

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2022  
OR

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

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_  
COMMISSION FILE NUMBER: 814-00736

**PENNANTPARK INVESTMENT CORPORATION**

(Exact name of registrant as specified in its charter)

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

**20-8250744**  
(I.R.S. Employer Identification No.)

**1691 Michigan Avenue,  
Miami Beach, Florida**  
(Address of principal executive offices)

**33319**  
(Zip Code)

(212) 905-1000  
(Registrant's Telephone Number, Including Area Code)

None  
(Former name, former address and former fiscal year, if changed since last report)

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	PNNT	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

The number of shares of the registrant's common stock, \$0.001 par value per share, outstanding as of August 3, 2022 was 65,413,942.

PENNANTPARK INVESTMENT CORPORATION  
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2022  
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**PART I—CONSOLIDATED FINANCIAL INFORMATION**

We are filing this Quarterly Report on Form 10-Q, or the Report, in compliance with Rule 13a-13 as promulgated by the Securities and Exchange Commission, or the SEC, under the Securities Exchange Act of 1934, as amended, or the Exchange Act. In this Report, except where context suggest otherwise, the terms “Company,” “we,” “our” or “us” refers to PennantPark Investment Corporation and its consolidated subsidiaries; “PennantPark Investment” refers to only PennantPark Investment Corporation; “our SBIC Fund” refers collectively to our consolidated subsidiaries, PennantPark SBIC II LP, or SBIC II, and its general partner, PennantPark SBIC GP II, LLC; “Funding I” refers to PennantPark Investment Funding I, LLC, a wholly-owned subsidiary prior to deconsolidation on July 31, 2020; “Taxable Subsidiary” refers to PNNT Investment Holdings, LLC; “PSLF” refers to PennantPark Senior Loan Fund, LLC, an unconsolidated joint venture; “PTSF II” refers to PennantPark-TSO Senior Loan Fund II, LP, an unconsolidated limited partnership; “PennantPark Investment Advisers” or “Investment Adviser” refers to PennantPark Investment Advisers, LLC; “PennantPark Investment Administration” or “Administrator” refers to PennantPark Investment Administration, LLC; “SBA” refers to the Small Business Administration; “SBIC” refers to a small business investment company under the Small Business Investment Act of 1958, as amended, or the “1958 Act”; “BNP Credit Facility” refers to our revolving credit facility with BNP Paribas prior to deconsolidation of Funding I; “Truist Credit Facility” refers to our multi-currency, senior secured revolving credit facility with Truist Bank (formerly SunTrust Bank), as amended and restated; “2024 Notes” refers to our 5.50% Notes due 2024; “2026 Notes” refers to our 4.50% Notes due May 2026; “2026 Notes-2” refers to our 4.00% Notes due November 2026; “BDC” refers to a business development company under the Investment Company Act of 1940, as amended, or the “1940 Act”; “SBCAA” refers to the Small Business Credit Availability Act; “Code” refers to the Internal Revenue Code of 1986, as amended; and “RIC” refers to a regulated investment company under the Code. References to our portfolio, our investments and our business include investments we make through SBIC II and other consolidated subsidiaries.

Item 1. Consolidated Financial Statements

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES**  
(In thousands, except share data)

	June 30, 2022 (unaudited)	September 30, 2021
<b>Assets</b>		
Investments at fair value		
Non-controlled, non-affiliated investments (cost—\$921,967 and \$729,811, respectively)	\$ 961,032	\$ 820,500
Non-controlled, affiliated investments (cost—\$75,825 and \$78,723, respectively)	49,097	50,161
Controlled, affiliated investments (cost—\$381,904 and \$412,587, respectively)	304,699	384,629
Total investments (cost—\$1,379,696 and \$1,221,121, respectively)	1,314,828	1,255,290
Cash and cash equivalents (cost—\$29,630 and \$20,383, respectively)	29,547	20,357
Interest receivable	3,312	4,958
Receivable for investments sold	57,407	12,793
Distribution receivable	2,420	1,694
Prepaid expenses and other assets	23,571	—
<b>Total assets</b>	<b>1,431,085</b>	<b>1,295,092</b>
<b>Liabilities</b>		
Distributions payable	9,504	8,045
Payable for investments purchased	20,435	8,407
Truist Credit Facility payable, at fair value (cost—\$422,920 and \$316,545, respectively) (See Notes 5 and 10)	412,005	314,813
2024 Notes payable, net (par— zero and \$86,250, respectively) (See Notes 5 and 10)	—	84,503
2026 Notes payable, net (par— \$150,000) (See Notes 5 and 10)	146,542	145,865
2026 Notes-2 payable, net (par— \$165,000 and zero, respectively) (See Notes 5 and 10)	161,159	—
SBA debentures payable, net (par—\$27,500 and \$63,500, respectively) (See Notes 5 and 10)	27,046	62,159
Base-management fee payable, net (See Note 3)	4,887	4,580
Performance based-incentive fee payable (See Note 3)	—	575
Interest payable on debt	3,387	4,943
Deferred tax liability	8,127	—
Accrued other expenses	6,483	1,058
<b>Total liabilities</b>	<b>799,575</b>	<b>634,948</b>
Commitments and contingencies (See Note 11)		
<b>Net assets</b>		
Common stock, 65,413,942 and 67,045,105, respectively, shares issued and outstanding	65	67
Par value \$0.001 per share and 100,000,000 shares authorized		
Paid-in capital in excess of par value	795,865	786,993
Accumulated deficit	(164,420)	(126,916)
<b>Total net assets</b>	<b>\$ 631,510</b>	<b>\$ 660,144</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,431,085</b>	<b>\$ 1,295,092</b>
<b>Net asset value per share</b>	<b>\$ 9.65</b>	<b>\$ 9.85</b>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**  
(In thousands, except share and per share data)

