify and each year one class of directors is elected by the stockholders. A classified board may render a change in control of us or removal of our incumbent management more difficult. We believe, however, that the longer time required to elect a majority of a classified board of directors will help to ensure the continuity and stability of our management and policies.

Election of Directors

Our charter and bylaws provide that the affirmative vote of the holders of a plurality of the outstanding shares of stock entitled to vote in the election of directors cast at a meeting of stockholders duly called and at which a quorum is present will be required to elect a director. There is no cumulative voting in the election of directors. Pursuant to our charter, our board of directors may amend the bylaws to alter the vote required to elect directors.

Number of Directors; Vacancies; Removal

Our charter provides that the number of directors will be set by the board of directors in accordance with our bylaws. Our bylaws provide that a majority of our entire board of directors may at any time increase or decrease the number of directors. However, unless our bylaws are amended, the number of directors may never be less than one or more than twelve. Our charter provides that, at such time as we have at least three independent directors and our common stock is registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we elect to be subject to the provision of Subtitle 8 of Title 3 of the Maryland General Corporation Law regarding the filling of vacancies on the board of directors. Accordingly, at such time, except as may be provided by the board of directors in setting the terms of any class or series of preferred stock, any and all vacancies on the board of directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the Investment Company Act of 1940, as amended (the "1940 Act").

Our charter provides that a director may be removed only for cause, as defined in our charter, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors.

Action by Stockholders

Under the Maryland General Corporation Law, stockholder action can be taken only at an annual or special meeting of stockholders or by unanimous written consent in lieu of a meeting (unless the charter provides for stockholder action by less than unanimous written consent, which our charter does not). These provisions, combined with the requirements of our bylaws regarding the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to the board of directors and the proposal of business to be considered by stockholders may be made only (1) pursuant to our notice of the meeting, (2) by the board of directors or (3) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice procedures of our bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to the board of directors at a special meeting may be made only (1) pursuant to our notice of the meeting, (2) by the board of directors or (3) provided that the board of directors has determined that directors will be elected at the meeting, by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice provisions of the bylaws.

The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our board of directors a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our board of directors, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our bylaws do not give our board of directors any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and of discouraging or deterring a third-party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

Calling of Special Meetings of Stockholders

Our bylaws provide that special meetings of stockholders may be called by our board of directors and certain of our officers. Additionally, 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 the secretary of the corporation upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting.

Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our charter generally provides for approval of charter amendments and extraordinary transactions by the stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter. Our charter also provides that certain charter amendments, any proposal for our conversion, whether by charter amendment, merger or otherwise, from a closed-end company to an open-end company and any proposal for our liquidation or dissolution requires the approval of the stockholders entitled to cast at least 80% of the votes entitled to be cast on such matter. However, if such amendment or proposal is approved by 75% or more of our continuing directors (in addition to approval by our board of directors), such amendment or proposal may be approved by a majority of the votes entitled to be cast on such a matter. The “continuing directors” are defined in our charter as (1) our current directors, (2) those directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of our current directors then on the board of directors or (3) any successor directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of continuing directors or the successor continuing directors then in office.

Our charter and bylaws provide that the board of directors will have the exclusive power to adopt, alter, amend or repeal any provision of our bylaws and to make new bylaws.

No Appraisal Rights

Except with respect to appraisal rights arising in connection with the Maryland Control Share Acquisition Act discussed below, as permitted by the Maryland General Corporation Law, our charter provides that stockholders will not be entitled to exercise appraisal rights unless a majority of the board of directors shall determine such rights apply.

Control Share Acquisitions

The Maryland General Corporation Law provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter (the "Control Share Acquisition Act"). Shares owned by the acquiror, by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

The requisite stockholder approval must be obtained each time an acquiror crosses one of the thresholds of voting power set forth above. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the board of directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations, including, as provided in our bylaws compliance with the 1940 Act. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholder meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The Control Share Acquisition Act does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (b) to acquisitions approved or exempted by the charter or bylaws of the corporation. Our bylaws contain a provision exempting from the Control Share Acquisition Act any and all acquisitions by any person of our shares of stock. There can be no assurance that such provision will not be amended or eliminated at any time in the future. However, we will amend our bylaws to be subject to the Control Share Acquisition Act only if the board of directors determines that it would be in our best interests and if the Securities and Exchange Commission ("SEC") staff does not object to our determination that our being subject to the Control Share Acquisition Act does not conflict with the 1940 Act.

Business Combinations

Under Maryland law, "business combinations" between a corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder (the "Business Combination Act"). These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's outstanding voting stock; or

- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under this statute if the board of directors approved in advance the transaction by which the stockholder otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

After the five-year prohibition, any business combination between the corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and

- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution that any business combination between us and any other person is exempted from the provisions of the Business Combination Act, provided that the business combination is first approved by the board of directors, including a majority of the directors who are not interested persons as defined in the 1940 Act. This resolution may be altered or repealed in whole or in part at any time. However, our board of directors will adopt resolutions so as to make us subject to the provisions of the Business Combination Act only if the board of directors determines that it would be in our best interests and if the SEC staff does not object to our determination that our being subject to the Business Combination Act does not conflict with the 1940 Act. If this resolution is repealed, or the board of directors does not otherwise approve a business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Conflict with the 1940 Act

Our bylaws provide that, if and to the extent that any provision of the Maryland General Corporation Law, including the Control Share Acquisition Act (if we amend our bylaws to be subject to such Act) and the Business Combination Act, or any provision of our charter or bylaws conflicts with any provision of the 1940 Act, the applicable provision of the 1940 Act will control.

B. Debt Securities – 4.75% Notes due 2026

On January 25, 2021, the Company closed a private offering of $130,000,000 in aggregate principal amount of senior unsecured notes (the "2026 Notes"). Aggregate underwriting commissions were $3,325,000 and other issuance costs were $683,000, resulting in net proceeds of approximately $125,992,000. The 2026 Notes mature on February 15, 2026 and may be redeemed in whole or in part at any time or from time to time at the Company's option at par plus a "make-whole" premium, if applicable. The 2026 Notes bear interest at an annual rate of 4.75% payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2021. The 2026 Notes are general, unsecured obligations and rank equal in right of payment with all of the Company's existing and future unsecured indebtedness. As of December 31, 2021, the Company had $130,000,000 in aggregate principal amount of senior unsecured notes outstanding.

The 2026 Notes were issued under that certain indenture, dated September 12, 2018 (the "Base Indenture"), by and between the Company and U.S. Bank National Association (the "Trustee"), as supplemented by the second supplemental indenture dated as of January 25, 2021 (the "Second Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Company and the Trustee. The Indenture provides that debt securities may be issued under the Indenture from time to time in one or more series. The Indenture and the 2026 Notes are governed by, and construed in accordance with, the laws of the State of New York. The Indenture does not limit the amount of debt securities that we may issue under that Indenture. We may, without the consent of the holders of the debt securities of any series, issue additional debt securities ranking equally with, and otherwise similar in all respects to, the debt securities of the series (except for the public offering price and the issue date) so that those additional debt securities will be consolidated and form a single series with the debt securities of the series previously offered and sold.

The 2026 Notes are the Company's direct unsecured obligations and rank:

- *pari passu* with our existing and future unsecured, unsubordinated indebtedness;
- senior to any series of preferred stock that we may issue in the future;
- senior to any of our future indebtedness that expressly provides it is subordinated to the 2026 Notes;
- effectively subordinated to all our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness, including, without limitation, borrowings under our revolving credit facility; and
- structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries and any other future subsidiaries of the Company, including Monroe Capital Corporation SBIC, LP.

We may redeem the 2026 Notes in whole or in part at any time or from time to time. See " — Optional Redemption" for more information.

As required by federal law for all bonds and notes of companies that are publicly offered in the United States, the debt securities are governed by a document called an "indenture." An indenture is a contract between us and a financial institution acting as trustee on a holder's behalf, and is subject to and governed by the Trust Indenture Act of 1939, as amended. The Trustee with respect to the 2026 Notes has two main roles. First, the Trustee can enforce holders' rights against us if we default. See " — Events of Default" for more information regarding limitations on the extent to which the Trustee acts on holders' behalf. Second, the Trustee performs certain administrative duties for us, such as sending interest and principal payments to holders.

General

For purposes of this description, any reference to the payment of principal of, or premium or interest, if any, on, the 2026 Notes will include additional amounts if required by the terms of the 2026 Notes.

The Indenture does not limit the amount of debt (including secured debt) that may be issued by us or our subsidiaries under the Indenture or otherwise, but does contain a covenant regarding our asset coverage that would have to be satisfied at the time of our incurrence of additional indebtedness. See "— Other Covenants" and "— Events of Default." Other than as described under "— Other Covenants" and "— Events of Default" below, the Indenture does not contain any financial covenants or restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under "— Offer to Repurchase Upon a Change of Control Repurchase Event" and "— Merger, Consolidation or Asset Sale" below, the Indenture does not contain any covenants or other provisions designed to afford holders of the 2026 Notes protection in the event of a highly leveraged transaction involving us or if our credit rating declines as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect a holder's investment in the 2026 Notes.

We have the ability to issue indenture securities with terms different from the 2026 Notes and, without the consent of the holders of the 2026 Notes, to reopen the 2026 Notes and issue additional 2026 Notes.

We do not intend to list the 2026 Notes on any securities exchange or automated dealer quotation system.

Covenants

In addition to any other covenants described in this description, as well as standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment and related matters, the following covenants apply to the 2026 Notes:

- We agree that for the period of time during which the 2026 Notes are outstanding, we will not violate Section 18(a)(1)(A) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from incurring additional indebtedness, including through the issuance of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150% after such incurrence or issuance.

- We agree that, for the period of time during which the 2026 Notes are outstanding, we will not violate Section 18(a)(1)(B) as modified by (i) Section 61(a)(2) of the 1940 Act or any successor provisions and after giving effect to any exemptive relief granted to us by the SEC and (ii) the two other exceptions set forth below. These provisions of the 1940 Act will not be applicable to us as a statutory matter, but instead we have contractually agreed to abide by these provisions as if they were applicable to us and as otherwise modified in the manner described below. Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act generally prohibits a business development company from declaring any cash dividend or distribution upon any class of its capital stock, or purchasing any such capital stock if its asset coverage, as defined in the 1940 Act, were below 150% at the time of the declaration of the dividend or distribution or the purchase and after deducting the amount of such dividend, distribution, or purchase. Under this covenant, pursuant to which we have agreed to contractually abide by the above-described provisions, we will be permitted to declare a cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, but only up to such amount as is necessary for us to maintain our status as a regulated investment company under Subchapter M of the Code. Furthermore, the covenant will not be triggered unless and until such time as our asset coverage has not been in compliance with the minimum asset coverage required by Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions (after giving effect to any exemptive relief granted to us by the SEC) for more than six consecutive months.

- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the 2026 Notes and the Trustee, for the period of time during which the 2026 Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable U.S. GAAP.

Optional Redemption

The 2026 Notes may be redeemed in whole or in part at any time or from time to time at our option, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price (as determined by us) equal to the greater of the following amounts, plus, in each case, accrued and unpaid interest to, but excluding, the redemption date: (1) 100% of the principal amount of the 2026 Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the 2026 Notes to be redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using the applicable Treasury Rate plus 50 basis points; provided, however, that if we redeem any 2026 Notes on or after November 15, 2025 (the date falling three months prior to the maturity date of the 2026 Notes), the redemption price for the 2026 Notes will be equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption; provided, further, that no such partial redemption shall reduce the portion of the principal amount of a 2026 Note not redeemed to less than $2,000.

Holders may be prevented from exchanging or transferring the 2026 Notes when they are subject to redemption. In case any 2026 Notes are held in certificate form and are to be redeemed in part only, the redemption notice will provide that, upon surrender of such 2026 Note, the holder will receive, without a charge, a new 2026 Note or 2026 Notes of authorized denominations representing the principal amount of the holder's remaining unredeemed 2026 Notes. Any exercise of our option to redeem the 2026 Notes will be done in compliance with the Indenture, the terms of our revolving credit facility and, to the extent applicable, the 1940 Act.

If we redeem only some of the 2026 Notes, the Trustee or, with respect to global securities, the Depository Trust Company ("DTC") will determine the method for selection of the particular 2026 Notes to be redeemed, in accordance with the Indenture and the 1940 Act, to the extent applicable. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the 2026 Notes called for redemption.

For purposes of calculating the redemption price in connection with the redemption of the 2026 Notes, on any redemption date, the following terms have the meanings set forth below:

"Comparable Treasury Issue" means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the 2026 Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financing practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2026 Notes being redeemed.

"Comparable Treasury Price" means (1) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Quotation Agent" means a Reference Treasury Dealer selected by us.

"Reference Treasury Dealer" means each of any four primary U.S. government securities dealers selected by us.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date. All determinations made by any Reference Treasury Dealer, including the Quotation Agent, with respect to determining the redemption price will be final and binding absent manifest error.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue (computed as of the third business day immediately preceding the redemption), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The redemption price and the Treasury Rate will be determined by us.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs, unless we have exercised our right to redeem the 2026 Notes in full, we will make an offer to each holder of 2026 Notes to repurchase all or any part (in minimum denominations of $2,000 and integral multiples of $1,000 principal amount) of that holder's 2026 Notes at a repurchase price in cash equal to 100% of the aggregate principal amount of 2026 Notes repurchased plus any accrued and unpaid interest on the 2026 Notes repurchased to the date of purchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will mail a notice to each holder describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase 2026 Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the 2026 Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the 2026 Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the 2026 Notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, subject to extension if necessary to comply with the provisions of the 1940 Act, we will, to the extent lawful:

(1) accept for payment all 2026 Notes or portions of 2026 Notes properly tendered pursuant to our offer;

(2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all 2026 Notes or portions of 2026 Notes properly tendered; and

(3) deliver or cause to be delivered to the trustee the 2026 Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of 2026 Notes being purchased by us.

The paying agent will promptly remit to each holder of 2026 Notes properly tendered the purchase price for the 2026 Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new 2026 Note equal in principal amount to any unpurchased portion of any 2026 Notes surrendered; *provided* that each new 2026 Note will be in a minimum principal amount of $2,000 or an integral multiple of $1,000 in excess thereof.

We will not be required to make an offer to repurchase the 2026 Notes upon a Change of Control Repurchase Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all 2026 Notes properly tendered and not withdrawn under its offer. The source of funds that will be required to repurchase 2026 Notes in the event of a Change of Control Repurchase Event will be our available cash or cash generated from our operations or other potential sources, including funds provided by a purchaser in the Change of Control transaction, borrowings, sales of assets or sales of equity. We cannot assure you that sufficient funds from such sources will be available at the time of any Change of Control Repurchase Event to make required repurchases of 2026 Notes tendered. The terms of our credit facility provide that certain change of control events will constitute an event of default thereunder entitling the lenders to accelerate any indebtedness outstanding under our credit facility at that time and to terminate the credit facility. In this regard, the occurrence of a Change of Control Repurchase Event enabling the holders of the 2026 Notes to require the mandatory purchase of the 2026 Notes would constitute an event of default under our credit facility, entitling the lenders to accelerate any indebtedness outstanding under our credit facility at that time and to terminate the credit facility. As a result, we may not be able to comply with our obligations under the Change of Control Repurchase Event provisions of the indenture governing the 2026 Notes unless we were to obtain the consent of the lenders under the credit facility or find another means to do so. Our and our subsidiaries' future financing facilities may contain similar provisions or other restrictions. Our failure to purchase such tendered 2026 Notes upon the occurrence of such Change of Control Repurchase Event would cause an event of default under the indenture governing the 2026 Notes and a cross-default under the credit facility and agreements governing other indebtedness, which may result in the acceleration of such indebtedness requiring us to repay that indebtedness immediately. If the holders of the 2026 Notes exercise their right to require us to repurchase 2026 Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could cause a default under our current and future debt instruments, even if the Change of Control Repurchase Event itself would not cause a default. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of the 2026 Notes and/or our other debt.

The definition of "Change of Control" includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of "all or substantially all" of our properties or assets and those of our subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise, established definition of the phrase under applicable law. Accordingly, the ability of a holder of 2026 Notes to require us to repurchase the 2026 Notes as a result of a sale, transfer, conveyance or other disposition of less than all of our assets and the assets of our subsidiaries taken as a whole to another person or group may be uncertain.

For purposes of the 2026 Notes:

"Below Investment Grade Rating Event" means the 2026 Notes are downgraded below Investment Grade by the Rating Agency on any date from the date of the public notice of an arrangement that results in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the 2026 Notes is under publicly announced consideration for possible downgrade by the Rating Agency); *provided* that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agency does not announce or publicly confirm or inform the trustee in writing at its request (acting at the direction of holders of a majority in Principal amount of the 2026 Notes) that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

"Change of Control" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially all of the assets of Monroe Capital Corporation and its Controlled Subsidiaries taken as a whole to any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act), other than to any Permitted Holders; provided that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of Monroe Capital Corporation or its Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition;

(2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of Monroe Capital Corporation, measured by voting power rather than number of shares; or

(3) the approval by Monroe Capital Corporation's stockholders of any plan or proposal relating to the liquidation or dissolution of Monroe Capital Corporation.

"Change of Control Repurchase Event" means the occurrence of a Change of Control and a Below Investment Grade Rating Event.

"Controlled Subsidiary" means any subsidiary of Monroe Capital Corporation, 50% or more of the outstanding equity interests of which are owned by Monroe Capital Corporation and its direct or indirect subsidiaries and of which Monroe Capital Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting equity interests, by agreement or otherwise.

"Egan-Jones" means Egan-Jones Ratings Company or any successor thereto.

"Investment Grade" means a rating of BBB- or better by Egan-Jones (or its equivalent under any successor rating categories of Egan-Jones) (or, if such Rating Agency ceases to rate the 2026 Notes for reasons outside of our control, the equivalent investment grade credit rating from any Rating Agency selected by us as a replacement Rating Agency).

"Permitted Holders" means (i) us, (ii) one or more of our Controlled Subsidiaries or (iii) MC Advisors, any affiliate of MC Advisors or any entity that is managed or advised by MC Advisors or any of their affiliates.

"Rating Agency" means:

(1) Egan-Jones; and

(2) if Egan-Jones ceases to rate the 2026 Notes or fails to make a rating of the 2026 Notes publicly available for reasons outside of our control, a "nationally recognized statistical rating organization" as defined in Section (3)(a)(62) of the Exchange Act selected by us as a replacement agency for Egan-Jones.

"Voting Stock" as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Global Securities

As noted above, the 2026 Notes were issued as registered securities in book-entry form only. A global security represents one or any other number of individual debt securities. Generally, all debt securities represented by the same global securities will have the same terms.

Each 2026 Note issued in book-entry form will be represented by a global security that we deposit with and register in the name of DTC or its nominee. A global security may not be transferred to or registered in the name of anyone other than the depositary or its nominee, unless special termination situations arise. As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and holder of all the 2026 Notes represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depositary or with another institution that has an account with the depositary. Thus, an investor whose security is represented by a global security will not be a holder of the debt security, but only an indirect holder of a beneficial interest in the global security. For more information about these arrangements, see " — Book-Entry Procedures" below.

Termination of a Global Security

If a global security is terminated for any reason, interests in it will be exchanged for certificates in non-book-entry form (certificated securities). After that exchange, the choice of whether to hold the certificated 2026 Notes directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a global security transferred on termination to their own names, so that they will be holders.

Conversion and Exchange

The 2026 Notes are not convertible into or exchangeable for other securities.

Payment

We will pay interest to the person listed in the Trustee's records as the owner of the 2026 Notes at the close of business on a particular day in advance of each due date for interest, even if that person no longer owns the 2026 Note on the interest due date. That day, usually about two weeks in advance of the interest due date, is called the "record date." Because we will pay all the interest for an interest period to the holders on the record date, holders buying and selling the 2026 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 2026 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period. This prorated interest amount is called "accrued interest."

Payments on Global Securities

We will make payments on the 2026 Notes so long as they are represented by a global security in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments will be governed by the rules and practices of the depositary and its participants, as described under " — Book-Entry Procedures" below.

Payments on Certificated Securities

In the event the 2026 Notes become represented by certificated securities, we will make payments on the 2026 Notes as follows. We will pay interest that is due on an interest payment date to the holder of the 2026 Notes as shown on the Trustee's records as of the close of business on the regular record date. We will make all payments of principal and premium, if any, by check at the office of the Trustee in New York, New York and/or at other offices that may be specified in the Indenture or a notice to holders against surrender of the 2026 Note.

Alternatively, if the holder asks us to do so, we will pay any amount that becomes due on the 2026 Note by wire transfer of immediately available funds to an account at a bank in New York, New York, on the due date. To request payment by wire, the holder must give the Trustee or other paying agent appropriate written transfer instructions at least 15 business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person who is the holder on the relevant regular record date. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Payment When Offices Are Closed

If any payment is due on the 2026 Notes on a day that is not a business day, we will make the payment on the next day that is a business day. Payments made on the next business day in this situation will be treated under the Indenture as if they were made on the original due date. Such payment will not result in a default under the 2026 Notes or the Indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a business day.

Events of Default

Investors will have rights if an Event of Default, as defined below, occurs with respect to the 2026 Notes and the Event of Default is not cured, as described later in this subsection.

The term "Event of Default" with respect to the 2026 Notes means any of the following:

- we do not pay the principal of (or premium on, if any) any 2026 Note when due and payable at maturity;
- we do not pay interest on any 2026 Note when due and payable, and such default is not cured within 30 days of its due date;
- we remain in breach of any other covenant in respect of the 2026 Notes for 60 days after we receive a written notice of default stating we are in breach (the notice must be sent by either the Trustee or holders of at least 25% of the principal amount of the outstanding 2026 Notes);
- default by us or any of our significant subsidiaries, as defined in Article 1, Rule 1-02 of Regulation S-X promulgated under the Exchange Act (but excluding any subsidiary which is (a) a non-recourse or limited recourse subsidiary, (b) a bankruptcy remote special purpose vehicle, or (c) is not consolidated with Monroe Capital Corporation for purposes of GAAP), with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of $50 million in the aggregate of us and/or any such subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such debt when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, unless, in either case, such indebtedness is discharged, or such acceleration is rescinded, stayed or annulled, within a period of 30 calendar days after written notice of such failure is given to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the Notes then outstanding;
- we file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and such order or decree remains undischarged or unstayed for a period of 60 days; or
- on the last business day of each of twenty-four consecutive calendar months, the 2026 Notes have an asset coverage (as such term is defined in the 1940 Act) of less than 100%.

An Event of Default for the 2026 Notes may, but does not necessarily, constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. Within 90 days after the occurrence of any default under the indenture with respect to the 2026 Notes, the trustee shall transmit notice to the holders of such default known to the trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any, on) or interest, if any, on any 2026 Note, the trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors of the trustee in good faith determines that withholding of such notice is in the interest of the holders of the 2026 Notes; and provided further that in the case of any default or breach specified in the third bullet point above with respect to the 2026 Notes, no such notice shall be given until at least 60 days after the occurrence thereof.

Remedies if an Event of Default Occurs

If an Event of Default has occurred and is continuing, then and in every case (other than an Event of Default specified in the penultimate bullet point above), the Trustee or the holders of not less than 25% in principal amount of the 2026 Notes may declare the entire principal amount of all the 2026 Notes to be due and immediately payable, but this does not entitle any holder of 2026 Notes to any redemption payout or redemption premium. Notwithstanding the foregoing, in the case of the events of bankruptcy, insolvency or reorganization described in the penultimate bullet point above, 100% of the principal of and accrued and unpaid interest on the 2026 Notes will automatically become due and payable. In certain circumstances, a declaration of acceleration of maturity pursuant to either of the prior two sentences may be canceled by the holders of a majority in principal amount of the 2026 Notes if (1) we have deposited with the Trustee all amounts due and owing with respect to the 2026 Notes (other than principal or any payment that has become due solely by reason of such acceleration) and certain other amounts, and (2) any other Events of Default have been cured or waived.

Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the Trustee protection from expenses and liability reasonably satisfactory to it (called an "indemnity"). If indemnity reasonably satisfactory to the Trustee is provided, the holders of a majority in principal amount of the outstanding 2026 Notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the Trustee. The Trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before a holder of 2026 Notes is allowed to bypass the Trustee and bring a lawsuit or other formal legal action or take other steps to enforce the holder's rights or protect the holder's interests relating to the 2026 Notes, the following must occur:

- the holder must give the Trustee written notice that an Event of Default has occurred and remains uncured;
- the holders of at least 25% in principal amount of all outstanding 2026 Notes must make a written request that the Trustee take action because of the default and must offer the Trustee indemnity, security, or both reasonably satisfactory to it against the cost and other liabilities of taking that action;
- the Trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity and/or security; and
- the holders of a majority in principal amount of the 2026 Notes must not have given the Trustee a direction inconsistent with the above notice during that 60-day period.

However, the holder is entitled at any time to bring a lawsuit for the payment of money due on the holder's 2026 Notes on or after the due date.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the Trustee and how to declare or cancel an acceleration of maturity.

Each year, we will furnish to the Trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the Indenture and the 2026 Notes, or else specifying any default.

Waiver of Default

The holders of a majority in principal amount of the 2026 Notes may waive any past defaults other than a default:

- in the payment of principal (or premium, if any) or interest; or
- in respect of a covenant that cannot be modified or amended without the consent of each holder of the 2026 Notes.

Merger, Consolidation or Asset Sale

Under the terms of the Indenture, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell all or substantially all of our assets to another entity. However, we may not take any of these actions unless all the following conditions are met:

- where we merge out of existence or convey or transfer all or substantially all of our assets, the resulting entity must agree to be legally responsible for our obligations under the 2026 Notes;
- immediately after giving effect to the transaction, no default or Event of Default shall have occurred and be continuing; and
- we must deliver certain certificates and documents to the Trustee.

An assumption by any person of obligations under the 2026 Notes and the indenture might be deemed for U.S. federal income tax purposes to be an exchange of the 2026 Notes for new 2026 Notes by the holders thereof, resulting in recognition of gain or loss for such purposes and possibly other adverse tax consequences to the holders. Holders should consult their own tax advisors regarding the tax consequences of such an assumption.

Modification or Waiver

There are three types of changes we can make to the Indenture and the 2026 Notes issued thereunder.

Changes Requiring the Holder's Approval

First, there are changes that we cannot make to the 2026 Notes without approval from each affected holder. The following is a list of those types of changes:

- change the stated maturity of the principal of (or premium, if any, on) or any installment of principal of or interest on the 2026 Notes;
- reduce any amounts due on the 2026 Notes or reduce the rate of interest on the 2026 Notes;
- reduce the amount of principal payable upon acceleration of the maturity of a 2026 Note following a default;
- change the place or currency of payment on a 2026 Note;
- impair the holder's right to sue for payment;
- reduce the percentage of holders of the 2026 Notes whose consent is needed to modify or amend the Indenture; and
- reduce the percentage of holders of the 2026 Notes whose consent is needed to waive compliance with certain provisions of the Indenture or to waive certain defaults or reduce the percentage of holders of 2026 Notes required to satisfy quorum or voting requirements at a meeting of holders of the 2026 Notes.

Changes Not Requiring Approval

The second type of change does not require any vote by the holders of the 2026 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 2026 Notes in any material respect.

Changes Requiring Majority Approval

Any other change to the Indenture and the 2026 Notes would require the following approval:

- if the change affects only the 2026 Notes, it must be approved by the holders of a majority in principal amount of the 2026 Notes; and
- if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

In each case, the required approval must be given by written consent.

The holders of a majority in principal amount of all of the series of debt securities issued under an indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under " — Changes Requiring the Holder's Approval."

Further Details Concerning Voting

When taking a vote, we will use the following rules to decide how much principal to attribute to the 2026 Notes:

The 2026 Notes will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption or if we or any affiliate of ours own any 2026 Notes. The 2026 Notes will also not be eligible to vote if they have been fully defeased as described under " — Defeasance — Full Defeasance" below.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of the 2026 Notes that are entitled to vote or take other action under the Indenture. However, the record date may not be earlier than 30 days before the date of the first solicitation of holders to vote on or take such action and not later than the date such solicitation is completed. If we set a record date for a vote or other action to be taken by holders of the 2026 Notes, that vote or action may be taken only by persons who are holders of the 2026 Notes on the record date and must be taken within eleven months following the record date.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect with respect to the 2026 Notes when:

(1) Either

(a) all the 2026 Notes that have been authenticated have been delivered to the Trustee for cancellation; or

(b) all the 2026 Notes that have not been delivered to the Trustee for cancellation:

(i) have become due and payable, or

(ii) will become due and payable at their stated maturity within one year, or

(iii) are to be called for redemption within one year,

and we, in the case of (i), (ii) or (iii) above, have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders of the 2026 Notes, in amounts as will be sufficient, to pay and discharge the entire indebtedness (including all principal, premium, if any, and interest) on such 2026 Notes not previously delivered to the Trustee for cancellation (in the case of 2026 Notes that have become due and payable on or prior to the date of such deposit) or to the stated maturity or redemption date, as the case may be;

(2) we have paid or caused to be paid all other sums payable by us under the Indenture with respect to the 2026 Notes; and

(3) we have delivered to the Trustee an officers' certificate and legal opinion, each stating that all conditions precedent provided for in the Indenture relating to the satisfaction and discharge of the Indenture and the 2026 Notes have been complied with.

Defeasance

The following provisions will be applicable to the 2026 Notes. "Defeasance" means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the 2026 Notes when due and satisfying any additional conditions noted below, we will be deemed to have been discharged from our obligations under the 2026 Notes. In the event of a "covenant defeasance," upon depositing such funds and satisfying similar conditions discussed below we would be released from certain covenants under the Indenture relating to the 2026 Notes.

Covenant Defeasance

Under current U.S. federal income tax law and the Indenture, we can make the deposit described below and be released from some of the restrictive covenants in the Indenture under which the 2026 Notes were issued. This is called "covenant defeasance." In that event, the holder of 2026 Notes would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay 2026 Notes of the holders. In order to achieve covenant defeasance, the following must occur:

- since the 2026 Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 2026 Notes a combination of cash and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the 2026 Notes on their various due dates;

- we must deliver to the Trustee a legal opinion of our counsel confirming that, under current U.S. federal income tax law, we may make the above deposit without causing holders to be taxed on the 2026 Notes any differently than if we did not make the deposit;

- we must deliver to the Trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to covenant defeasance have been complied with;

- defeasance must not result in a breach or violation of, or result in a default under, the Indenture or any of our other material agreements or instruments; and

- no default or Event of Default with respect to the 2026 Notes shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

If we accomplish covenant defeasance, a holder can still look to us for repayment of the 2026 Notes if there were a shortfall in the trust deposit or the Trustee is prevented from making payment. For example, if one of the remaining Events of Default occurred (such as our bankruptcy) and the 2026 Notes became immediately due and payable, there might be a shortfall. Depending on the event causing the default, a holder may not be able to obtain payment of the shortfall.

Full Defeasance

The 2026 Notes are subject to full defeasance. Full defeasance means that we can legally release ourselves from all payment and other obligations on the 2026 Notes, subject to the satisfaction of certain conditions, including, but not limited to that (a) we have received from, or there has been published by, the Internal Revenue Service (the "IRS") a ruling, or (b) there is a change in U.S. federal income tax law, in either case to the effect that the holders of the Notes and any coupons appertaining thereto will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred (called "full defeasance"), and that we put in place the following other arrangements for you to be repaid:

- since the 2026 Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 2026 Notes a combination of cash and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the 2026 Notes on their various due dates;

- we must deliver to the Trustee a legal opinion confirming that there has been a change in current U.S. federal tax law or an IRS ruling that allows us to make the above deposit without causing a holder to be taxed on the 2026 Notes any differently than if we did not make the deposit;

- we must deliver to the Trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to defeasance have been complied with;

- defeasance must not result in a breach or violation of, or constitute a default under, the Indenture or any of our other material agreements or instruments; and

- no default or Event of Default with respect to the 2026 Notes shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

If we ever did accomplish full defeasance, as described above, a holder would have to rely solely on the trust deposit for repayment of the 2026 Notes. A holder could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent.

Form, Exchange and Transfer of Certificated Registered Securities

If registered 2026 Notes cease to be issued in book-entry form, they will be issued:

- only in fully registered certificated form;

- without interest coupons; and

- unless we indicate otherwise, in denominations of $2,000 and amounts that are multiples of $1,000.

Holders may exchange their certificated securities for 2026 Notes of smaller denominations or combined into fewer 2026 Notes of larger denominations, as long as the total principal amount is not changed and as long as the denomination is equal to or greater than $2,000.

Holders may exchange or transfer their certificated securities at the office of the Trustee. We have appointed the Trustee to act as our agent for registering 2026 Notes in the names of holders transferring 2026 Notes. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their certificated securities, but they may be required to pay any tax (including a withholding tax) or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any certificated securities of 2026 Notes are redeemable and we redeem less than all the 2026 Notes, we may block the transfer or exchange of those 2026 Notes selected for redemption during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any certificated 2026 Notes selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any 2026 Note that will be partially redeemed.

If registered 2026 Notes are issued in book-entry form, only the depositary will be entitled to transfer and exchange the 2026 Notes as described in this subsection, since it will be the sole holder of the 2026 Notes.

Resignation of Trustee

The Trustee may resign or be removed with respect to the 2026 Notes provided that a successor trustee is appointed to act with respect to the 2026 Notes. In the event that two or more persons are acting as trustee with respect to different series of indenture securities under the Indenture, each of the trustees will be a trustee of a trust separate and apart from the trust administered by any other trustee.

The Trustee under the Indenture

U.S. Bank National Association serves as the trustee, paying agent, and security registrar under the Indenture.

Book-Entry Procedures

The 2026 Notes will be represented by global securities that will be deposited and registered in the name of DTC or its nominee. This means that, except in limited circumstances, a holder will not receive certificates for the 2026 Notes. Beneficial interests in the 2026 Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the 2026 Notes through either DTC, if they are a participant, or indirectly through organizations that are participants in DTC.

The 2026 Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each issuance of the 2026 Notes, in the aggregate principal amount thereof, and will be deposited with DTC. Interests in the 2026 Notes will trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such 2026 Notes will, therefore, be required by DTC to be settled in immediately available funds. None of the Company, the Trustee or the paying agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC").

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's Ratings Services rating of AA+. The DTC Rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the 2026 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Notes on DTC's records. The ownership interest of each actual purchaser of each security, or the "Beneficial Owner," is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2026 Notes, except in the event that use of the book-entry system for the 2026 Notes is discontinued.

To facilitate subsequent transfers, all 2026 Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2026 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the 2026 Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2026 Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Redemption proceeds, distributions, and interest payments on the 2026 Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the Trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC nor its nominee, the Trustee, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the Trustee, but disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2026 Notes at any time by giving reasonable notice to us or to the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered. We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for its accuracy.

Exhibit 10.11

Execution Version

AMENDMENT NO. 4 TO SECOND AMENDED AND RESTATED SENIOR SECURED REVOLVING CREDIT AGREEMENT

This AMENDMENT NO. 4 TO SECOND AMENDED AND RESTATED SENIOR SECURED REVOLVING CREDIT AGREEMENT (this "Amendment"), dated as of December 30, 2021, is made with respect to the Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of March 1, 2019 (as amended by that certain Amendment No. 1 to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of March 20, 2019, as further amended by that certain Amendment No. 2 to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of September 27, 2019, as further amended by that certain Amendment No. 3 and Limited Waiver to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of May 21, 2020, and as further amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Credit Agreement"), among MONROE CAPITAL CORPORATION, a Maryland corporation (the "Borrower"), the lenders party to the Credit Agreement from time to time (the "Lenders"), and ING CAPITAL LLC, as administrative agent for the Lenders under the Credit Agreement (in such capacity, together with its successors in such capacity, the "Administrative Agent"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement (as amended hereby).

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have made certain loans and other extensions of credit to the Borrower; and

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 NOTIFICATION

The Administrative Agent, by execution and delivery of this Amendment, hereby provides written notice to the Lenders and the Borrower that it has determined and it is electing to declare that an Early Opt-in Election has occurred in connection with all Loans, Letters of Credit and obligations denominated in Dollars and Pounds Sterling. The amendments set forth in Section II hereof include, among other things, Benchmark Replacement Conforming Changes in connection with such Early Opt-in Election.

SECTION II AMENDMENTS TO CREDIT AGREEMENT

2.1. Amendments. Effective as of the Amendment No. 4 Effective Date (as defined below), and subject to the terms and conditions set forth in Section 3.1 and in reliance upon the representations and warranties made by the Obligors in Section 3.2, the Administrative Agent and the Lenders party hereto hereby agree as follows:

(a) The Credit Agreement is hereby amended to delete the bold, red stricken text (indicated textually in the same manner as the following example: ~~**stricken text**~~) and to add the bold, blue double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the Credit Agreement attached as Annex A hereto.

(b) Exhibits D and E to the Credit Agreement are hereby amended by deleting such Exhibits in their entirety and substituting the replacement Exhibits attached hereto as Annex B therefor.

SECTION III MISCELLANEOUS

3.1. Conditions to Effectiveness of Amendment. This Amendment shall become effective as of the date (the "Amendment No. 4 Effective Date") on which the Obligors shall have satisfied each of the following conditions precedent:

(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. 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 each such party has signed a counterpart of this Amendment.

(ii) Resolutions. A certificate of the secretary or assistant secretary (or other senior officer) of each Obligor, dated the Amendment No. 4 Effective Date, certifying that attached thereto are (1) true and complete resolutions of the Board of Directors of each Obligor approving and authorizing the execution, delivery and performance of this Amendment and the other Loan Documents to which it is a party or by which it or its assets may be bound as of the Amendment No. 4 Effective Date, and certified as of the Amendment No. 4 Effective Date by its secretary or an assistant secretary (or other senior officer) that such resolutions are in full force and effect without modification or amendment and (2) such other documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Obligor, and the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(b) Consents. Each Obligor shall have obtained and delivered to the Administrative Agent certified copies of all consents, approvals, authorizations, registrations, or filings required to be made or obtained by such Obligor and all guarantors in connection with this Amendment (other than any filing related to this Amendment required to be made after the Amendment No. 4 Effective Date in the ordinary course pursuant to the Exchange Act or the rules or regulations promulgated thereunder, including, without limitation, any filing required on Form 8-K), 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 this Amendment or any transaction being financed with the proceeds of the Loans shall be ongoing.

(c) Fees and Expenses. The Administrative Agent shall have received all costs, fees and expenses required to be paid on the Amendment No. 4 Effective Date pursuant to this Amendment, the Credit Agreement, the fee letter referred to above or as otherwise agreed by the parties hereto (and, in the case of costs and expenses, to the extent invoiced on or prior to the Amendment No. 4 Effective Date).

(d) Default. After giving effect to Section 3.1 of this Amendment, no Default or Event of Default shall have occurred and be continuing under the Credit Agreement or this Amendment, nor any default or event of default that permits acceleration of any Material Indebtedness, immediately before and after giving effect to this Amendment, any incurrence of Indebtedness hereunder or thereunder and the use of proceeds hereof or thereof on a pro forma basis.

(e) Representations and Warranties. After giving effect to this Amendment (including, without limitation, Section 3.1 hereof), the representations and warranties of the Borrower or any other Obligor set forth in this Amendment, in the Credit 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 Amendment No. 4 Effective Date, or, as to any such representation or warranty that refers to a specific date, as of such specific date.

(f) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent may reasonably request in form and substance satisfactory to the Administrative Agent.

3.2. Representations and Warranties. To induce the other parties hereto to enter into this Amendment, each Obligor represents and warrants to the Administrative Agent and each of the Lenders that, as of the date hereof and after giving effect to this Amendment:

(a) This Amendment and the Credit Agreement (as amended by this Amendment) have been duly authorized, executed and delivered by each Obligor and constitutes a legal, valid and binding obligation of such Obligor enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) After giving effect to this Amendment (including, without limitation, Section 3.1 hereof), the representations and warranties of the Borrower or any other Obligor set forth in this Amendment, in the Credit Agreement and in the other Loan Documents 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. 4 Effective Date, or, as to any such representations and warranties that that refer to a specific date, as of such specific date.

3.3. 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.

3.4. Payment of Expenses. The Borrower agrees to pay and reimburse, pursuant to Section 9.03 of the Credit Agreement (as amended by this Amendment), the Administrative Agent, the Collateral Agent and their Affiliates for all of their reasonable, documented and out-of-pocket fees, costs and expenses incurred in connection with this Amendment and the other Loan Documents.

3.5. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

3.6. 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.

3.7. Incorporation of Certain Provisions. The provisions of Sections 1.03, 9.01, 9.07, 9.09 and 9.12 of the Credit Agreement (as amended hereby) are hereby incorporated by reference *mutatis mutandis* as if fully set forth herein.

3.8. 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, any Lender, any other Secured Party or any Obligor 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 or otherwise modified herein of the Credit Agreement and the other Loan Documents. 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 and otherwise modified by this Amendment and each reference in any other Loan Document shall mean the Credit Agreement as amended and otherwise modified hereby. This Amendment shall constitute a Loan Document.

3.9. Consent and Affirmation. Without limiting the generality of the foregoing, by its execution hereof, each Obligor hereby, as of the date hereof, (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) 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, and (iv) acknowledges and affirms that such grant is in full force and effect in respect of, and to secure, the Secured Obligations.

3.10. Release. Each Obligor hereby acknowledges and agrees that: (a) neither it nor any of its Affiliates has any claim or cause of action against the Administrative Agent, the Collateral Agent, any Lender or any other Secured Party (or any of their respective Affiliates, officers, directors, employees, attorneys, consultants or agents) under the Credit Agreement and the other Loan Documents (and each other document entered into in connection therewith), and (b) the Administrative Agent, the Collateral Agent, each Lender and each other Secured Party has heretofore properly performed and satisfied in a timely manner all of its obligations to the Obligors and their Affiliates under the Credit Agreement and the other Loan Documents (and each other document entered into in connection therewith) that are required to have been performed on or prior to the date hereof. Accordingly, for and in consideration of the agreements contained in this Amendment and other good and valuable consideration, each Obligor (for itself and its Affiliates and the successors, assigns, heirs and representatives of each of the foregoing) (collectively, the "Releasors") does hereby fully, finally, unconditionally and irrevocably release and forever discharge the Administrative Agent, the Collateral Agent, each Lender, each other Secured Party and each of their respective Affiliates, officers, directors, employees, attorneys, consultants and agents (collectively, the "Released Parties") from any and all debts, claims, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done on or prior to the date hereof directly arising out of, connected with or related to this Amendment, the Credit Agreement or any other Loan Document (or any other document entered into in connection therewith).

[Signature pages follow]

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.

MONROE CAPITAL CORPORATION,
as Borrower

By: /s/ Aaron Peck
Name: Aaron Peck
Title: Chief Financial Officer

MRCC HOLDING COMPANY I, LLC,
MRCC HOLDING COMPANY II, LLC,
MRCC HOLDING COMPANY III, LLC,
MRCC HOLDING COMPANY IV, LLC,
MRCC HOLDING COMPANY V, LLC,
MRCC HOLDING COMPANY VI, LLC,
MRCC HOLDING COMPANY VII, LLC,
MRCC HOLDING COMPANY VIII, LLC,
MRCC HOLDING COMPANY IX, LLC,
MRCC HOLDING COMPANY X, LLC,
MRCC HOLDING COMPANY XI, LLC,
MRCC HOLDING COMPANY XII, LLC,
MRCC HOLDING COMPANY XIII, LLC,
MRCC HOLDING COMPANY XIV, LLC,
MRCC HOLDING COMPANY XV, LLC,
MRCC HOLDING COMPANY XVI, LLC,
MRCC HOLDING COMPANY XVII, LLC,
MRCC HOLDING COMPANY XVIII, LLC, and
MRCC HOLDING COMPANY XIX, LLC,
each as a Subsidiary Guarantor

By: /s/ Aaron Peck
Name: Aaron Peck
Title: Chief Financial Officer

ING CAPITAL LLC, as Administrative Agent, Collateral Agent and a Lender

By: /s/ Patrick Frisch
Name: Patrick Frisch
Title: Managing Director

By: /s/ Dina T. Kook
Name: Dina Kook
Title: Director

[Signature Page to Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement]

TIAA, FSB, as successor in interest to certain assets of EverBank Commercial Finance, Inc., as a Lender

By: /s/ Joshua Kinsey
Name: Joshua Kinsey
Title: Vice President

[Signature Page to Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement]

CUSTOMERS BANK, as a Lender

By: /s/ Lyle P. Cunningham
Name: Lyle P. Cunningham
Title: Executive Vice President

[Signature Page to Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement]

CIBC BANK USA, as a Lender

By: /s/ Brendan Mulheran
Name: Brendan Mulheran
Title: Associate Managing Director

[Signature Page to Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement]

WINTRUST BANK, as a Lender

By: /s/ Rob Dmowski
Name: Rob Dmowski
Title: Senior Vice President

[Signature Page to Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement]

CADENCE BANK, N.A., as successor by merger with State Bank and Trust Company, successor by merger with AloStar Bank of Commerce, as a Lender

By: /s/ B. Earl Garris
Name: B. Earl Garris
Title: Vice President

[Signature Page to Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement]

THE HUNTINGTON NATIONAL BANK, as a Lender

By: /s/ Alexandra E. Dressman
Name: Alexandra E. Dressman
Title: Authorized Signer

[Signature Page to Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement]

CITY NATIONAL BANK, as a Lender

By: /s/ Andrew Miller
Name: Andrew Miller
Title: VP

[Signature Page to Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement]

Annex A

Credit Agreement

(See attached)

ANNEX A

~~**EXECUTION VERSION**~~

SECOND AMENDED AND RESTATED
SENIOR SECURED
REVOLVING CREDIT AGREEMENT

dated as of

March 1, 2019

as amended by Amendment No. 1 to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of March 20, 2019, Amendment No. 2 to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of September 27, 2019, ~~and~~ Amendment No. 3 and Limited Waiver to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of May 21, 2020, and

Amendment No. 4 to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of December 30, 2021

among

MONROE CAPITAL CORPORATION
as Borrower

The LENDERS Party Hereto

and

ING CAPITAL LLC
as Administrative Agent,
Arranger and Bookrunner

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SECOND AMENDED AND RESTATED SENIOR SECURED REVOLVING CREDIT AGREEMENT dated as of March 1, 2019 (this "Agreement"), among MONROE CAPITAL CORPORATION, a Maryland corporation (the "Borrower"), the LENDERS party hereto, and ING CAPITAL LLC, as Administrative Agent (in such capacity, the "Administrative Agent").

WHEREAS, the Borrower and the Administrative Agent entered into that certain Amended and Restated Senior Secured Revolving Credit Agreement dated as of December 14, 2015 (as the same has been amended, supplemented or otherwise modified from time to time until the date hereof, the "Existing Credit Agreement") with the lenders party thereto from time to time (the "Existing Lenders"), pursuant to which the Existing Lenders extended certain commitments and made certain loans to the Borrower (the "Existing Loans");

WHEREAS, the Borrower desires to amend and restate the Existing Credit Agreement to make certain changes, including to extend the maturity date and to provide for increased commitments from certain of the Existing Lenders (the "Increasing Existing Lenders"); and

WHEREAS, the Existing Lenders are willing to make such changes to the Existing Credit Agreement, and the Increasing Existing Lenders are willing to provide new commitments, each upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree that, effective as of the Restatement Effective Date, the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below and the terms defined in Section 5.13 have the meanings assigned thereto in such section:

"2023 Notes" shall mean the Borrower's 5.75% Notes due October 31, 2023 in an aggregate principal amount of up to $109,000,000 outstanding at any time, and without giving effect to any other amendment or modification thereto made after the Amendment No. 1 Effective Date (other than any modification made no later than one (1) Business Day after the Amendment No. 1 Effective Date, the sole purpose of which is to issue additional notes under the relevant indenture, subject to the aforementioned aggregate principal amount limitation).

"ABR", 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 and bearing interest at a rate determined by reference to the Alternate Base Rate.

"ABR Term SOFR Determination Day" has the meaning specified in the definition of "Daily Compounded SOFR".

"Accretive Value" shall mean, with respect to Preferred Stock, the dollar amount equal to the accretion to the Liquidation Preference, including accrued or declared and unpaid dividends, dividends paid in kind or other amounts (including any multiple payable on capital) otherwise owing to the holder thereof in excess of the initial Liquidation Preference.

"ACR Relief Fee" has the meaning assigned to such term in Section 2.09(a)(ii).

"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.

"Adjusted LIBO Rate" means, for the Interest Period for any Eurocurrency Borrowing denominated in Dollars, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (i) (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate for such Interest Period and (ii) zero.

"Adjusted Term SOFR" means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the SOFR Adjustment for such Interest Period; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"Administrative Agent" has the meaning assigned to such term in the preamble to this Agreement.

"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" of an Obligor shall not include any Person that constitutes a Portfolio Investment held by any Obligor 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 and Management Agreement, dated as of October 22, 2012 between the Borrower and the Investment Advisor, (b) the Staffing Agreement, dated as of October 22, 2012, by and between Monroe Capital Management Advisors, LLC and Investment Advisor, (c) the Administration Agreement, dated as of October 22, 2012 by and between Borrower and Monroe Capital Management Advisors, LLC and (d) the Trademark License Agreement, dated as of October 22, 2012, by and between Monroe Capital, LLC and Borrower.

"Affiliate Investment" means any Investment in a Person in which the Borrower or any of its Subsidiaries owns or controls more than 25% of the Equity Interests.

"Agency Account" has the meaning assigned to such term in Section 5.08(c)(v).

"Agent" means, collectively, the Administrative Agent and the Collateral Agent.

"Agreed Foreign Currency" means, at any time, any of Canadian Dollars, Euros, AUD and Pounds Sterling and, with the prior consent of each Multicurrency Lender, any other Foreign Currency, so long as, in respect of any such 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 or AUD, 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 and/or to permit the Borrower to borrow and repay the principal thereof and to pay the interest thereon, 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) (1) if the then-current Benchmark is the Adjusted LIBO Rate, (x) the Adjusted LIBO Rate for deposits in Dollars for a period of three (3) months ~~plus~~ (taking into account any floor under the definition of "Adjusted LIBO Rate") plus (y) 1%, (2) if the then-current Benchmark is Daily Compounded SOFR, (x) Daily Compounded SOFR in effect on such day (taking into account any floor set forth in the definition of "Daily Compounded SOFR") plus (y) 1% and (3) if the then-current Benchmark is Adjusted Term SOFR, (x) Adjusted Term SOFR for a period of one (1) month (taking into account any floor set forth in the definition of "Adjusted Term SOFR") plus (y) 1% and (d) zero. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate ~~or such~~, the Adjusted LIBO Rate, Daily Compounded SOFR or Adjusted Term SOFR shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate, ~~or such~~the Adjusted LIBO Rate, Daily Compounded SOFR or Adjusted Term SOFR, as the case may be. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.11(c) or if the Administrative Agent is not able to determine the Adjusted LIBO Rate, Daily Compounded SOFR or Adjusted Term SOFR for purposes of this definition for any reason, then the Alternate Base Rate shall be the greatest of clauses (a), (b) and (d) above and shall be determined without reference to clause (c) above.

"Amendment No. 1 Effective Date" means March 20, 2019.

"Amendment No. 3" means that certain Amendment No. 3 and Limited Waiver to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of the Amendment No. 3 Effective Date, which amends this Agreement.

"Amendment No. 3 Effective Date" means May 21, 2020.

"Anti-Corruption Laws" has the meaning assigned to such term in Section 3.21.

"Applicable Commitment Fee Rate" means, with respect to any Lender, a rate per annum equal to (x) 1.00%, if the utilized portion of such Lender's aggregate Commitments as of the close of business on such day (after giving effect to borrowings, prepayments and commitment reductions on such day) is less than or equal to an amount equal to thirty five percent (35%) of such Lender's aggregate Commitments and (y) 0.50% if the utilized portion of such Lender's aggregate Commitments as of the close of business on such day (after giving effect to borrowings, prepayments and commitment reductions on such day) is greater than an amount equal to thirty five percent (35%) of such Lender's aggregate Commitments.

"Applicable Margin" means (a) with respect to any ABR Loan, 1.625% per annum, and (b) with respect to any Eurocurrency Loan or RFR Loan, 2.625% per annum.

"Applicable Parties" has the meaning assigned to such term in Section 9.01(c).

"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 in full, 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 as set forth on Schedule 1.01(a), (c) in the case of any foreign Portfolio Investment, any foreign broker-dealer of internationally recognized standing as set forth on Schedule 1.01(a) or any Affiliate thereof, in the case of each of clauses (a), (b) and (c) above or (d) any other bank or broker-dealer acceptable to the Administrative Agent in its reasonable determination.

"Approved Electronic Platform" has the meaning assigned to such term in Section 9.01(c).

"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 Board of Directors 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 Board of Directors 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 Board of Directors of the Borrower that such firm has been approved by the Borrower for purposes of assisting the Board of Directors 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. It is understood and agreed that Houlihan Lokey, Duff & Phelps LLC, Murray, Devine and Company, Lincoln Partners Advisors, LLC and Valuation Research Corporation are acceptable to the Administrative Agent. As used in Section 5.12 hereof, an "Approved Third-Party Appraiser retained by the Administrative Agent" shall mean any of the firms identified in the preceding sentence and any other independent nationally recognized third-party appraisal firm identified by the Administrative Agent and consented to by the Borrower (such consent not to be unreasonably withheld).

"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, in each case as in effect on the Amendment No. 3 Effective Date but excluding the effect of Release No. 33837). For clarity, the calculation of the 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.

"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.

"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), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Assuming Lender" has the meaning assigned to such term in Section 2.06(f).

"AUD" and "A$" denote the lawful currency of The Commonwealth of Australia.

"AUD ~~Screen~~Bank Bill Reference Rate" means, with respect to any Interest Period, (a) the average bid reference rate as 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 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) ~~on~~at or about 11:00 a.m. (Sydney, Australia time) on the day that is two (2) Business Days prior to the first day of such Interest Period~~. If the AUD Screen Rate shall be less than zero, the AUD Screen Rate~~ (or if such Interest Period is not equal to a number of months, for a term equivalent to the number of months closest to such Interest Period) (the "AUD Screen Rate") plus (b) 0.20%; provided that, if the AUD Bank Bill Reference Rate is less than 0.50%, such rate shall be deemed to be ~~zero~~0.50% for purposes of this Agreement.

"AUD Screen Rate" has the meaning assigned to such term in the definition of "AUD Bank Bill Reference Rate."

"Availability Period" means the period from and including the Original Effective Date to but excluding the earlier of the Revolver Termination Date and the date of termination of the Commitments.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) 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 (b) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an 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.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as in effect from time to time, or any successor statute.

~~"Benchmark Replacement" means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Administrative Agent and the Borrower 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 LIBO Rate for syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.~~

"Benchmark" means, initially, with respect to (a) Pounds Sterling, the Daily Simple RFR, and (b) any other Currency, the applicable Relevant Rate; provided that, if a replacement of the Benchmark (other than the Adjusted LIBO Rate for any Eurocurrency Borrowing denominated in Dollars) has occurred pursuant to Section 2.11(c)(i), then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has 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)(A) of Section 2.11(c), 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) Adjusted Term SOFR, or

~~"Benchmark Replacement Adjustment" means, with respect to any replacement of the LIBO Rate 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 LIBO Rate 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 LIBO Rate with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities at such time.~~

(b) Daily Compounded SOFR; and

(2) For purposes of clause (i)(B) of Section 2.11(c), the sum of: (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for syndicated credit facilities denominated in the applicable Currency at such time; provided that, if the Benchmark Replacement as determined pursuant to this clause (2) would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"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 "~~Interest Period~~Alternate Base Rate", the definition of "Business Day," the definition of "Interest Period," or any similar or analogous definition (or the addition of a concept of "interest period"), the definition of "U.S. Government Securities Business Day," 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 in consultation with the Borrower decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement ~~and~~or Daily Simple RFR or 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 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 LIBO Rate:~~

~~(1) in the case of clause (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 LIBO Rate permanently or indefinitely ceases to provide the LIBO Rate; 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 LIBO Rate:~~

~~(1) a public statement or publication of information by or on behalf of the administrator of the LIBO Rate announcing that such administrator has ceased or will cease to provide the LIBO Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Rate;~~

~~(2)~~ "Benchmark Transition Event" means, with respect to any then-current Benchmark other than the Adjusted LIBO 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 such Benchmark, the regulatory supervisor for the administrator of ~~the LIBO Rate~~such Benchmark, the ~~U.S.~~Board, the Federal Reserve ~~System~~Bank of New York, an insolvency official with jurisdiction over the administrator for ~~the LIBO Rate~~such Benchmark, a resolution authority with jurisdiction over the administrator for ~~the LIBO Rate~~such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for ~~the LIBO Rate, which states that the~~such Benchmark, announcing or stating that (a) such administrator ~~of the LIBO Rate~~ has ceased or will cease on a specified date to provide ~~the LIBO Rate~~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 provide ~~the LIBO Rate; or~~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 LIBO Rate announcing that the LIBO Rate 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 Lenders) and the Lenders.~~

~~"Benchmark Unavailability Period" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBO Rate and solely to the extent that the LIBO Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder in accordance with Section 2.11(c) and (y) ending at the time that a Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder pursuant to Section 2.11(c).~~

"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.

"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 general partner and 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.

"Borrowing" means (a) all ABR Loans of the same Class made, converted or continued on the same date ~~or~~, (b) if the then-current Benchmark is Daily Compounded SOFR, all SOFR Loans of the same Class made, converted or continued on the same date, (c) all Eurocurrency Loans of the same Class denominated in the same Currency that have the same Interest Period, (d) if the then-current Benchmark is Adjusted Term SOFR, all SOFR Loans of the same Class that have the same Interest Period or (e) all RFR 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, substantially in the form of Exhibit B and appropriately completed; provided that, from the Amendment No. 3 Effective Date until the Covid Relief Termination Date, each Borrowing Base Certificate shall (i) specify the portion of the Borrowing Base that is the Unadjusted Borrowing Base and the portion of the Borrowing Base that is the Borrowing Base Flex and (ii) include an updated identification of all Non-Core Assets, specifying the Value of each such Non-Core Asset; provided further that, so long as the Rockdale Blackhawk Loans are a part of the Borrowing Base Flex, each Borrowing Base Certificate delivered on and after the Amendment No. 3 Effective Date shall specify the amount outstanding under the Rockdale Blackhawk Loans and the amount, if any, of the payments that have been received by an Obligor on account of the Rockdale Blackhawk Loans and a certification (made in the good faith business judgment of the Borrower) that cash payments specified in the interim award in connection therewith are reasonably likely to be paid.

"Borrowing Base Deficiency" means, at any date on which the same is determined, the amount, if any, that (a) the aggregate Covered Debt Amount as of such date exceeds (b) the Borrowing Base as of such date.

"Borrowing Base Flex" means, subject to Schedule 1.01(f), the lesser of (i) 30% of the sum of the Value of each Non-Core Asset and (ii) 15.0% of the Unadjusted Borrowing Base (calculated without taking into account Cash and Cash Equivalents (including Short-Term U.S. Government Securities)).

"Borrowing Base Flex Fee" has the meaning assigned to such term in Section 2.09(a)(iii).

"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 acceptable to the Administrative Agent.

"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) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, a continuation or conversion of or into, or the Interest Period for, a Eurocurrency Borrowing denominated in Dollars, or to a notice by the Borrower with respect to any such borrowing, payment, prepayment, continuation, conversion, or Interest Period, that is also a day on which dealings in deposits denominated in Dollars are carried out in the London interbank market ~~and~~, (c) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, a continuation or conversion of or into, or the Interest Period for, any Borrowing denominated in any Foreign Currency, or to a notice by the Borrower with respect to any such borrowing, continuation, conversion, payment, prepayment or Interest Period, that is also a day on which commercial banks and the London foreign exchange market settle payments in the Principal Financial Center for such Foreign Currency~~.~~, (d) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, a continuation or conversion of or into, or the Interest Period for, any Borrowing denominated in Euros, or to a notice by the Borrower with respect to any such borrowing, continuation, conversion, payment, prepayment or Interest Period, that is also a day on which the TARGET2 payment system is open for the settlement of payments in Euros, and (e) 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.

"CAM Exchange" means the exchange of the Lenders' interests provided for in Section 7.01.

"CAM Exchange Date" means the first date on which there shall occur (a) any event referred to in Section 7.01(h) or 7.01(i) or (b) an acceleration of Loans pursuant to Section 7.01.

"CAM Percentage" means, as to each Lender, a fraction, expressed as a decimal, of which (a) the numerator shall be the aggregate Dollar Equivalent of the Designated Obligations owed to such Lender (whether or not at the time due and payable) immediately prior to the CAM Exchange Date and (b) the denominator shall be the aggregate Dollar Equivalent amount of the Designated Obligations owed to all the Lenders (whether or not at the time due and payable) immediately prior to the CAM Exchange Date.

"Canadian Dollar" means the lawful money of Canada.

"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 Equivalents" means investments (other than Cash) that are one or more of the following obligations:

(a) Short-Term U.S. Government Securities (as defined in Section 5.13);

(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 Canada or any province thereof or, if consented to by the Administrative Agent in its sole discretion, the jurisdiction or any constituent jurisdiction thereof of any other Agreed Foreign Currency, 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 Obligors in any single issuer; and (iv) in no event shall Cash Equivalents include any obligation that is not denominated in Dollars.

"CDOR Rate" means, with respect to any Interest Period (other than a period of six months' duration), the rate per annum equal to the average of the annual yield rates applicable to Canadian Dollar bankers' acceptances at or about ~~10:00 a.m.~~10:15 a.m. (Toronto, Ontario time) on the day that is two (2) Business Days prior to the first day of ~~the~~such Interest Period as reported on the "CDOR Page" (or any display substituted therefor) of Reuters Monitor Money Rates Service (or such other page or commercially available source displaying Canadian interbank bid rates for Canadian Dollar bankers' acceptances as may be designated by the Administrative Agent from time to time ~~in its reasonable discretion~~) for a term equivalent to such Interest Period (or if such Interest Period is not equal to a number of months, for a term equivalent to the number of months closest to such Interest Period) ("CDOR Screen Rate"); provided that if the CDOR Rate is less than ~~zero~~0.50%, such rate shall be ~~zero~~0.50% for purposes of this Agreement.

"CDOR Screen Rate" has the meaning assigned to such term in the definition of "CDOR Rate."

"CFC" means any Subsidiary of the Borrower designated in writing by the Borrower (as provided below) as a CFC, so long as:

(a) such Subsidiary is an entity that is a "controlled foreign corporation" of any Obligor within the meaning of Section 957 of the Code, but only to the extent the Obligor or a Subsidiary thereof is a "United States Shareholder" (within the meaning of Section 951(b) of the Code) of such entity; and

(b) in the good faith business judgment of the Borrower at the time of the formation, incorporation or acquisition of such Subsidiary, structuring such Subsidiary as a controlled foreign corporation was intended to maximize tax efficiencies for the Obligors and their Subsidiaries (considered in the aggregate).

Any designation by the Borrower under this definition 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.

"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) of shares representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower, (b) occupation of a majority of the seats (other than vacant seats) on the Board of Directors of the Borrower by Persons who were neither (i) nominated by the requisite members of the Board of Directors of the Borrower nor (ii) appointed by a majority of the directors so nominated, (c) the Investment Advisor shall cease to be the investment adviser of the Borrower, (d) the acquisition of direct or indirect Control of the Borrower by any Person or group other than the Investment Advisor or (e) the Investment Advisor ceases to be Controlled by at least two of the Permitted Holders.

"Change in Law" means (a) the adoption or taking effect of any law, rule or regulation or treaty after the Original Restatement Effective Date, (b) any change in any law, rule or regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority after the Original Restatement Effective Date or (c) compliance by any Lender (or, for purposes of Sections 2.12(b) or 2.17(a), by any lending office of such Lender or by such Lender's parent, if any) with any request, guideline, requirements or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Original Restatement 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, requirements or directives in connection therewith and (II) all requests, rules, guidelines, requirements 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.

"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 Internal Revenue Code of 1986, as amended from time to time.

"Collateral" has the meaning assigned to such term in the Guarantee and Security Agreement.

"Collateral Agent" means ING Capital LLC in its capacity as Collateral Agent and any of its successors in such capacity under the Guarantee and Security Agreement.

"Commitment Increase" has the meaning assigned to such term in Section 2.06(f).

"Commitment Increase Date" has the meaning assigned to such term in Section 2.06(f).

"Commitments" means, collectively, the Dollar Commitments and the Multicurrency Commitments.

"Constituent Documents" means, for any Person, its constituent or organizational documents, including: (a) in the case of any limited partnership, the certificate of limited partnership and limited partnership agreement for such Person; (b) in the case of any limited liability company, the articles of formation and operating agreement for such Person; and (c) in the case of a corporation, the certificate or articles of incorporation and the bylaws or memorandum and articles of association for such Person.

"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).

"Covered Debt Amount" means, on any date, the sum of (x) all of the Revolving 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.

"Covered Taxes" means (i) Taxes other than Excluded Taxes and (ii) Other Taxes.

"Covid Relief Borrowing Base Condition" means the condition that the Covered Debt Amount shall be less than 85% of the Unadjusted Borrowing Base (with respect to each applicable date in a period, immediately after giving effect to any Loans (as well as any substantially concurrent acquisitions of Portfolio Investments, distributions or payment of outstanding Loans or Indebtedness) on such date, to the extent applicable).

"Covid Relief Financial Officer's Certificate" means a certificate of a Financial Officer delivered to the Administrative Agent in form and substance reasonably satisfactory to the Administrative Agent, which certificate shall certify that (i) the Covid Relief Borrowing Base Condition has been satisfied for each date in the applicable period required to be covered by such certificate and provide such certifications, information and calculations set forth in a Borrowing Base Certificate reasonably required to demonstrate such satisfaction, (ii) the condition that the Asset Coverage Ratio shall be greater than the applicable ratio has been satisfied for each date in the applicable period required to be covered by such certificate and provide such certifications, information and calculations in form and substance reasonably satisfactory to the Administrative Agent to demonstrate such satisfaction, (iii) the Covid Relief Termination Date has occurred (provided that this clause (iii) shall not be required to be certified in connection with a Covid Relief Financial Officer's Certificate delivered pursuant to the definition of "Covid Relief Termination Date") and (iv) no Default has occurred and is continuing on the date of such certificate (or would result from any transactions on such date).

"Covid Relief Termination Date" means the date that is the earliest to occur of:

(a) the date that is the nine (9) month anniversary of the Amendment No. 3 Effective Date;

(b) the date on which the Borrower elects to deliver to the Administrative Agent a Covid Relief Financial Officer's Certificate certifying that (i) on the date of such certificate no Default has occurred and is continuing (or would result from any transactions on such date) and (ii) each of the Covid Relief Borrowing Base Condition and the condition that the Asset Coverage Ratio shall be greater than 1.70 to 1 has been satisfied for each date in the thirty (30) consecutive day period ending on such date; and

(c) the termination in full of the Commitments in accordance with this Agreement.

"Currency" means Dollars or any Foreign Currency.

"Currency Valuation Notice" has the meaning assigned to such term in Section 2.08(b).

"Custodian" means U.S. Bank National Association, 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 Custodian Agreement, the Collateral Agent. The term "Custodian" includes any agent or sub-custodian acting on behalf of the Custodian.

"Custodian Account" means an account subject to a Custodian Agreement.

"Custodian Agreement" means a control agreement entered into by and among an Obligor, the Collateral Agent and a Custodian, in form and substance acceptable to the Collateral Agent.

"Daily Compounded SOFR" means, for any day (a "SOFR Rate Day"), a rate per annum equal to the sum of (a) SOFR for the day (such day "*i*") that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website (the "Daily Compounded SOFR Screen Rate"), plus (b) the SOFR Adjustment; provided that if Daily Compounded SOFR as so determined shall ever be less than the Floor, then Daily Compounded SOFR shall be deemed to be the Floor. If by 5:00 p.m. (New York City time) on the second (2nd) U.S. Government Securities Business Day immediately following any day "*i*", the SOFR in respect of such day "*i*" has not been published on the SOFR Administrator's Website and a replacement of Daily Compounded SOFR has not occurred pursuant to Section 2.11(c)(i), then the SOFR for such day "*i*" will be the SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator's Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Compounded SOFR for no more than three (3) consecutive SOFR Rate Days. Any change in Daily Compounded SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower. All interest hereunder on any Loan computed by reference to Daily Compounded SOFR shall be computed in the manner described in Section 2.10(g).

"Daily Simple RFR" means, for any day (an "RFR Rate Day"), an interest rate per annum equal to the greater of, for any RFR Loan denominated in Pounds Sterling, (a) SONIA for the day that is 5 Business Days prior to (i) if such RFR Rate Day is a Business Day, such RFR Rate Day or (ii) if such RFR Rate Day is not a Business Day, the Business Day immediately preceding such RFR Rate Day and (b) 0.50%. Any change in Daily Simple RFR due to a change in SONIA shall be effective from and including the effective date of such change in SONIA without notice to the Borrower.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"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.

"Defaulting Lender" means any Lender that has, as reasonably determined by the Administrative Agent, (a) failed to fund any portion of its Loans 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 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 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, 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 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 (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 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 and the Administrative Agent 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. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (e) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower and each Lender promptly following such determination.

"Designated Jurisdiction" means any country, region or territory to the extent that such country, region or territory itself is the subject of any Sanction.

"Designated Obligations" means all obligations of the Borrower with respect to (a) principal of and interest on the Loans and (b) accrued and unpaid fees under the Loan Documents.

"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.

"Dollar Commitment" means, with respect to each Dollar Lender, the commitment of such Dollar Lender to make Loans denominated in Dollars hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.06 or reduced from time to time pursuant to Section 2.08 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 and the other provisions of this Agreement (including the last two paragraphs of Section 7.01). The aggregate amount of each Lender's Dollar Commitment as of the Restatement 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 Restatement Effective Date is $110,000,000.