	<b>Three Months Ended June 30,</b>		<b>Nine Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Investment income:</b>				
From non-controlled, non-affiliated investments:				
Interest	\$ 15,890	\$ 11,972	\$ 45,973	\$ 35,074
Payment-in-kind	665	2,095	4,071	5,566
Other income	1,247	475	8,050	980
From non-controlled, affiliated investments:				
Payment-in-kind	—	—	—	457
From controlled, affiliated investments:				
Interest	2,694	2,279	7,303	6,733
Payment-in-kind	432	1,978	3,983	4,982
Dividend income	2,420	1,694	6,655	4,667
<b>Total investment income</b>	<b>23,348</b>	<b>20,493</b>	<b>76,035</b>	<b>58,459</b>
<b>Expenses:</b>				
Base management fee (See Note 3)	4,887	4,358	14,977	12,755
Performance-based incentive fee (See Note 3)	—	—	2,657	—
Interest and expenses on debt (See Note 10)	6,737	6,942	20,122	16,836
Administrative services expenses (See Note 3)	250	380	750	1,390
Other general and administrative expenses	723	518	2,169	1,805
<b>Expenses before provision for taxes</b>	<b>12,597</b>	<b>12,198</b>	<b>40,675</b>	<b>32,786</b>
Provision for taxes on net investment income	200	150	600	450
<b>Net expenses</b>	<b>12,797</b>	<b>12,348</b>	<b>41,275</b>	<b>33,236</b>
<b>Net investment income</b>	<b>10,551</b>	<b>8,145</b>	<b>34,760</b>	<b>25,223</b>
<b>Realized and unrealized gain (loss) on investments and debt:</b>				
Net realized gain (loss) on investments and debt:				
Non-controlled, non-affiliated investments	113	41,687	7,203	44,137
Non-controlled and controlled, affiliated investments	(34,381)	—	75,243	(19,708)
Debt extinguishment	—	—	(2,801)	—
Provision for taxes on realized gain on investments	(1,123)	—	(6,183)	—
<b>Net realized gain (loss) on investments and debt</b>	<b>(35,391)</b>	<b>41,687</b>	<b>73,462</b>	<b>24,429</b>
Net change in unrealized appreciation (depreciation) on:				
Non-controlled, non-affiliated investments	14,317	(41,842)	(193,348)	45,770
Non-controlled and controlled, affiliated investments	(8,725)	25,512	94,257	64,581
Provision for taxes on unrealized appreciation on investments	(8,127)	—	(8,127)	—
Debt (appreciation) depreciation (See Notes 5 and 10)	8,894	(1,622)	9,183	(18,494)
<b>Net change in unrealized appreciation (depreciation) on investments and debt</b>	<b>6,359</b>	<b>(17,952)</b>	<b>(98,035)</b>	<b>91,857</b>
<b>Net realized and unrealized gain (loss) from investments and debt</b>	<b>(29,032)</b>	<b>23,735</b>	<b>(24,573)</b>	<b>116,286</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>(18,481)</b>	<b>31,880</b>	<b>\$ 10,187</b>	<b>\$ 141,509</b>
Net increase (decrease) in net assets resulting from operations per common share (See Note 7)	\$ (0.28)	\$ 0.48	\$ 0.15	\$ 2.11
Net investment income per common share	\$ 0.16	\$ 0.12	\$ 0.52	\$ 0.38

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)**  
(In thousands, except share and per share data)

	<b>Three Months Ended June 30,</b>		<b>Nine Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Net increase (decrease) in net assets resulting from operations:</b>				
Net investment income	\$ 10,551	\$ 8,145	\$ 34,760	\$ 25,223
Net realized gain (loss) on investments and debt	(34,268)	41,687	79,645	24,429
Net change in unrealized appreciation (depreciation) on investments	5,592	(16,330)	(99,091)	110,351
Net change in provision for taxes on net realized gain (loss) on investments	(1,123)	—	(6,183)	—
Net change in provision for taxes on unrealized appreciation on investments	(8,127)	—	(8,127)	—
Net change in unrealized (appreciation) depreciation on debt	8,894	(1,622)	9,183	(18,494)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>(18,481)</b>	<b>31,880</b>	<b>10,187</b>	<b>141,509</b>
<b>Distributions to stockholders:</b>	<b>(9,378)</b>	<b>(8,045)</b>	<b>(26,808)</b>	<b>(24,136)</b>
<b>Capital Transactions:</b>				
Repurchase of common stock (See Note 13)	(4,958)	—	(12,012)	—
<b>Net increase (decrease) in net assets</b>	<b>(32,817)</b>	<b>23,835</b>	<b>(28,633)</b>	<b>117,373</b>
<b>Net assets:</b>				
Beginning of period	664,327	619,247	660,144	525,709
End of period	<u>\$ 631,510</u>	<u>\$ 643,082</u>	<u>\$ 631,511</u>	<u>\$ 643,082</u>
<b>Capital share activity:</b>				
Shares of common stock repurchased	717,709	—	1,631,163	—

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**  
(In thousands, except share and per share data)