"Dollar Equivalent" means, on any date of determination, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to an amount denominated in any Foreign Currency, the amount of Dollars that would be required to purchase such amount of such Foreign Currency on the date two Business Days prior to such date, based upon the spot selling rate at which the Administrative Agent (or other foreign currency broker reasonably acceptable to the Administrative Agent) offers to sell such Foreign Currency for Dollars in the London foreign exchange market at approximately 11:00 a.m., London time, for delivery two Business Days later.

"Dollar Lender" means the Persons listed on Schedule 1.01(b) (as amended pursuant to Section 2.06) 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 a Dollar Commitment or to acquire Revolving Dollar Credit Exposure, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Dollar Loan" means a Loan denominated in Dollars made pursuant to a Dollar Commitment.

"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 ~~the occurrence of~~:

(a) in the case of a Benchmark Replacement in respect of Eurocurrency Loans denominated in Dollars, the occurrence of:

(i) 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 (5) currently outstanding syndicated credit facilities denominated in Dollars 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

(ii) the joint election by the Administrative Agent and the Borrower to trigger a fallback from the LIBO Rate and the provision by the Administrative Agent of written notice of such election to the Lenders;

(b) in the case of a Benchmark Replacement in respect of SOFR Loans denominated in Dollars, the occurrence of:

~~(1)~~ (i) (x) a determination by the Administrative Agent ~~or~~, (~~i~~y) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined ~~that U.S. dollar-denominated~~or (z) 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 (5) currently outstanding syndicated credit facilities denominated in Dollars being executed at such time (as a result of amendment or as originally executed), or that include language similar to that contained in Section 2.11(c) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the ~~LIBO Rate~~applicable Benchmark, and

(ii) (x) the joint election by the Administrative Agent and the Borrower and the provision by the Administrative Agent of written notice of such election to the Lenders or (y) the joint election by the Required Lenders and the Borrower to trigger a fallback from the then-current Benchmark and the provision, if applicable, by the Required Lenders and the Borrower of written notice of such election to the Administrative Agent; and

(c) in the case of a Benchmark Replacement in respect of Loans denominated in any Agreed Foreign Currency, the occurrence of:

~~(2) (i) the 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 provision, as applicable, by the Administrative~~ Agent of written notice of such election to the ~~Borrower and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent.~~

(i) (x) a determination by the Administrative Agent, (y) a notification by the Required Multicurrency Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Multicurrency Lenders have determined or (z) 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 (5) 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 2.11(c) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the applicable Benchmark, and

(ii) (x) the joint election by the Administrative Agent and the Borrower and the provision by the Administrative Agent of written notice of such election to the Lenders or (y) the joint election by the Required 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.

"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.

"Eligible Liens" means, any right of offset, banker's lien, security interest or other like right 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 Custodian 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 and Cash Equivalents held by any Obligor) on any date that, in each case, meets all of the criteria set forth on Schedule 1.01(d) hereto on such date; 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, or held by any Financing Subsidiary, or which secure obligations of any Financing Subsidiary, shall not be treated as Eligible Portfolio Investments until distributed, sold or otherwise transferred to the Borrower 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 (meaning 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), 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.

"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 or any of its Subsidiaries, 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(b), (c), (m) or (o) of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) with respect to any Plan that is intended to qualify under Section 401(a) of the Code, the occurrence of any event that could reasonably be expected to prevent or cause the loss of such qualification; (c) with respect to any Plan, the failure to satisfy the applicable minimum funding standard (as defined in Sections 412 and 430 of the Code or Sections 302 and 303 of ERISA), whether or not waived; (d) 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; (e) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) 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 Plans or to appoint a trustee to administer any Plan; (g) the incurrence by the Borrower or any ERISA Affiliate of any Withdrawal Liability; (h) the occurrence of any nonexempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA with respect to any Plan; (i) the failure to make any required contribution to a Multiemployer Plan or failure to make by its due date any required contribution to any Plan; (j) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (k) the incurrence with respect to any "employee benefit plan" as defined in Section 3(3) of ERISA that is sponsored or maintained by the Borrower or any ERISA Affiliate of any liability for post-retirement health or welfare benefits, except as may be required by 4980B of the Code or similar laws; or (l) a determination that any Plan is, or expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA).

"Erroneous Payment" has the meaning assigned to such term in Section 8.16(a).

"Erroneous Payment Deficiency Assignment" has the meaning assigned to such term in Section 8.16(d).

"Erroneous Payment Impacted Class" has the meaning assigned to such term in Section 8.16(d).

"Erroneous Payment Return Deficiency" has the meaning assigned to such term in Section 8.16(d).

"Erroneous Payment Subrogation Rights" has the meaning assigned to such term in Section 8.16(d).

"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.

"EURIBO 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 the successor thereto if the European Money Markets Institute is no longer making such rates available) per annum for deposits in Euro for a period equal to the Interest Period appearing on the display designated as Reuters Screen EURIBOR01 Page (or such other page on that service or such other service designated by the European Money Markets Institute (or the successor thereto if the European Money Markets Institute is no longer making such rates available) for the display of the European Money Markets Institute's Interest Settlement Rates for deposits in Euro) or, in the event such rate does not appear on such Reuters page, 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, as of 11:00 a.m. Brussels time two TARGET Days prior to the first day of the Interest Period; provided that, if the EURIBO Screen Rate so determined would be less than 0.50%, such rate shall be deemed to be 0.50% for purposes of this Agreement.

"Euro" means the lawful currency of the member states of the European Union that have adopted and retained a common single currency through monetary union in accordance with European Union treaty law, as such treaty law is amended from time to time.

"Eurocurrency", 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 Adjusted LIBO Rate, EURIBO Screen Rate, AUD Bank Bill Reference Rate or CDOR Rate. For clarity, a Loan or Borrowing bearing interest by reference to clause (c)(1) of the definition of "Alternate Base Rate" shall not be a Eurocurrency Loan or Eurocurrency Borrowing.

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended from time to time.

"Excluded Subsidiary" means MCC Holdco Equity Manager I, LLC, a Delaware limited liability company.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to the Administrative Agent or any Lender or required to be withheld or deducted from a payment to the Administrative Agent or any Lender, (a) Taxes imposed on (or measured by) its net income 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) as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections solely 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 Documents, or sold or assigned an interest in any Loan or Loan Document), (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 2.17(b)), any U.S. federal withholding Tax that is imposed on amounts payable to 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 2.14(a), (d) Taxes attributable to such recipient's failure to comply with Section 2.14(f), and (e) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Credit Agreement" has the meaning assigned to such term in the recitals to this Agreement.

"Existing Investments Certificate" has the meaning ascribed to such term in Section 3.12(b).

"Existing Lender" has the meaning assigned to such term in the recitals to this Agreement.

"Existing Loans" has the meaning assigned to such term in the recitals to this Agreement.

"External Quoted Value" has the meaning set forth in Section 5.12(b)(ii).

"External Unquoted Value" has the meaning set forth in Section 5.12(b)(ii).

"Extraordinary Receipts" means any cash received by or paid to any Obligor on account of any foreign, United States, state or local tax refunds, pension plan reversions, judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action, condemnation awards (and payments in lieu thereof), indemnity payments received not in the ordinary course of business and any purchase price adjustment received not in the ordinary course of business in connection with any purchase agreement and proceeds of insurance (excluding, however, for the avoidance of doubt, proceeds of any issuance of Equity Interests by the Borrower and issuances of Indebtedness by any Obligor), provided, however, that Extraordinary Receipts shall not include any (x) amounts that the Borrower receives from the Administrative Agent or any Lender pursuant to Section 2.14(h), or (y) cash receipts to the extent received from proceeds of insurance, condemnation awards (or payments in lieu thereof), indemnity payments or payments in respect of judgments or settlements of claims, litigation or proceedings to the extent that such proceeds, awards or payments are received by any Person in respect of any unaffiliated third party claim against or loss by such Person and promptly applied to pay (or to reimburse such Person for its prior payment of) such claim or loss and the costs and expenses of such Person with respect thereto.

"FATCA" means Sections 1471 through 1474 of the Code, as of the Restatement Effective Date (or any amendment or successor version that is substantially comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and 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 published 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 1.11.

"FCPA" has the meaning assigned to such term in Section 3.21.

"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, co-president, chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Financing Subsidiary" means (a) any Structured Subsidiary or (b) any SBIC Subsidiary.

"Financing Subsidiary Limitation Period" shall have the meaning ascribed to that term in Section 6.17.

"Floor" means the greater of (a) 0.50% and (b) 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 any applicable Benchmark (including any component thereof).

"Foreign Currency" means at any time any currency other than Dollars.

"Foreign Currency Equivalent" means, with respect to any amount in Dollars to be converted into a Foreign Currency, the amount of such Foreign Currency that could be purchased with such amount of Dollars using the reciprocal of the foreign exchange rate(s) specified in the definition of the term "Dollar Equivalent", as determined by the Administrative Agent.

"Foreign Eligible Portfolio Investments" means any Eligible Portfolio Investment of a Permitted Foreign Issuer with respect to which the requirements of paragraph 13 of Schedule 1.01(d) hereto are met by reference to any Permitted Foreign Jurisdiction.

"Foreign Lender" means any Lender that is not (a) a citizen or resident of the United States, (b) a corporation, partnership or other entity created or organized in or under the laws of the United States (or any jurisdiction thereof) or (c) any estate or trust that is subject to U.S. federal income taxation regardless of the source of its income.

"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 the Amended and Restated Guarantee, Pledge and Security Agreement, dated as of the Original Restatement Effective Date, between the Borrower, the Subsidiary Guarantors party thereto, the Administrative Agent, each holder (or a representative or trustee therefor) from time to time of any Secured Longer-Term Indebtedness, and the Collateral Agent, as the same shall be amended, restated, modified and supplemented from time to time.

"Guarantee Assumption Agreement" means a Guarantee Assumption Agreement substantially in the form of Exhibit B to the Guarantee and Security Agreement 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).

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange protection agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement entered into in the ordinary course of business and not for speculative purposes. For the avoidance of doubt, in no event shall a Hedging Agreement include a total return swap.

"HMT" means Her Majesty's Treasury (United Kingdom).

"Increasing Existing Lenders" has the meaning assigned to such term in the recitals to this Agreement.

"Increasing Lender" has the meaning assigned to such term in Section 2.06(f).

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits, loans or advances of any kind, (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), (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 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, of such Person in respect of bankers' acceptances, and (k) all obligations, contingent or otherwise, with respect to Disqualified Equity Interests. 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 (z) indebtedness of the Borrower on account of the sale by the Borrower 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.

"Industry Classification Group" means any of the classification groups that are currently in effect by Moody's or may be subsequently established by Moody's and provided by the Borrower to the Lenders (including, without limitation, those set forth on Schedule 1.01(e) on the Restatement Effective Date).

"ING" means ING Capital LLC.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05, substantially in the form of Exhibit E hereto or such other form as reasonably satisfactory 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 or, if the then-current Benchmark is Adjusted Term SOFR, any SOFR 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 or, if the then-current Benchmark is Daily Compounded SOFR, any SOFR Loan, the last day of each Interest Period therefor.

"Interest Period" means, (a) for any Eurocurrency Loan or Eurocurrency Borrowing or, if the then-current Benchmark is Adjusted Term SOFR, any SOFR Loan or SOFR 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, three or six months (other than with respect to a Eurocurrency Loan or Eurocurrency Borrowing denominated in Canadian Dollars, which shall not be available for a period of six months' duration) thereafter or, with respect to such portion of any ~~Eurocurrency~~such Loan or ~~Eurocurrency~~ 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 and (b) for any RFR Loan or RFR Borrowing or, if the then-current Benchmark is Daily Compounded SOFR, any SOFR Loan or SOFR 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 month thereafter or, with respect to such portion of any such 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; provided~~,~~that (~~a~~i) 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~~ii) any Interest Period (other than an Interest Period that ends on the Maturity Date that is permitted to be of less than with respect to any Eurocurrency Loan or Eurocurrency Borrowing, any SOFR Loan or SOFR Borrowing or any RFR Loan or RFR Borrowing, one month's duration, in each case, 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 set forth in Section 5.12(b)(ii).

"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 Monroe Capital BDC Advisors, LLC, a Delaware limited liability company, or an Affiliate thereof.

"Investment Allocation Policy" means the written statement, approved by the Board of Directors of the Borrower and reasonably acceptable to the Administrative Agent, of the Borrower's investment allocation policy between affiliated investment vehicles managed directly or indirectly by Monroe Capital BDC Advisors, LLC.

"Investment Company Act" means the Investment Company Act of 1940, as amended from time to time.

"Investment Policies" means the credit policies and procedures of Monroe Capital BDC Advisors, LLC and the Investment Allocation Policy, each as in existence on the Original Effective Date.

"Lenders" means the Persons listed on Schedule 1.01(b) (as amended from time to time pursuant to Section 2.06) as having 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 Commitment or to acquire Revolving Credit Exposure, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

~~"LIBO Quoted Currency" means (x) Dollars and (y) Euro and English Pounds Sterling (but in the case of this clause (y), only if such Currency is an Agreed Foreign Currency), in each case so long as there is a published LIBO Rate with respect thereto.~~

~~"LIBO Rate" means, for any Interest Period:~~

~~(a)~~ "LIBO Rate" means, for any Interest Period, for any Eurocurrency Borrowing denominated in ~~a LIBO Quoted Currency, (i) the Intercontinental Exchange~~Dollars, the London interbank offered rate administered by the ICE Benchmark Administration Ltd. ~~LIBOR Rate~~ (or the successor thereto if the ~~Intercontinental Exchange~~ICE Benchmark Administration ~~Ltd.~~ is no longer making such rates available) per annum for deposits in ~~such Currency~~Dollars for a period equal in length to the Interest Period appearing on the display designated as Reuters Screen ~~LIBOR01~~LIBO01 Page (or such other page on that service or such other service designated by the ~~Intercontinental Exchange~~ICE Benchmark Administration ~~Ltd.~~ (or the successor thereto if the ~~Intercontinental Exchange~~ICE Benchmark Administration ~~Ltd.~~ is no longer making such rates available) for the display of such Administration's Interest Settlement Rates for deposits in ~~such Currency,~~)Dollars) or, in the event such rate does not appear on such Reuters page, 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 "LIBO Screen Rate"), as of 11:00 a.m., London time, on the day that is two (2) Business Days prior to the first day of ~~the Interest Period (or if such Reuters Screen LIBOR01 Page is unavailable for any reason at such time, the rate which appears on the Reuters Screen ISDA Page as of such date and such time); or (ii) if the Administrative Agent determines that the sources set forth in clause (i) are unavailable for the relevant Interest Period, LIBO Rate for purposes of this clause (a) shall mean the rate of interest~~ determined by the Administrative Agent to be ~~the average (rounded upward, if necessary, to the nearest 1/100th of 1%) of the rates per annum at which deposits in such Currency are offered to the Administrative Agent two (2) business days preceding the first day of such Interest Period by leading banks in the London interbank market as of 11:00 a.m. for delivery on the first day of such Interest Period, for the number of days comprised therein and in an amount comparable to the amount of the Administrative Agent's portion of the relevant Eurocurrency Borrowings~~such Interest Period;

~~(b) in the case of any Eurocurrency Borrowings denominated in Canadian Dollars, the CDOR Rate per annum;~~

~~(c) in the case of any Eurocurrency Borrowings denominated in AUD, the AUD Screen Rate per annum *plus* 0.20%; and~~

~~(d) for all Non-LIBO Quoted Currencies (other than Canadian Dollars and AUD), the calculation of the applicable reference rate shall be determined in accordance with market practice;~~

provided~~, in each case,~~ that if the LIBO Rate is less than 0.50%, such rate shall be deemed to be 0.50% for purposes of this Agreement.

"LIBO Screen Rate" has the meaning assigned to such term in the definition of "LIBO Rate".

"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, 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 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, any promissory notes delivered pursuant to Section 2.07(f) and the Security Documents, and such other agreements and operative documents, and any amendments or supplements thereto or modification thereof, executed and/or delivered pursuant to the terms of this Agreement or any of the other Loan Documents.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Margin Stock" means "margin stock" within the meaning of Regulations 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 the Financing Subsidiaries), 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 and Hedging Agreements), of any one or more of the Borrower and its Subsidiaries (including any Financing Subsidiary) in an aggregate principal amount exceeding $5,000,000 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/or its Subsidiaries would be required to pay if such Hedging Agreement(s) were terminated at such time would exceed $5,000,000.

"Maturity Date" means the earliest of: (a) the Stated Maturity Date, (b) the date upon which the Administrative Agent declares the Obligations, or the Obligations become, due and payable after the occurrence of an Event of Default and (c) the date upon which the Commitments are terminated in full pursuant to Section 2.06(b).

"Maximum Rate" has the meaning assigned to such term in Section 9.18.

"Modified Asset Coverage Ratio" means, if the Borrower has elected to use the relief offered by Release No. 33837, the Asset Coverage Ratio determined after giving effect to Release No. 33837 as in effect on the Amendment No. 3 Effective Date.

"Monroe Joint Venture" means MRCC Senior Loan Fund I, LLC, a Delaware limited liability company.

"Moody's" means Moody's Investors Service, Inc. or any successor thereto.

"Multicurrency Commitments" means, with respect to each Multicurrency Lender, the commitment of such Multicurrency Lender to make Loans denominated in Dollars and in Agreed Foreign Currencies hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.06 or reduced from time to time pursuant to Section 2.08 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 and the other provisions of this Agreement (including the last two paragraphs of Section 7.01). The aggregate amount of each Lender's Multicurrency Commitment as of the Restatement 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' Multicurrency Commitments as of the Restatement Effective Date is $145,000,000.

"Multicurrency Lender" means the Persons listed on Schedule 1.01(b) (as amended pursuant to Section 2.06) 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 Revolving Multicurrency Credit Exposure, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Multicurrency Loan" means a Loan denominated in Dollars or an Agreed Foreign Currency made pursuant to a Multicurrency Commitment.

"Multiemployer Plan" means a multiemployer plan as defined in Section 3(37) or 4001(a)(3) of ERISA that is contributed to by (or to which there is an obligation to contribute of) the Borrower, any of its Subsidiaries or any of their ERISA Affiliates, and each such plan for the six-year period immediately following the latest date on which the Borrower, any of its Subsidiaries or any of their ERISA Affiliates contributed to or had an obligation to contribute to such plan.

"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 any Cash payments and Cash Equivalents (and net Cash or Cash Equivalent proceeds of any noncash amount) received by the Obligors from such Asset Sale (including (i) any Cash amount received by an Obligor from a disposition to a Financing Subsidiary and (ii) any Cash or Cash Equivalents (and net Cash or Cash Equivalent proceeds of any noncash amount) 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 paid in cash to a Person that is not an Affiliate of any Obligor (or if paid in cash to an Affiliate, only to the extent such expenses are reasonable and customary), minus (c) all taxes paid or reasonably estimated to be payable by any Obligor as a result of such Asset Sale (after taking into account any available tax credits or deductions).

"Net Cash Proceeds" means Cash proceeds net of underwriting discounts and commissions or other similar payments and other costs, fees, premiums, commissions and expenses directly associated therewith, including, without limitation, reasonable legal fees and expenses.

"No External Review Assets" means Portfolio Investments that are Unquoted Investments with a fair value of less than $4,000,000 and which an Approved Third-Party Appraiser is not assisting the Board of Directors of the Borrower in determining the fair market value of such Unquoted Investment in accordance with Section 5.12 as of the end of the applicable fiscal quarter; provided that the aggregate fair value of all such Unquoted Investments does not exceed 10% of the Borrowing Base.

"Non-Consenting Lender" has the meaning assigned to such term in Section 9.02(d).

"Non-Core Asset" means, on any date, (i) the portion of any Eligible Portfolio Investment that is excluded from the Borrowing Base at any time whether before or after the Amendment No. 3 Effective Date, (ii) any Portfolio Investment that is not an Eligible Portfolio Investment and is designated as a "Non-Core Asset" on the Borrowing Base Certificate delivered on the Amendment No. 3 Effective Date or on any subsequent Borrowing Base Certificate delivered to the Administrative Agent from time to time pursuant to the terms of this Agreement (which specifically shall be permitted to include any Portfolio Investment that constitutes an Eligible Portfolio Investment on the Amendment No. 3 Effective Date but thereafter ceases to qualify as an Eligible Portfolio Investment) and (iii) any follow on investments and protective advances made with respect to such Portfolio Investments, in each case, that meets all of the criteria set forth on Schedule 1.01(f) hereto on such date; provided, that no Portfolio Investment shall constitute a Non-Core Asset or be included in the Borrowing Base Flex 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 Non-Core Asset or if such Non-Core Asset has not been or does not at all times continue to be Delivered (as defined in the Guarantee and Security Agreement).

~~"Non-LIBO Quoted Currency" means any currency other than a LIBO Quoted Currency.~~

"Obligations" means all present and future indebtedness, obligations (including the obligations to pay, discharge and satisfy the Erroneous Payment Subrogation Rights), and liabilities of the Obligors to the Administrative Agent and/or any other Secured Party, and all renewals and extensions thereof, or any part thereof, arising pursuant to this Agreement (including, without limitation, the indemnity provisions hereof), and all interest accruing thereon, and attorneys' fees incurred in the enforcement or collection thereof, regardless of whether such indebtedness, obligations, and liabilities are direct, indirect, fixed, contingent, joint, several, or joint and several; together with all indebtedness, obligations, and liabilities of the Obligors to the Administrative Agent and/or any other Secured Party evidenced or arising pursuant to any of the other Loan Documents, and all renewals and extensions thereof, or any part thereof.

"Obligors" means, collectively, the Borrower and the Subsidiary Guarantors.

"Obligors' Net Worth" means, at any date, the Total Net Assets at such date, exclusive of the net asset value held by any Obligor in any non-Obligor Subsidiary.

"OFAC" has the meaning assigned to such term in Section 3.19.

"Original Effective Date" means October 23, 2012.

"Original Restatement Effective Date" means December 14, 2015.

"Other Covered Indebtedness" means, collectively, (i) Secured Longer-Term Indebtedness, (ii) Unsecured Shorter-Term Indebtedness and (iii) from and after the date that is 9 months prior to their scheduled maturity, the 2023 Notes; provided that to the extent any portion of any such Indebtedness is subject to a contractually scheduled amortization or other required principal payment or redemption earlier than the scheduled maturity date of such Indebtedness, such portion of such Indebtedness shall be included in the calculation of Other Covered Indebtedness beginning upon the date that is the later of (x) 9 months prior to such scheduled amortization payment, other required principal payment or redemption and (y) the date the Borrower becomes aware that such Indebtedness is required to be paid or redeemed.

"Other Permitted Indebtedness" means (a) accrued expenses and current trade accounts payable incurred in the ordinary course of any Obligor's business that are overdue for a period of more than 90 days and which are being contested in good faith by appropriate proceedings, (b) Indebtedness (other than Indebtedness for borrowed money) arising in connection with transactions in the ordinary course of any Obligor's business in connection with its purchasing of securities, Hedging Agreements entered into for financial planning purposes and not for speculative purposes, reverse repurchase agreements or dollar rolls to the extent such transactions are permitted under the Investment Company Act and the Borrower's Investment Policies; provided that such Indebtedness does not arise in connection with the purchase of Portfolio Investments other than Cash Equivalents and U.S. Government Securities; (c) 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 under Section 7.01(k), (d) Indebtedness incurred in the ordinary course of business to finance equipment and fixtures; provided that such Indebtedness does not exceed $5,000,000 in the aggregate at any time outstanding; and (e) other Indebtedness not to exceed $3,000,000 in the aggregate.

"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 2.17(b)) and as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections solely arising from such Lender having executed, delivered, become a party to, performed is obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Documents, or sold or assigned an interest in any Loan or Loan Document).

"Overnight Rate" means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Effective Rate and (ii) an overnight rate determined by the Administrative Agent to be customary in the place of disbursement or payment for the settlement of international banking transactions, and (b) with respect to any amount denominated in an Agreed Foreign Currency, an overnight rate determined by the Administrative Agent to be customary in the place of disbursement or payment for the settlement of international banking transactions.

"Participating Member State" means any member state of the European Union that adopts or has adopted a common single currency as its lawful currency in accordance with the legislation of the European Union relating to the European Monetary Union.

"Payment Recipient" has the meaning assigned to it in Section 8.16(a).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Periodic Term SOFR Determination Day" has the meaning specified in the definition of "Term SOFR".

"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.

"Permitted Foreign Issuer" shall mean any Person (i) organized under the laws of a Permitted Foreign Jurisdiction or any province thereof, (ii) domiciled in a Permitted Foreign Jurisdiction, or (iii) with principal operations or any other material property or other material assets pledged as collateral and located in a Permitted Foreign Jurisdiction.

"Permitted Foreign Jurisdiction" means Canada, Australia and the United Kingdom.

"Permitted Holders" means Theodore Koenig, Michael Egan, Jeremy VanDerMeid, Thomas Aronson and Aaron Peck, or any other individual manager of Monroe Management Holdco, LLC reasonably acceptable to the Administrative Agent and the Required Lenders after the death, disability, resignation or termination for cause by the Board of Directors of any of the foregoing.

"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) 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; (j) purchase money Liens on specific equipment and fixtures provided that (i) such Liens only attach to such equipment and fixtures, (ii) the Indebtedness secured thereby is incurred pursuant to clause (d) of the definition of "Other Permitted Indebtedness" and (iii) 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; (k) deposits of money securing leases to which Borrower is a party as lessee made in the ordinary course of business; and (l) Eligible Liens.

"Permitted Policy Amendment" is an amendment, modification, termination or restatement of the Investment Policies, that is either (a) approved in writing by the Administrative Agent (with the consent of the Required Lenders), (b) required by applicable law or Governmental Authority, or (c) not material.

"Permitted SBIC Guarantee" means a guarantee by the Borrower of SBA Indebtedness of an SBIC Subsidiary on 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 Section 7.01(q), 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.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (other than a Multiemployer Plan) that is subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, in respect of which the Borrower, any of its Subsidiaries or any of its or their respective ERISA Affiliates is (or 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 Company Data" means the most recently available historic (not to exceed one full fiscal quarter) and pro-forma financial information and market data associated with a Portfolio Company which has been delivered by such Portfolio Company to the Borrower (which the Borrower has no reason to believe is inaccurate in any material respect), which may include pro-forma financial information in connection with, among other things, (a) an Investment that was originated by the Borrower within the preceding twelve month period, (b) a Portfolio Company that has, within the preceding twelve month period, been the acquirer of substantially all of the business assets or stock of another Person, (c) a Portfolio Company that has, within the preceding twelve month period, been the target of an acquisition of substantially all of its business assets or stock, and/or (d) a Portfolio Company that does not have an entire fiscal year under its current capital structure. For the avoidance of doubt, Portfolio Company Data shall exclude any adjustments to the historical results of the applicable Portfolio Company to the extent such adjustments are inconsistent with the methodologies of RiskCalc.

"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) (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 or, if *The Wall Street Journal* ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). 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. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"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.

"Public Health Event" means (i) any epidemic, pandemic, disease outbreak (including COVID-19), other health crisis and/or public health event and/or (ii) any adverse economic, financial and/or social conditions resulting from, arising out of or relating to the foregoing clause (i).

"QFC" has the meaning assigned to such term in Section 9.20.

"QFC Credit Support" has the meaning assigned to such term in Section 9.20.

"Quarterly Dates" means the last Business Day of March, June, September and December in each year, commencing on December 31, 2015.

"Quoted Investments" has the meaning set forth in Section 5.12(b)(ii).

"Register" has the meaning set forth in Section 9.04(c).

"Regulations D, T, U and X" means, respectively, Regulations D, T, U and X of the Board (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 and advisors of such Person and such Person's Affiliates.

"Release No. 33837" means Release No. IC-33837 issued by the SEC on April 8, 2020.

"Relevant Governmental Body" means (a) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board or the Federal Reserve Bank of New York, or any successor thereto, (b) 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 (c) with respect to any Benchmark Replacement in respect of Loans denominated in any Foreign Currency other than Pounds Sterling, (i) the central bank for the currency in which ~~the LIBO Rate~~such Benchmark Replacement is denominated or ~~any central bank or other supervisor which is responsible for supervising either the LIBO Rate or the administrator of the LIBO Rate or (b) any~~(ii) any working group or committee officially endorsed or convened by (~~i~~w) the central bank for the currency in which ~~the LIBO Rate~~such Benchmark Replacement is denominated, (~~ii~~x) any central bank or other supervisor ~~which~~that is responsible for supervising either ~~the LIBO Rate or~~(A) such Benchmark Replacement or (B) the administrator of ~~the LIBO Rate~~such Benchmark Replacement, (~~iii~~y) a group of those central banks or other supervisors or (~~iv~~z) the Financial Stability Board or any part thereof.

"Relevant Rate" means (a) in the case of any Eurocurrency Borrowing denominated in Dollars, the Adjusted LIBO Rate for the applicable Interest Period, (b) in the case of any SOFR Borrowing, Daily Compounded SOFR or Adjusted Term SOFR for the applicable Interest Period, as applicable, (c) in the case of any Eurocurrency Borrowing denominated in Euros, the EURIBO Screen Rate per annum for the applicable Interest Period, (d) in the case of any Eurocurrency Borrowing denominated in AUD, the AUD Bank Bill Reference Rate per annum for the applicable Interest Period, (e) in the case of any Eurocurrency Borrowing denominated in Canadian Dollars, the CDOR Rate per annum for the applicable Interest Period and (f) in the case of any Eurocurrency Borrowing denominated in any other Currency (other than Pounds Sterling) not specified in clauses (a) through (e) above, the calculation of the applicable reference rate shall be determined in accordance with market practice for the applicable Interest Period; provided that if the applicable Screen Rate shall not be available for such Interest Period (if applicable) and/or for the applicable Currency with respect to such Eurocurrency Borrowing for any reason, then the rate determined in accordance with Section 2.11(c) shall be the Relevant Rate for such Interest Period for such Eurocurrency Borrowing; provided further that, if the Relevant Rate under clauses (a) through (f) is less than 0.50% for the relevant Interest Period, such rate shall be deemed to be 0.50% for such Interest Period.

"Required Lenders" means, at any time, subject to Section 2.16(b), Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time; provided, that, (a) if there are only three (3) Lenders at such time, "Required Lenders" shall mean Lenders having Revolving Credit Exposures and unused Commitments representing at least two-thirds of the sum of the total Revolving Credit Exposures and unused Commitments at such time and (b) if there are only two (2) Lenders at such time, "Required Lenders" shall mean all Lenders. Solely for purposes of Section 2.11(a)(ii) and the last sentence of Section 9.02(b), the Required Lenders of a Class means Lenders having Revolving Credit Exposures and unused Commitments of such Class representing more than 50% (or, if there are only three (3) Lenders of such Class at such time, at least two-thirds, and, if there are only two (2) Lenders of such Class at such time, all such Lenders) of the sum of the total Revolving Credit Exposures and unused Commitments of such Class at such time.

"Required Multicurrency Lenders" means Multicurrency Lenders having Revolving Multicurrency Credit Exposures and unused Multicurrency Commitments representing more than 50% (or, if there are only three (3) Multicurrency Lenders at such time, at least two-thirds, and, if there are only two (2) Multicurrency Lenders at such time, all such Multicurrency Lenders) of the sum of the total Revolving Multicurrency Credit Exposures and unused Multicurrency Commitments at such time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restatement Effective Date" means March 1, 2019.

"Restricted Investment" means (i) the Monroe Joint Venture, (ii) any other joint venture that the Borrower or any of its Subsidiaries, directly or indirectly, has an interest in and (iii) any Subsidiary of the Monroe Joint Venture or any such other joint venture.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests 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 Equity Interests of the Borrower or any of its Subsidiaries or any option, warrant or other right to acquire any such Equity Interests of the Borrower or any of its Subsidiaries, 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 shall be a Restricted Payment hereunder.

"Return of Capital" means an amount equal to (a) any cash amount (and net cash proceeds of any noncash 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), plus (b) without duplication of amounts received under clause (a), any net cash proceeds (including net cash proceeds of any noncash 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 net cash proceeds are less than or equal to the outstanding principal balance of such Portfolio Investment, plus (c) any cash amount (and net cash proceeds of any noncash 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 issuer of such Portfolio Investment, (y) as a distribution of capital made on or in respect of such Portfolio Investment, or (z) pursuant to the recapitalization or reclassification of the capital of the issuer of such Portfolio Investment or pursuant to the reorganization of such issuer, plus (d) any similar return of capital received by any Obligor in cash (and net cash proceeds of any noncash amount) in respect of any Portfolio Investment.

"Revolver Termination Date" means the date that is the earlier to occur of (i) the date that is the four (4) year anniversary of the Restatement Effective Date, and (ii) the termination in full of the Commitments in accordance with this Agreement, in each case unless extended with the consent of each Lender in its sole and absolute discretion.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Dollar Credit Exposure and Revolving Multicurrency Credit Exposure at such time.

"Revolving Dollar Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Dollar Loans at such time.

"Revolving Multicurrency Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Multicurrency Loans at such time.

"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 Daily Simple RFR.

"RFR Business Day" means, for any Loan denominated in Pounds Sterling, any day except for (a) a Saturday or a Sunday and (b) a day on which banks are closed for general business in London.

"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 the Code.

"Risk Factor" means, with respect to any Portfolio Investment (other than an ABL Transaction), for any calendar quarter, the risk factor set forth on Schedule 1.01(c) corresponding to the Risk Factor Rating that has been most recently assigned to such Portfolio Investment by the Borrower in accordance with the definition of Risk Factor Rating.

"Risk Factor Rating" means, with respect to any Portfolio Investment (other than an ABL Transaction), a rating assigned by the Borrower from time to time to such Portfolio Investment by, at the Borrower's option, either (i) using a public or private rating of the Portfolio Company from Moody's; (ii) using a comparable shadow rating performed by a Moody's analyst with respect to the Portfolio Investment; (iii) if such a public or private rating or comparable shadow rating referred to in clauses (i) and (ii) above is not available, using a comparable rating determined by the Borrower inputting the Portfolio Company Data relating to such Portfolio Investment into RiskCalc (Moody's KMV Expected Default Frequency model); or (iv) determining a rating by another method that has been approved for such Portfolio Investment by the Administrative Agent and Lenders (which approval, for the avoidance of doubt, may be given electronically) holding at least two-thirds of the total Revolving Credit Exposures and unused Commitments.

"Rockdale Blackhawk Loans" means those loans and other financial accommodations set forth in the Existing Investments Certificate made in connection with that certain Credit Agreement dated as of March 31, 2015 (as amended, restated, supplemented and/or otherwise modified from time to time) by and among Rockdale Blackhawk, LLC (or any of its affiliates), Monroe Capital Management Advisors, LLC, as administrative agent, the lenders party thereto and certain other parties, including, without limitation, any right to receive any funds or distributions of assets with respect thereto in connection with the Chapter 7 bankruptcy case of Little River Healthcare Holdings, LLC, et al., pending as Case No. 18-60526 in the United States Bankruptcy Court for the Western District of Texas, Waco Division (whether by settlement therein or otherwise).

"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 Sanctions.

"Sanctions" has the meaning assigned to such term in Section 3.19.

"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 such Subsidiary's general partner or manager entity) that is (x) 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, 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 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) as in effect at the time of such contribution 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;

(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 LIBO Screen Rate, Term SOFR Reference Rate, Daily Compounded SOFR Screen Rate, EURIBO Screen Rate, CDOR Screen Rate and AUD Screen Rate, 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.

"Secured Longer-Term Indebtedness" means, as at any date, Indebtedness for borrowed money (other than Indebtedness hereunder) of the Borrower (which may be Guaranteed by Subsidiary Guarantors) 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 Stated Maturity Date (it being understood that any mandatory amortization, 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 of control or bankruptcy) shall not in and of itself be deemed to disqualify such Indebtedness under this clause (a) (notwithstanding the foregoing, 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, portfolio valuations and events of default (other than events of default customary in indentures or similar instruments that have no analogous provisions in this Agreement or credit agreements generally) that are no more restrictive upon the Borrower and its Subsidiaries than those set forth in this Agreement (provided that, upon the Borrower's written notice to the Administrative Agent at least five Business Days prior to the incurrence of any Secured Longer-Term Indebtedness that otherwise would not meet the requirements of this clause (b)(i), this Agreement will be deemed automatically amended (and, upon the request of the Administrative Agent or the Required Lenders, the Borrower shall promptly enter into a written amendment evidencing such amendment), *mutatis mutandis*, solely to the extent necessary that the financial covenants, covenants governing the borrowing base, if any, portfolio valuations and events of default, as applicable, in this Agreement shall be at least as restrictive as such covenants in the Secured Longer-Term Indebtedness) 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, prior to the Termination Date, than those set forth in this Agreement (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 Capital Stock of the Borrower or the failure of the Borrower to satisfy a continued listing rule with respect to its Capital Stock or (y) arising out of circumstances that would constitute a "fundamental change" (as such term is customarily defined in convertible note offerings) or be Events of Default under this Agreement shall not be deemed to be more restrictive for purposes of this definition); 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 have agreed to 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, (i) 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 (ii) any payment on account of Secured Longer-Term Indebtedness shall be subject to Section 6.12.

"Secured Obligations" has the meaning specified in the Guarantee and Security Agreement.

"Secured Parties" has the meaning specified in the Guarantee and Security Agreement.

"Security Documents" means, collectively, the Guarantee and Security Agreement, the Custodian 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, intercreditor 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.

"Senior Coverage Ratio" means the ratio of (A) the aggregate fair value (with regard to (i) Eligible Portfolio Investments, as determined in accordance with Section 5.12(b)(ii)) and (ii) Non-Core Assets, as determined in accordance with Schedule 1.01(f)) of the Collateral of the Obligors (exclusive of Collateral that represents Equity Interests in Financing Subsidiaries and Equity Interests in joint ventures that in the aggregate exceed 20% of the total value of the Collateral) to (B) the Covered Debt Amount (excluding solely for this purpose any unsecured Indebtedness included therein not maturing within 90 days of the date of determination).

"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).

"SOFR" ~~with respect to any day~~ means a rate per annum equal to the secured overnight financing rate ~~published~~ for such ~~day~~Business Day published by the Federal Reserve Bank of New York~~, as the administrator of the benchmark~~ (or a successor administrator~~) on~~ of the secured overnight financing rate) on the website of the Federal Reserve Bank of New ~~York's Website.~~York, currently at http://www.newyorkfed.org (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).

"SOFR Adjustment" means, for any calculation with respect to an ABR Loan or a SOFR Loan, a percentage per annum as set forth as follows for the applicable Type of such Loan and (if applicable) Interest Period therefor: (a) with respect to ABR Loans, 0.11448% (11.448 basis points), (b) with respect to SOFR Loans, if the then-current Benchmark is Adjusted Term SOFR, 0.11448% (11.448 basis points) for an Interest Period of one-month, 0.26161% (26.161 basis points) for an Interest Period of three-months, and 0.42826% (42.826 basis points) for an Interest Period of six-months and (c) with respect to SOFR Loans, if the then-current Benchmark is Daily Compounded SOFR, 0.11448% (11.448 basis points).

"SOFR Borrowing" means, as to any Borrowing, the SOFR Loans comprising such Borrowing.

"SOFR Loan" means a Loan that bears interest at a rate based on Term SOFR or Daily Compounded SOFR, as applicable, in each case, other than pursuant to clause (c) of the definition of "Alternate Base Rate".

"SOFR Rate Day" has the meaning specified in the definition of "Daily Compounded SOFR".

"Solvent" means, with respect to any Obligor, that as of the date of determination, both (a) (i) 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, (ii) such Obligor's capital is not unreasonably small in relation to its business as contemplated on the Restatement Effective Date and reflected in any projections delivered to the Lenders or with respect to any transaction contemplated or undertaken after the Restatement Effective Date, and (iii) 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 (b) 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 of 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 from time to time).

"SONIA Adjustment" means, with respect to SONIA, 0.0326% (3.26 basis points).

"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).

"Stated Maturity Date" means the date that is the one year anniversary of the Revolver Termination Date.

"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 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.

"Structured Subsidiaries" means a direct or indirect Subsidiary of the Borrower to which any Obligor sells, conveys or otherwise transfers (whether directly or indirectly) Portfolio Investments, which is formed in connection with, and which continues to exist for the sole purpose of, such Subsidiary obtaining and maintaining third-party financing from unaffiliated third parties, and which engages in no material activities other than in connection with the purchase and financing of such assets from the Obligors or any other Person, and which is designated by the Borrower (as provided below) as a Structured Subsidiary; and, so long as:

(a) 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, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings or any Guarantee thereof;

(b) 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;

(c) 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;

(d) definitive documentation relating to a third party financing provided to such Subsidiary by an unaffiliated third party (1) remains in full force and effect at all times and (2) does not permit such Subsidiary to become an Obligor hereunder;

(e) [reserved];

(f) in the good faith judgment of the Borrower, such Structured Subsidiary reasonably expects to utilize, in the ordinary course of business, its assets to obtain or maintain a secured financing from an unaffiliated third party.

Any such designation 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 the foregoing conditions. Each Subsidiary of a Structured Subsidiary shall be deemed to be a Structured Subsidiary and shall comply with the foregoing requirements of this definition.

"Subject to Sanctions" with respect to any Person means that such Person is: (a) currently the subject of, or subject to, any Sanctions; (b) included on OFAC's list of Specially Designated Nationals or HMT's Consolidated List of Financial Sanctions Targets; (c) located, organized or resident in a Designated Jurisdiction; or (d) (i) an agency of the government of a Designated Jurisdiction, (ii) an organization controlled by a Designated Jurisdiction, or (iii) a Person located, organized or resident in a Designated Jurisdiction.

"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 a Portfolio 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), (i) no CFC or Transparent Subsidiary shall be required to be a Subsidiary Guarantor and (ii) no Financing Subsidiary shall be required to be a Subsidiary Guarantor, in each case, as long as it remains a Financing Subsidiary, CFC or Transparent Subsidiary, as the case may be, as defined and described herein.

"Supported QFC" has the meaning set forth in Section 9.20.

"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.

"Taxes" means any and all present or future taxes levies, imposts, duties, deductions, charges or withholdings (including backup withholding), assessments, fees or similar amounts imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means,

(a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a replacement of the Term SOFR Reference Rate has not occurred pursuant to Section 2.11(c)(i), then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; and

(b) for any calculation with respect to an ABR Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "ABR Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any ABR Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a replacement of the Term SOFR Reference Rate has not occurred pursuant to Section 2.11(c)(i), then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such ABR SOFR Determination Day.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means 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 shall have been paid in full (excluding, for the avoidance of doubt, any amount in connection with any contingent, unasserted indemnification and expense reimbursement obligations).

"Total Net Assets" means, at any date, the total net assets of the Borrower and its Subsidiaries determined on a consolidated basis, without duplication, in accordance with GAAP.

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, the borrowing of Loans, and the use of the proceeds thereof.

"Transferred Asset" has the meaning assigned to such term in Section 6.03(f).

"Transparent Subsidiary" means any Subsidiary of the Borrower designated in writing by the Borrower as a Transparent Subsidiary, so long as such Subsidiary is directly or indirectly owned by an Obligor and 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 Borrowing Base 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 LIBO Rate ~~or~~, SOFR, the Alternate Base Rate, EURIBO Screen Rate, AUD Bank Bill Reference Rate, CDOR Rate or Daily Simple RFR.

"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 IFPRU 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.

~~"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.~~

"Unadjusted Borrowing Base" has the meaning assigned to such term in Section 5.13.

"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.

"Unquoted Investments" has the meaning set forth in Section 5.12(b)(ii).

"Unsecured Longer-Term Indebtedness" means

(A) any Indebtedness for borrowed money of the Borrower 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 or expenses (which may be payable in cash)) shall not constitute "amortization", "redemption", "repurchase" or "repayment" for the purposes of this definition and (ii) any mandatory amortization, 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 of 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 terms that are substantially comparable to market terms for substantially similar debt of other similarly situated borrowers as reasonably determined in good faith by Borrower (other than financial covenants and events of default (other than events of default customary in indentures or similar instruments that have no analogous provisions in this Agreement or credit agreements generally), which shall be no more restrictive upon the Borrower and its Subsidiaries, prior to the Termination Date, than those set forth in this Agreement; provided that, upon the Borrower's written notice to the Administrative Agent at least five Business Days prior to the incurrence of any Unsecured Longer-Term Indebtedness that otherwise would not meet the requirements set forth in this parenthetical of this clause (B), this Agreement will be deemed automatically amended (and, upon the request of the Administrative Agent or the Required Lenders, the Borrower shall promptly enter into a written amendment evidencing such amendment), *mutatis mutandis*, solely to the extent necessary such that the financial covenants and events of default, as applicable, in this Agreement shall be at least as restrictive as such provisions in the Unsecured Longer-Term Indebtedness) (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 Capital Stock of the Borrower or the failure of the Borrower to satisfy a continued listing rule with respect to its Capital Stock or (y) arising out of circumstances that would constitute a "fundamental change" (as such term is customarily defined in convertible note offerings) or be Events of Default under this Agreement, shall not be deemed to be more restrictive for purposes of this definition), and

(c) is not secured by any assets of any Person. For the avoidance of doubt, 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 this definition; and

(B) the 2023 Notes up until the date that is 9 months prior to the scheduled maturity of the 2023 Notes, provided that the 2023 Notes otherwise comply with the provisions of the immediately preceding clause (A).

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 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 of its Subsidiaries that is not secured by any assets of any Person and that does not constitute Unsecured Longer-Term Indebtedness and (b) any Indebtedness of the Borrower or any of its Subsidiaries that is designated as "Unsecured Shorter-Term Indebtedness" pursuant to Section 6.11(a). 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 clause (a).

"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. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" 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 9.20.

"USA PATRIOT Act" has the meaning assigned to such term in Section 3.20.

"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 or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Withholding Agent" means the Borrower or the Administrative Agent, as applicable.

"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 had been exercised under or suspend any obligation in respect of that liability or any of the powers under the 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") 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") 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" and vice versa. 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, renewed or otherwise modified (subject to any restrictions on such amendments, supplements, renewals 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", "hereto", "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 Restatement 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. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159, The Fair Value Option for Financial Assets and Financial Liabilities, or any successor thereto (including pursuant to Financial Accounting Standard Board Accounting Standard Codifications), to value any Indebtedness of the Borrower or any Subsidiary at "fair market value", as defined therein. 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.

SECTION 1.05. 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 date hereof. Except as provided in Section 2.08(b) and the last sentence of Section 2.15(a), for purposes of determining (i) whether the amount of any Borrowing under the Multicurrency Commitments, together with all other Borrowings under the Multicurrency Commitments then outstanding or to be borrowed at the same time as such Borrowing, would exceed the aggregate amount of the Multicurrency Commitments, (ii) the aggregate unutilized amount of the Multicurrency Commitments, (iii) the Revolving Credit Exposure, (iv) the Covered Debt Amount and (v) the Borrowing Base or the Value or the fair market value of any Portfolio Investment, the outstanding principal amount of any Borrowing that is denominated in any Foreign Currency or the Value or the fair market 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 or Portfolio Investment, as the case may be, determined as of the date of such Borrowing (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 the delivery of such Borrowing Base Certificate. Where any amount is denominated in Dollars under this Agreement but requires for its determination an amount which is denominated in a Foreign Currency, such amounts shall be converted into the Foreign Currency Equivalent on the date of determination. 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).

SECTION 1.06. Special Provisions Relating to Euro. ~~If at any time after the Restatement Effective Date the Euro becomes an Agreed Foreign Currency then, from and after such date, each~~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 date hereof 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 respective 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 and the Borrower shall reasonably agree from time to time, to the extent necessary or appropriate to reflect the introduction or changeover to the Euro in any country that becomes a Participating Member State after the Restatement Effective Date; provided that the Administrative Agent shall provide the Lenders with prior notice of the proposed change with an explanation of such change in sufficient time to permit the Lenders an opportunity to respond to such proposed change.

SECTION 1.07. Times of Day~~; Interest Rates~~. Unless otherwise specified in the Loan Documents, time references are to Eastern time (daylight or standard, as applicable). ~~The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "LIBO Rate" or with respect to any comparable or successor rate thereto, or replacement rate therefor.~~

SECTION 1.08. Divisions. For all purposes under the Loan Documents, in connection with any division, plan of division or creation or reorganization into one or more series under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person (and for all purposes of this Section 1.08, any series of a Person shall constitute a separate and different "Person"), then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.09. Issuers. For all purposes of this Agreement, all issuers of 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.

SECTION 1.10. Public Health Events. Notwithstanding any other provision contained herein, unless otherwise agreed to by the Required Lenders in their sole discretion, all terms of an accounting or financial nature used herein and all calculations of any financial or other covenants (including with respect to the Asset Coverage Ratio (except as expressly provided in Section 6.07(a)) and the definitions therein) hereunder and all covenants limiting or prohibiting transactions not permitted by law shall be determined, construed and/or calculated, in each case, without giving effect to any temporary or permanent amendments, supplements, waivers, other modifications and/or other forms of relief since December 31, 2019 of the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board and/or any Governmental Authority (including Release No. 33837 and other rules, regulations and orders issued by the SEC) that arose in connection with, or as a result of, any Public Health Event.

SECTION 1.11. Rates; LIBO Screen Rate Notification. The interest rate on Eurocurrency Loans is determined by reference to the Relevant Rate, which, in the case of Dollars, 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 JPY London interbank offered rate (all tenors) and Dollar LIBO Rate (1-Week and 2-Month) shall cease at the end of 2021. The IBA stated it will publish the remaining Dollar LIBO 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 Dollars. 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 an event described in Section 2.11(c)(i)(A)(x) or a Benchmark Transition Event, as applicable, or an Early Opt-in Election, Section 2.11(c) provides the mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Borrower, pursuant to Section 2.11(c), 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 "Relevant 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 2.11(c), whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (ii) the effect, implementation or composition of any Benchmark Replacement Conforming Changes pursuant to Section 2.11(c), 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 another applicable index rate) or have the same volume or liquidity as did the London interbank offered rate (or another applicable index rate) prior to its discontinuance or unavailability.

ARTICLE II

THE CREDITS

SECTION 2.01. The Commitments. Subject to the terms and conditions set forth herein,

(a) 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 Revolving Dollar Credit Exposure exceeding such Lender's Dollar Commitment, (b) the aggregate Revolving Dollar Credit Exposure of all of the Dollar Lenders exceeding the aggregate Dollar Commitments or (c) the total Covered Debt Amount exceeding the Borrowing Base then in effect; and

(b) 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 Revolving Multicurrency Credit Exposure exceeding such Lender's Multicurrency Commitment, (b) the aggregate Revolving Multicurrency Credit Exposure of all of the Multicurrency Lenders exceeding the aggregate Multicurrency Commitments or (c) the total Covered Debt Amount exceeding the Borrowing Base then in effect.

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 applicable Lenders ratably in accordance with their respective Commitments of the applicable 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 2.11, each Borrowing of a Class shall be constituted entirely of ABR Loans, of SOFR 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 ABR Loan shall be denominated in Dollars. Each Borrowing denominated in Dollars shall be constituted entirely of ABR Loans, of Eurocurrency Loans or of SOFR Loans. Each Borrowing denominated in an Agreed Foreign Currency shall be constituted entirely of RFR Loans or Eurocurrency Loans. Each Lender at its option may make any RFR Loan, Eurocurrency Loan or SOFR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that 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.

(c) Minimum Amounts. Each ~~Eurocurrency~~ Borrowing shall be in an aggregate amount of $1,000,000 or a larger multiple of $100,000~~, and each ABR Borrowing shall be in an aggregate amount of $1,000,000~~ in excess thereof or, with respect to any Agreed Foreign Currency, 1,000,000 in the units of such Agreed Foreign Currency or a larger multiple of ~~$~~100,000 in excess thereof (or such smaller minimum amount as may be agreed to by the Administrative Agent); provided that ~~an ABR~~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. Borrowings of more than one Class, Currency or 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 any Eurocurrency Borrowing, SOFR Borrowing or RFR Borrowing (or to elect to convert to or continue as a Eurocurrency Borrowing~~) any~~ or, if the then-current Benchmark is Adjusted Term SOFR, a SOFR Borrowing) if the Interest Period requested therefor would end after the Maturity Date.

(e) [Reserved].

(f) Restatement Effective Date Adjustments.

(i) On the Restatement Effective Date Borrower shall (A) prepay the Existing Loans (if any) in full and (B) simultaneously borrow new Loans 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 Existing Lender will be subsequently borrowed from such Existing Lender and (y) the Existing 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 in accordance with the respective Commitments of such Lenders (as set forth in Schedule 1.01(b)). Each of the Lenders consents to any non-*pro rata* commitment reduction or payment that is a result of the reallocation. Each of the Lenders agrees to waive repayment of the amounts, if any, payable under Section 2.13 as a result of, and solely in connection with, any such prepayment.

(ii) On the Restatement Effective Date, substantially contemporaneously with the reallocation described in Section 2.02(f)(i), each Increasing Existing Lender shall make a payment to the Administrative Agent, for the account of the other Lenders, in an amount calculated by the Administrative Agent in accordance with such section, so that after giving effect to such payment and to the distribution thereof to the other Lenders, the Loans are held ratably by the Lenders.

SECTION 2.03. Requests for Borrowings.

(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 (including by e-mail) of a signed Borrowing Request) (i) in the case of a Eurocurrency Borrowing denominated in Dollars, not later than noon, New York City time, three Business Days before the date of the proposed Borrowing, (ii) in the case of a Eurocurrency Borrowing denominated in a Foreign Currency (other than AUD), not later than noon, New York City time, four (4) Business Days before the date of the proposed Borrowing, ~~or~~(iii) in the case of an ABR Borrowing, not later than noon, New York City time, one (1) Business Day before the date of the proposed Borrowing, (iv) in the case of a Eurocurrency Borrowing denominated in AUD, not later than 11:00 a.m., London time, four (4) Business Days before the date of the proposed Borrowing, (v) in the case of an RFR Borrowing, not later than 11:00 a.m., New York City time, five (5) Business Days before the date of the proposed Borrowing or (vi) in the case of a SOFR Loan, not later than (x) if the then-current Benchmark is Adjusted Term SOFR, noon, New York City time, three (3) U.S. Government Securities Business Days before the date of the proposed Borrowing or (y) if the then-current Benchmark is Daily Compounded SOFR, noon, New York City time, five (5) U.S. Government Securities Business Days before the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. It is the intention of the Borrower to use its commercially reasonable efforts to make Borrowings hereunder in a manner such that, after giving effect to each extension of credit hereunder, each Lender's outstanding principal amount of its Loans as a percentage of the aggregate outstanding principal amount of all Loans outstanding is in accordance with its Applicable Percentage.

(b) Content of Borrowing Requests. Each telephonic and written (including an e-mail request) Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) whether such Borrowing is to be made under the Dollar Commitments, the Multicurrency Commitments or both (and, if both, the amount of the Borrowing under each Class);

(ii) the aggregate amount and Currency of each Class of the requested Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) in the case of a Borrowing denominated in Dollars, whether such Borrowing is to be an ABR Borrowing ~~or~~, a Eurocurrency Borrowing or a SOFR Borrowing;

(v) in the case of a Eurocurrency Borrowing or, if the then-current Benchmark is Adjusted Term SOFR, a SOFR 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

(vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

(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 denominated in Dollars is specified, then the requested Borrowing shall be deemed to be under both the Multicurrency Commitments and Dollar Commitments, provided however, that if no election as to a Class is specified but an Agreed Foreign Currency has been specified then the requested Borrowing shall be deemed to be under the Multicurrency Commitments. If no election as to the Currency of a Borrowing is specified, then the requested Borrowing shall be denominated in Dollars. If no election as to the Type of a Borrowing is specified, then the requested Borrowing shall be (x) if the then-current Benchmark is the Adjusted LIBO Rate, a Eurocurrency Borrowing having an Interest Period of one month, (y) if the then-current Benchmark is Adjusted Term SOFR, a SOFR Borrowing having an Interest Period of one month and (z) if the then-current Benchmark is Daily Compounded SOFR, a SOFR Borrowing bearing interest at a rate based upon Daily Compounded SOFR and, if an Agreed Foreign Currency has been specified, the requested Borrowing shall be a Eurocurrency Borrowing denominated in such Agreed Foreign Currency and having an Interest Period of one (1) month; provided, however, if the specified Agreed Foreign Currency is Pounds Sterling, the requested Borrowing shall be an RFR Borrowing denominated in Pounds Sterling. If a Eurocurrency Borrowing or, if the then-current Benchmark is Adjusted Term SOFR, a SOFR 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 so specified), the requested Borrowing shall be a Eurocurrency Borrowing or SOFR Borrowing, as applicable, denominated in Dollars having an Interest Period of one (1) 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 (1) month's duration.

SECTION 2.04. 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., New York City 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.

(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 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~~applicable Overnight Rate and (ii) in the case of the Borrower, (x) with respect to Borrowings denominated in Dollars, the interest rate applicable to ABR Loans and (y) with respect to Borrowings denominated in any Agreed Foreign Currency, in accordance with such market practice, in each case, 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.

SECTION 2.05. 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 or SOFR Borrowing (if the then-current Benchmark is Adjusted Term SOFR), shall have the Interest Period specified in such Borrowing Request. Thereafter, subject to Section 2.05(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 or SOFR Borrowing (if the then-current Benchmark is Adjusted Term SOFR), may elect the Interest Period therefor, all as provided in this Section; provided, however, that (i) the Borrower may only continue or convert a Borrowing of a Class into a Borrowing of the same Class, (ii) the Borrower may not continue or convert a Borrowing denominated in one Currency as or to a Borrowing in a different Currency, (iii) the Borrower may not continue a Eurocurrency Borrowing denominated in a Foreign Currency if, after giving effect thereto, the aggregate Revolving Multicurrency Credit Exposures would exceed the aggregate Multicurrency Commitments, and (iv) the Borrower may not convert a Eurocurrency Borrowing denominated in a Foreign Currency to 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 (except as provided under Section 2.11(b)), 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 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) 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 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) whether, in the case of a Borrowing denominated in Dollars, the resulting Borrowing is to be an ABR Borrowing ~~or~~, a Eurocurrency Borrowing or a SOFR Borrowing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing~~,~~ or a SOFR Borrowing (if the then-current Benchmark is Adjusted Term SOFR), 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); provided that there shall be no more than ten (10) separate interest rate contracts (either tenor or benchmark) outstanding at any one time; provided further, that if a Dollar Loan and a Multicurrency Loan have Interest Periods beginning and ending on the same dates, they shall be deemed to be a single interest rate contract for the purpose of the limit set forth in this clause (iv), and for the avoidance of doubt, any ABR Loans do not count against such limit.

(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 or a SOFR Borrowing (if the then-current Benchmark is Adjusted Term SOFR) 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 (1) month, and (ii) if such Borrowing is denominated in a Foreign Currency~~, the Borrower shall be deemed to have selected an Interest Period of one (1) 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, (i) any Eurocurrency Borrowing denominated in Dollars shall, at the end of the applicable Interest Period for such Eurocurrency Borrowing, be automatically converted to an ABR Borrowing, (ii) if the then-current Benchmark is Adjusted Term SOFR, any SOFR Borrowing shall, at the end of the applicable Interest Period for such SOFR Borrowing, be automatically converted to an ABR Borrowing, (iii) if the then-current Benchmark is Daily Compounded SOFR, any SOFR Borrowing shall immediately be automatically converted to an ABR Borrowing, (iv) any Daily Simple RFR Borrowing shall immediately be automatically converted to an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of the amount of the Foreign Currency of such Borrowing), (v) the Borrower shall not be entitled to elect to convert or continue any Borrowing into or as a Eurocurrency Borrowing, a SOFR Borrowing or an RFR Borrowing and (~~iii~~vi) any Eurocurrency Borrowing denominated in a Foreign Currency shall not have an Interest Period of more than one (1) month's duration.

SECTION 2.06. Termination, Reduction or Increase of the Commitments.

(a) Scheduled Termination. On the Revolver Termination Date the Commitments of each Class shall automatically be reduced to an amount equal to the aggregate principal amount of the Loans of all Lenders of such Class outstanding on the Revolver Termination Date and thereafter to an amount equal to the aggregate principal amount of the Loans of such Class outstanding after giving effect to each payment of principal hereunder; provided that, for clarity, no Lender shall have any obligation to make new Loans on or after the Revolver Termination Date, and any outstanding amounts shall be due and payable on the Maturity Date in accordance with Section 2.07.

(b) Voluntary Termination or Reduction. The Borrower may at any time terminate, or from time to time reduce, the Commitments ratably among each Class, so long as no Borrowing Request is outstanding, the Borrowing under which would cause the aggregate amount of all outstanding Loans (including such Borrowing) to exceed the reduced amount of the Commitments; provided that (i) each reduction of the Commitments pursuant to this Section 2.06(b) shall be in an amount (when considered in the aggregate with all reductions being applied contemporaneously to the Classes being reduced) that is $5,000,000 or a larger multiple of $1,000,000 in excess thereof 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 2.08, the total Revolving 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 credit facilities, 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 of a Class shall be permanent. Each reduction of the Commitments of a Class shall be made ratably among the Lenders of such Class in accordance with their respective Commitments.

(e) [Intentionally omitted]

(f) Increase of the Commitments.

(i) Requests for Increase by Borrower. The Borrower may, at any time prior to the Revolver Termination Date, propose that the Commitments hereunder of a Class 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 shall be a Business Day at least three Business Days (or such lesser period as the Borrower and the Administrative Agent may reasonably agree) after delivery of such notice and 30 days prior to the Revolver Termination Date; provided that each Lender may determine in its sole discretion whether or not it chooses to participate in a Commitment Increase; provided, further that:

(A) the minimum amount of the Commitment (in the aggregate for all relevant Classes) of any Assuming Lender, and the minimum amount of the increase of the Commitment (in the aggregate for all relevant Classes) of any Increasing Lender, as part of such Commitment Increase shall be $5,000,000 or a whole multiple of $1,000,000 in excess thereof (or, in each case, in such other amounts as agreed to by the Borrower and the Administrative Agent, in its sole discretion),

(B) immediately after giving effect to such Commitment Increase, the total Commitments of all of the Lenders hereunder shall not exceed $400,000,000;

(C) each Assuming Lender and the Commitment Increase shall be consented to by the Administrative Agent (which consent shall not be unreasonably withheld);

(D) no 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 additional Commitment requested by the Borrower pursuant to this Section 2.06(f).

(ii) Effectiveness of Commitment Increase by Borrower. On the Commitment Increase Date for any Commitment Increase, each Assuming Lender part of such Commitment Increase, if any, 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 2.06(f)(ii)(y) and the Commitment of the respective Class of any Increasing Lender shall be increased as of such Commitment Increase Date to the amount set forth in the agreement referred to in Section 2.06(e)(ii)(y); provided that:

(x) the Administrative Agent shall have received on or prior to noon, New York City time, on such Commitment Increase Date (or on or prior to a time on an earlier date specified by the Administrative Agent) 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 or Increasing Lender shall have delivered to the Administrative Agent, on or prior to noon, New York City time on such Commitment Increase Date (or on or prior to a time on an earlier date specified by the Administrative Agent), an agreement, in form and substance satisfactory to the Borrower and the Administrative Agent, pursuant to which such Lender shall, effective as of such Commitment Increase Date, undertake a Commitment or an increase of Commitment, in each case of the respective Class, as applicable, duly executed by such Assuming Lender or Increasing Lender, as applicable, and the Borrower and acknowledged by the Administrative Agent.

Promptly following satisfaction of such conditions, the Administrative Agent shall notify the Lenders of such Class (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 each Increasing Lender part of such Commitment Increase, as applicable, 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 (if any) of such Class 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 of such Class are held ratably by the Lenders of such Class in accordance with the respective Commitments of such Lenders of such Class (after giving effect to such Commitment Increase) and (C) pay to the Lenders of such Class the amounts, if any, payable under Section 2.13 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. The Administrative Agent shall amend Schedule 1.01(b) to reflect the aggregate amount of each Lender's Dollar Commitments and Multicurrency 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 the terms and provisions of Loans of the applicable Class issued by, and the Commitments of the applicable Class of, the Lenders immediately prior to the applicable Commitment Increase Date.

SECTION 2.07. 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 the account of the Lenders of each Class the outstanding principal amount of the Loans of such Class and all other amounts due and owing hereunder and under the other Loan Documents on the Maturity Date.

(b) Manner of Payment. Subject to Section 2.08(d), prior to any repayment or prepayment of any Borrowings of any Class hereunder, the Borrower shall select the Borrowing or Borrowings of such Class 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 2.08(e) prior to the scheduled date of such repayment; provided that each repayment of Borrowings of a Class shall be applied to repay any outstanding ABR Borrowings of such Class before any other Borrowings of such Class. If the Borrower fails to make a timely selection of the Borrowing or Borrowings to be repaid or prepaid, such payment shall be applied, first, to pay any outstanding ABR Borrowings of such Class and, second, to any remaining Borrowings of such Class 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 (except as otherwise provided in Section 2.11(b)).

(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 and Currency of each Loan made hereunder, the Class and Type thereof and each Interest Period therefor, (ii) the amount and Currency of any principal or interest due and payable or to become due and payable from the Borrower to each Lender of such Class hereunder and (iii) the amount and Currency of any sum received by the Administrative Agent hereunder for the account of the Lenders 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 of any Class 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 2.08. Prepayment of Loans.

(a) Optional Prepayments. The Borrower shall have the right at any time and from time to time (but subject to Section 2.08(e)) to prepay any Borrowing in whole or in part, without premium or fee (but subject to Section 2.13), subject to the requirements of this Section. Each prepayment in part under this Section 2.08 shall be in a minimum amount of $1,000,000 (or, if the total amount of such Borrowing is less than $1,000,000, the entire remaining outstanding amount of such Borrowing) or a larger multiple of $100,000.

(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 Revolving Multicurrency Credit Exposure. For the purpose of this determination, the outstanding principal amount of any Loan 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, 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 Borrower thereof.

(ii) Prepayment. If on the date of such determination the aggregate Revolving Multicurrency Credit Exposure exceeds 105% of the aggregate amount of the Multicurrency Commitments as then in effect, the Borrower shall, promptly (but in no event later than ten (10) Business Days following the Borrower's receipt of the notice from the Administrative Agent described in clause (i) above) prepay the Multicurrency Loans in such amounts as shall be necessary so that after giving effect thereto the aggregate Revolving 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 Revolving 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.

(c) Mandatory Prepayments due to Borrowing Base Deficiency. In the event that the amount of total Revolving Credit Exposure exceeds the total Commitments, the Borrower shall prepay (subject to Section 2.08(e)) Loans in such amounts as shall be necessary so that the amount of total Revolving Credit Exposure does not exceed the total Commitments. In the event that at any time any Borrowing Base Deficiency shall exist, within 5 Business Days, the Borrower shall either prepay (x) the Loans 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 (and, as among the Loans and the Other Covered Indebtedness, at least ratably (based on the outstanding principal amount of such Indebtedness) as to payments of Loans 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) (provided, however, that with respect to any Borrowing Base Deficiency occurring during the period from and including the Amendment No. 3 Effective Date to and including the Covid Relief Termination Date, instead of a 30-Business Day cure period, a 10 Business Day cure period shall apply), then such prepayment or reduction shall be effected in accordance with such plan (subject, for the avoidance of doubt, to the limitations set forth above in this Section 2.08(c)). Notwithstanding the foregoing, the Borrower shall pay interest in accordance with Section 2.10(~~c~~e) 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 immediate Event of Default under Section 7.01(a).

(d) Mandatory Prepayments due to Certain Events Following Availability Period. Subject to Section 2.08(e) below:

(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 100% of 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) Extraordinary Receipts. In the event (but only to the extent) that the aggregate amount of all Extraordinary Receipts received by the Obligors at any time after the Availability Period exceeds $2,000,000, the Borrower shall, no later than the third Business Day following the receipt of such excess Extraordinary Receipts, prepay the Loans in an amount equal to such excess Extraordinary Receipts (and the Commitments shall be permanently reduced by such amount); provided, that if the Loans to be prepaid are Eurocurrency Loans or, if the then-current Benchmark is Adjusted Term SOFR, SOFR 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 such excess Extraordinary Receipts, no later than the third Business Day following the receipt of such excess Extraordinary Receipts, into a segregated collateral account in the name and under the dominion and control 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.

(iii) Returns of Capital. In the event that any Obligor shall receive any 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 Return of Capital, prepay the Loans in an amount equal to 100% of such Return of Capital (and the Commitments shall be permanently reduced by such amount); provided, that if the Loans to be prepaid are Eurocurrency Loans or, if the then-current Benchmark is Adjusted Term SOFR, SOFR 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 100% of such Return of Capital, no later than the third Business Day following the receipt of such Return of Capital, into a segregated collateral account in the name and under the dominion and control 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.

(iv) Equity Issuances. In the event that the Borrower shall receive any Net Cash Proceeds from the issuance of Equity Interests of the Borrower at any time after the Amendment No. 3 Effective Date, the Borrower shall, no later than the third Business Day following the receipt of such Net Cash Proceeds, prepay the Loans in an amount equal to (x) if such Net Cash Proceeds are received at any time from the Amendment No. 3 Effective Date until the end of the Availability Period, the lesser of (a) 100% of such Net Cash Proceeds and (b) the amount required for the Covid Relief Borrowing Base Condition to be satisfied immediately after giving effect to such prepayment and (y) if such Net Cash Proceeds are received at any time after the Availability Period, the greater of (I) 50% of such Net Cash Proceeds and (II) the lesser of (a) 100% of such Net Cash Proceeds and (b) the amount required for the Covid Relief Borrowing Base Condition to be satisfied immediately after giving effect to such prepayment (and, solely in the case of this clause (y), the Commitments shall be permanently reduced by such amount). In connection with any such prepayment prior to the end of the Availability Period, the Borrower shall deliver an updated Borrowing Base Certificate as of the date of such prepayment (immediately after giving effect to any prepayment of Loans (as well as any substantially concurrent acquisitions of Portfolio Investments, distributions or payment of outstanding Indebtedness) on such date, to the extent applicable).