	<b>Nine months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Net increase in net assets resulting from operations	\$ 10,186	\$ 141,509
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash (used in) provided by operating activities:		
Net change in net unrealized (appreciation) depreciation on investments	99,091	(110,351)
Net change in unrealized appreciation (depreciation) on debt	(9,183)	18,494
Net realized (gain) loss on investments	(82,446)	(24,429)
Debt extinguishment realized loss	2,801	—
Net accretion of discount and amortization of premium	(3,763)	(2,919)
Purchases of investments	(799,414)	(276,376)
Payment-in-kind income	(8,785)	(11,049)
Proceeds from dispositions of investments	736,031	358,633
Amortization of deferred financing costs	1,507	2,012
Decrease in interest receivable	1,646	125
Increase in receivables from investments sold	(44,614)	—
Increase in distribution receivable	(726)	(300)
(Increase) decrease in prepaid expenses and other assets	(23,571)	376
(Increase) decrease in payable for investments purchased	12,028	(2,444)
Increase (decrease) in interest payable on debt	(1,556)	1,742
Increase (decrease) in base management fee payable, net	307	(12)
Decrease in performance-based incentive fee payable, net	(575)	—
Increase in deferred tax liability	8,127	—
(Decrease) increase in accrued other expenses	5,425	710
Net cash (used in) provided by operating activities	<u>(97,483)</u>	<u>95,721</u>
<b>Cash flows from financing activities:</b>		
Repurchase of common stock	(12,014)	—
Distributions paid to stockholders	(25,348)	(24,136)
Net repayments of the 2024 Notes issuance	(86,250)	—
Proceeds from 2026 Notes issuance	—	145,464
Proceeds from 2026 Notes-2 issuance	160,519	—
Repayments under SBA debentures	(36,358)	(55,000)
Borrowings under Truist Credit Facility	815,841	148,312
Repayments under Truist Credit Facility	(709,466)	(322,019)
Net cash provided by (used in) financing activities	<u>106,924</u>	<u>(107,379)</u>
<b>Net increase (decrease) in cash equivalents</b>	<u>9,441</u>	<u>(11,658)</u>
Effect of exchange rate changes on cash	(251)	64
<b>Cash and cash equivalents, beginning of period</b>	<u>20,357</u>	<u>25,806</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 29,547</u>	<u>\$ 14,212</u>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	<u>\$ 20,170</u>	<u>\$ 13,081</u>
Taxes paid	<u>\$ 5,255</u>	<u>\$ 658</u>
Non-cash exchanges and conversions	<u>\$ (59,651)</u>	<u>\$ 16,516</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Unaudited)**  
**JUNE 30, 2022**  
(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index <sup>(1)</sup>	Par / Shares	Cost	Fair Value <sup>(3)</sup>
<b>Investments in Non-Controlled, Non-Affiliated Portfolio Companies—152.2% <sup>(1),(2)</sup></b>							
<b>First Lien Secured Debt—106.9%</b>							
Ad.net Acquisition, LLC (Revolver) <sup>(7)</sup>	05/06/2026	Media	—	—	444	\$ —	\$ —
Altamira Technologies, LLC (Revolver)	07/24/2025	Aerospace and Defense	10.25 %	3M L+800	50	50	48
Altamira Technologies, LLC (Revolver) <sup>(7)</sup>	07/24/2025	Aerospace and Defense	—	—	138	—	(7)
American Insulated Glass, LLC	12/21/2023	Building Materials	6.50 %	3M L+550	5,842	5,803	5,842
Any Hour Services	07/21/2027	Personal, Food and Miscellaneous Services	7.51 %	3M L+525	3,151	3,121	3,120
Any Hour Services Term Loan II <sup>(7)</sup>	01/14/2024	Personal, Food and Miscellaneous Services	—	—	979	—	—
Any Hour Services (Revolver) <sup>(7)</sup>	07/21/2027	Personal, Food and Miscellaneous Services	—	—	1,147	—	(11)
Apex Service Partners, LLC	07/31/2025	Personal, Food and Miscellaneous Services	6.50 %	1M L+550	1,331	1,331	1,324
Apex Service Partners, LLC Term Loan C	07/31/2025	Personal, Food and Miscellaneous Services	6.62 %	1M L+550	1,893	1,872	1,883
Apex Service Partners, LLC (Revolver)	07/31/2025	Personal, Food and Miscellaneous Services	6.62 %	3M L+525	249	249	247
Apex Service Partners, LLC (Revolver) <sup>(7)</sup>	07/31/2025	Personal, Food and Miscellaneous Services	—	—	684	—	(3)
Applied Technical Services, LLC	12/29/2026	Environmental Services	7.42 %	3M L+575	2,520	2,493	2,489
Applied Technical Services, LLC <sup>(7)</sup>	08/23/2022	Environmental Services	—	—	1,955	—	(2)
Applied Technical Services, LLC (Revolver)	12/29/2026	Environmental Services	9.50 %	3M P+475	400	400	395
Applied Technical Services, LLC (Revolver) <sup>(7)</sup>	12/29/2026	Environmental Services	—	—	600	—	(8)
Arcfield Acquisition Corp.	03/07/2028	Aerospace and Defense	7.44 %	SOFR+575	11,970	11,741	11,671
Arcfield Acquisition Corp. (Revolver) <sup>(7)</sup>	03/07/2028	Aerospace and Defense	—	—	2,263	—	(57)
Berwick Industrial Park	04/28/2023	Buildings and Real Estate	11.00 %	—	4,000	3,933	3,924
Beta Plus Technologies, Inc.	07/01/2029	Business Services	6.85 %	SOFR+525	20,000	19,600	19,600
Blackhawk Industrial Distribution, Inc.	09/17/2024	Distribution	6.59 %	3M L+500	1,143	1,126	1,132
Blackhawk Industrial Distribution, Inc. <sup>(7)</sup>	09/17/2024	Distribution	—	—	4,075	—	(20)
Blackhawk Industrial Distribution, Inc. (Revolver)	09/17/2024	Distribution	7.20 %	3M L+500	343	343	340
Blackhawk Industrial Distribution, Inc. (Revolver) <sup>(7)</sup>	09/17/2024	Distribution	—	—	3,089	—	(31)
Broder Bros., Co.	12/02/2022	Consumer Products	7.39 %	3M L+600	20,160	20,161	20,160
Cartessa Aesthetics, LLC	05/13/2028	Distribution	8.05 %	1M L+600	57,000	55,865	55,860
Cartessa Aesthetics, LLC - (Revolver)	05/13/2028	Distribution	8.05 %	1M L+600	1,265	1,265	1,265
Cartessa Aesthetics, LLC - (Revolver) <sup>(7)</sup>	05/13/2028	Distribution	—	—	2,297	—	—
CF512, Inc.	08/20/2026	Media	7.36 %	3M L+600	6,743	6,648	6,642
CF512, Inc. (Revolver) <sup>(7)</sup>	08/20/2026	Media	—	—	909	—	(14)
Compex Legal Services, Inc.	02/09/2026	Business Services	6.78 %	3M L+525	858	846	854
Compex Legal Services, Inc. (Revolver)	02/07/2025	Business Services	7.50 %	3M L+525	393	393	392
Compex Legal Services, Inc. (Revolver) <sup>(7)</sup>	02/07/2025	Business Services	—	—	262	—	(1)
Connatix Buyer, Inc. <sup>(7)</sup>	01/13/2023	Media	—	—	3,158	—	(24)
Connatix Buyer, Inc. (Revolver) <sup>(7)</sup>	07/13/2027	Media	—	—	1,859	—	(33)
Crane 1 Services, Inc.	08/16/2027	Personal, Food and Miscellaneous Services	7.12 %	3M L+575	2,608	2,578	2,569
Crane 1 Services, Inc. (Revolver)	08/16/2027	Personal, Food and Miscellaneous Services	7.98 %	1M L+575	58	58	57
Crane 1 Services, Inc. (Revolver) <sup>(7)</sup>	08/16/2027	Personal, Food and Miscellaneous Services	—	—	233	—	(3)
Crash Champions, LLC	08/05/2025	Auto Sector	6.00 %	3M L+500	19,972	19,607	19,872
Crash Champions, LLC <sup>(7)</sup>	08/05/2025	Auto Sector	—	—	111	—	—
DermaRite Industries LLC	06/30/2023	Manufacturing / Basic Industries	9.25 %	1M L+700	8,553	8,519	7,124
Dr. Squatch, LLC	08/31/2027	Personal and Non-Durable Consumer Products	7.89 %	3M L+600	9,452	9,290	9,452
Dr. Squatch, LLC <sup>(7)</sup>	08/27/2026	Personal and Non-Durable Consumer Products	—	—	5,500	—	55
Dr. Squatch, LLC (Revolver)	08/31/2027	Personal and Non-Durable Consumer Products	7.50 %	1M L+600	465	465	465
Dr. Squatch, LLC (Revolver) <sup>(7)</sup>	08/31/2027	Personal and Non-Durable Consumer Products	—	—	1,861	—	—
DRS Holdings III, Inc. (Revolver) <sup>(7)</sup>	11/03/2025	Consumer Products	—	—	1,783	—	(52)
ECL Entertainment, LLC	05/01/2028	Hotels, Motels, Inns and Gaming	9.75 %	1M L+750	19,205	19,062	18,713
ECM Industries, LLC (Revolver)	12/23/2025	Electronics	6.13 %	3M L+475	388	388	380
ECM Industries, LLC (Revolver) <sup>(7)</sup>	12/23/2025	Electronics	—	—	129	—	(3)
Exigo Intermediate II, LLC	03/15/2027	Business Services	7.42 %	3M L+575	24,913	24,555	24,539
Exigo Intermediate II, LLC <sup>(7)</sup>	03/15/2024	Business Services	—	—	7,424	—	(56)
Exigo Intermediate II, LLC (Revolver)	03/15/2027	Business Services	7.42 %	3M L+575	371	371	366
Exigo Intermediate II, LLC (Revolver) <sup>(7)</sup>	03/15/2027	Business Services	—	—	1,485	—	(22)
Fairbanks Morse Defense	06/17/2028	Aerospace and Defense	7.63 %	3M L+475	750	748	720
Gantech Acquisition Corp.	05/14/2026	Business Services	7.92 %	1M L+625	16,895	16,618	16,557
Gantech Acquisition Corp. (Revolver) <sup>(7)</sup>	05/14/2026	Business Services	—	—	1,991	—	(40)
Graffiti Buyer, Inc. <sup>(7)</sup>	08/10/2023	Distribution	—	—	893	—	(7)
Graffiti Buyer, Inc. (Revolver)	08/10/2027	Distribution	7.43 %	3M L+575	269	269	262
Graffiti Buyer, Inc. (Revolver) <sup>(7)</sup>	08/10/2027	Distribution	—	—	500	—	(14)
Hancock Roofing and Construction L.L.C. <sup>(7)</sup>	12/31/2022	Insurance	—	—	400	—	(4)
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	6.12 %	1M L+500	280	280	277
Hancock Roofing and Construction L.L.C. (Revolver) <sup>(7)</sup>	12/31/2026	Insurance	—	—	470	—	(5)
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	8.25 %	3M L+600	7,910	7,761	7,752
Holdco Sands Intermediate, LLC (Revolver) <sup>(7)</sup>	11/23/2027	Aerospace and Defense	—	—	3,941	—	(79)
HV Watterson Holdings, LLC	12/17/2026	Business Services	8.25 %	1M L+600	15,293	15,065	15,064
HV Watterson Holdings, LLC <sup>(7)</sup>	12/17/2026	Business Services	—	—	2,500	—	—
HV Watterson Holdings, LLC - (Revolver) <sup>(7)</sup>	12/17/2026	Business Services	—	—	1,250	—	—
HW Holdco, LLC	12/10/2024	Media	6.16 %	3M L+500	10,246	10,123	10,041
HW Holdco, LLC <sup>(7)</sup>	12/10/2024	Media	—	—	3,049	—	(30)
HW Holdco, LLC (Revolver)	12/10/2024	Media	6.67 %	1M L+500	271	271	266
HW Holdco, LLC (Revolver) <sup>(7)</sup>	12/10/2024	Media	—	—	3,116	—	(62)
Icon Partners III, LP	05/11/2028	Auto Sector	5.50 %	3M L+475	1,000	835	827
IDC Infusion Services, Inc.	12/30/2026	Healthcare, Education and Childcare	7.83 %	3M L+600	7,469	7,355	7,394
IDC Infusion Services, Inc. (Revolver) <sup>(7)</sup>	12/30/2026	Healthcare, Education and Childcare	—	—	4,167	—	(42)
IG Investments Holdings, LLC (Revolver)	09/22/2027	Business Services	9.20 %	3M P+500	131	131	129
IG Investments Holdings, LLC (Revolver) <sup>(7)</sup>	09/22/2027	Business Services	—	—	346	—	(5)
Imagine Acquisitionco, LLC <sup>(7)</sup>	11/15/2027	Business Services	—	—	2,341	—	(47)
Imagine Acquisitionco, LLC (Revolver) <sup>(7)</sup>	11/15/2027	Business Services	—	—	1,685	—	(51)
Inception Fertility Ventures, LLC	12/07/2023	Healthcare, Education and Childcare	9.08 %	3M L+700	23,148	22,770	22,570
Infolinks Media Buyco, LLC <sup>(7)</sup>	11/01/2023	Media	—	—	2,372	—	24
Integrity Marketing Acquisition, LLC	08/27/2025	Insurance	6.78 %	3M L+550	12,482	12,405	12,362
ITI Holdings, Inc.	03/03/2028	Business Services	7.08 %	3M L+550	8,950	8,800	8,771
ITI Holdings, Inc. (Revolver) <sup>(7)</sup>	03/03/2028	Business Services	—	—	1,490	—	(30)
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	9.67 %	1M L+800	11,709	11,649	11,603
K2 Pure Solutions NoCal, L.P. (Revolver)	12/20/2023	Chemicals, Plastics and Rubber	9.67 %	1M L+800	969	969	960
K2 Pure Solutions NoCal, L.P. (Revolver) <sup>(7)</sup>	12/20/2023	Chemicals, Plastics and Rubber	—	—	969	—	(9)