(v) Indebtedness. In the event that any Obligor shall receive any Net Cash Proceeds from the issuance of Indebtedness at any time after the Amendment No. 3 Effective Date, such Obligor shall, no later than the third Business Day following the receipt of such Net Cash Proceeds, prepay the Loans in an amount equal to (x) if such Net Cash Proceeds are received at any time from the Amendment No. 3 Effective Date until the end of the Availability Period, the lesser of (a) 100% of such Net Cash Proceeds and (b) the amount required for the Covid Relief Borrowing Base Condition to be satisfied and (y) if such Net Cash Proceeds are received at any time after the Availability Period, 100% of such Net Cash Proceeds (and, solely in the case of this clause (y), the Commitments shall be permanently reduced by such amount). In connection with any such prepayment prior to the end of the Availability Period, the Borrower shall deliver an updated Borrowing Base Certificate as of the date of such prepayment (immediately after giving effect to any prepayment of Loans (as well as any substantially concurrent acquisitions of Portfolio Investments, distributions or payment of outstanding Indebtedness) on such date, to the extent applicable).

(vi) Revolver Termination Date. Not later than the third Business Day following the end of the Availability Period, the Borrower shall use the excess of (A) Cash and Cash Equivalents of the Borrower and its Subsidiaries over (B) the sum of (i) the amount of the Borrower's existing commitments (which include revolving loan or delayed draw term loan commitments the funding of which are not at the discretion or consent of the Borrower or its Subsidiaries) to make Portfolio Investments as of such date, (ii) any follow on advances or protective advances anticipated by the Borrower to be made within ninety (90) days after the end of the Availability Period, (iii) the amount of the Borrower's existing obligations or the amount of Cash the Borrower reasonably intends to use to make distributions and dividends within ninety (90) days after the end of the Availability Period that are permitted under Section 6.05(b) , (d) or (e), (iv) other payments in Cash by the Borrower for operating expenses and other Cash needs (other than for making new Investments) in the ordinary course of business reasonably expected to occur within ninety (90) days after the end of the Availability Period, in each case under the foregoing clauses (i), (ii), (iii) and (iv) the calculation of which shall be demonstrated to the reasonable satisfaction of the Administrative Agent, and (v) $3,000,000, to prepay the Loans (and the Commitments shall be permanently reduced by such amount).

Notwithstanding the foregoing, and subject to clause (e) below, if, in connection with any of the events specified in this Section 2.08(d), the Borrower receives any proceeds or Return of Capital in an Agreed Foreign Currency, the Borrower shall be permitted to pay just the then outstanding Loans denominated in such Agreed Foreign Currency (applied ratably among just the Multicurrency Lenders); provided that any such proceeds or Return of Capital remaining after the Loans denominated in such Agreed Foreign Currency have been paid in full shall be converted to Dollars and paid ratably among the Dollar Lenders and the Multicurrency Lenders in accordance with clause (e) below.

(e) Notices, Etc. The Borrower shall notify the Administrative Agent by telephone (followed promptly by written confirmation) of any repayment or prepayment hereunder (i) in the case of repayment or prepayment of a Eurocurrency Borrowing denominated in Dollars under Section 2.08(a), not later than 11:00 a.m., New York City time, three Business Days before the date of repayment or prepayment, (ii) in the case of a repayment or prepayment of a Eurocurrency Borrowing denominated in Foreign Currency under Section 2.08(a), not later than 11:00 a.m., London time, four (4) Business Days before the date of repayment or prepayment ~~and~~, (iii) in the case of a repayment or prepayment of a SOFR Borrowing under Section 2.08(a), (x) if the then-current Benchmark is Adjusted Term SOFR, not later than 11:00 a.m., New York City time, three U.S. Government Securities Business Days before the date of repayment or prepayment and (y) if the then-current Benchmark is Daily Compounded SOFR, not later than 11:00 a.m., New York City time, five U.S. Government Securities Business Days before the date of repayment or prepayment, (iv) in the case of a repayment or prepayment of an ABR Borrowing under Section 2.08(a), ~~or~~not later than 11:00 a.m., New York City time, one (1) Business Day before the date of repayment or prepayment, (v) in the case of repayment or prepayment of an RFR Borrowing under Section 2.08(a), not later than 11:00 a.m., London time, five (5) Business Days before the date of repayment or prepayment or (vi) in the case of any prepayment under Section 2.08(b) or (c), not later than 11:00 a.m., New York City time, one (1) Business Day before the date of ~~repayment or~~ prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be repaid or 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 of the Commitments as contemplated by Section 2.06(c), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.06(c) and (2) any such notices given in connection with any of the events specified in Section 2.08(d) may be conditioned upon (x) the consummation of the issuance of Equity Interests or Indebtedness (as applicable) or (y) the receipt of net cash proceeds from Extraordinary Receipts or 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. Subject to clause (b) above and to the proviso of Section 2.15(c), each repayment and prepayment in Dollars shall be applied ratably (based on the outstanding principal amounts of such indebtedness) between the Dollar Lenders and the Multicurrency Lenders based on the then outstanding Loans denominated in Dollars and each repayment and 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) shall be applied ratably just among the Multicurrency Lenders. In the event the Borrower is required to make any concurrent prepayments under both paragraph (b) and another paragraph of this Section 2.08, any such prepayments shall be applied toward a prepayment pursuant to paragraph (b) before any prepayment pursuant to any other paragraph of this Section 2.08.

(f) Repayment and prepayments shall be accompanied by accrued interest to the extent required by Section 2.10 and shall be made in the manner specified in Section 2.07(b).

SECTION 2.09. Fees.

(a) Commitment Fee, ACR Relief Fee and Borrowing Base Flex Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender:

(i) a commitment fee, which shall accrue at the Applicable Commitment Fee Rate on the unused amount of the Dollar Commitment and Multicurrency Commitment of such Lender, as applicable, on each day during the period from and including the Original Restatement Effective Date to the earlier of the date the Commitments terminate and the Revolver Termination Date;

(ii) for the period commencing on the Amendment No. 3 Effective Date and ending on the date in which the Commitments terminate and the Obligations are paid in full (other than contingent, unasserted indemnification and expense reimbursement obligations), an ACR relief fee (the "ACR Relief Fee") shall accrue on the Borrowings at a rate per annum equal to 2.00% on each day in which each of (x) the Covid Relief Borrowing Base Condition is not satisfied and (y) the Asset Coverage Ratio is not greater than 1.50 to 1; and

(iii) for the period commencing on the Amendment No. 3 Effective Date and ending on the date in which the Commitments terminate and the Obligations are paid in full (other than contingent, unasserted indemnification and expense reimbursement obligations), a borrowing base flex fee (the "Borrowing Base Flex Fee") shall accrue on each day at a rate per annum equal to 1.375% on the aggregate amount (which, if less than $0 on any day, shall be deemed $0 for such day) on each day by which the Covered Debt Amount exceeds the Unadjusted Borrowing Base.

Accrued commitment fees shall be payable in arrears on the following dates (commencing on the first such dates to occur after the Original Restatement Effective Date): (x) within one Business Day after each Quarterly Date (calculated as of the most recent Quarterly Date); and (y) on the earlier of the date the Commitments terminate and the Revolver Termination Date. Accrued ACR Relief Fees and Borrowing Base Flex Fees shall be payable in arrears on the following dates (commencing on the first such dates to occur after the Amendment No. 3 Effective Date): (x) within ten (10) days after the end of each calendar quarter; and (y) on the date in which the Commitments terminate and the Obligations are paid in full (other than contingent, unasserted indemnification and expense reimbursement obligations). All commitment fees, ACR Relief Fees and Borrowing Base Flex 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 determining the Unadjusted Borrowing Base when calculating any ACR Relief Fees or Borrowing Base Flex Fees, the value of assets with respect to any date in such calculation will be based on the most recent Borrowing Base Certificate delivered before such date of calculation by the Borrower pursuant to Section 2.1(a)(vi) of the Amendment No. 3 or Section 5.01(d) or (e), as applicable (but if no such Borrowing Base Certificate is timely delivered, as determined by the Administrative Agent in its sole discretion).

(b) 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.

(c) Payment of Fees. All fees payable hereunder shall be paid on the dates due, in Dollars and immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees, ACR Relief Fees, and Borrowing Base Flex Fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances absent manifest error. Any fees representing the Borrower's reimbursement obligations of expenses, to the extent requirements of invoice are not otherwise specified in this Agreement, shall be due (subject to the other terms and conditions contained herein) within ten (10) Business Days of the date that the Borrower receives from the Administrative Agent an invoice for such reimbursement obligations. On the Restatement Effective Date, the Borrower shall pay (i) all fees required to be paid on the Restatement Effective Date under that certain amended and restated fee letter, dated March 1, 2019, by and between the Borrower and ING and (ii) all costs and expenses outstanding on such date and required to be paid pursuant to Section 9.03(a)(i).

SECTION 2.10. 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 LIBO~~applicable Relevant Rate for the related Interest Period for such Borrowing plus the Applicable Margin.

(c) SOFR Loans. (i) If the then-current Benchmark is Daily Compounded SOFR, the Loans constituting each SOFR Borrowing shall bear interest at a rate per annum equal to Daily Compounded SOFR plus the Applicable Margin (computed in the manner described in Section 2.10(g)) and (ii) if the then-current Benchmark is Adjusted Term SOFR, the Loans constituting each SOFR Borrowing shall bear interest at a rate per annum equal to Adjusted Term SOFR for the related Interest Period for such Borrowing plus the Applicable Margin.

(d) RFR Loans. The Loans constituting each RFR Borrowing shall bear interest at a rate per annum equal to the Daily Simple RFR plus the Applicable Margin plus the SONIA Adjustment.

(e) ~~(c)~~ Default Interest. Notwithstanding the foregoing, if any Event of Default described in Section 7.01(a), (b), (d) (only with respect to Section 6.07), (h), (i), (j) or (o) has occurred and is continuing, or on the written demand of the Administrative Agent or the Required Lenders if any Event of Default described in any other clause of Section 7.01 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 or 10-Business Day period) referred to in Section 2.08(c), the interest applicable to the Loans shall accrue, and any fee or other amount payable 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, or (ii) in the case of any fee or other amount, 2.00% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(f) ~~(d)~~ 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 termination in full of the applicable Lender's Commitments; provided that (i) interest accrued pursuant to paragraph (~~c~~e) 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 or any SOFR Loan prior to the end of the Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(g) ~~(e)~~ Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that ~~interest computed by reference to the Alternate Base Rate~~(i) interest on Eurocurrency Borrowings denominated in Canadian Dollars and AUD, and 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), (ii) interest on RFR Borrowings denominated in Pounds Sterling 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) and (iii) the basis on which interest hereunder shall be computed on Eurocurrency Borrowings in an Agreed Foreign Currency other than Canadian Dollars, Euros, Pounds Sterling and AUD shall be agreed by each Multicurrency Lender and the Borrower at the time such Agreed Foreign Currency is consented to in accordance with the definition of "Agreed Foreign Currency". All interest hereunder on any Loan computed by reference to Daily Compounded SOFR shall be computed as of any applicable date of determination on a daily basis based upon (x) the outstanding principal amount of such Loan as of such date of determination plus (y) the accrued, unpaid interest on such Loan attributable to Daily Compounded SOFR (and not, for the avoidance of doubt, attributable to the Applicable Margin) as of the immediately preceding U.S. Government Securities Business Day. The applicable Alternate Base Rate ~~or Adjusted LIBO Rate~~and each Benchmark shall be determined by the Administrative Agent and such determination shall be conclusive absent manifest error.

SECTION 2.11. Eurocurrency Borrowing Provisions.

(a) Alternate Rate of Interest. If (x) prior to the commencement of the Interest Period for any Eurocurrency Borrowing ~~of a Class~~or, if the then-current Benchmark is Adjusted Term SOFR, any SOFR Borrowing of a Class or (y) at any time for any RFR Borrowing or, if the then-current Benchmark is Daily Compounded SOFR, any SOFR Borrowing (the Currency of such Borrowing herein called the "Affected Currency"):

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means do not exist for ascertaining the ~~Adjusted LIBO Rate~~Benchmark for the Affected Currency for such Interest Period (if applicable) (including because the relevant Screen Rate is not available or published on a current basis); or

(ii) the Administrative Agent is advised by the Required Lenders of such Class that the ~~Adjusted LIBO Rate~~Benchmark for the Affected Currency for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their respective Eurocurrency Loans, SOFR Loans or RFR Loans, as applicable, included in such Borrowing for such Interest Period (if applicable);

and, in each case, the provisions of Section 2.11(c) 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 and, until the Administrative Agent notifies the Borrower and ~~such~~the Lenders that the circumstances giving rise to such notice no longer exist, (i) any obligation of such Lender (x) to make RFR Borrowings or, if the then-current Benchmark is Daily Compounded SOFR, SOFR Borrowings, (y) to make or continue Eurocurrency Borrowings or, if the then-current Benchmark is Adjusted Term SOFR, SOFR Borrowings or (z) to convert ABR Borrowings to Eurocurrency Borrowings or SOFR Borrowings shall be suspended, (ii) any Interest Election Request that requests the conversion of any Eurocurrency Borrowing or SOFR Borrowing to, or the continuation of any Borrowing as, a Eurocurrency Borrowing or SOFR Borrowing denominated in the Affected Currency, shall be ineffective and, in each case, unless prepaid, (x) if the Affected Currency is Dollars, such Borrowing ~~(unless prepaid)~~ shall be continued as, or converted to, an ABR Borrowing and~~,~~ (y) if the Affected Currency is a Foreign Currency, such Borrowing shall be converted to Dollars based on the Dollar Equivalent at such time and shall be an ABR Borrowing, (~~ii~~iii) if the Affected Currency is Dollars ~~and~~, any Borrowing Request that requests a Eurocurrency Borrowing or SOFR Borrowing denominated in ~~Dollars, such Borrowing~~the Affected Currency shall be made as an ABR Borrowing~~,~~ and (~~iii~~iv) if the Affected Currency is a Foreign Currency, any Borrowing Request that requests a Eurocurrency Borrowing or an RFR Borrowing denominated in the Affected Currency shall be ineffective. Furthermore, if any Eurocurrency Loan or SOFR Loan in any Currency is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.11(a) with respect to the Benchmark applicable to such Eurocurrency Loan or SOFR Loan, then (1) if any such Eurocurrency Loan is denominated in Dollars, on the last day of the Interest Period applicable to such Loan, such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars on such day, (2) if any such Eurocurrency Loan is denominated in any Foreign Currency, such Loan shall, on the last day of the Interest Period applicable to such Loan, at the Borrower's election prior to such day: (A) be prepaid on such day or (B) be converted by the Administrative Agent to, and (subject to the remainder of this subclause (B)) 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, New York City 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 (B), upon the Borrower's receipt of notice from the Administrative Agent that the circumstances giving rise to the aforementioned notice no longer exist 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 notice being given to the Borrower by the Administrative Agent, (3) if the then-current Benchmark is Adjusted Term SOFR, on the last day of the Interest Period applicable to any such SOFR Loan, such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars on such day or (4) if the then-current Benchmark is Daily Compounded SOFR, immediately, such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars on such day. Furthermore, if any RFR Loan is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.11(a) with respect to the Daily Simple RFR applicable to such RFR Loan, then such Loan shall, at the Borrower's election prior to such day: (A) be prepaid on such day or (B) be converted by the Administrative Agent to, and (subject to the remainder of this subclause (B)) 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, New York City time, the Administrative Agent is authorized to effect such conversion of such RFR Loan into an ABR Loan denominated in Dollars), and, in the case of this subclause (B), upon the Borrower's receipt of notice from the Administrative Agent that the circumstances giving rise to the aforementioned notice no longer exist 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, an RFR Loan (in an amount equal to the Foreign Currency Equivalent of such Loan) on the day of such notice being given to the Borrower by the Administrative Agent. If the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Adjusted LIBO Rate, Daily Compounded SOFR or Adjusted Term SOFR, as applicable, cannot be determined pursuant to the applicable definition thereof, the Alternate Base Rate shall be determined by the Administrative Agent without reference to clause (c) of the definition of "Alternate Base Rate" until the Administrative Agent revokes such determination. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, as applicable, together with any additional amounts required pursuant to Section 2.13.

(b) 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 LIBO Rate~~any Benchmark, or to determine or charge interest rates based upon ~~the LIBO Rate~~any Benchmark, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, any ~~LIBO Quoted~~ Currency ~~in the London interbank market or any Non-LIBO Quoted Currency~~ in any relevant market, then, on notice thereof by such Lender to the Borrower and the Administrative Agent, (i) any obligation of such Lender (x) to make RFR Borrowings or, if the then-current Benchmark is Daily Compounded SOFR, SOFR Borrowings, (y) to make or continue Eurocurrency Borrowings or, if the then-current Benchmark is Adjusted Term SOFR, SOFR Borrowings, or (z) to convert ABR Borrowings to Eurocurrency Borrowings or SOFR Borrowings shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Eurocurrency Borrowings the interest rate on which is determined by reference to the Adjusted LIBO Rate, Adjusted Term SOFR or Daily Compounded SOFR, as applicable, component of the Alternate Base Rate, 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~~clause (c) of the definition of "Alternate Base Rate", in each case until such Lender ~~revokes such notice and advises~~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 Eurocurrency Borrowings and SOFR Borrowings denominated in Dollars of such Lender shall automatically convert to ABR Borrowings ~~(the~~ and (B) all RFR Borrowings and Eurocurrency Borrowings denominated in the Foreign Currency shall automatically convert to Dollars based on the Dollar Equivalent at such time and shall be ABR Borrowings (in each case, 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~~clause (c) of the definition of "Alternate Base Rate") ~~and (B) all~~(1) with respect to RFR Borrowings and, if the then-current Benchmark is Daily Compounded SOFR, SOFR Borrowings, on the immediately succeeding Business Day or (2) with respect to Eurocurrency Borrowings ~~in an Agreed Foreign Currency of such Lender shall accrue interest at the rate equal to the cost to each Lender to fund its pro rata share of such Eurocurrency Borrowing (from whatever source and using whatever methodologies as such Lender may select in its reasonable discretion), in each case, either~~and, if the then-current Benchmark is Adjusted Term SOFR, SOFR Borrowings, on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Borrowings and SOFR Borrowings to such day, or 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)~~and SOFR Borrowings and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Adjusted LIBO Rate, Daily Compounded SOFR or Adjusted Term SOFR, as applicable, the Administrative Agent shall during the period of such suspension compute the Alternate Base Rate applicable to such Lender without reference to ~~the LIBO Rate component thereof~~clause (c) of the definition of "Alternate Base Rate" 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 Adjusted LIBO Rate, Daily Compounded SOFR or Adjusted Term SOFR, as applicable. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted~~. To the extent any Eurocurrency Borrowing so converted is~~ in an Agreed Foreign Currency, ~~such Eurocurrency Borrowing shall be converted to Dollars based on the Dollar Equivalent of such Borrowing at the time of such conversion.~~, together with any additional amounts required pursuant to Section 2.13.

~~(c) Effect of Benchmark Transition Event.~~

(c) ~~(i)~~ Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document~~, upon~~:

(i) Replacing the Benchmark

(A) For Eurocurrency Loans denominated in Dollars, on the earlier of (x) the date that all Available Tenors of the Adjusted LIBO Rate have either permanently or indefinitely ceased to be provided by the 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 Adjusted LIBO Rate, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any other 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 and defined terms and other provisions relating to a Benchmark of the Adjusted LIBO Rate shall immediately and automatically cease to have any force or effect. If the Benchmark Replacement is the Daily Compounded SOFR Screen Rate, all interest payments will be payable on a monthly basis.

(B) For (1) Eurocurrency Loans or RFR Loans denominated in Foreign Currencies or (2) SOFR Loans denominated in Dollars, on the earlier of (x) the occurrence of a Benchmark Transition Event ~~or~~and (y) 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 LIBO Rate 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 LIBO Rate with a Benchmark Replacement pursuant to this Section 2.11(c) will occur prior to the applicable Benchmark Transition Start Date.~~ of each Class.

(C) 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 or SOFR Borrowing into a request for a Borrowing of or conversion to ABR Loans or (y) any request by the Borrower for an RFR Borrowing or a Eurocurrency Borrowing in an Agreed Foreign Currency shall be ineffective. During the period referenced in the foregoing sentence, (a) clause (c) of the definition of "Alternate Base Rate" will not be used in any determination of Alternate Base Rate, (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 or (y) if such Eurocurrency Loan is denominated in any Agreed Foreign Currency, 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 (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, New York City time, the Administrative Agent is authorized to effect such conversion of such Eurocurrency Loan into an ABR Loan denominated in Dollars), (c) any outstanding affected RFR Loans shall, 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 (in an amount equal to the Dollar Equivalent of such RFR Loan) on the immediately succeeding Business Day (it being understood and agreed that if the Borrower does not so prepay such Loan on such day by 12:00 noon, New York City time, the Administrative Agent is authorized to effect such conversion of such RFR Loan into an ABR Loan denominated in Dollars), (d) if the then-current Benchmark is Adjusted Term SOFR, any outstanding affected SOFR 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 and (e) if the then-current Benchmark is Daily Compounded SOFR, any outstanding affected SOFR Loan shall, 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 the immediately succeeding Business Day.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, implementation or administration of a Benchmark Replacement~~, the~~ (or, with respect to any Benchmark Replacement of the Adjusted LIBO Rate, the Daily Simple RFR, Term SOFR or Daily Compounded SOFR, at any time) the Administrative Agent in consultation with the Borrower 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 ~~(other than the Borrower, whose consent shall not be unreasonably withheld or delayed)~~or any other Loan Document.

(iii) 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 Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii~~x) the implementation of any Benchmark Replacement~~,~~ and (~~iii~~y) the effectiveness of any Benchmark Replacement Conforming Changes ~~and (iv) the commencement or conclusion of any Benchmark Unavailability Period~~. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.11(c), including any determination with respect to Benchmark Replacement Conforming Changes, 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 2.11(c).

~~(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 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 to 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 LIBO Rate, 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 LIBO Rate, such Borrowing shall be converted to Dollars based on the Dollar Equivalent at such time and shall be an ABR Borrowing. During any Benchmark Unavailability Period, the component of ABR based upon the LIBO Rate will not be used in any determination of ABR.~~

(iv) 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 Adjusted Term SOFR, the Adjusted LIBO Rate, EURIBO Screen Rate, AUD Bank Bill Reference Rate or CDOR Rate) then the Administrative Agent may remove any tenor of such Benchmark that is unavailable, non-representative, non-compliant or non-aligned for Benchmark (including Benchmark Replacement) settings and (y) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(v) Tax Matters. The Administrative Agent, the Lenders and the Borrower agree to cooperate in good faith and use commercially reasonable efforts to satisfy any applicable requirements under proposed or final United States Treasury Regulations or other IRS guidance such that the use of an alternative rate of interest pursuant to this Section 2.11(c) shall not result in a deemed exchange of any Loan or Obligation under Section 1001 of the Code.

SECTION 2.12. 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 LIBO Rate);

(ii) subject any Lender to any Taxes (other than Covered Taxes and Taxes described in clauses (a)(ii), (c), (d) and (e) of the definition of "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 London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurocurrency Loans made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lenders of making, continuing, converting into or maintaining any Eurocurrency Loan (or of maintaining its obligation to make any such Eurocurrency Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, in Dollars, such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender 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 capital or on the capital of such Lender's parent, if any (or would have the effect of reducing the liquidity of such Lender or such Lender's parent, if any), as a consequence of this Agreement or the Loans made by such Lender, to a level below that which such Lender or such Lender's parent could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's parent with respect to capital adequacy or liquidity position), by an amount deemed to be material by such Lender, then from time to time the Borrower will pay to such Lender, in Dollars, such additional amount or amounts as will compensate such Lender or such Lender's parent for any such reduction suffered.

(c) Certificates from Lenders. A certificate of a Lender setting forth the amount or amounts, in Dollars, necessary to compensate such Lender or its parent, 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 the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender 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 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 2.13. Break Funding Payments; Foreign Currency Losses. (a) In the event of (i) the payment of any principal of any Eurocurrency Loan, SOFR Loan or RFR 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), (ii) the conversion of any Eurocurrency Loan, SOFR Loan or RFR Loan other than on the last day of an Interest Period therefor, (iii) the failure to borrow, convert, continue or prepay any Eurocurrency Loan, SOFR Loan or RFR 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 2.08(e) and is revoked in accordance herewith), (iv) the assignment as a result of a request by the Borrower pursuant to Section 2.17(b) of any Eurocurrency Loan, SOFR Loan or RFR Loan other than on the last day of an Interest Period therefor or (v) the conversion of any Eurocurrency Loan, SOFR Loan or RFR Loan (other than on the last day of an Interest Period therefor) as a result of the occurrence of a CAM Exchange or otherwise, including without limitation in connection with Section 2.15, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurocurrency Loan, SOFR Loan or RFR Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount determined by such Lender to be equal to the excess, if any, of

(1) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan referred to in clauses (i), (ii), (iii), (iv) or (v) of this Section 2.13 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, SOFR Loan or RFR Loan, as applicable (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 LIBO Rate~~applicable Benchmark for such Currency for such Interest Period, over

(2) 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-LIBO Quoted~~Agreed Foreign Currency, in the relevant market for such ~~Non-LIBO Quoted~~Agreed Foreign Currency) at the commencement of such period.

Payments under this Section shall be made upon written request of a Lender delivered not later than five 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 (provided that such Lender shall not be required to disclose any confidential or pricing information or any other information prohibited to be disclosed by applicable law), 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.

(b) In the event that any Loan not denominated in Dollars is converted to, or redenominated in Dollars (including, without limitation, pursuant to Section 2.15, a CAM Exchange or otherwise), then in any such event, the Borrower shall compensate each Lender for the loss, cost or expense attributable to such event.

SECTION 2.14. 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 an applicable Withholding Agent shall be required to deduct or withhold any Taxes from such payments (as determined in the good faith discretion of such Withholding Agent), then (i) the applicable Withholding Agent shall be entitled to make such deductions or withholdings, (ii) the applicable 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 by the Borrower 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 2.14) the Administrative Agent or Lender receives an amount equal to the sum it would have received had no such deductions or withholdings 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 and each Lender 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 2.14) payable or paid by the Administrative Agent or such Lender, 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 setting forth in reasonable detail a calculation and explanation of the amount of such payment or liability delivered to the Borrower by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, 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 2.14(a) or (c), each Lender shall, and does hereby, agree severally to indemnify the Administrative Agent, and shall make payable in respect thereof within ten (10) Business 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 setting forth in reasonable detail a calculation and explanation of 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 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 2.14, 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 fails to pay any 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.

(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 2.14(f)(ii)(A) or (B) or Section 2.14(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 2.14(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 upon the expiration or invalidity of any form previously delivered by such Foreign Lender, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent at any time that it becomes aware that it no longer satisfies the legal requirements to provide any previously delivered form or certificate (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 Section 2.14(g), "FATCA" shall include any amendment made to FATCA after the Restatement Effective Date. 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 or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund (including any credit of any Taxes in lieu of 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 2.14, 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 or any Lender, 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 or any Lender, 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 or any Lender in the event the Administrative Agent or any Lender 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 or any Lender be required to pay any amount to the Borrower pursuant to this paragraph (h) the payment of which would place the Administrative Agent or such Lender in a less favorable net position after-Taxes than the Administrative Agent or such Lender 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 or any Lender 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 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(j) Defined Terms. For purposes of this Section 2.14, the term "applicable law" includes FATCA.

SECTION 2.15. 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, or under Section 2.12, 2.13 or 2.14, or otherwise) or under any other Loan Document (except to the extent otherwise provided therein) prior to 12:00 noon, 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 pursuant to Sections 2.12, 2.13, 2.14 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 the 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, ACR Relief Fees, Borrowing Base Flex Fees and payments required under Sections 2.12 and 2.13, and payments required under Section 2.14 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, 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 when due (whether at stated maturity, by acceleration, by mandatory prepayment or otherwise), the unpaid portion of such Loan shall, if such Loan 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 that is not denominated in Dollars, such interest shall automatically be redenominated in Dollars on the due date therefor after giving effect to any applicable grace period (or, if such 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, 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 of such Class then due to such parties, and (ii) second, to pay principal of such Class then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal 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, each payment of commitment fees, ACR Relief Fees and Borrowing Base Flex Fees under Section 2.09 shall be made for the account of the Lenders of the applicable Class, and each termination or reduction of the amount of the Commitments of a Class under Section 2.06, Section 2.08 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 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), subject to Section 2.02(e); (iii) each payment or prepayment of principal of Loans of a Class by the Borrower shall be made for the account of the Lenders of such Class pro rata in accordance with the respective unpaid principal amounts of the Loans of such Class held by them (and, with respect to the pro rata treatment of prepayments between Classes, any such prepayments shall be made in accordance with the provisions of Section 2.08(e)); and (iv) each payment of interest on Loans of a Class by the Borrower shall be made for the account of the Lenders 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 concurrently utilizes any Multicurrency Commitments made available as a result of such prepayment to make (subject to the terms and conditions contained herein) 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, resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans, and accrued interest thereon 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 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; 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 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 the account of the Lenders 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 the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender 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~~applicable Overnight 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, 2.15(e) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.16. 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 2.09(a) shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender to the extent and during the period such Lender is a Defaulting Lender;

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders, two-thirds of the Lenders or the Required Lenders 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.

In the event that the Administrative Agent and the Borrower agree in writing that a Defaulting 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 the portion of the Loans of the other Lenders and take such other actions as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; provided further that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 7.01 or otherwise) or received by Administrative Agent from a Defaulting Lender, will be applied at such time or times as may be determined by Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to Administrative Agent hereunder; second, as Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Administrative Agent; third, if so determined by Administrative Agent and Borrower, to be held in a deposit account and released *pro rata* in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default exists, to the payment of any amounts owing to Borrower as a result of any judgment of a court of competent jurisdiction obtained by Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if: (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share; and (y) notwithstanding anything to the contrary contained herein, such Loans were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment will be applied solely to pay the Loans of all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by Lenders *pro rata* in accordance with the Revolving Credit Exposures hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.16 are hereby deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

SECTION 2.17. Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender exercises its rights under Section 2.11(b) or requests compensation under Section 2.12, or if the Borrower is required to pay any Covered Taxes or additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) 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 2.12 or 2.14, as the case may be, in the future, or eliminate the circumstance giving rise to such Lender exercising its rights under Section 2.11(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 2.11(b) or requests compensation under Section 2.12, or if the Borrower is required to pay any Covered Taxes or additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 2.17(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 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, 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 2.12 or payments required to be made pursuant to Section 2.14, 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, 2.15(e) 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 for the account of such Lender for the benefit of the Administrative Agent 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.

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 is duly organized, formed or incorporated, as applicable, validly existing and in good standing under the laws of the jurisdiction of its organization, formation or incorporation, as applicable, 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 the failure to do so could reasonably be expected to result in a Material Adverse Effect. There is no existing default under any charter, by-laws or other Constituent 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 each of the other Loan Documents to which the Borrower and/or any of its Subsidiaries is a party have been duly executed and delivered by the Borrower and/or such Subsidiary, as applicable. This Agreement constitutes, and each of the other Loan Documents to which the Borrower or any of its Subsidiaries is a party when executed and delivered will constitute, a legal, valid and binding obligation of the Borrower or such Subsidiary, as applicable, 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 Constituent 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. (i) The financial statements delivered to the Administrative Agent and the Lenders by the Borrower pursuant to Section 4.01(c) present fairly, in all material respects, the consolidated financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of the end of and for the applicable period in accordance with GAAP applied on a consistent basis. 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 the financial statements referred to above.

(ii) The financial statements delivered to the Administrative Agent and the Lenders by the Borrower pursuant to Sections 5.01(a) and (b) present fairly, in all material respects, the consolidated financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of the end of and for the applicable period in accordance with GAAP applied on a consistent basis. 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 the financial statements referred to above.

(b) No Material Adverse Effect. Since December 31, 2017, 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 (a) that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (b) 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 (including rules, regulations and orders issued by the SEC) 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. Neither the Borrower nor any of its Subsidiaries is in default in any manner under any provision of any agreement or instrument to which it is a party or by which it or any of its property is or may be bound, and no condition exists which, with the giving of notice or the lapse of time or both, would constitute such a default, in each case where such default could reasonably be expected to result in a Material Adverse Effect. Each of the Borrower and its Subsidiaries is in compliance with its respective Constituent Documents in all material respects.

SECTION 3.07. Taxes. Each of the Borrower and its Subsidiaries has timely filed or has caused to be timely filed all U.S. federal, state and material 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, other than any 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 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, and there is no basis for such assessment. The period within which United States federal income Taxes may be assessed against any of the Borrower or any of its Subsidiaries has expired for all taxable years ending on or before December 31, 2014.

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 that have occurred or are reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.09. Disclosure.

(a) All written reports, financial statements, certificates and other written information (other than projected financial information, other forward looking information, information relating to third parties and information of a general economic or general industry nature) which has been made available to the Administrative Agent or any Lender by or on behalf of the Borrower, any of its Subsidiaries or any of their respective representatives in connection with the transactions contemplated by this Agreement or delivered under any Loan Document, taken as a whole, is complete, true and correct in all material respects and will not 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; and

(b) All financial projections, pro forma financial information and other forward-looking information which have been delivered to the Administrative Agent or any Lender by or on behalf of Borrower, any of its Subsidiaries or any of their respective representatives in connection with the transactions contemplated by this Agreement or delivered under any Loan Document are based upon good faith assumptions and, in the case of financial projections and pro forma financial information, good faith estimates, in each case, believed to be reasonable at the time made, it being recognized that (i) such financial information as it relates to future events is subject to significant uncertainty and contingencies (many of which are beyond the control of the Borrower) and are therefore not to be viewed as fact, and (ii) actual results during the period or periods covered by such financial information may materially differ from the results set forth therein.

(c) All information of a general economic nature (excluding the specific historical economic performance of the Borrower or its Subsidiaries or their respective Affiliates) or relating generally to the industry in which the Borrower or its or their Subsidiaries or their respective Affiliates operate made available to the Administrative Agent or any Lender by or at the direction of the Borrower are believed by the Borrower in good faith to be true and accurate in all material respects, but without independent investigation by the Borrower of the accuracy thereof.

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 and has qualified as a RIC at all times since the Borrower's taxable year ended December 31, 2013.

(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 provisions of the Investment Company Act or any other 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.

(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. Neither the Borrower nor any of its Subsidiaries 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 arrangement 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 Amendment No. 3 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 Amendment No. 3 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 Amendment No. 3 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 Amendment No. 3 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, (iii) the nature of the ownership interests held by each such Person and the percentage of ownership of such Subsidiary represented by such ownership interests and (iv) whether or not such Subsidiary is a SBIC Subsidiary, a Structured Subsidiary, a CFC, a Transparent Subsidiary or the Excluded Subsidiary. Except as disclosed in Schedule 3.12(a), as of the Amendment No. 3 Effective Date, (x) the Borrower owns, free and clear of Liens, 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. The Excluded Subsidiary does not own any material assets other than Equity Interests in TPP Operating, Inc., or engage in any material activities other than its ownership of such Equity Interests and activities incidental thereto.

(b) Investments. The Borrower has delivered on the Amendment No. 3 Effective Date, a certification to the Administrative Agent and the Lenders containing a complete and correct list of all Investments (other than Investments of the types referred to in clauses (b) and (c) of Section 6.04) held by the Borrower or any of its Subsidiaries in any Person on the Amendment No. 3 Effective Date and, for each such Investment, (i) the identity of the Person or Persons holding such Investment, (ii) the nature of such Investment, (iii) the amount of such Investment, (iv) the rate of interest charged for such Investment, (v) the value assigned to such Investment by the Board of Directors of the Borrower and value with respect to such Investment set forth in the Third-Party Valuation Opinion and (vi) the transferor of such Investment (the certificate containing such certification, the "Existing Investments Certificate"). Except as disclosed on the Existing Investments Certificate, as of the Amendment No. 3 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(a) . On each of the Restatement Effective Date and the Amendment No. 3 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. Affiliate Agreements. As of the Restatement Effective Date and the Amendment No. 3 Effective Date, the Borrower has heretofore delivered to the Administrative Agent and 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) and as of the Restatement Effective Date and the Amendment No. 3 Effective Date, other than the Affiliate Agreements, there is no contract, agreement or understanding between the Borrower or any of its Subsidiaries on one hand, and any Affiliate of the Borrower or any of its Subsidiaries on the other hand. As of the Restatement Effective Date and the Amendment No. 3 Effective Date, the Affiliate Agreements are in full force and effect.

SECTION 3.16. No Default. No Default or Event of Default has occurred and is continuing under this Agreement or under any Material Indebtedness.

SECTION 3.17. 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)) in the ordinary course of its business, including making distributions not prohibited by this Agreement and the acquisition and funding (either directly or through one or more wholly owned Subsidiary Guarantors) of leveraged loans, mezzanine loans, high yield securities, convertible securities, preferred stock and other Portfolio Investments, but excluding, for clarity, Margin Stock.

SECTION 3.18. 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 (subject to Eligible Liens or any Liens described in clause (b) of the definition of "Permitted Liens") on, and security interests in, the Collateral and, when (i) all appropriate filings or recordings are made in the appropriate offices as may be required under applicable law and, as applicable, (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 3.19. Compliance with Sanctions. Neither the Borrower nor any of its Subsidiaries, or any officer or director thereof, nor, to the knowledge of any Financial Officer, any Affiliate of the Borrower, (i) is subject to, or subject of, sanctions (collectively, "Sanctions") administered by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"), any other United States of America Governmental Authority, the U.S. Department of State, the European Union, HMT or the United Nations Security Council, or (ii) is located, has a place of business or is organized or resident in a Sanctioned Country. Furthermore, no part of the proceeds of a Loan will be used, directly or indirectly, by the Borrower or to the knowledge of the Borrower, any Affiliate of the Borrower to finance or facilitate a transaction with a person that is Subject to Sanctions or is located, has a place of business or is organized or resident in a Sanctioned Country. Each Obligor has instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, compliance with all applicable Sanctions.

SECTION 3.20. Anti-Money Laundering 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 the rules and regulations thereunder and maintains in effect and enforces policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries (and, when acting on behalf of the Borrower and its Subsidiaries, their respective directors, officers, employees and agents) with applicable Sanctions.

SECTION 3.21. Anti-Corruption Laws. None of the Borrower or, to the Borrower's knowledge, any director, officer, agent, employee, Affiliate or other person associated with or acting on behalf of the Borrower or any Affiliate of the Borrower has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity or to influence official action; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment; or (iv) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") and any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (collectively with the FCPA, the "Anti-Corruption Laws"); and each of the Borrower and any Affiliate of the Borrower has conducted its businesses in compliance with the Anti-Corruption Laws and have instituted and maintained policies and procedures 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 Affiliate of the Borrower, or by any of their respective directors, officers, agents, employees or Affiliates, to finance or facilitate a transaction in violation of the Anti-Corruption Laws.

SECTION 3.22. Structured Subsidiaries

(a) There are no agreements or other documents relating to any Structured Subsidiary binding upon the Borrower or any of its Subsidiaries (other than such Structured Subsidiary) other than as permitted under the definition thereof.

(b) ~~The~~Neither the Borrower ~~has not~~nor any other Obligor has Guaranteed the Indebtedness or other obligations in respect of any credit facility relating to the Structured Subsidiaries, other than pursuant to Standard Securitization Undertakings.

SECTION 3.23. Affected Financial Institutions. No Obligor is an Affected Financial Institution.

SECTION 3.24. Beneficial Ownership Certification. As of the Restatement Effective Date, to the best knowledge of the Borrower, the information included in any Beneficial Ownership Certification provided on or prior to the Restatement Effective Date to any Lender in connection with this Agreement is true and correct in all respects.

ARTICLE IV

CONDITIONS

SECTION 4.01. Restatement Effective Date. The effectiveness of this Agreement on the Restatement Effective Date and of the obligations of the Lenders to make Loans 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 (1) a counterpart of this Agreement signed on behalf of such party or (2) 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. An amendment to the Guarantee and Security Agreement and an amendment to the Custodian Agreement with respect to the Borrower's Custodian Account, 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 and such Custodian Agreement in connection with the execution thereof.

(iii) Opinion of Counsel to the Obligors. A favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Restatement Effective Date) of Nelson Mullins Riley & Scarborough LLP, counsel for the Obligors, in form and substance reasonably acceptable 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 Restatement Effective Date, certifying that attached thereto are (1) true and complete copies of the organizational documents of each Obligor certified as of a recent date by the appropriate governmental official, (2) signature and incumbency certificates of the officers of such Person executing the Loan Documents to which it is a party, (3) 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 Restatement Effective Date, and, in the case of the Borrower, authorizing and approving the borrowings hereunder, and certified as of the Restatement Effective Date by its secretary or an assistant secretary that such resolutions are in full force and effect without modification or amendment, (4) 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 Restatement Effective Date, and (5) such other documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Obligor, 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 Restatement Effective Date and signed by a Financial Officer, confirming compliance with the conditions set forth in Sections 4.01(d), (e), (h) and (m).

(vi) Borrowing Base Certificate. A Borrowing Base Certificate dated the Restatement Effective Date, showing a calculation of the Borrowing Base as of the Restatement Effective Date immediately after giving effect to the Transactions, in form and substance reasonably satisfactory to the Administrative Agent.

(vii) Fee Letter. The amended and restated fee letter, duly executed and delivered by each of the parties thereto.

(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 Borrower or its Subsidiaries except for Liens permitted under Section 6.02 or Liens to be discharged on or prior to the Restatement Effective Date pursuant to documentation 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 or any Liens described in clause (b) of the definition of "Permitted 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 the final version, approved by the Board of Directors of the Borrower, of the consolidated statement of assets and liabilities and the related consolidated statements operations, changes in net assets and cash flows and related schedule of investments of the Borrower and its consolidated Subsidiaries as of and for the fiscal period ended September 30, 2018, all certified in writing by a Financial Officer 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 reasonably request.

(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, without limitation, any filing required on Form 8-K) required to be made or obtained by the Borrower and all other Obligors 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 threatened in any court or before any arbitrator or Governmental Authority that relates to the Transactions or that could reasonably be expected to have a Material Adverse Effect.

(f) Solvency Certificate. On the Restatement Effective Date, the Administrative Agent shall have received a solvency certificate of the chief financial officer of the Borrower dated as of the Restatement 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) Interest, Fees, Expenses and Other Amounts. The Borrower shall have paid in full (i) to the Administrative Agent and the Lenders all fees and expenses related to this Agreement owing on or prior to the Restatement Effective Date, including any up-front fee due to any Lender on the Restatement Effective Date and (ii) to the Administrative Agent and the Existing Lenders all accrued and unpaid interest, commitment fees, fees, expenses and other amounts owing under the Existing Credit Agreement.

(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 on a pro forma basis.

(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 and each Lender.

(j) Insurance. The Administrative Agent shall have received (i) customary insurance certificates, or (ii) confirmation that there have been no changes to the underlying insurance policies since the Original Effective Date and that the insurance certificates and endorsements delivered in connection with the Original Effective Date are in full force and effect.

(k) Investment Policies. The Administrative Agent shall have received the Investment Policies as in effect on the Restatement Effective Date in form and substance satisfactory to the Administrative Agent.

(l) Beneficial Ownership Regulation. To the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least one (1) day prior to the Restatement Effective Date, any Lender that has requested, in a written notice to the Borrower at least three (3) days prior to the Restatement Effective Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (l) shall be deemed to be satisfied).

(m) Representations and Warranties. The representations and warranties of the Borrower or any other Obligor 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 Restatement Effective Date, or, as to any such representation or warranty that refers to a specific date, as of such specific date.

(n) Other Documents. The Administrative Agent shall have received such other documents, instruments, certificates and information as the Administrative Agent may reasonably request in form and substance 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.

SECTION 4.02. Conditions to Loans.

(a) [Intentionally omitted].

(b) Each Credit Event. The obligation of each Lender to make any Loan, including any such extension of credit on the Restatement Effective Date, is additionally subject to the satisfaction of the following conditions:

(i) the representations and warranties of the Borrower or any other Obligor 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, as to any such representation or warranty that refers to a specific date, as of such specific date;

(ii) at the time of and immediately after giving effect to such Loan, no Default shall have occurred and be continuing or would result from such Loan after giving effect thereto and to the use of proceeds thereof on a pro forma basis;

(iii) no Borrowing Base Deficiency shall exist at the time of and immediately after giving effect to such Loan (as well as giving effect to any substantially concurrent acquisitions of Portfolio Investments, distributions or payment of outstanding Loans or Indebtedness), 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, distributions or payment of outstanding Loans or Other Covered Indebtedness;

(iv) 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;

(v) the Custodian Agreement shall have been duly executed and delivered by the Borrower, the Collateral Agent and the Custodian and all other control arrangements required at the time by Section 5.08(c)(ii) with respect to the Obligors' other deposit accounts and securities accounts shall have been entered into; and

(vi) the proposed date of such extension of credit shall take place during the Availability Period.

Each Borrowing Request submitted by the Borrower shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in this Section 4.02.

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), subject to any applicable exceptions contained in such agreement, including the entry by such Lender into an additional agreement with such Person):

(a) within 90 days after the end of each fiscal year of the Borrower (commencing with the fiscal year ending December 31, 2015), the audited consolidated statement of assets and liabilities and the related audited consolidated statements of operations, changes in net assets and 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 RSM US LLP (formerly McGladrey 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, 2016), the consolidated statement of assets and liabilities and the related consolidated statements of operations, changes in net assets and cash flows and related 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 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 substantially in the form of Exhibit F hereto or such other form as is reasonably acceptable to the Administrative Agent (i) to the extent the requirements in clause (a) and (b) 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 during the most recent period covered by such financial statement (and such Default has not previously been disclosed in writing pursuant to Section 5.02(a)) and, if such a previously undisclosed Default has occurred 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 demonstrating compliance with Sections 6.01(b), (c), (d) and (e), 6.02(f), 6.03(e) and (h), 6.04(i), 6.05(b) 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 ~~Original~~ Restatement 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, (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 and (vi) providing a reconciliation of any difference between the assets and liabilities of the Borrower and its consolidated Subsidiaries presented in such financial statements and the assets and liabilities of the Borrower and its Subsidiaries for purposes of calculating the financial covenants in Section 6.07;

(d) as soon as available and in any event not later than twenty (20) calendar days after the end of each monthly accounting period (ending on the last day of each calendar month and commencing with the month ended December 31, 2015) of the Borrower and its Subsidiaries, a Borrowing Base Certificate as of the last day of such accounting period, including an Excel schedule containing such additional information consistent with past practice as shall have been mutually agreed with the Administrative Agent;

(e) (i) promptly but no later than two Business Days after the Borrower shall at any time be aware (based upon facts and circumstances known to it) that there is a Borrowing Base Deficiency or be aware (based upon facts and circumstances known to it) that the Borrowing Base has declined by more than 15% (or, with respect to the period from the Amendment No. 3 Effective Date to the Covid Relief Termination Date, the lesser of (x) 10% and (y) if applicable, the percentage by which the Borrowing Base exceeded the Covered Debt Amount in the Borrowing Base Certificate most recently delivered under this Agreement) from the Borrowing Base as of the end of the most recently ended calendar month, a Borrowing Base Certificate as at the date the Borrower has knowledge of such Borrowing Base Deficiency or decline indicating the amount of the Borrowing Base Deficiency or decline as at the date the Borrower obtained knowledge of such deficiency or decline and the amount of the Borrowing Base Deficiency or decline as of the date not earlier than two Business Days prior to the date the Borrowing Base Certificate is delivered pursuant to this paragraph and (ii) on the Covid Relief Termination Date, a Borrowing Base Certificate as of the Covid Relief Termination Date, including an Excel schedule containing such additional information consistent with past practice as shall have been mutually agreed with the Administrative Agent; provided that, for the avoidance of doubt, such Borrowing Base Certificate under this clause (ii) shall calculate the Borrowing Base based solely on the Unadjusted Borrowing Base and excluding the Borrowing Base Flex;

(f) promptly upon receipt thereof copies of all significant 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;

(g) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials sent to stockholders and filed by the Borrower or any of its Subsidiaries with the SEC or with any national securities exchange, as the case may be;

(h) within 45 days after the last day of each fiscal quarter of the Borrower, all internal and external valuation reports relating to the Eligible Portfolio Investments and Non-Core Assets (including all valuation reports delivered by the Approved Third-Party Appraiser in connection with the quarterly appraisals of Unquoted Investments in accordance with Section 5.12(b)(ii)(B)), and any other information relating to the Eligible Portfolio Investments and Non-Core Assets as reasonably requested by the Administrative Agent or any Lender;

(i) within 45 days after the initial closing of each Eligible Portfolio Investment and each Non-Core Asset that is acquired, made or entered into after the Original Restatement Effective Date, all underwriting memoranda for such Eligible Portfolio Investment and such Non-Core Asset;

(j) to the extent not otherwise provided by the Custodian, within thirty (30) days after the end of each month, substantially in the form of Exhibit G hereto or such other form as is reasonably acceptable to the Administrative Agent, full, correct and complete updated copies of custody reports (including (i) activity reports with respect to cash and Cash Equivalents included in the calculation of the Borrowing Base and (ii) to the extent available, an itemized list of each Portfolio Investment held in any Custodian Account owned by the Borrower or any Subsidiary) reflecting all assets being held in any Custodian Account owned by the Borrower or any of its Subsidiaries or otherwise subject to a Custodian Agreement;

(k) within 45 days after the end of each fiscal quarter of the Borrower commencing with the first fiscal quarter to end on or after the date on which the Borrower has any Financing Subsidiary, a certificate of a Financial Officer 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 name of the issuer of such Portfolio Investment;

(l) promptly following any request therefor, (i) such other information regarding the operations, business affairs and financial condition of any Obligor 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 and (ii) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer", anti-corruption and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation;

(m) to the extent required by the Beneficial Ownership Regulation, any change in the information provided in the Beneficial Ownership Certification delivered to a Lender that would result in a change to the list of beneficial owners identified in such certificate;

(n) to the extent such information is not otherwise available in the financial statements delivered pursuant to clause (a) or (b) of this Section 5.01, upon the reasonable request of the Administrative Agent prior to the end of the applicable fiscal quarter or year, the Borrower shall deliver within 45 days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower and ninety (90) days after the end of each fiscal year of the Borrower, a schedule setting forth in reasonable detail with respect to each Portfolio Investment 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; and

(o) if the Borrower has elected to use the relief offer by Release No. 33837, within two (2) Business Days after the end of each calendar month (commencing with the first calendar month ending after the Amendment No. 3 Effective Date in which the Borrower has elected to use the relief offered by Release No. 33837), a certificate of a Financial Officer in form and substance reasonably satisfactory to the Administrative Agent demonstrating the calculation of the Asset Coverage Ratio as of the last day of the applicable calendar month and certifying that as of the end of each day during such calendar month, the Asset Coverage Ratio (i) was at a level that did not violate any of the provisions of this Agreement and (ii) was or was not, as applicable, greater than 1.50 to 1.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default (provided that if such Default is subsequently cured within the time periods set forth herein, the failure to provide notice of such Default shall not itself result in an Event of Default hereunder);

(b) the filing or commencement (or threat in writing of the filing or commencement) of, or any material development in, any action, suit, claim, dispute or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates that (i) pertains to, or arises in connection with, this Agreement, any of the Loan Documents or any of the Transactions, or (ii) 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 liability of the Borrower or any ERISA Affiliate in an aggregate amount exceeding $2,500,000;

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and

(e) its electing to use the relief offered by Release No. 33837.

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 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 tax liabilities and material contractual obligations 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 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 companies engaged in the same or similar business, operating in the same or similar locations (including, without limitation, directors and officers liability insurance) and (c) after the 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. Each such policy of insurance (other than any director and officer liability insurance policy) shall name the Collateral Agent, for the benefit of the Administrative Agent and the Lenders, as additional insured with respect to liability policies (and, with respect to casualty policies, to the extent Borrower owns any material tangible Collateral other than documentation evidencing Portfolio Investments, loss payee) thereunder.

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 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, at the sole expense of the Borrower, to (i) visit and inspect its properties, 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; 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 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 to, permit any representatives designated by Administrative Agent (including any consultants, accountants, lawyers and appraisers retained by the Administrative Agent) to conduct evaluations and appraisals of the Borrower's computation of the Borrowing Base (and any components thereof) and the assets included in the Borrowing Base (and any components thereof, 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 fees and expenses of representatives retained by the Administrative Agent to conduct any such evaluation or appraisal; provided that the Borrower shall not be required to pay such fees and expenses for more than one such evaluation or appraisal during any calendar year unless an Event of Default has occurred and is continuing at the time of any subsequent evaluation or appraisal 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 or appraisal 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 or appraisal 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)(I) 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 rules, regulations and orders issued by the SEC) 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. The Borrower will maintain and enforce policies and procedures 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, in each case, giving due regard to the nature of such Person's business and activities.

SECTION 5.08. Certain Obligations Respecting Subsidiaries; Further Assurances.

(a) Subsidiary Guarantors.

(i) Without limiting Section 6.17, 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 or a Transparent Subsidiary), or that any other Person shall become a "Subsidiary" within the meaning of the definition thereof (other than a Financing Subsidiary, a CFC or a Transparent Subsidiary), (2) any SBIC Subsidiary shall no longer constitute a "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), (3) any Structured Subsidiary shall no longer constitute a "Structured Subsidiary" pursuant to the definition thereof (including, for the avoidance of doubt, if such Structured Subsidiary ceases to have, in full force and effect, financing provided by an unaffiliated third party) (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 a "new" Subsidiary for purpose of this Section 5.08) and (5) any Transparent Subsidiary shall no longer constitute a "Transparent Subsidiary" pursuant to the definition thereof (in which case such Person shall be deemed a "new" Subsidiary for purposes of this Section 5.08), the Borrower will, in each case, (i) promptly provide notice thereof to the Administrative Agent and (ii) on or before thirty (30) days following such Person becoming a Subsidiary or such Financing Subsidiary, CFC or Transparent Subsidiary, as the case may be, no longer qualifying as such, cause such new Subsidiary or former Financing Subsidiary, former CFC or former Transparent 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 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 and each Transparent Subsidiary as an Obligor only for so long as such Person qualifies as a "Structured Subsidiary", "SBIC Subsidiary", "CFC" or "Transparent Subsidiary", respectively, pursuant to the definition thereof, and thereafter such Person shall no longer constitute a "Structured Subsidiary", "SBIC Subsidiary", "CFC" or "Transparent Subsidiary", respectively, for any purpose of this Agreement or any other Loan Document.

(iii) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the Excluded Subsidiary shall not become a Subsidiary Guarantor.

(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 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 (subject to Eligible Liens or any Liens described in clause (b) of the definition of "Permitted Liens"); 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 accounts that are 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) checking accounts of the Obligors that do not contain, at any one time, an aggregate balance in excess of $1,000,000, provided that 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 (as defined in Section 5.13) that does not constitute all of the credit extended to the underlying borrower under the relevant underlying loan documents and a Financing Subsidiary or Restricted Investment holds any interest in the loans or other extensions of credit under such loan documents, (x)(1) cause the interest owned by such Financing Subsidiary or such Restricted Investment, as applicable, to be evidenced by separate execution of relevant loan documentation by, or assignment documentation in the name of, such Financing Subsidiary or such Restricted Investment, as applicable, and, if such interest is evidenced by notes, cause such interest to be evidenced by a separate note or notes, which note or notes are either (A) in the name of such Financing Subsidiary or such Restricted Investment, as applicable, or (B) in the name of the Borrower, endorsed in blank and delivered to the applicable Financing Subsidiary or applicable Restricted Investment and beneficially owned by such Financing Subsidiary or such Restricted Investment, as applicable, and (2) not permit such Financing Subsidiary or such Restricted Investment, as applicable, to have a participation acquired from an Obligor in such underlying loan documents and the extensions of credit thereunder or any other indirect interest therein acquired from an Obligor; 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 such 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 (c) is not permitted by applicable bankruptcy law to be made within such two-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);

(vi) cause the documentation relating to each Investment in Indebtedness described in paragraph 1 of Schedule 1.01(d) and Schedule 1.01(f) to be delivered to the Custodian as provided therein; and

(vii) in the case of any Portfolio Investment held by any Financing Subsidiary or any Restricted Investment, 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, and shall be segregated from the accounts holding Collateral.

SECTION 5.09. Use of Proceeds. The Borrower will use the proceeds of the Loans only for general corporate purposes of the Borrower and its Subsidiaries (other than the Financing Subsidiaries except as expressly permitted under Section 6.03(e)) in the ordinary course of business, including making distributions not prohibited by this Agreement and the acquisition and funding (either directly or through one or more wholly owned Subsidiary Guarantors) of leveraged loans, mezzanine loans, high-yield securities, convertible securities, preferred stock, common stock and other Portfolio Investments; 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 or, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any Margin Stock. On the first day (if any) an Obligor acquires any Margin Stock or 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, to its actual knowledge, 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 of any Person currently (A) subject to, or the subject of, any Sanctions or (B) organized or resident in a Sanctioned Country or (II) 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.

SECTION 5.10. Status of RIC and BDC. The Borrower shall at all times maintain its status as a RIC under the Code, and as a "business development company" under the Investment Company Act.

SECTION 5.11. Investment Policies. The Borrower shall at all times be in compliance in all material respects with its Investment Policies.

SECTION 5.12. Portfolio Valuation and Diversification Etc.; Risk Factor Ratings.

(a) Industry Classification Groups. For purposes of this Agreement and the other Loan Documents, 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 adequately 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 the Industry Classification Group that is most closely correlated to such Eligible Portfolio Investment.

(b) Portfolio Valuation Etc.

(i) Settlement-Date Basis. For purposes of this Agreement, all determinations of whether an investment is to be included as an Eligible Portfolio Investment or a Non-Core Asset shall be determined on a settlement-date basis (meaning that any investment that has been purchased will not be treated as an Eligible Portfolio Investment or a Non-Core Asset until such purchase has settled, and any Eligible Portfolio Investment or any Non-Core Asset which has been sold will not be excluded as an Eligible Portfolio Investment or a Non-Core Asset until such sale has settled), provided that no such investment shall be included as an Eligible Portfolio Investment or a Non-Core Asset 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 (and, as required on Schedule 1.01(f), each of its Non-Core Assets), as follows:

(A) Quoted Investments External Review. With respect to Eligible Portfolio Investments (including Cash Equivalents) for which market quotations are readily available and are reflective of an actual trade executed within a reasonable period of such quotation ("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 Rule 144A securities, the average of the recent bid prices as determined by two Approved Dealers selected by the Borrower,

(x) in the case of Bank Loans, the average of the 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 Quoted Investment most recently posted on such exchange, and

(z) in the case of any other Quoted Investment, the fair market value thereof as determined by an Approved Pricing Service.

(B) Unquoted Investments External Review. With respect to Eligible Portfolio Investments for which market quotations are not readily available ("Unquoted Investments"), other than No External Review Assets, the Borrower shall request an Approved Third-Party Appraiser to assist the Board of Directors of the Borrower in determining the fair market value of such Unquoted Investments, as at the last day of each fiscal quarter following the Original Effective Date (each such value, an "External Unquoted Value") and to provide the Board of Directors with a written independent valuation report as part of that assistance each quarter. Each such valuation report shall also include the information required to comply with paragraph 8 and paragraph 22 of Schedule 1.01(d).

(C) Internal Review. The Borrower shall conduct internal reviews to determine the value of all Eligible Portfolio Investments at least once each calendar week which shall take into account any events of which the Borrower has knowledge that adversely affect the value of any Eligible Portfolio Investment (each such value, an "Internal Value").

(D) Value of Quoted Investments. Subject to clauses (G), (H) and (I) of this Section 5.12(b)(ii), 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) 102% of the par or face value of the such Quoted Investment (or, in the case of Preferred Stock, the Liquidation Preference thereof without taking into account any Accretive Value).

(E) Value of Unquoted Investments. Subject to clauses (G), (H) and (I) of this Section 5.12(b)(ii),

(I) 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 the range of the External Unquoted 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) 102% of the par or face value of such Unquoted Investment (or, in the case of Preferred Stock, the Liquidation Preference thereof without taking into account any Accretive Value);

(II) 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 range of the External Unquoted 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 midpoint of the range of the External Unquoted Value and (ii) 102% of the par or face value of such Unquoted Investment (or, in the case of Preferred Stock, the Liquidation Preference thereof without taking into account any Accretive Value); and

(III) if the Internal Value of any Unquoted Investment as most recently determined by the Borrower pursuant to Section 5.12(b)(ii)(C) is within the range of the External Unquoted 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) 102% of the par or face value of such Unquoted Investment (or, in the case of Preferred Stock, the Liquidation Preference thereof without taking into account any Accretive Value);

except that:

(w) if the difference between the highest and lowest External Unquoted Value in such range exceeds an amount equal to 6% of the midpoint of such range, the "Value" of such Unquoted Investment shall instead be deemed to be the lowest of (i) the lowest External Unquoted Value in such range, (ii) the Internal Value determined pursuant to Section 5.12(b)(ii)(C), and (iii) 102% of the par or face value of such Unquoted Investment (or, in the case of Preferred Stock, the Liquidation Preference thereof without taking into account any Accretive Value); and

(x) [intentionally omitted]; and

(y) the "Value" of any Unquoted Investment acquired during a fiscal quarter shall be deemed to be equal to the lower of the cost of such Unquoted Investment and the Internal Value of such Unquoted Investment until such time as the External Unquoted Value of such Unquoted Investment is determined in accordance with the provisions of Section 5.12(b)(ii)(E) as at the last day of such fiscal quarter.

(F) Actions Upon a Borrowing Base Deficiency. If, based upon such weekly internal review (including, as required on Schedule 1.01(f), such weekly internal review of each of its Non-Core Assets), the Borrower determines that a Borrowing Base Deficiency exists or that the Borrowing Base has declined by more than 15% (or, with respect to the period from the Amendment No. 3 Effective Date to the Covid Relief Termination Date, the lesser of (x) 10% and (y) the amount, if any, that the Borrowing Base exceeded the Covered Debt Amount in the Borrowing Base Certificate most recently delivered under this Agreement) from the Borrowing Base stated in the Borrowing Base Certificate last delivered by the Borrower to the Administrative Agent, 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 the payments and prepayments (if any), all as more specifically set forth in Section 2.08(c).

(G) Failure to Determine Values. If the Borrower shall fail to determine the value of any Eligible Portfolio Investment as at any date pursuant to the requirements (but subject to the exclusions) of the foregoing sub-clauses (A), (B), (C), (D) or (E), then the "Value" of such Eligible Portfolio Investment as at such date shall be deemed to be zero.

(H) Adjustment of Values. Notwithstanding anything herein to the contrary, the Administrative Agent, in its sole and absolute discretion exercised in good faith, may, and upon the request of Required Lenders, shall, revise the Value of any Eligible Portfolio Investment (in which case the "Value" of such Eligible Portfolio Investment shall for all purposes hereof be deemed to be the Value assigned by the Administrative Agent) and/or exclude any Eligible Portfolio Investment from the Borrowing Base entirely, so long as the aggregate reduction in the Borrowing Base resulting from all such revisions and exclusions in any fiscal quarter does not exceed 7.5%. Any such revision or exclusion shall be effective ten Business Days after the Administrative Agent's delivery of notice thereof to the Borrower.

(I) Testing of Values; Valuation Dispute Resolution. Notwithstanding the foregoing, the Administrative Agent shall at any time have the right to request any Unquoted Investment be independently valued by an Approved Third-Party Appraiser retained by the Administrative Agent. There shall be no limit on the number of such appraisals requested by the Administrative Agent and the costs of any such valuation shall be at the expense of the Borrower. If the difference between the Borrower's valuation pursuant to Section 5.12(b)(ii)(E) and the valuation of any Approved Third-Party Appraiser retained by the Administrative Agent pursuant to this Section 5.12(b)(ii)(I) is (1) less than 7.5% of the value thereof, then the Borrower's valuation pursuant to Section 5.12(b)(ii)(E) shall be used, (2) between 7.5% and 20% of the value thereof, then the valuation of such Portfolio Investment shall be the average of the value determined by the Borrower pursuant to Section 5.12(b)(ii)(E) and the value determined by the Approved Third-Party Appraiser retained by the Administrative Agent pursuant to this Section 5.12(b)(ii)(I) and (3) greater than 20% of the value thereof, then the valuation of such Portfolio Investment shall be the lesser of the Borrower's valuation pursuant to Section 5.12(b)(ii)(E) and the valuation of any Approved Third-Party Appraiser retained by the Administrative Agent pursuant to this Section 5.12(b)(ii)(I).

(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 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 without duplication of (i) the sum of the products obtained by multiplying (x) the Value of each Eligible Portfolio Investment by (y) the applicable Advance Rate, expressed as a fraction (the amount calculated in this clause (i) as adjusted pursuant to the proviso below, the "Unadjusted Borrowing Base") plus (ii) solely from the Amendment No. 3 Effective Date to the Covid Relief Termination Date, the Borrowing Base Flex; 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 Unadjusted Borrowing Base is composed entirely of Eligible Portfolio Investments issued by less than 15 different issuers;

(b) with respect to all Eligible Portfolio Investments issued by a single issuer, the Advance Rate applicable to that portion of the Value of such Eligible Portfolio Investments that exceeds 7.5% of the Obligors' Net Worth shall be 0%; provided that, with respect to each of the six (6) largest Portfolio Companies (based on the fair value of the Eligible Portfolio Investments), only that portion of the Eligible Portfolio Investments issued by such Portfolio Company that exceeds 10% of the Obligors' Net Worth shall have an Advance Rate of 0%;

(c) if at any time the weighted average Risk Factor of all Eligible Portfolio Investments (other than Eligible Portfolio Investments that are ABL Transactions) in the Unadjusted Borrowing Base (based on the fair value of such Eligible Portfolio Investments) exceeds 3490, the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent necessary to cause the weighted average Risk Factor of all Eligible Portfolio Investments (other than Eligible Portfolio Investments that are ABL Transactions) in the Unadjusted Borrowing Base to be no greater than 3490 (subject to all other constraints, limitations and restrictions set forth herein);

(d) the portion of the Unadjusted Borrowing Base attributable to Eligible Portfolio Investments (other than Eligible Portfolio Investments that are ABL Transactions) with a Risk Factor higher than 3490 shall not exceed 25% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 25% of the Unadjusted Borrowing Base;

(e) the portion of the Unadjusted Borrowing Base attributable to Eligible Portfolio Investments that are not Cash, Cash Equivalents, Long-Term U.S. Government Securities or First Lien Bank Loans (including, for clarity, LTV Transactions that are not Indirect Real Estate LTV Transactions) shall not exceed 40% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 40% of the Unadjusted Borrowing Base; provided, that, (i) at any time that the Asset Coverage Ratio is less than 2.00 to 1, such contribution shall not exceed 35% and (ii) at any time that the Asset Coverage Ratio is less than 1.67 to 1, such contribution shall not exceed 30%;

(f) if at any time the Weighted Average Recurring Revenue Ratio is greater than 2.40 to 1.00, the Unadjusted Borrowing Base shall be reduced by removing Recurring Revenue Transactions therefrom (but not from the Collateral) to the extent necessary to cause the Weighted Average Recurring Revenue Ratio to be no greater than 2.40 to 1.00 (subject to all other constraints, limitations and restrictions set forth herein);

(g) if at any time the Weighted Average Leverage Ratio is greater than 4.75 to 1.00, the Unadjusted Borrowing Base shall be reduced by removing Debt Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent necessary to cause the Weighted Average Leverage Ratio to be no greater than 4.75 to 1.00 (subject to all other constraints, limitations and restrictions set forth herein); provided that any LTV Transactions shall be excluded from such calculation;

(h) the portion of the Unadjusted Borrowing Base attributable to Eligible Portfolio Investments in each of the Industry Classification Groups that are part of the Two Largest Industry Classification Groups shall, in each case, not exceed 20% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 20% of the Unadjusted Borrowing Base;

(i) the portion of the Unadjusted Borrowing Base attributable to Eligible Portfolio Investments in any single Industry Classification Group (other than each of the Industry Classification Groups that are part of the Two Largest Industry Classification Groups) shall not exceed 15% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 15% of the Unadjusted Borrowing Base;

(j) if at any time the weighted average maturity of all Debt Eligible Portfolio Investments (based on the fair value of such Eligible Portfolio Investments to the extent included in the Unadjusted Borrowing Base) exceeds 5.0 years, the Unadjusted Borrowing Base shall be reduced by removing Debt Eligible Portfolio Investments that are Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent necessary to cause the weighted average maturity of all Debt Eligible Portfolio Investments included in the Unadjusted Borrowing Base to be no greater than 5.0 years (subject to all other constraints, limitations and restrictions set forth herein);

(k) the portion of the Unadjusted Borrowing Base attributable to Debt Eligible Portfolio Investments with a maturity greater than 7 years shall not exceed 15% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Debt Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 15% of the Unadjusted Borrowing Base;

(l) the portion of the Unadjusted Borrowing Base attributable to PIK Obligations, DIP Loans, Covenant-Lite Loans and Preferred Stock shall not exceed 20% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 20% of the Unadjusted Borrowing Base; provided, that the portion of the Unadjusted Borrowing Base attributable to Preferred Stock in the aggregate shall not exceed 10% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 10% of the Unadjusted Borrowing Base;

(m) if at any time the Weighted Average Fixed Coupon (after giving effect to any Hedging Agreement) is less than the greater of (i) 8% and (ii) the ~~one month LIBO Rate~~Benchmark in effect as of the date of determination for deposits in the applicable Currency for a period of one (1) month plus 4.5%, the Unadjusted Borrowing Base shall be reduced by removing Debt Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent necessary to cause the Weighted Average Fixed Coupon to be at least equal to the greater of (x) 8% and (y) ~~LIBO Rate~~the Benchmark in effect as of the date of determination for deposits in the applicable Currency for a period of one (1) month plus 4.5% (subject to all other constraints, limitations and restrictions set forth herein);

(n) if at any time the Weighted Average Floating Spread (after giving effect to any Hedging Agreement) is less than 4.5%, the Unadjusted Borrowing Base shall be reduced by removing Debt Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent necessary to cause the Weighted Average Floating Spread to be at least 4.5% (subject to all other constraints, limitations and restrictions set forth herein);

(o) the portion of the Unadjusted Borrowing Base attributable to Eligible Portfolio Investments that are Low Risk Assets shall be at least 65% of the Unadjusted Borrowing Base, and the Unadjusted Borrowing Base shall be reduced by removing therefrom (but not from the Collateral) Eligible Portfolio Investments that are not Low Risk Assets so that the portion of the Unadjusted Borrowing Base attributable to Low Risk Assets will be at least 65% of the Unadjusted Borrowing Base;

(p) no portion of the Unadjusted Borrowing Base shall be attributable to (a) any (i) Equity Interests (other than Preferred Stock), (ii) warrants, options or other rights for the purchase or acquisition of Equity Interests or (iii) securities convertible into or exchangeable for shares of Equity Interests, (b) any Affiliate Investment or (c) any Structured Finance Obligation;

(q) [reserved];

(r) to the extent that the fair value of the No External Review Assets included in the Unadjusted Borrowing Base exceeds 10% of the Unadjusted Borrowing Base (without taking into account any No External Review Assets), the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent the fair value of the No External Review Assets included in the Unadjusted Borrowing Base would otherwise exceed 10% of the Unadjusted Borrowing Base;

(s) the portion of the Unadjusted Borrowing Base attributable to Foreign Eligible Portfolio Investments shall not exceed 10% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Foreign Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 10% of the Unadjusted Borrowing Base;

(t) the portion of the Unadjusted Borrowing Base attributable to Eligible Portfolio Investments that are not Cash, Cash Equivalents, Long-Term U.S. Government Securities, First Lien Bank Loans (including, for clarity, LTV Transactions that are not Indirect Real Estate LTV Transactions), Last Out Loans or Second Lien Bank Loans shall not exceed 20% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 20% of the Unadjusted Borrowing Base; and

(u) the portion of the Unadjusted Borrowing Base attributable to Eligible Portfolio Investments that are LTV Transactions shall not exceed 40% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 40% of the Unadjusted Borrowing Base; provided that the contribution to the Unadjusted Borrowing Base of Eligible Portfolio Investments that are LTV Transactions shall at no time exceed the aggregate contribution to the Unadjusted Borrowing Base of (x) Eligible Portfolio Investments that are First Lien Bank Loans (including Covenant-Lite Loans that are First Lien Bank Loans and excluding LTV Transactions), plus (y) Cash and Cash Equivalents plus (z) Long-Term U.S. Government Securities; provided further that the portion of the Unadjusted Borrowing Base attributable to Eligible Portfolio Investments that are Real Estate LTV Transactions shall not exceed 10% of the Unadjusted Borrowing Base and the Unadjusted Borrowing Base shall be reduced by removing Eligible Portfolio Investments that are Real Estate LTV Transactions therefrom (but not from the Collateral) to the extent such portion would otherwise exceed 10% of the Unadjusted Borrowing Base; provided further that, (x) Recurring Revenue Transactions in the aggregate shall not exceed 25% of the Unadjusted Borrowing Base and (y) ABL Transactions in the aggregate shall not exceed 20% of the Unadjusted Borrowing Base; and provided further that the portion of the Unadjusted Borrowing Base attributable to Eligible Portfolio Investments that are Recurring Revenue Transactions that are Last Out Loans shall not exceed 6.25% of the Unadjusted Borrowing Base.