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**JUNE 30, 2022**

(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index <sup>(4)</sup>	Par / Shares	Cost	Fair Value <sup>(3)</sup>
Kinetic Purchaser, LLC	11/10/2027	Consumer Products	7.75 %	3M L+600	19,402	\$ 19,047	\$ 19,014
Kinetic Purchaser, LLC (Revolver) <sup>(7)</sup>	11/10/2026	Consumer Products	—	—	4,854	—	(97)
Lash OpCo, LLC	02/18/2027	Consumer Products	9.25 %	1M L+700	12,893	12,636	12,764
Lash OpCo, LLC (Revolver)	08/16/2026	Consumer Products	9.38 %	1M L+700	568	568	562
Lash OpCo, LLC (Revolver) <sup>(7)</sup>	08/16/2026	Consumer Products	—	—	1,252	—	(13)
LAV Gear Holdings, Inc.	10/31/2024	Leisure, Amusement, Motion Pictures, Entertainment	8.89 %	1M L+750	2,060	2,033	2,007
			(PIK 5.00%)				
Ledge Lounger, Inc.	11/09/2026	Consumer Products	8.50 %	3M L+625	9,200	9,036	9,108
Ledge Lounger, Inc. (Revolver) <sup>(7)</sup>	11/09/2026	Consumer Products	—	—	1,933	—	(19)
Lightspeed Buyer Inc.	02/03/2026	Healthcare, Education and Childcare	7.42 %	1M L+575	2,226	2,209	2,181
Lightspeed Buyer Inc. (Revolver)	02/03/2026	Healthcare, Education and Childcare	7.42 %	1M L+575	311	311	305
Lightspeed Buyer Inc. (Revolver) <sup>(7)</sup>	02/03/2026	Healthcare, Education and Childcare	—	—	855	—	(17)
LSF9 Atlantis Holdings, LLC	03/31/2029	Retail	9.30 %	SOFR+725	6,000	5,765	5,448
Mars Acquisition Holdings Corp. (Revolver) <sup>(7)</sup>	05/14/2026	Media	—	—	806	—	(8)
MBS Holdings, Inc. (Revolver) <sup>(7)</sup>	04/16/2027	Telecommunications	—	—	694	—	(7)
Meadowlark Acquirer, LLC	12/10/2027	Business Services	7.75 %	3M L+550	77	76	75
Meadowlark Acquirer, LLC Term Loan I <sup>(7)</sup>	12/10/2027	Business Services	—	—	2,920	—	(44)
Meadowlark Acquirer, LLC Term Loan II <sup>(7)</sup>	12/10/2027	Business Services	—	—	8,922	—	(134)
Meadowlark Acquirer, LLC (Revolver) <sup>(7)</sup>	12/10/2027	Business Services	—	—	1,685	—	(42)
MeritDirect, LLC <sup>(7)</sup>	05/23/2024	Media	—	—	1,612	—	(8)
Municipal Emergency Services, Inc.	09/28/2027	Distribution	7.25 %	3M L+500	705	698	678
Municipal Emergency Services, Inc. <sup>(7)</sup>	09/28/2027	Distribution	—	—	1,175	—	(33)
Municipal Emergency Services, Inc. (Revolver)	09/28/2027	Distribution	7.25 %	3M L+500	282	282	271
Municipal Emergency Services, Inc. (Revolver) <sup>(7)</sup>	09/28/2027	Distribution	—	—	1,598	—	(61)
NBH Group LLC (Revolver) <sup>(7)</sup>	08/19/2026	Healthcare, Education and Childcare	—	—	1,163	—	(6)
Neptune Flood Incorporated	10/14/2026	Financial Services	7.10 %	1M L+525	4,558	4,528	4,558
OIS Management Services, LLC (Revolver) <sup>(7)</sup>	07/09/2026	Healthcare, Education and Childcare	—	—	333	—	(5)
One Stop Mailing, LLC	05/07/2027	Cargo Transport	7.92 %	3M L+625	7,109	6,983	6,967
ORL Acquisition, Inc.	09/03/2027	Business Services	7.50 %	3M L+525	4,465	4,386	4,465
ORL Acquisition, Inc. (Revolver) <sup>(7)</sup>	09/03/2027	Business Services	—	—	597	—	—
Ox Two, LLC	05/18/2026	Building Materials	9.32 %	1M L+700	15,430	15,215	15,121
Ox Two, LLC (Revolver)	05/18/2026	Building Materials	8.00 %	3M L+700	2,419	2,419	2,371
PL Acquisitionco, LLC (Revolver) <sup>(7)</sup>	11/09/2027	Retail	—	—	3,236	—	(57)
PRA Events, Inc.	08/07/2025	Business Services	12.75 %	3M L+1,050	24,967	21,747	24,718
PRA Events, Inc. (Revolver)	08/07/2025	Business Services	12.75 %	3M L+1,050	2,621	2,283	2,595
			(PIK 11.50%)				
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	7.53 %	1M L+625	485	480	475
Quantic Electronics, LLC Term Loan <sup>(7)</sup>	11/19/2026	Aerospace and Defense	—	—	1,609	—	(16)
Quantic Electronics, LLC (Revolver)	11/19/2026	Aerospace and Defense	7.57 %	3M L+600	115	115	112
Quantic Electronics, LLC (Revolver) <sup>(7)</sup>	11/19/2026	Aerospace and Defense	—	—	414	—	(8)
Questex, LLC	09/09/2024	Media	6.70 %	3M L+500	21,654	21,470	20,679
Questex, LLC (Revolver) <sup>(7)</sup>	09/09/2024	Media	—	—	3,590	—	(162)
Radius Aerospace, Inc. (Revolver)	03/31/2025	Aerospace and Defense	7.62 %	3M L+575	742	742	731
Radius Aerospace, Inc. (Revolver) <sup>(7)</sup>	03/31/2025	Aerospace and Defense	—	—	1,485	—	(22)
Rancho Health MSO, Inc. <sup>(7)</sup>	12/18/2025	Healthcare, Education and Childcare	—	—	1,050	—	—
Rancho Health MSO, Inc. (Revolver) <sup>(7)</sup>	12/18/2025	Healthcare, Education and Childcare	—	—	525	—	—
Reception Purchaser, LLC	02/28/2028	Transportation	8.20 %	SOFR+600	5,985	5,897	5,746
Recteq, LLC (Revolver)	01/29/2026	Consumer Products	8.25 %	1M L+600	376	376	366
Recteq, LLC (Revolver) <sup>(7)</sup>	01/29/2026	Consumer Products	—	—	751	—	(19)
Research Now Group, Inc. and Dynata, LLC	12/20/2024	Business Services	6.50 %	3M L+550	126	126	119
Riverpoint Medical, LLC (Revolver) <sup>(7)</sup>	06/20/2025	Healthcare, Education and Childcare	—	—	364	—	(9)
Riverside Assessments, LLC	03/10/2025	Education	7.82 %	3M L+625	12,880	12,661	12,623
Sales Benchmark Index LLC (Revolver) <sup>(7)</sup>	01/03/2025	Business Services	—	—	732	—	—
Sargent & Greenleaf Inc. (Revolver)	12/20/2024	Electronics	7.00 %	3M L+550	598	598	592
Schlesinger Global, Inc.	07/14/2025	Business Services	8.67 %	3M L+700	4,710	4,652	4,639
Schlesinger Global, Inc. (Revolver)	07/14/2025	Business Services	7.01 %	3M L+600	30	30	30
			(PIK 1.00%)				
Schlesinger Global, Inc. (Revolver) <sup>(7)</sup>	07/14/2025	Business Services	—	—	8	—	—
Seaway Buyer, LLC	06/14/2029	Chemicals, Plastics and Rubber	7.90 %	1M L+575	19,800	19,504	19,503
Seaway Buyer, LLC (Revolver)	06/14/2029	Chemicals, Plastics and Rubber	7.90 %	1M L+575	104	104	104
Seaway Buyer, LLC (Revolver) <sup>(7)</sup>	06/14/2029	Chemicals, Plastics and Rubber	—	—	3,022	—	—
Shiftkey, LLC	06/21/2027	Business Services	7.96 %	1M L+575	18,000	17,821	17,820
Sigma Defense Systems, LLC	12/18/2025	Telecommunications	10.75 %	1M L+850	31,884	31,160	31,406
Sigma Defense Systems, LLC (Revolver)	12/18/2025	Telecommunications	10.75 %	1M L+850	1,131	1,131	1,114
Sigma Defense Systems, LLC (Revolver) <sup>(7)</sup>	12/18/2025	Telecommunications	—	—	1,845	—	(28)
Signature Systems Holding Company (Revolver)	05/03/2024	Chemicals, Plastics and Rubber	8.75 %	1M L+650	1,129	1,129	1,123
Signature Systems Holding Company (Revolver) <sup>(7)</sup>	05/03/2024	Chemicals, Plastics and Rubber	—	—	887	—	(4)
Solutionreach, Inc. (Revolver) <sup>(7)</sup>	01/17/2024	Communications	—	—	1,665	—	(63)
Spear Education, LLC	02/26/2025	Education	6.75 %	3M L+525	12,049	11,970	12,049
Spendmend Holdings LLC	03/01/2028	Business Services	7.38 %	1M L+575	7,841	7,728	7,638
Spendmend Holdings LLC <sup>(7)</sup>	03/01/2023	Business Services	—	—	4,671	—	(86)
Spendmend Holdings LLC - Funded Revolver	03/01/2028	Business Services	7.38 %	3M L+575	187	187	182
Spendmend Holdings LLC - Unfunded Revolver <sup>(7)</sup>	03/01/2028	Business Services	—	—	1,215	—	(32)
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	8.83 %	SOFR+600	6,206	6,094	6,107
System Planning and Analysis, Inc. - (Revolver) <sup>(7)</sup> (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	—	—	2,925	—	(47)
TAC LifePort Purchaser, LLC (Revolver) <sup>(7)</sup>	03/01/2026	Aerospace and Defense	—	—	620	—	(2)