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 and (ii) such Investment is Transferable. In addition, as used herein, the following terms have the following meanings:

"ABL Transactions" has the meaning assigned to such term in the definition of LTV Transaction.

"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	85%
Performing First Lien Bank Loans	67.5%	72.5%
Performing Last Out Loans and Performing LTV Transactions	60%	65%
Performing Last Out Loans that are both Recurring Revenue Transactions and Last Out Loans	55%	55%
Performing Second Lien Bank Loans	50%	60%
Performing High Yield Securities	45%	55%
Performing Mezzanine Investments, Performing Indirect Real Estate LTV Transactions and Performing Covenant-Lite Loans	40%	50%
Performing DIP Loans	50%	50%
Performing PIK Obligations and Performing Preferred Stock	35%	40%

provided, that, at any time the Asset Coverage Ratio is less than 1.67 to 1 and the contribution of First Lien Bank Loans (including, for clarity, LTV Transactions that are not Indirect Real Estate LTV Transactions) to the Borrowing Base is less than 70% (in each case, as reported in the most recently delivered monthly Borrowing Base Certificate) every Advance Rate in the table above that is below the line for "Performing First Lien Bank Loans" shall be 5% less than the applicable rate indicated in the table. For the avoidance of doubt, the above categories are intended to be indicative of the traditional investment types in a fully capitalized issuer. 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 senior subordinated loans) that are generally provided under a credit facility or syndicated loan.

"Capital Stock" of any Person means any and all shares of corporate stock (however designated) of and any and all other Equity Interests and participations representing ownership interests (including membership interests and limited liability company interests) in, such Person.

"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 that does not require the Portfolio Company thereunder to comply with any financial maintenance covenants (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.

"Debt Eligible Portfolio Investment" means an Eligible Portfolio Investment which is an Investment in Indebtedness.

"Defaulted Obligation" means:

(a) any Debt Eligible Portfolio Investment 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 debt (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 debt have accelerated all or a portion of the principal amount thereof as a result of such default;

(b) any Eligible Portfolio Investment that is Preferred Stock as to which the applicable Portfolio Company has failed, with respect to any class of Preferred Stock of such Portfolio Company, to meet any scheduled redemption obligations or pay its latest declared cash dividend after the applicable due date (and after giving effect to the expiration of any applicable grace period);

(c) any Eligible Portfolio Investment (i) as to which a default as to the payment of principal and/or interest has occurred and is continuing for a period of the lesser of the applicable grace period or five (5) consecutive days on another material debt obligation of the applicable Portfolio Company which is senior or pari passu in right of payment to such Eligible Portfolio Investment (without regard to any waiver thereof); (ii) as to which a default as to the payment of principal and/or interest has occurred and is continuing for a period of the lesser of the applicable grace period or five (5) consecutive days on another material debt obligation of the applicable Portfolio Company which is junior in right of payment to such Eligible Portfolio Investment (without regard to any waiver thereof); or (iii) that is a Debt Eligible Portfolio Investment and the Portfolio Company of such Eligible Portfolio Investment has issued preferred stock and such Portfolio Company has failed to meet, with respect to such class of preferred stock, any scheduled redemption obligations or pay its latest declared cash dividend after the applicable due date (and after giving effect to the expiration of any applicable grace period);

(d) any Eligible Portfolio Investment (i) as to which, with respect to such Eligible Portfolio Investment or any material debt obligation of the applicable Portfolio Company, a default rate of interest has been and continues to be charged for more than 120 consecutive days, or a default has occurred and the holders of such debt have accelerated all or a portion of the principal amount thereof as a result of such default, or foreclosure on collateral for such debt has been commenced and is being pursued by or on behalf of the holders thereof; (ii) as to which the applicable Portfolio Company or others have (A) engaged in an out-of-court restructuring process (including through any provision of the Uniform Commercial Code or other law) in the past ninety (90) days or (B) 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 obligor has filed for protection under Chapter 11 of the Bankruptcy Code or under any foreign 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 (unless, in the case of clause (A) or (B), such Eligible Portfolio Investment is a DIP Loan, in which case it shall not be deemed to be a Defaulted Obligation under such clause); or (iii) as to which (A) written notice declaring such Indebtedness in default has been delivered by any lender or agent under such Indebtedness and such default has not been remedied, cured or waived within 90 days after delivery of such notice; or (B) any lender or agent under such Eligible Portfolio Investment otherwise exercises significant remedies following a default; and

(e) any Eligible Portfolio Investment that the Borrower has otherwise declared to be a Defaulted Obligation.

"DIP Loan" means any Bank Loan (whether revolving or term) originated after the commencement of a case under Chapter 11 of the Bankruptcy Code by the 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 the Bankruptcy Code and has not been dismissed or converted to a case under the provisions of Chapter 7 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 are super-priority Liens and have not been subordinated or junior to, or are *pari passu* with, in whole or in part, the Liens of any other lender or creditor 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.

"Direct Real Estate LTV Transaction" has the meaning assigned to such term in paragraph 16 of Schedule 1.01(d) hereto.

"EBITDA" means the consolidated net income of the applicable Person (excluding extraordinary gains and extraordinary losses (to the extent excluded in the definition of "EBITDA" 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; provided that, unless otherwise agreed to by the Administrative Agent, no such adjustments shall be made solely due to the impact of any Public Health Event.

"Eligible Liens" 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 in such collateral, 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 (other than for an LTV Transaction) any portion (and only such portion) of such a Bank Loan which has a total debt to EBITDA ratio above 4.50x will have the advance rate of a Second Lien Bank Loan applied to such portion and any portion of such a Bank Loan which has a total debt to EBITDA ratio above 6.00x will have the advance rate 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.

"Fixed Rate Portfolio Investment" means a debt Eligible Portfolio Investment that bears interest at a fixed rate.

"Floating Rate Portfolio Investment" means a debt Eligible Portfolio Investment that bears interest at a floating rate.

"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.

"Indirect Real Estate LTV Transactions" has the meaning assigned to such term in paragraph 16 of Schedule 1.01(d) hereto.

"Last Out Loan" shall mean, with respect to any Bank Loan that 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, and which has the most senior pre-petition priority in any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings;

(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 2.25x;

(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 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, 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 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).

"Liquidation Preference" means, with respect to Preferred Stock, the dollar amount required to be paid to the holder thereof upon any voluntary or involuntary liquidation, dissolution or winding up of the issuer of such Preferred Stock or the distribution of assets of such issuer that represents a return of capital or the purchase price paid for such Preferred Stock at the time of issuance of such Preferred Stock by such issuer.

"Long-Term U.S. Government Securities" means U.S. Government Securities maturing more than three months from the applicable date of determination, so long as such securities have a credit rating of at least AAA from S&P and Aaa from Moody's.

"Low Risk Assets" means each of Cash Equivalents, Long-Term U.S. Government Securities, First Lien Bank Loans (including, for clarity, LTV Transactions that are not Indirect Real Estate LTV Transactions) and Last Out Loans.

"LTV Transaction" means any transaction that (i) is either (a) structured in a way that would customarily be considered a specialized asset-backed transaction supported by receivables, inventory or other assets ("ABL Transactions") or (b) structured as a recurring revenue loan that (1) is in a high-growth industry or industry that customarily has businesses with revenue derived from perpetual licenses, subscription agreements, maintenance streams or other similar and perpetual cash flow streams (as reasonably determined in good faith by the Borrower) ("Recurring Revenue Transactions"), (2) has a loan to enterprise value ratio (determined in a manner consistent with the methodology outlined in paragraph (8) of Schedule 1.01(d)) of less than 65% and (3) at the time of the origination of the loan, does not have a debt to recurring revenue ratio of greater than 3.00 to 1.00, (ii) does not include and would not customarily be expected to include (at the time of the origination of the loan) a financial covenant based on debt to EBITDA, debt to EBIT or a similar multiple of debt to operating cash flow, (iii) is a First Lien Bank Loan or Last Out Loan (or, with respect to an Indirect Real Estate LTV Transaction, is a Mezzanine Investment), (iv) is not subject to a Permitted Prior Working Capital Lien and (v) is designated as an LTV Transaction by the Borrower at the time of the initial investment, provided that any portion (and only such portion) of such LTV Transaction (a) if it is an ABL Transaction, in excess of an alternative financial covenant or ratio mutually agreeable to the Borrower and the Administrative Agent, or (b) if it is a Recurring Revenue Transaction, which has a loan to enterprise value ratio that is greater than 35% but does not exceed 50%, such portion will, in each case, be deemed, solely for the purposes of determining the applicable Advance Rate pursuant to clause (y) of the definition of "Borrowing Base" and not for any other purpose herein, to be a Second Lien Bank Loan, and provided further that the Advance Rate applicable to that portion of such Recurring Revenue Transaction representing a loan to enterprise value (determined in a manner consistent with the methodology outlined in paragraph (8) of Schedule 1.01(d)) equal to or greater than 50% shall have an Advance Rate of 0%.

"Mezzanine Investments" means (i) debt Securities (including convertible debt Securities (other than the "in-the-money" equity component thereof)), in each case (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 Bank Loan that is not a First Lien Bank Loan, Last Out Loan, Second Lien Bank Loan, High Yield Security or a Covenant-Lite Loan.

"Performing" means with respect to any Eligible Portfolio Investment, 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 a Defaulted Obligation, and (iii) is not on non-accrual.

"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, Covenant-Lite Loans, Second Lien Bank Loans or Last Out Loans and (b) are Performing.

"Performing High Yield Securities" means funded High Yield Securities that (a) are not PIK Obligations and (b) are Performing.

"Performing Indirect Real Estate LTV Transactions" means funded Indirect Real Estate LTV Transactions that are Performing.

"Performing Last Out Loans" means funded Last Out Loans that (a) are not PIK Obligations, DIP Loans, Covenant-Lite Loans or Second Lien Bank Loans and (b) are Performing.

"Performing LTV Transactions" means funded LTV Transactions that (a) are not Indirect Real Estate LTV Transactions and (b) are Performing.

"Performing Mezzanine Investments" means funded Mezzanine Investments that (a) are not PIK Obligations and (b) are Performing.

"Performing PIK Obligations" means funded PIK Obligations that are Performing.

"Performing Second Lien Bank Loans" means funded Second Lien Bank Loans that (a) are not PIK Obligations, DIP Loans, Covenant-Lite Loans or Last Out Loans and (b) are Performing.

"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 inventory (and all accounts and other assets associated therewith and the 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 inventory, (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, on any other assets) and does not benefit from any standstill rights or other agreements 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 in accordance with the valuation methodology for determining the enterprise value of the applicable Portfolio Company as established by an Approved Third-Party Appraiser).

"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 (a) 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 (b) 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.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of such Person of any class or classes (however designated) that ranks prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to any shares (or other interests) of other Capital Stock of such Person, and shall include, without limitation, cumulative preferred, non-cumulative preferred, participating preferred and convertible preferred Capital Stock; provided, that such Preferred Stock (i) pays a cash dividend on a monthly or quarterly basis, (ii) has a maturity date or is subject to mandatory redemption on a date certain that is not greater than ten (10) years from the date of initial issuance of such Preferred Stock and (iii) has a Liquidation Preference.

"Real Estate LTV Transaction" has the meaning assigned to such term in paragraph 16 of Schedule 1.01(d) hereto.

"Recurring Revenue Transaction" has the meaning assigned to such term in the definition of LTV Transaction.

"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 the effect of which is to (i) change the amount of previously required scheduled debt amortization (or, in the case of Preferred Stock, required payments on such Preferred Stock (other than by reason of repayment thereof)) or (ii) extend the tenor of previously required scheduled debt amortization (or, in the case of Preferred Stock, required payments on such Preferred Stock), in each case such that the remaining weighted average life of such Portfolio Investment is extended by more than 20%. 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.

"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; provided that any portion of such a Loan which has a total debt to EBITDA ratio above 6.00x will have the advance rate 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 (3) months of the applicable date of determination.

"Spread" means, with respect to a Floating Rate Portfolio Investment, the cash interest spread of such Floating Rate Portfolio Investment over the applicable LIBO Rate; provided, that, in the case of any Floating Rate Portfolio Investment that does not bear interest by reference to the applicable LIBO Rate, "Spread" shall mean the cash interest spread of such Floating Rate Portfolio Investment over the ~~LIBO Rate~~Benchmark in effect as of the date of determination for deposits in ~~Dollars~~the applicable Currency for a period of three (3) months.

"Structured Finance Obligation" means any obligation issued by a special purpose vehicle (or any similar obligor in the principal business of offering, originating, financing or warehousing 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.

"U.S. Government Securities" has the meaning assigned to such term in Section 1.01 of this Agreement.

"Value" means (i) with respect to any Eligible Portfolio Investment, the value thereof determined for purposes of the Loan Documents in accordance with Section 5.12(b)(ii) and (ii) with respect to any Non-Core Asset, the value thereof determined for purposes of the Loan Documents as required by Schedule 1.01(f).

"Weighted Average Fixed Coupon" means, as of any date of determination, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the cash interest coupon of each Fixed Rate Portfolio Investment included in the Unadjusted Borrowing Base as of such date by the outstanding principal balance (or, in the case of Preferred Stock, the Liquidation Preference or fixed amount (other than interest or fees) owed on account of such Preferred Stock) of such Fixed Rate Portfolio Investment included in the Unadjusted Borrowing Base as of such date, dividing such sum by the aggregate outstanding principal balance (or, in the case of Preferred Stock, the Liquidation Preference or fixed amount (other than interest or fees) owed on account of such Preferred Stock) of all such Fixed Rate Portfolio Investments included in the Unadjusted Borrowing Base and rounding up to the nearest 0.01%. For the purpose of calculating the Weighted Average Fixed Coupon, all Fixed Rate Portfolio Investments included in the Unadjusted Borrowing Base that are not currently paying cash interest shall have an interest rate of 0%.

"Weighted Average Floating Spread" means, as of any date of determination, the number, expressed as a percentage, obtained by summing the products obtained by multiplying, in the case of each Floating Rate Portfolio Investment included in the Unadjusted Borrowing Base, on an annualized basis, the Spread of such Floating Rate Portfolio Investment included in the Unadjusted Borrowing Base, by the outstanding principal balance (or, in the case of Preferred Stock, the Liquidation Preference or fixed amount (other than interest or fees) owed on account of such Preferred Stock) of such Floating Rate Portfolio Investment included in the Unadjusted Borrowing Base as of such date and dividing such sum by the aggregate outstanding principal balance (or, in the case of Preferred Stock, the Liquidation Preference or fixed amount (other than interest or fees) owed on account of such Preferred Stock) of all such Floating Rate Portfolio Investments included in the Unadjusted Borrowing Base and rounding the result up to the nearest 0.01%.

"Weighted Average Leverage Ratio" means, as of any date of determination, the number obtained by summing the products obtained by multiplying, in the case of each Debt Eligible Portfolio Investment included in the Unadjusted Borrowing Base (but, for the avoidance of doubt, excluding any Debt Eligible Portfolio Investments that are LTV Transactions), the leverage ratio (expressed as a number) for the Portfolio Company of such Eligible Portfolio Investment of all Indebtedness (or, as applicable, Preferred Stock) that has a ranking of payment or lien priority senior to or pari passu with and including the tranche that includes the Borrower's Eligible Portfolio Investment included in the Unadjusted Borrowing Base, by the fair value of such Eligible Portfolio Investment as of such date and dividing such sum by the aggregate of the fair values of all such Eligible Portfolio Investments including in the Unadjusted Borrowing Base as of such date and rounding the result up to the nearest 0.01.

"Weighted Average Recurring Revenue Ratio" means, as of any date of determination, the number obtained by summing the products obtained by multiplying, in the case of each Recurring Revenue Transaction included in the Unadjusted Borrowing Base, the debt to recurring revenue ratio (expressed as a number) for the Portfolio Company of such Eligible Portfolio Investment of all Indebtedness that has a ranking of payment or lien priority senior to or pari passu with and including the tranche that includes the Borrower's Eligible Portfolio Investment, by the fair value of such Eligible Portfolio Investment as of such date and dividing such sum by the aggregate of the fair values of all such Eligible Portfolio Investments and rounding the result up to the nearest 0.01.

SECTION 5.14. Anti-Hoarding of Assets at Financing Subsidiaries. If any Financing Subsidiary is not prohibited by any law, rule or regulation or by any contract or agreement relating to indebtedness from distributing all or any portion of its assets to an Obligor, then such Financing Subsidiary shall, if the Borrowing Base is not at least 115% of the Covered Debt Amount at the time of determination, distribute to an Obligor the amount of assets held by such Financing Subsidiary that such Financing Subsidiary is permitted to distribute and that, in the good faith judgment of the Borrower, such Financing Subsidiary does not reasonably expect to utilize, in the ordinary course of business, to obtain or maintain a financing from an unaffiliated third party.

SECTION 5.15. Taxes. Each of the Borrower and its Subsidiaries will timely file or cause to be timely filed all U.S. federal, state and local Tax returns that are required to be filed by it and all other 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 5.16. Operations. The Borrower will, and will cause each of its Subsidiaries to, act, in all material respects, in accordance with their respective Constituent Documents.

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 hereunder or under any other Loan Document;

(b) (i) Unsecured Shorter-Term Indebtedness in an aggregate principal amount not to exceed $5,000,000, so long as no Default exists at the time of the incurrence thereof (or immediately after the incurrence thereof) and (ii) Secured Longer-Term Indebtedness, in each case, so long as (w) no Default exists at the time of the incurrence thereof (and immediately after the incurrence thereof), (x) 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 after giving effect to the incurrence thereof and on the date of such incurrence 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 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 thereof, the Borrower delivers to the Administrative Agent and each Lender a Borrowing Base Certificate as at such date demonstrating compliance with (or a certification that the Borrower is in compliance with) subclause (y) after giving effect to such incurrence. For purposes of preparing such Borrowing Base Certificate, (A) the fair market value of Quoted Investments shall be the most recent quotation available for such Eligible Portfolio Investment and (B) the fair market value of Unquoted Investments 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 if an Unquoted Investment is acquired after the delivery of the Borrowing Base Certificate most recently delivered, then the Value of such Unquoted Investment shall be the lower of the cost of such Unquoted Investment and the Internal Value of such Unquoted Investment; provided, that the Borrower shall reduce the Value of any Eligible Portfolio Investment referred to in this sub-clause (B) to the extent necessary to take into account any events of which the Borrower has knowledge that adversely affect the value of such Eligible Portfolio Investment; provided further that, no Unsecured Shorter-Term Indebtedness or Secured Longer-Term Indebtedness shall be incurred from the Amendment No. 3 Effective Date until the date on which the Borrower delivers to the Administrative Agent a Covid Relief Financial Officer's Certificate certifying that each of the Covid Relief Borrowing Base Condition and the condition that the Asset Coverage Ratio shall be greater than 1.70 to 1 has been satisfied for each date in the two (2) consecutive month period ending on such date (or, if such date is not the end of the month, the date of the month then most recently ended).

(c) Unsecured Longer-Term Indebtedness, so long as (x) no Default exists at the time of the incurrence thereof (or immediately after the incurrence thereof), (y) 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 the Borrower delivers to the Administrative Agent a certificate of a Financial Officer to such effect and (z) the Net Cash Proceeds of such Unsecured Longer-Term Indebtedness are applied to the Loans pursuant to Section 2.08(d)(v);

(d) Indebtedness of Financing Subsidiaries; provided that (i) 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 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) Other Permitted Indebtedness in an aggregate principal amount not to exceed $5,000,000;

(f) repurchase obligations arising in the ordinary course of business with respect to U.S. Government Securities;

(g) obligations payable to clearing agencies, brokers or dealers in connection with the purchase or sale of securities in the ordinary course of business;

(h) obligations of the Borrower under a Permitted SBIC Guarantee and obligations (including Guarantees) in respect of Standard Securitization Undertakings; and

(i) the 2023 Notes.

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 (including Equity Interests in any Financing Subsidiary or any other Subsidiary) 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 Amendment No. 3 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 Amendment No. 3 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 securing Indebtedness permitted under Section 6.01(d);

(d) Liens created pursuant to the Security Documents securing Secured Longer-Term Indebtedness incurred pursuant to Section 6.01(b);

(e) Permitted Liens;

(f) additional Liens securing Indebtedness not to exceed $3,000,000 in the aggregate provided such Indebtedness is incurred under Section 6.01(e) of this Agreement; and

(g) Liens on Equity Interests in any SBIC Subsidiary created in favor of the SBA.

SECTION 6.03. Fundamental Changes. The Borrower will not, nor will it permit any of its Subsidiaries to, enter into any transaction of merger, division, consolidation or amalgamation, or liquidate or provisionally liquidate, wind up or dissolve itself (or suffer any liquidation, provisional liquidation or dissolution). The Borrower will not, nor will it permit any of its Subsidiaries to 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 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 to, convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, any part of its assets (including, without limitation, Cash, Cash Equivalents and Equity Interests), whether now owned or hereafter acquired, but excluding 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), in each case, other than sales or dispositions to any Financing Subsidiary, any CFC, any Transparent Subsidiary, the Excluded Subsidiary or any Restricted Investment. The Borrower will not, nor will it permit any of its Subsidiaries to, change its name, jurisdiction of formation, chief executive office and/or principal place of business without giving the Administrative Agent a minimum of thirty (30) days' (or such lesser period as the Administrative Agent may reasonably agree) written notice thereof. The Borrower will not, nor will it permit any of its Subsidiaries to, (x) 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) or (y) create or reorganize into one or more series under Section 18-215 or 18-218 of the Delaware Limited Liability Company Act (or any analogous action pursuant to applicable law with respect to any corporation, limited liability company 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 (i) between a Subsidiary or a wholly owned Subsidiary Guarantor and the Borrower, the Borrower shall be the continuing or surviving entity and (ii) between a Subsidiary and a wholly owned Subsidiary Guarantor, the wholly owned Subsidiary Guarantor shall be the continuing or surviving entity;

(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, a Restricted Investment or the Excluded 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; provided that, with respect to any such sale, transfer or other disposition of Portfolio Investments to any CFC or any Transparent Subsidiary, such sale, transfer or other disposition shall only be permitted if (i) in the Borrower's good faith business judgment, such sale, transfer or other disposition is anticipated to maximize tax efficiencies for the Obligors and their Subsidiaries (considered in the aggregate) and (ii) no Default exists at the time of making such sale, transfer or disposition (or immediately after making such sale, transfer or disposition);

(e) so long as no Default exists at the time of making such sale, transfer or disposition (or immediately after making such sale, transfer or disposition), the Obligors may sell, transfer or otherwise dispose of Portfolio Investments (but may not sell, transfer or dispose of ownership interests in Financing Subsidiaries, Restricted Investments or the Excluded Subsidiary) or Cash and Cash Equivalents to a Financing Subsidiary or a Restricted Investment so long as both immediately 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) (i) the Covered Debt Amount does not exceed the Borrowing Base and no Default exists, and the Borrower delivers to the Administrative Agent a certificate of a Financial Officer to such effect, (ii) either (x) 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 (y) the Borrowing Base immediately after giving effect to such release is at least 115% of the Covered Debt Amount, (iii) the sum of (x) all sales, transfers or other dispositions under this clause (e) that occur after the Revolver Termination Date and do not result in Net Asset Sale Proceeds for fair value that are applied in accordance with Section 2.08(d)(i) and (y) all Investments under Section 6.04(e) that occur after the Revolver Termination Date, shall not exceed 20% of the aggregate principal amount of the Loans outstanding immediately after the Revolver Termination Date, and (iv) the Asset Coverage Ratio is not less than 1.67 to 1 (and the Borrower delivers to the Administrative Agent a certificate of a Financial Officer with respect to each of clauses (i) through (iv) of this clause (e)); provided that, from the Amendment No. 3 Effective Date until the date set forth in the final proviso of this clause (e), no Obligor shall sell, transfer or otherwise dispose of Portfolio Investments or Cash and Cash Equivalents to a Financing Subsidiary or a Restricted Investment other than sales, transfers and other dispositions otherwise permitted under this Section 6.03(e) to the Monroe Joint Venture in an aggregate amount not to exceed $5,000,000; provided, further, that the aggregate amount of such sales, transfers and other dispositions to the Monroe Joint Venture shall be deemed to be equal to the aggregate amount of all sales, transfers and other dispositions made to the Monroe Joint Venture after the Amendment No. 3 Effective Date less the amount of Cash received after the Amendment No. 3 Effective Date by the Borrower from the Monroe Joint Venture on account of such sales, transfers and other dispositions; provided, further, that the foregoing provisos will only remain effective until the date on which the Borrower delivers to the Administrative Agent a Covid Relief Financial Officer's Certificate certifying that each of the Covid Relief Borrowing Base Condition and the condition that the Asset Coverage Ratio shall be greater than 1.70 to 1 has been satisfied for each date in the two (2) consecutive month period ending on such date (or, if such date is not the end of the month, the date of the month then most recently ended);

(f) other than during the Financing Subsidiary Limitation Period, 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 exists or is continuing at such time, and the Covered Debt Amount shall not exceed the Borrowing Base at such time and the Borrower delivers to the Administrative Agent a certificate of a Financial Officer to such effect, and (ii) 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;

(g) 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 shall have occurred and be continuing;

(h) 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 $5,000,000 in any fiscal year;

(i) any Subsidiary of the Borrower may be liquidated or dissolved; provided that (i) 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 (ii) the Borrower determines in good faith that such liquidation is in the best interests of the Borrower and is not materially disadvantageous to the Lenders;

(j) any Financing Subsidiary may sell or dispose of Portfolio Investments in the ordinary course of business of such Financing Subsidiary; and

(k) the Borrower may transfer Cash (other than Portfolio Investments) to the Excluded Subsidiary in an aggregate amount not to exceed $10,000 after the Amendment No. 3 Effective Date.

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 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 (other than Restricted 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 Borrower's Investment Policies; provided that, from the Amendment No. 3 Effective Date until the date set forth in the below proviso, the Borrower will not, nor will it permit any of its Subsidiaries, to acquire, make, or enter into any Portfolio Investments other than Portfolio Investments consisting solely of the following with respect to Investments existing on the Amendment No. 3 Effective Date and described on the Existing Investments Certificate, (x) revolving loan or delayed draw term loan commitments the funding of which are not at the sole discretion or sole consent of the Borrower or its Subsidiaries and (y) the making of (i) follow on advances and (ii) any protective advances (other than protective advances with respect to any Restricted Investment) consisting of payments customarily made by lenders for purposes of preserving and protecting collateral, in each case under the forgoing clauses (x) and (y), in an aggregate amount for all such Portfolio Investments collectively not to exceed $30,000,000; provided, further, that, solely with respect to any Portfolio Investments consisting of a revolving loan, the aggregate amount of an Investment in such revolving loan after the Amendment No. 3 Effective Date shall be deemed to be equal to the aggregate amount of all Investments made after the Amendment No. 3 Effective Date with respect to such revolving loan less the amount of Cash received after the Amendment No. 3 Effective Date by the Borrower from the underlying obligor on account of principal payments on such revolving loan; provided, further, that the foregoing proviso will only remain effective until the date on which the Borrower delivers to the Administrative Agent a Covid Relief Financial Officer's Certificate certifying that each of the Covid Relief Borrowing Base Condition and the condition that the Asset Coverage Ratio shall be greater than 1.67 to 1 has been satisfied for each date in the thirty (30) consecutive day period ending on such date;

(e) Equity Interests in (x) Financing Subsidiaries formed after the Amendment No. 3 Effective Date to the extent expressly permitted under Section 6.03(e) and (y) Restricted Investments formed after the Amendment No. 3 Effective Date to the extent expressly permitted by Section 6.03(e);

(f) Investments by any Financing Subsidiary;

(g) Investments in Cash and Cash Equivalents;

(h) Investments existing on the Amendment No. 3 Effective Date and described on the Existing Investments Certificate, but excluding any follow on or additional interests in such Investments unless expressly permitted under Section 6.04(d);

(i) so long as no Default exists at the time of making such Investment (or immediately after making such Investment), other Investments (excluding, for the avoidance of doubt, any Investments in Portfolio Investments, any Financing Subsidiary, any Restricted Investment or the Excluded Subsidiary) up to but not exceeding $5,000,000 in the aggregate for all such other Investments made since the Restatement Effective Date; provided, that, the Borrower will not, nor will it permit any of its Subsidiaries to, acquire, make or enter into any Investments pursuant to this Section 6.04(i) from the Amendment No. 3 Effective Date until the date on which the Borrower delivers to the Administrative Agent a Covid Relief Financial Officer's Certificate certifying that each of the Covid Relief Borrowing Base Condition and the condition that the Asset Coverage Ratio shall be greater than 1.67 to 1 has been satisfied for each date in the thirty (30) consecutive day period ending on such date (for purposes of this clause (i), 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, minus (B) the aggregate amount of dividends, distributions or other payments received in cash in respect of such Investment after the Amendment No. 3 Effective Date; 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 in any event 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); and

(j) Cash Investments in the Excluded Subsidiary to the extent permitted by Section 6.03(k).

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 and pay dividends with respect to the capital stock of the Borrower payable solely in additional shares of the Borrower's common stock;

(b) provided that the Asset Coverage Ratio exceeds 1.50 to 1 on a pro forma basis both immediately before and immediately after giving effect thereto, the Borrower may declare and pay 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 115% of the amounts that are required 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 (x) its investment company taxable income pursuant to Section 852(b)(1) of the Code (or any successor thereto), or (y) its net capital gain pursuant to Section 852(b)(3) of the Code (or any successor thereto), and (iii) reduce to zero its liability for federal excise taxes for any such calendar year imposed pursuant to Section 4982 of the Code (or any successor thereto); provided that, notwithstanding the foregoing, from the Amendment No. 3 Effective Date to the Covid Relief Termination Date, in no event shall the amount of such dividends and distributions pursuant to this paragraph (b) exceed the greater of (i) $9,000,000 and (ii) the minimum amount required to be payable in cash to maintain the Borrower's eligibility to be taxed as a RIC);

(c) the Subsidiaries of the Borrower may make Restricted Payments to the Borrower or to any Subsidiary Guarantor;

(d) Obligors may make Restricted Payments to repurchase Equity Interests of the Borrower from officers, directors and employees of the Investment Advisor or the Borrower or any of its Subsidiaries or their 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 or the Borrower or any of its Subsidiaries; provided that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) such Equity Interests are not registered on Form S-8 or other registration statement or are not transferable under Rule 144 of the Securities Exchange Act of 1934, and (iii) the aggregate amount of all repurchases in any calendar year shall not exceed $500,000, with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum of $1,000,000 in any calendar year; and

(e) the Borrower may make other Restricted Payments, including the repurchase by Borrower of its Equity Interests, so long as, (i) on the date of such payment and immediately prior to and immediately after giving effect thereto, no Default shall have occurred and be continuing, (ii) prior to and immediately after giving effect to such payment, the Covered Debt Amount does not exceed 85% of the Borrowing Base and (iii) on the date of such Restricted Payment, the Borrower delivers to the Administrative Agent a Borrowing Base Certificate as of such date demonstrating compliance with the foregoing immediately after giving effect to such Restricted Payment; provided that, solely in the case of Restricted Payments made pursuant to this Section 6.05(e) consisting of the repurchase by the Borrower of its Equity Interests, such compliance may be demonstrated on the next Borrowing Base Certificate delivered pursuant to Section 5.01(d); provided further, that, the Borrower may not make Restricted Payments pursuant to this Section 6.05(e) from the Amendment No. 3 Effective Date until the date on which the Borrower delivers to the Administrative Agent a Covid Relief Financial Officer's Certificate certifying that each of the Covid Relief Borrowing Base Condition and the condition that the Asset Coverage Ratio shall be greater than 1.75 to 1 has been satisfied for each date in the three (3) consecutive month period ending on such date (or, if such date is not the end of the month, the date of the month then most recently ended).

For the avoidance of doubt, the Borrower shall not declare any dividend to the extent such declaration violates the provisions of the Investment Company Act applicable to it.

SECTION 6.06. Certain Restrictions on Subsidiaries. The Borrower will not permit any of its Subsidiaries to enter into or suffer to exist any indenture, agreement, instrument or other arrangement (other than the Loan Documents) that prohibits or restrains, in each case in any material respect, or imposes materially adverse conditions upon, the incurrence or payment of Indebtedness, the granting of Liens, the declaration or payment of dividends, the making of loans, advances, guarantees or Investments or the sale, assignment, transfer or other disposition of property, except for any prohibitions or restraints contained in (i) any Indebtedness permitted under Section 6.01(b) or (c), (ii) any Indebtedness permitted under Section 6.01(e) secured by a Lien permitted under Section 6.02(f) provided that such prohibitions and restraints are applicable by their terms only to the assets that are subject to such Lien and (iii) any Indebtedness permitted under Section 6.01(f) or (g) secured by a Permitted Lien provided that such prohibitions and restraints are applicable by their terms only to the assets that are subject to such Lien.

SECTION 6.07. Certain Financial Covenants.

(a) Minimum Total Net Assets. The Borrower will not permit Total Net Assets at the last day of any fiscal quarter of the Borrower to be less than the sum of (x) $150,000,000 plus (y) 65% of the aggregate net proceeds of all sales of Equity Interests by the Borrower and its Subsidiaries after the Restatement Effective Date (other than the proceeds of sales of Equity Interests by and among the Borrower and its Subsidiaries).

(b) Asset Coverage Ratios. After the Restatement Effective Date, the Borrower will not permit the Asset Coverage Ratio and/or the Modified Asset Coverage Ratio to be less than 1.50 to 1 at any time, provided that, if the Borrower elects to use the relief offered by Release No. 33837 for the purposes of any public reporting of its financial performance, then, with respect to the period from the Amendment No. 3 Effective Date to the earlier of (x) the date Release No. 33837 is no longer in effect with respect to the Borrower and (y) December 31, 2020, the Asset Coverage Ratio shall not be less than 1.35 to 1 at any time.

(c) Senior Coverage Ratio. After the Restatement Effective Date, the Borrower will not permit the Senior Coverage Ratio to be less than 2.00 to 1 at any time.

(d) [Reserved].

(e) Obligors' Net Worth Test. After the Restatement Effective Date, the Borrower will not permit the Obligors' Net Worth at the last day of any fiscal quarter to be less than an amount equal to $110,000,000.

SECTION 6.08. Transactions with Affiliates. (a) 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 (i) 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, (ii) transactions between or among the Obligors not involving any other Affiliate, (iii) transactions between or among the Obligors and any SBIC Subsidiary or any "downstream affiliate" (as such term is used under the rules promulgated under the Investment Company Act) company of an Obligor at prices and on terms and conditions not less favorable to the Obligors than could be obtained at the time on an arm's-length basis from unrelated third parties, (iv) Restricted Payments permitted by Section 6.05, (v) the transactions provided in the Affiliate Agreements as the same may be amended in accordance with Section 6.11(b) or (vi) transactions with Affiliates existing on the Amendment No. 3 Effective Date as set forth in Schedule 6.08.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, enter into any transactions with any issuer of an Affiliate Investment (including any Investment that becomes an Affiliate Investment as a result of such transaction or any modification, supplement or waiver to an existing Affiliate Investment), even if otherwise permitted under this Agreement, except transactions in the ordinary course of business that are either (i) on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained at the time on an arm's-length basis from unrelated third parties or (ii) in the nature of an amendment, supplement or modification to any such Affiliate Investment on terms and conditions that are similar to those obtained by debt or equity investors in similar types of investments in which such investors do not have the controlling equity interest, in each case, as reasonably determined in good faith by the Borrower.

SECTION 6.09. Lines of Business. The Borrower will not, nor will it permit any of its Subsidiaries to, engage in any business other than in accordance with its Investment Policies.

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 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; (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 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 Certain Documents. The Borrower will not, and will not permit any of its Subsidiaries to:

(a) consent to any modification, supplement or waiver of 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", "Unsecured Longer-Term Indebtedness" or "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) consent to any modification, supplement or waiver of any of the Affiliate Agreements, unless such modification, supplement or waiver is not less favorable to the Borrower than could be obtained on an arm's-length basis from unrelated third parties;

(c) consent to any modification, supplement or waiver of any Constituent Document of the Borrower or any of its Subsidiaries to the extent such modification, supplement or waiver would be materially adverse to the Agent or any of the Lenders; or

(d) enter into or maintain any advisory or investment management agreement other than the Affiliate Agreements.

The Administrative Agent hereby acknowledges and agrees 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) and (e), including increases in the principal amount thereof, modifications to the advance rates and/or modifications to the interest rate, fees or other pricing terms, so long as such Indebtedness continues to be permitted under Section 6.01(d) or (e); provided that no such amendment, restatement, termination or modification shall, unless 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 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, any Unsecured Longer-Term Indebtedness or the 2023 Notes (other than, so long as no Default has occurred and is continuing or would result therefrom, (i) the refinancing of any Secured Longer-Term Indebtedness, any Unsecured Longer-Term Indebtedness or the 2023 Notes with the Net Cash Proceeds of any Indebtedness permitted under Section 6.01(b)(ii) and (c) and (ii) with the Net Cash Proceeds of any issuance of Equity Interests after the Amendment No. 3 Effective Date so long as such Net Cash Proceeds are promptly used to purchase any such Secured Longer-Term Indebtedness, Unsecured Longer-Term Indebtedness or the 2023 Notes at a discount to the applicable par value of the applicable Indebtedness, in each case under the foregoing clauses (i) and (ii), solely to the extent not required to be used to prepay Loans and such refinanced or purchased debt is immediately discharged, extinguished or terminated), except for (a) 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) payments and prepayments of Secured Longer-Term Indebtedness required to comply with requirements of Section 2.08(c).

SECTION 6.13. Modification of Investment 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 as in effect on the Restatement Effective Date.

SECTION 6.14. SBIC Guarantee. 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 to, enter into any derivative, swap or other similar transactions or agreements, except for Hedging Agreements to the extent permitted pursuant to Sections 6.01(e) and 6.04(c).

SECTION 6.16. Convertible Indebtedness. The Borrower will not, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness that is convertible into Equity Interests other than Permitted Equity Interests.

SECTION 6.17. Financing Subsidiaries and Restricted Investments. The Borrower will not, nor will it permit any of its Subsidiaries to, create any new Financing Subsidiaries, CFCs, Transparent Subsidiaries or Restricted Investments for the period (the "Financing Subsidiary Limitation Period") from and after the Amendment No 3. Effective Date until the date on which the Borrower delivers to the Administrative Agent a Covid Relief Financial Officer's Certificate certifying that each of the Covid Relief Borrowing Base Condition and the condition that the Asset Coverage Ratio shall be greater than 1.70 to 1 has been satisfied for each date in the two (2) consecutive month period ending on such date (or, if such date is not the end of the month, the date of the month then most recently ended).

ARTICLE VII

EVENTS OF DEFAULT

SECTION 7.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan (including, without limitation, any principal payable under Section 2.08(b), (c) or (d)) 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;

(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 or more Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Obligor or any of its or their 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 or any of its Subsidiaries shall fail to observe or perform any covenant, condition or agreement contained in

(i) Section 5.01(d), Section 5.01(e), Section 5.02(a), 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) or in Article VI;

(ii) Section 7 of the Guarantee and Security Agreement solely to the extent such covenant, condition or agreement is not also contained in this Agreement (and if also contained in this Agreement, such covenant, condition or agreement shall be subject to the relevant provision (including any cure or grace period with respect thereto) in this Section 7.01 applicable thereto and not this clause (ii)); or

(iii) Section 5.01(f) or Sections 5.02(b), (c) or (d) and, in the case of this clause (iii), such failure shall continue unremedied for a period of five or more days after the Borrower has knowledge of such failure;

(e) the Borrower or any Obligor shall fail to observe or perform any covenant, condition or agreement applicable to it 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 (i) notice thereof from the Administrative Agent (given at the request of any Lender) to the Borrower and (ii) the Borrower having obtained actual knowledge thereof;

(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 (other than with respect to payments of principal) 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) that enables or permits (with or without the giving of notice, the lapse of time or both) 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.

(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 or any of their respective debts, or of a substantial part of any of their respective 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 or for a substantial part of any of their respective 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 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 or for a substantial part of any of their respective 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 shall become unable, admit in writing its inability or fail generally to pay any of their respective debts as they become due;

(k) (x) there is rendered against the Borrower or any of its 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 $5,000,000 (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 or (y) any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any of its Subsidiaries to enforce any such judgment;

(l) 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 liability of the Borrower or any ERISA Affiliate in an aggregate amount exceeding $2,500,000; and

(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 to the extent that any such loss of perfection results from the failure of the Collateral Agent to maintain possession of certificates representing securities pledged under the Guarantee and Security Agreement; provided that if such default is as a result of any action of the Administrative Agent or Collateral Agent or a failure of the Administrative Agent or 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 (10) consecutive Business Days after the earlier of (i) the Borrower becoming aware of such default and (ii) the Borrower's receipt of written notice of such default thereof from the Administrative Agent, unless, in each case, the continuance thereof is a result of a failure of the Collateral Agent or Administrative Agent to take an action within their control (and the Borrower has requested that the Collateral Agent or Administrative Agent take such action);

(p) except for expiration 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 declared ineffective, illegal or inoperative in any material respect or in any way whatsoever cease to give or provide the respective material rights, titles, interest remedies, powers or privileges intended to be created thereby, 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; or

(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.

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 any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately; (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 and (iii) without notice of default or demand, pursue and enforce any of the Administrative Agent's or the Lender's rights and remedies under the Loan Document, or as otherwise provided under or pursuant to any applicable law or agreement.

Notwithstanding anything to the contrary contained herein, on the CAM Exchange Date, to the extent not otherwise prohibited by law, (a) the Commitments shall automatically and without further act be terminated, the Lenders shall automatically and without further act be deemed to have exchanged interests in the Designated Obligations such that, in lieu of the interests of each Lender in the Designated Obligations under each Loan in which it shall participate as of such date, such Lender shall own an interest equal to such Lender's CAM Percentage in the Designated Obligations under each of the Loans, whether or not such Lender shall previously have participated therein, and (b) simultaneously with the deemed exchange of interests pursuant to clause (a) above, the interests in the Designated Obligations to be received in such deemed exchange shall, automatically and with no further action required, be converted into the Dollar Equivalent of such amount (as of the Business Day immediately prior to the CAM Exchange Date) and on and after such date all amounts accruing and owed to the Lenders in respect of such Designated Obligations shall accrue and be payable in Dollars at the rate otherwise applicable hereunder. Each Lender, each Person acquiring a participation from any Lender as contemplated by Section 9.04 and the Borrower hereby consents and agrees to the CAM Exchange. It is understood and agreed that the CAM Exchange, in itself, will not affect the aggregate amount of Designated Obligations owing by the Obligors. The Borrower and the Lenders agree from time to time to execute and deliver to the Administrative Agent all such promissory notes and other instruments and documents as the Administrative Agent shall reasonably request to evidence and confirm the respective interests and obligations of the Lenders after giving effect to the CAM Exchange, and each Lender agrees to surrender any promissory notes originally received by it in connection with its Loans hereunder to the Administrative Agent against delivery of any promissory notes so executed and delivered; provided that the failure of the Borrower to execute or deliver or of any Lender to accept such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

As a result of the CAM Exchange, on and after the CAM Exchange Date, each payment received by the Administrative Agent pursuant to any Loan Document in respect of the Designated Obligations shall be distributed to the Lenders pro rata in accordance with their respective CAM Percentages (to be redetermined as of each such date of payment). Any direct payment received by a Lender on or after the CAM Exchange Date, including by way of set-off, in respect of a Designated Obligation shall be paid over to the Administrative Agent for distribution to the Lenders in accordance herewith.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

SECTION 8.01. Appointment.

(a) Appointment of the Administrative Agent. Each of the Lenders 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. The Collateral Agent is hereby confirmed and reaffirmed as having been appointed as the collateral agent hereunder and under the other Loan Documents and in such capacity has been and is authorized 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 has been and 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 an Agent hereunder and under any other Loan Document 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 an 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 an 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. No Agent shall 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) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except, solely in the case of the Administrative Agent, discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise upon receipt of and pursuant to specific instruction in writing to do so delivered by the Required Lenders (or such other number or percentage of Lenders as is expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent is not required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including, for the avoidance of doubt, any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law, and (c) except as expressly set forth herein and in the other Loan Documents, no Agent shall have any duty to disclose, nor shall any Agent 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 Person serving as an Agent or any of its Affiliates in any capacity. No Agent shall 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 necessary, or as such Agent shall believe in good faith shall be necessary, including under the circumstances as provided in Section 9.02 or Article VIII of this Agreement) 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. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by the Borrower or a Lender, and no Agent shall 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, (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 such Agent. Notwithstanding anything to the contrary contained herein, 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 "Adjusted LIBO Rate" 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 2.11(c)(i), whether upon the occurrence of an Early Opt-in Election or otherwise, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.13(c)(ii)), 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 Adjusted LIBO Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

SECTION 8.04. Reliance. Each 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 or on behalf of the proper Person. Each 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. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent has received notice to the contrary from such Lender prior to the making of such Loan. Each 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. Each 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 such Agent. Each 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 any 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 an Agent. The Administrative Agent is not responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 8.06. Resignation; Successor Administrative Agent. Any Agent may resign at any time by notifying the Lenders and, solely in the case of the Administrative Agent, the Borrower. Upon any such resignation, the Required Lenders shall have the right, with, solely in the case of the Administrative Agent, 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. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after any retiring Agent gives notice of its resignation, then, solely with respect to the Administrative Agent, the 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 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 an Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of such retiring (or retired) Agent and such retiring 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 Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After any Agent's resignation hereunder or under any other Loan Document, 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 an Agent. The Collateral Agent may resign in accordance with the Guarantee and Security Agreement.

SECTION 8.07. Reliance by Lenders. Each Lender acknowledges that it has, independently and without reliance upon any 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 any 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 (or such other number or percentage of Lenders as is expressly provided for herein or in the other Loan Documents) (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, no Agent shall (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 each Agent is hereby authorized, to release any Lien covering property that is the subject of either a disposition of property permitted hereunder or a disposition to which the Required Lenders (or such other number or percentage of Lenders as is expressly provided for herein or in the other Loan Documents) have consented.

SECTION 8.09. [Reserved].

SECTION 8.10. 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 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 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 such Lender's entrance into, participation in, administration of and performance of the Loans, 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 Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, 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 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) subclause (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 subclause (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 not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Obligor, that the Administrative Agent is not 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 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 to hereto or thereto).

For purposes of this Section 8.10, the following definitions apply to each of the capitalized terms below:

"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 and subject to 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".

"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.

SECTION 8.11. Arranger and Bookrunner(a). The Arranger and the Bookrunner shall not have obligations or duties whatsoever in such capacities under this Agreement or any other Loan Document and shall incur no liability hereunder or thereunder in such capacities, but the Arranger and the Bookrunner shall have the benefit of the indemnities provided for hereunder.

SECTION 8.12. Collateral Matters. (a) 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.

(d) Without limiting the provisions of Section 8.13, any Lien on any property granted to or held by the Administrative Agent under any Loan Document shall be automatically released, and the Lenders irrevocably authorize the Administrative Agent to take any action with respect to such release: (a) upon termination of the Commitments and payment in full of all Obligations (other than contingent, unasserted indemnification and expense reimbursement obligations); (b) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document; or (c) subject to Section 9.02, if approved, authorized or ratified in writing by the Required Lenders (or such other number or percentage of Lenders as is expressly provided for herein or in the other Loan Documents). Upon request by the Administrative Agent at any time, the Required Lenders (or such other number or percentage of Lenders as is expressly provided for herein (including, without limitation, Section 9.02) or in the other Loan Documents) will confirm in writing the Administrative Agent's authority to release its interest in particular types or items of property pursuant to this Section 8.11.

SECTION 8.13. Third Party Beneficiaries. The provisions of this Article VIII are solely for the benefit of the Secured Parties, and no Obligor will have rights as a third party beneficiary of any of such provisions.

SECTION 8.14. Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan will then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent has made any demand on the Borrower) will be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Secured Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Secured Parties and their respective agents and counsel and all other amounts due the Secured Parties under Section 2.09 and otherwise hereunder) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent consents to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent hereunder.

Nothing contained herein is deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

SECTION 8.15. 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 8.16. Erroneous Payment.

(a) If the Administrative Agent notifies a Lender or Secured Party, or any Person who has received funds on behalf of a Lender or Secured Party (any such Lender, Secured Party or other recipient (and each of their respective successors and assigns), a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof) such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 8.16 and held in trust for the benefit of the Administrative Agent, and such Lender or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the applicable Overnight Rate. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, Secured Party or any Person who has received funds on behalf of a Lender or Secured Party (and each of their respective successors and assigns) agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) 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 this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clause (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 8.16(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 8.16(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 8.16(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender or Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Secured Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Secured Party from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d)

(i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender at any time then effective immediately (with the consideration therefor being acknowledged by the parties hereto)), (A) such Lender shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any promissory notes evidencing such Loans to the Borrower or the Administrative Agent (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, (D) the Administrative Agent and the Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment and (E) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment.

(ii) Subject to Section 9.04 (but excluding, in all events, any assignment consent or approval requirements (whether from the Borrower or otherwise)), the Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or Secured Party under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Obligor, 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 or any other Obligor for the purposes of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine

(g) Each party's obligations, agreements and waivers under this Section 8.16 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

ARTICLE IX

MISCELLANEOUS

1

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:

Monroe Capital Corporation
311 South Wacker Drive, Suite 6400
Chicago, Illinois 60606
Attention: Aaron D. Peck
Telephone: (312) 523-2363
Fax: (312) 258-8350
E-mail: ~~apeck@monroecap.com~~apeck@monroecap.com

With a copy to:

Monroe Capital BDC Advisors, LLC
311 South Wacker Drive, Suite 6400
Chicago, Illinois 60606
Attention: Aaron D. Peck
Telephone: (312) 523-2363
Fax: (312) 258-8350
E-mail: ~~apeck@monroecap.com~~apeck@monroecap.com

With a copy to:

Monroe Capital, LLC
311 South Wacker Drive, Suite 6400
Chicago, Illinois 60606
Attention: Aaron D. Peck
Telephone: (312) 523-2363
Fax: (312) 258-8350
E-mail: ~~apeck@monroecap.com~~apeck@monroecap.com

With a copy to:

Nelson Mullins Riley & Scarborough LLP
101 Constitution Avenue, NW, Suite 900
Washington, DC 20001
Attention: Jonathan H. Talcott
Telephone: (202) 689-2806
Fax: (202) 689-2862
E-mail: ~~jon.talcott@nelsonmullins.com~~jon.talcott@nelsonmullins.com

(ii) if to the Administrative Agent, to it at:

ING Capital LLC
1133 Avenue of the Americas
New York, New York 10036
Attention: Patrick Frisch
Telephone Number: (646) 424-6912
Telecopy Number: (646) 424-6919

E-mail: ~~Patrick.Frisch@ing.com~~Patrick.Frisch@ing.com

with a copy to:

Dechert LLP
1095 Avenue of the Americas
New York, New York 10036
Attention: Jay R. Alicandri, Esq.
Telephone Number: (212) ~~698-3599~~698-3800
Telecopy Number: (212) 698-3599
E-mail: ~~Jay.Alicandri@dechert.com~~Jay.Alicandri@dechert.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 or 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 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 pursuant to Section 2.03 if such Lender 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 Debtdomain™ or an 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 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 (and, at the request of the Administrative Agent, one hard copy thereof to the Administrative Agent); 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 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 Obligors 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 (as defined below) 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 ARRANGER, ANY BOOKRUNNER 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, EXCEPT FOR DIRECT DAMAGES THAT A COURT OF COMPETENT JURISDICTION DETERMINES IN A FINAL AND NON-APPEALABLE JUDGMENT THAT THE ADMINISTRATIVE AGENT ACTED WITH GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN THE SELECTION OF SUCH SUB-AGENTS.

"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 or any Lender by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

(v) Each Lender and Administrative Agent 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 and Administrative Agent for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(vi) Each of the Lenders and the Obligors agree 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 procedures and policies.

(vii) Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 9.02. Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by the Administrative Agent 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 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 shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Amendments to this Agreement. 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 2.16(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 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 any interest thereon, or any fees or other amounts payable to a Lender hereunder, or reduce the amount of, 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 (other than any waiver of the default rate of interest),

(iv) change Section 2.15(b), (c) or (d) (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 or the percentage in the definition of the term "Required Lenders" 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) change any of the provisions of the definition of the term "Agreed Foreign Currency" or any other provision hereof specifying the Foreign Currencies in which each Multicurrency Lender must make Multicurrency Loans, or make any determination or grant any consent hereunder with respect to the definition of "Agreed Foreign Currencies" without the written consent of each Multicurrency Lender, or

(vii) permit the assignment or transfer by any Obligor of any of its rights or obligations under any Loan Document without the written consent of each Lender;

provided further that (x) no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent hereunder without the prior written consent of such affected Agent, and (y) the consent of Lenders holding not less than two-thirds of the total Revolving 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), or the provisions of Section 5.12(b)(ii), 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. 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 in the same manner 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, for the avoidance of doubt, 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.

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.

(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 or the Custodian Agreement, as applicable, 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 2.06(f) to an amount not greater than the amount specified in Section 2.06(f)(i)(B)(x) 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 2.16(b), (i) without the written consent of the holders of at least two-thirds of the total Revolving 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 Total Net Assets of the Borrower from its obligations under the Security Documents, (B) release any guarantor representing more than 10% of the Total Net Assets of the Borrower 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 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 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 such other number or percentage of Lenders as is expressly provided for herein or in the other Loan Documents) have consented, or otherwise in accordance with Section 9.15.

(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 Revolving 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 2.17(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 that, without correction, would materially affect the intent of such provision, would cause more credit to be available to the Borrower or would adversely affect the Lenders in any way; provided that any amendment that would require the consents set forth in clauses (i) through (vi) of Section 9.02(b) or the proviso thereto shall be material for purposes of this Section 9.02(e), 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; provided that the Administrative Agent shall promptly provide each Lender with a copy of such amendment.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable documented and 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 up to one firm of outside counsel (plus any necessary special or local outside counsel in each jurisdiction where the nature of the Collateral requires such additional counsel and, solely in the case of an actual or reasonably perceived conflict of interest, one additional counsel in each applicable jurisdiction to the affected Persons) 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), (ii) all out-of-pocket fees, costs and expenses incurred by the Administrative Agent, the Collateral Agent or any Lender, including the reasonable and documented fees, charges and disbursements of any counsel for the Administrative Agent, the Collateral Agent 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, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect thereof and (iii) and 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.

(b) Indemnification by the Borrower. The Borrower shall indemnify each Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee 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 2.14), including the reasonable and documented fees, charges and disbursements of any counsel for any Indemnitee (other than the allocated costs of internal counsel), incurred by or asserted against any Indemnitee 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, (ii) any Loan or the use of the proceeds therefrom or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and whether brought by the Borrower, any Indemnitee or a third party and regardless of whether any Indemnitee is a party thereto IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE; provided that such indemnity shall not as to any Indemnitee, 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 the willful misconduct or gross negligence of such Indemnitee.

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.

(c) Reimbursement by Lenders. To the extent that the Borrower fails to pay any amount required to be paid by it to any Agent under paragraph (a) or (b) of this Section (and without limiting its obligation to do so), each Lender severally agrees to pay to such Agent, 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 such Agent in its capacity as such or against any Related Party of any of the foregoing acting for any Agent (or any sub-agent) in connection with such capacity.

(d) Waiver of Consequential Damages, Etc. To the extent permitted by applicable law, no party to this Agreement shall assert, and each hereby waives, any claim against any other party to this Agreement 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 the use of the proceeds thereof. No party to this Agreement shall be liable for any damages arising from the use by unintended recipients 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 Person, 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. Each Agent, each Lender and each of their respective 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 equityholders 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 equityholders 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 expressly 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 equityholders or affiliates (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower or any of its Subsidiaries, their equityholders 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, equityholders, creditors or any other Person. The Borrower and each Obligor each acknowledge and agree that it has consulted its own 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, 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 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent 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 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 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; provided that no consent of the Administrative Agent 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.

(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 of a Class, the amount of the Commitment or Loans of such 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 an Event of Default has occurred and is continuing;

(B) each partial assignment of any Class of Commitments or Loans 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;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption in substantially the form of Exhibit A hereto, 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 Subsidiary Guarantors shall not be obligated (except in the case of an assignment pursuant to Section 2.17(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 2.12, 2.13, 2.14 and 9.03 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender). 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 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, and the Borrower, the Administrative Agent 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 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 (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 Sections 2.12 (or any other increased costs protection provision), 2.13 or 2.14. 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 nor 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 (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 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 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 2.12, 2.13 and 2.14 (subject to the requirements and limitations therein, including Sections 2.14(f) and (g) (it being understood that the documentation required under Sections 2.14(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 2.17 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 2.17 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 2.15(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 2.12 or 2.13 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 2.14 unless such Participant agrees to comply with Section 2.14(f) as though it were a Lender (it being understood that that the documentation required under Section 2.14(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 having jurisdiction over such Lender, 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 or Loan 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 or Loan 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, 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."

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, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent or any Lender may have had notice or knowledge of any 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 and so long as the Commitments have not expired or terminated. The provisions of Sections 2.12, 2.13, 2.14 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 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 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. In addition to any rights and remedies of the Agents and the Lenders provided by law, if an Event of Default shall have occurred and be continuing, each Agent, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, without prior notice to the Borrower or any other Obligor, any such notice being waived by the Borrower (on its own behalf, on behalf of its Subsidiaries and on behalf of each Obligor) 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) at any time held and other obligations at any time owing by such Lender or 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 under any other Loan Document held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations may be contingent or unmatured, or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such Indebtedness; provided that such Lender shall not exercise any right of setoff given in this Section 9.08 without obtaining the prior written consent of the Administrative Agent. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have; provided that in the event 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 2.15 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 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 each of the other Loan Documents (unless otherwise set forth therein) 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 any other Loan Document (unless otherwise set forth therein), 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 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 (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. Subject to Section 2.15(a), 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 in 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 "Other 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 Other 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 from it 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 hereunder in the Other 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 Other 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 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 Agent or Lender or by one or more subsidiaries or affiliates of such Agent or Lender and the Borrower hereby authorizes each Agent and Lender to share any information delivered to such Agent or Lender by the Borrower or its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Agent or 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 an Agent or Lender (as applicable) hereunder. Such authorization shall survive the repayment of the Loan, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof. The Administrative Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lender"), may have economic interests that conflict with those of the Borrower or any of its Subsidiaries and/or their Affiliates.

(b) Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and consultants and to its and its Affiliates' and consultants' 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 or its Affiliates (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, (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) any insurer, (g) with the consent of the Borrower, (h) on a confidential basis to (i) any insurer, (ii) any rating agency in connection with rating the Borrower or its Subsidiaries or the Loans and (iii) 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 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, without limitation, any Portfolio Investments), other than any such information that is available to the Administrative Agent or any Lender 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 Original 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.

SECTION 9.14. USA PATRIOT Act. Each Lender hereby notifies the Obligors that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies each Obligor, which information includes the name and address of each Obligor and other information that will allow such Lender to identify such Obligor in accordance with said Act. The Obligors shall, 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 (including delivery to such Lender of a Beneficial Ownership Certification).

SECTION 9.15. Termination. Promptly 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 necessary or appropriate to evidence the termination of this Agreement, the other 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. Amendment and Restatement.

(a) On the Restatement Effective Date, the Existing Credit Agreement shall be amended and restated in its entirety by this Agreement, and the Existing Credit Agreement shall thereafter be of no further force and effect, except to evidence (i) the incurrence by the Borrower of the obligations under the Existing Credit Agreement (whether or not such obligations are contingent as of the Restatement Effective Date), (ii) the representations and warranties made by the Borrower prior to the Restatement Effective Date and (iii) any action or omission performed or required to be performed pursuant to such Existing Credit Agreement prior to the Restatement Effective Date (including any failure, prior to the Restatement Effective Date, to comply with the covenants contained in such Existing Credit Agreement). The amendments and restatements set forth herein shall not cure any breach thereof or any "Default" or "Event of Default" under and as defined in the Existing Credit Agreement prior to the Restatement Effective Date.

(b) It is the intention of each of the parties hereto that the Existing Credit Agreement be amended and restated hereunder so as to preserve the perfection and priority of all Liens securing the "Secured Obligations" under the Loan Documents and that all "Secured Obligations" of the Borrower and the Subsidiary Guarantors hereunder shall continue to be secured by Liens evidenced under the Security Documents, and that this Agreement does not in any way constitute a novation or termination of the Indebtedness, obligations and liabilities existing under the Existing Credit Agreement or evidence payment of all or any portion of such obligations and liabilities.

(c) The terms and conditions of this Agreement and the Administrative Agent's and the Lenders' rights and remedies under this Agreement and the other Loan Documents shall apply to all of the obligations incurred under the Existing Credit Agreement.

(d) On and after the Restatement Effective Date, (i) all references to the Existing Credit Agreement in the Loan Documents (other than this Agreement) shall be deemed to refer to the Existing Credit Agreement, as amended and restated hereby, (ii) all references to any Article, Section or sub-clause of the Existing Credit Agreement in any Loan Document (other than this Agreement) shall be deemed to be references to the corresponding provisions of this Agreement and (iii) except as the context otherwise provides, on or after the Restatement Effective Date, all references to this Agreement herein (including for purposes of indemnification and reimbursement of fees) shall be deemed to be references to the Existing Credit Agreement, as amended and restated hereby.

(e) This amendment and restatement is limited as written and is not a consent to any other amendment, restatement or waiver, whether or not similar and, except as expressly provided herein or in any other Loan Document, all terms and conditions of the Loan Documents remain in full force and effect unless otherwise specifically amended hereby or by any other Loan Document.

SECTION 9.17. Acknowledgment and Consent to Bail-In of 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 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 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 the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an 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 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 the applicable Resolution Authority.

SECTION 9.18. 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 of non-usurious interest permitted by applicable law (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 the Borrower. In determining whether the interest contracted for, charged, or received by the 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 Obligations hereunder.

SECTION 9.19. Release. The Borrower hereby acknowledges and agrees that: (a) neither it nor any of its Affiliates has any claim or cause of action against the Administrative Agent, the Collateral Agent or any Lender (or any of their respective Affiliates, officers, directors, employees, attorneys, consultants or agents) under this Agreement and the other Loan Documents (and each other document entered into in connection therewith), and (b) the Administrative Agent, the Collateral Agent and each Lender has heretofore properly performed and satisfied in a timely manner all of its obligations to the Obligors and their Affiliates under this Agreement and the other Loan Documents (and each other document entered into in connection therewith) that are required to have been performed on or prior to the Transactions on the date hereof. Accordingly, for and in consideration of the agreements contained in this Agreement and other good and valuable consideration, the Borrower (for itself and its Affiliates and the successors, assigns, heirs and representatives of each of the foregoing) (collectively, the "Releasors") does hereby fully, finally, unconditionally and irrevocably release and forever discharge the Administrative Agent, the Collateral Agent, each Lender and each of their respective Affiliates, officers, directors, employees, attorneys, consultants and agents (collectively, the "Released Parties") from any and all debts, claims, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done on or prior to the Transactions on the date hereof directly arising out of, connected with or related to this Agreement or any other Loan Document (or any other document entered into in connection therewith).

SECTION 9.20. Acknowledgment Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Agreements or any other agreement 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 9.20, 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:

(x) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(y) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(z) 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. §§ 252.81, 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).

[Signature pages follow]

Exhibit 21.1

SUBSIDIARIES OF MONROE CAPITAL CORPORATION

Name	Jurisdiction
Monroe Capital Corporation SBIC, LP	Delaware
MCC SBIC GP, LLC	Delaware
MRCC Holding Company I, LLC	Delaware
MRCC Holding Company II, LLC	Delaware
MRCC Holding Company III, LLC	Delaware
MRCC Holding Company IV, LLC	Delaware
MRCC Holding Company V, LLC	Delaware
MRCC Holding Company VI, LLC	Delaware
MRCC Holding Company VII, LLC	Delaware
MRCC Holding Company VIII, LLC	Delaware
MRCC Holding Company IX, LLC	Delaware
MRCC Holding Company X, LLC	Delaware
MRCC Holding Company XI, LLC	Delaware
MRCC Holding Company XII, LLC	Delaware
MRCC Holding Company XIII, LLC	Delaware
MRCC Holding Company XIV, LLC	Delaware
MRCC Holding Company XV, LLC	Delaware
MRCC Holding Company XVI, LLC	Delaware
MRCC Holding Company XVII, LLC	Delaware
MRCC Holding Company XVIII, LLC	Delaware
MRCC Holding Company XIX, LLC	Delaware
MRCC Holding Company XX, LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form N-2 (File No. 333-237740) of Monroe Capital Corporation and Subsidiaries (the Company) of our report dated March 2, 2022, relating to the consolidated financial statements, appearing in the Form 10-K of the Company for the year ended December 31, 2021. We also consent to the incorporation by reference in such Registration Statement of our report dated March 2, 2022, relating to the senior securities table, appearing as Exhibit 99.1 in the Form 10-K of the Company for the year ended December 31, 2021.

We also consent to the reference to our firm under the headings “Senior Securities” in the Form 10-K and "Independent Registered Public Accounting Firm” in such Registration Statement on Form N-2.

/s/ RSM US LLP

Chicago, Illinois
March 2, 2022

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
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

I, Theodore L. Koenig, certify that:

1. I have reviewed this Annual Report on Form 10-K of Monroe Capital Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(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.

Date: March 2, 2022

/s/ Theodore L. Koenig
Theodore L. Koenig
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)
Monroe Capital Corporation

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
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

I, Aaron D. Peck, certify that:

1. I have reviewed this Annual Report on Form 10-K of Monroe Capital Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(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.

Date: March 2, 2022

/s/ Aaron D. Peck
Aaron D. Peck
Chief Financial Officer, Chief Investment Officer and Director
(Principal Financial and Accounting Officer)
Monroe Capital Corporation

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Monroe Capital Corporation (the "Company") for the annual period ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Theodore L. Koenig, Chief Executive Officer of the Company, and I, Aaron D. Peck, Chief Financial Officer of the Company, each certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 2, 2022

/s/ Theodore L. Koenig
Theodore L. Koenig
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)
Monroe Capital Corporation

/s/ Aaron D. Peck
Aaron D. Peck
Chief Financial Officer, Chief Investment Officer and Director
(Principal Financial and Accounting Officer)
Monroe Capital Corporation

Exhibit 99.1

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Monroe Capital Corporation and Subsidiaries

Our audit of the consolidated financial statements referred to in our report dated March 2, 2022, (appearing in the accompanying Form 10-K) also included an audit of the senior securities table of Monroe Capital Corporation and Subsidiaries (the Company) appearing in Part II, Item 7 in this Form 10-K. This table is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits of the consolidated financial statements.

In our opinion, the senior securities table, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ RSM US LLP

Chicago, Illinois
March 2, 2022