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Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index <sup>(4)</sup>	Par / Shares	Cost	Fair Value <sup>(3)</sup>
The Bluebird Group LLC	07/27/2026	Business Services	8.75 %	3M L+650	4,909	\$ 4,816	\$ 4,958
The Bluebird Group LLC (Revolver) <sup>(7)</sup>	07/27/2026	Business Services	—	—	734	—	7
The Vertex Companies, LLC	08/30/2027	Business Services	7.01 %	3M L+550	1,701	1,684	1,671
The Vertex Companies, LLC <sup>(7)</sup>	08/30/2027	Business Services	—	—	520	—	(4)
The Vertex Companies, LLC (Revolver) <sup>(7)</sup>	08/30/2027	Business Services	—	—	740	—	(13)
TVC Enterprises, LLC	03/26/2026	Transportation	7.67 %	1M L+600	12,897	12,656	12,639
TVC Enterprises, LLC (Revolver) <sup>(7)</sup>	03/26/2026	Transportation	—	—	1,370	—	(27)
TWS Acquisition Corporation	06/16/2025	Education	8.76 %	1M L+625	1,143	1,143	1,137
TWS Acquisition Corporation (Revolver) <sup>(7)</sup>	06/16/2025	Education	—	—	1,644	—	(8)
Tyto Athene, LLC (Revolver) <sup>(7)</sup>	04/01/2026	Aerospace and Defense	—	—	364	—	(20)
Unique Indoor Comfort, LLC	05/24/2027	Home and Office Furnishings	7.45 %	1M L+525	23,441	23,094	23,090
Unique Indoor Comfort, LLC <sup>(7)</sup>	05/24/2027	Home and Office Furnishings	—	—	30,000	—	(150)
Unique Indoor Comfort, LLC (Revolver) <sup>(7)</sup>	05/24/2027	Home and Office Furnishings	—	—	3,000	—	(45)
Walker Edison Furniture Company LLC	03/31/2027	Home and Office Furnishings	11.00 %	3M L+875	25,238	24,727	24,480
Wildcat Buyerco, Inc.	02/27/2026	Electronics	7.54 %	3M L+575	2,017	1,994	1,963
Wildcat Buyerco, Inc. Term Loan C <sup>(7)</sup>	05/11/2023	Electronics	—	—	1,904	—	(30)
Wildcat Buyerco, Inc. (Revolver)	02/27/2026	Electronics	6.99 %	3M L+575	66	66	62
Wildcat Buyerco, Inc. (Revolver) <sup>(7)</sup>	02/27/2026	Electronics	—	—	508	—	(30)
Zips Car Wash, LLC	03/01/2024	Auto Sector	8.28 %	3M L+725	15,033	14,903	14,732
Zips Car Wash, LLC Term Loan <sup>(7)</sup>	03/01/2024	Auto Sector	—	—	104	—	(1)
<b>Total First Lien Secured Debt</b>						<b>677,462</b>	<b>675,315</b>
<b>Second Lien Secured Debt—19.5%</b>							
Atlas Purchaser, Inc.	05/07/2029	Telecommunications	11.19 %	3M L+900	17,000	16,539	16,507
Best Practice Associates LLC	06/29/2027	Aerospace and Defense	10.04 %	3M L+900	17,825	17,493	17,290
Data Axle, Inc.	04/03/2024	Other Media	11.50 %	3M L+925	20,400	20,270	20,400
ENC Parent Corporation	08/19/2029	Business Services	9.75 %	3M L+750	7,500	7,430	7,350
Halo Buyer, Inc.	07/06/2026	Consumer Products	9.92 %	1M L+825	32,500	32,149	30,794
Inventus Power, Inc.	09/29/2024	Electronics	9.73 %	3M L+850	16,593	16,363	16,178
QuantiTech LLC	02/04/2027	Aerospace and Defense	11.12 %	3M L+1,000	150	148	149
VT Topco, Inc.	08/17/2026	Business Services	8.59 %	3M L+675	15,000	14,930	14,475
<b>Total Second Lien Secured Debt</b>						<b>125,322</b>	<b>123,143</b>
<b>Subordinated Debt/Corporate Notes—5.2%</b>							
Flock Financial, LLC	05/26/2027	Financial Services	12.50 %	—	34,000	33,157	33,150
<b>Total Subordinated Debt/Corporate Notes</b>						<b>33,157</b>	<b>33,150</b>
<b>Preferred Equity/Partnership Interests—1.1% <sup>(6)</sup></b>							
Ad.net Holdings, Inc. <sup>(9)</sup>	—	Media	—	—	2,400	240	259
AH Newco Equityholdings, LLC	—	Healthcare, Education and Childcare	6.00 %	—	211	500	1,590
Imagine Topco, LP	—	Business Services	8.00 %	—	743,826	744	691
Mars Intermediate Holdings II, Inc. <sup>(9)</sup>	—	Media	—	—	414	414	470
MeritDirect Holdings, LP <sup>(9)</sup>	—	Media	—	—	1,135	1,135	1,393
NXOF Holdings, Inc. (Tyto Athene, LLC)	—	Aerospace and Defense	—	—	160	160	221
ORL Holdco, Inc.	—	Business Services	—	—	575	57	61
Signature CR Intermediate Holdco, Inc.	—	Chemicals, Plastics and Rubber	12.00 %	—	1,527	1,527	1,993
TPC Holding Company, LP <sup>(8),(11)</sup>	—	Food	—	—	219	219	60
TWD Parent Holdings, LLC	—	Business Services	—	—	30	30	33
(The Vertex Companies, LLC)							
<b>Total Preferred Equity/Partnership Interests</b>						<b>5,026</b>	<b>6,771</b>
<b>Common Equity/Partnership Interests/Warrants—19.4% <sup>(6)</sup></b>							
Ad.net Holdings, Inc. <sup>(9)</sup>	—	Media	—	—	2,667	27	58
Affinion Group Holdings, Inc. (Warrants)	04/10/2024	Consumer Products	—	—	77,190	2,126	—
AG Investco LP <sup>(9)</sup>	—	Business Services	—	—	805,164	805	1,107
AG Investco LP <sup>(7),(9)</sup>	—	Business Services	—	—	194,836	—	—
Altamira Intermediate Company II, Inc.	—	Aerospace and Defense	—	—	125,000	125	52
Athletico Holdings, LLC	—	Healthcare, Education and Childcare	—	—	9,357	10,000	10,023
Atlas Investment Aggregator, LLC <sup>(9)</sup>	—	Telecommunications	—	—	1,700,000	1,700	1,310
Cartessa Aesthetics, LLC	—	Distribution	—	—	3,562,500	3,563	3,563
CI (Allied) Investment Holdings, LLC (PRA Events, Inc.) <sup>(9)</sup>	—	Business Services	—	—	120,962	1,243	882
Connatix Parent, LLC	—	Media	—	—	57,416	632	748
Cowboy Parent LLC (Blackhawk Industrial Distribution, Inc.)	—	Distribution	—	—	26,360	2,782	3,690
Crane 1 Acquisition Parent Holdings, L.P.	—	Personal, Food and Miscellaneous Services	—	—	113	104	127
Crash Champion Holdings, LLC <sup>(3)</sup>	—	Auto Sector	—	—	36	328	639
Delta InvestCo LP (Sigma Defense Systems, LLC) <sup>(9)</sup>	—	Telecommunications	—	—	698,889	684	1,271
Delta InvestCo LP <sup>(7)</sup> (Sigma Defense Systems, LLC) <sup>(7),(9)</sup>	—	Telecommunications	—	—	442,155	—	—
ECM Investors, LLC <sup>(9)</sup>	—	Electronics	—	—	167,537	37	417
eCommission Holding Corporation <sup>(11)</sup>	—	Financial Services	—	—	80	1,005	1,323
Exigo, LLC <sup>(9)</sup>	—	Business Services	—	—	1,458,333	1,458	1,458
FedHC InvestCo LP <sup>(9)</sup>	—	Aerospace and Defense	—	—	14,186	478	1,634
FedHC InvestCo LP <sup>(7),(9)</sup>	—	Aerospace and Defense	—	—	6,384	—	—
FedHC InvestCo II LP <sup>(9)</sup>	—	Aerospace and Defense	—	—	20,357	2,290	2,458
Gauge Lash Coinvest LLC	—	Consumer Products	—	—	889,376	136	4,598
Gauge Schlesinger Coinvest, LLC	—	Business Services	—	—	9	9	14
Gauge TVC Coinvest, LLC (TVC Enterprises, LLC)	—	Transportation	—	—	810,645	—	3,100
GCOM InvestCo LP <sup>(9)</sup>	—	Business Services	—	—	2,434	1,003	550
Go Dawgs Capital III, LP (American Insulated Glass, LLC) <sup>(9)</sup>	—	Building Materials	—	—	675,325	675	750
Green Veracity Holdings, LP - Class A (VT Topco, Inc.)	—	Business Services	—	—	15,000	1,500	5,346
Hancock Claims Consultants Investors, LLC <sup>(9)</sup>	—	Insurance	—	—	450,000	450	497
HV Waterson Holdings, LLC	—	Business Services	—	—	1,600,000	1,600	1,600

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Icon Partners V C, L.P.	—	Business Services	—	—	1,111,111	\$ 1,111	\$ 1,221
Icon Partners V C, L.P. <sup>(7),(9)</sup>	—	Business Services	—	—	388,889	—	—
Imagine Topco, LP	—	Business Services	—	—	743,826	—	—
Infogroup Parent Holdings, Inc. (Data Axle, Inc.)	—	Other Media	—	—	181,495	2,042	3,761
Ironclad Holdco, LLC (Applied Technical Services, LLC) <sup>(9)</sup>	—	Environmental Services	—	—	4,566	450	552
ITC Infusion Co-invest, LP	—	Healthcare, Education and Childcare	—	—	82,895	829	1,034
ITC Rumba, LLC (Cano Health, LLC) <sup>(9)</sup>	—	Healthcare, Education and Childcare	—	—	375,675	8	21,863
JWC-WE Holdings, L.P. (Walker Edison Furniture Company LLC) <sup>(9)</sup>	—	Home and Office Furnishings	—	—	2,688	783	—
Kentucky Racing Holdco, LLC (Warrants)	—	Hotels, Motels, Inns and Gaming	—	—	161,252	—	1,421
Kinetic Purchaser, LLC	—	Consumer Products	—	—	1,308,814	1,309	1,818
KL Stockton Co-Invest LP (Any Hour Services) <sup>(9)</sup>	—	Personal, Food and Miscellaneous Services	—	—	382,353	382	525
Lariat ecoserv Co-Invest Holdings, LLC <sup>(9)</sup>	—	Environmental Services	—	—	363,656	240	1,289
Lightspeed Investment Holdco LLC	—	Healthcare, Education and Childcare	—	—	273,143	273	443
Mars Intermediate Holdings II, Inc. <sup>(9)</sup>	—	Media	—	—	414	—	37
Meadowlark Title, LLC <sup>(9)</sup>	—	Business Services	—	—	815,385	815	742
MeritDirect Holdings, LP <sup>(9)</sup>	—	Media	—	—	1,135	—	181
Municipal Emergency Services, Inc.	—	Distribution	—	—	3,920,145	3,984	3,519
NEPRT Parent Holdings, LLC (Recteq, LLC) <sup>(9)</sup>	—	Consumer Products	—	—	1,299	1,261	583
North Haven Saints Equity Holdings, LP	—	Business Services	—	—	351,553	352	348
NXOF Holdings, Inc. (Tyto Athene, LLC)	—	Aerospace and Defense	—	—	3,261	3	114
OceanSound Discovery Equity, LP (Holdco Sands Intermediate, LLC) <sup>(9)</sup>	—	Aerospace and Defense	—	—	98,286	979	1,727
OHCP V BC COI, L.P.	—	Distribution	—	—	446,250	446	363
OHCP V BC COI, L.P. <sup>(7),(9)</sup>	—	Distribution	—	—	303,750	—	(57)
Oral Surgery (ITC) Holdings, LLC <sup>(9)</sup>	—	Healthcare, Education and Childcare	—	—	2,904	63	70
ORL Holdco, Inc.	—	Business Services	—	—	638	6	119
PennantPark-TSO Senior Loan Fund II, LP	—	Financial Services	—	—	15,038,871	15,039	15,363
Pink Lily Holdco, LLC <sup>(9)</sup>	—	Retail	—	—	1,044	1,044	774
QuantiTech InvestCo LP <sup>(9)</sup>	—	Aerospace and Defense	—	—	712	68	340
QuantiTech InvestCo LP <sup>(7),(9)</sup>	—	Aerospace and Defense	—	—	955	—	—
QuantiTech InvestCo II LP <sup>(9)</sup>	—	Aerospace and Defense	—	—	40	25	24
RFMG Parent, LP (Rancho Health MSO, Inc.)	—	Healthcare, Education and Childcare	—	—	1,050,000	1,050	1,279
SBI Holdings Investments LLC (Sales Benchmark Index LLC)	—	Business Services	—	—	36,585	366	385
Seaway Topco, LP	—	Chemicals, Plastics and Rubber	—	—	2,518	2,518	2,518
Signature CR Intermediate Holdco, Inc.	—	Chemicals, Plastics and Rubber	—	—	80	80	—
SP I.2 Holdings, LLC	—	Consumer Products	—	—	881,966	882	806
SSC Dominion Holdings, LLC Class A (US Dominion, Inc.)	—	Electronics	—	—	1,500	1,500	1,890
SSC Dominion Holdings, LLC Class B (US Dominion, Inc.)	—	Electronics	—	—	1,500	—	4,103
StellPen Holdings, LLC (CF512, Inc.)	—	Media	—	—	153,846	154	138
TAC LifePort Holdings, LLC <sup>(9)</sup>	—	Aerospace and Defense	—	—	232,558	233	254
Tower Arch Infolinks Media, LP <sup>(9)</sup>	—	Media	—	—	531,293	531	781
Tower Arch Infolinks Media, LP <sup>(7),(9)</sup>	—	Media	—	—	364,151	—	—
TPC Holding Company, LP <sup>(8),(11)</sup>	—	Food	—	—	11,527	12	—
TWD Parent Holdings, LLC (The Vertex Companies, LLC)	—	Business Services	—	—	608	1	—
U.S. Well Services, Inc. - Class A <sup>(5),(11)</sup>	—	Oil and Gas	—	—	360,343	3,022	338
UniVista Insurance <sup>(9)</sup>	—	Business Services	—	—	400	386	457
WCP Ivyrehab QP CF Feeder, LP	—	Healthcare, Education and Childcare	—	—	3,762,257	3,762	3,762
WCP Ivyrehab QP CF Feeder, LP - Unfunded <sup>(7)</sup>	—	Healthcare, Education and Childcare	—	—	237,743	—	—
Wildcat Parent, LP (Wildcat Buyerco, Inc.)	—	Electronics	—	—	2,314	231	553
<b>Total Common Equity/Partnership Interests/Warrants</b>						<b>81,000</b>	<b>122,653</b>
<b>Total Investments in Non-Controlled, Non-Affiliated Portfolio Companies</b>						<b>921,967</b>	<b>961,032</b>
<b>Investments in Non-Controlled, Affiliated Portfolio Companies—7.8% <sup>(1),(2)</sup></b>							
<b>Preferred Equity/Partnership Interests—7.8% <sup>(6)</sup></b>							
Cascade Environmental Holdings, LLC <sup>(9)</sup>	—	Environmental Services	—	—	5,887,236	32,791	32,791
MidOcean JF Holdings Corp. (Series B)	—	Distribution	—	—	10,739	1,074	5,369
MidOcean JF Holdings Corp.	—	Distribution	—	—	143,183	14,318	10,937
<b>Total Preferred Equity/Partnership Interests</b>						<b>48,183</b>	<b>49,097</b>
<b>Common Equity/Partnership Interests/Warrants—0% <sup>(6)</sup></b>							
Cascade Environmental Holdings, LLC	—	Environmental Services	—	—	7,444,347	2,852	—
MidOcean JF Holdings Corp.	—	Distribution	—	—	65,933	24,790	—
<b>Total Common Equity/Partnership Interests/Warrants</b>						<b>27,642</b>	<b>—</b>
<b>Total Investments in Non-Controlled, Affiliated Portfolio Companies</b>						<b>75,825</b>	<b>49,097</b>
<b>Investments in Controlled, Affiliated Portfolio Companies—48.2% <sup>(1),(2)</sup></b>							
<b>First Lien Secured Debt—7.4%</b>							
AKW Holdings Limited <sup>(9),(10),(11)</sup>	03/13/2024	Healthcare, Education and Childcare	8.26 %	3M L+700	£ 38,250	52,792	46,453
<b>Total First Lien Secured Debt</b>						<b>52,792</b>	<b>46,453</b>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Unaudited) —(Continued)**  
**JUNE 30, 2022**

(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index <sup>(4)</sup>	Par / Shares	Cost	Fair Value <sup>(3)</sup>
<b>Second Lien Secured Debt—1.0%</b>							
Mailsouth Inc.	04/23/2025	Printing and Publishing	—	—	12,383	\$ 12,383	\$ 6,561
<b>Total Second Lien Secured Debt</b>						<u>12,383</u>	<u>6,561</u>
<b>Subordinated Debt—13.9%</b>							
PennantPark Senior Loan Fund, LLC <sup>(11)</sup>	07/31/2027	Financial Services	9.29 %	3M L+800	88,011	88,011	88,011
<b>Total Subordinated Debt</b>						<u>88,011</u>	<u>88,011</u>
<b>Common Equity—25.9% <sup>(6)</sup></b>							
AKW Holdings Limited <sup>(8),(10),(11)</sup>	—	Healthcare, Education and Childcare	—	—	£ 950	132	1,113
MSpark, LLC	—	Printing and Publishing	—	—	51,151	16,516	—
PennantPark Senior Loan Fund, LLC	—	Financial Services	—	—	49,298,789	49,362	53,092
RAM Energy Holdings LLC <sup>(9)</sup>	—	Energy and Utilities	—	—	180,805	162,708	109,469
<b>Total Common Equity</b>						<u>228,718</u>	<u>163,674</u>
<b>Total Investments in Controlled, Affiliated Portfolio Companies</b>						<u>381,904</u>	<u>304,699</u>
<b>Total Investments—208.2%</b>						<u>1,379,696</u>	<u>1,314,828</u>
<b>Cash and Cash Equivalents—4.7%</b>							
BlackRock Federal FD Institutional 30						15,781	15,781
BNY Mellon Cash Reserve and Cash						13,849	13,766
<b>Total Cash and Cash Equivalents</b>						<u>29,630</u>	<u>29,547</u>
<b>Total Investments and Cash Equivalents—212.9%</b>						<u>\$ 1,409,326</u>	<u>\$ 1,344,375</u>
<b>Liabilities in Excess of Other Assets—(112.9%)</b>							(712,865 )
<b>Net Assets—100.0%</b>							<u>\$ 631,510</u>

- (1) The provisions of the 1940 Act classify investments based on the level of control that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally presumed to be “non-controlled” when we own 25% or less of the portfolio company’s voting securities and “controlled” when we own more than 25% of the portfolio company’s voting securities (See Note 6).
- (2) The provisions of the 1940 Act classify investments further based on the level of ownership that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally deemed as “non-affiliated” when we own less than 5% of a portfolio company’s voting securities and “affiliated” when we own 5% or more of a portfolio company’s voting securities (See Note 6).
- (3) Valued based on our accounting policy (See Note 2).
- (4) Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable London Interbank Offered Rate, or LIBOR or “L,” the Euro Interbank Offered Rate, or EURIBOR or “E,” Secured Overnight Financing Rate or “SOFR”, or Prime rate, or “P.” The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 90-day or 180-day LIBOR rate (1M L, 3M L, or 6M L, respectively), and EURIBOR loans are typically indexed to a 90-day EURIBOR rate (3M E), at the borrower’s option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes payment-in-kind, or PIK, interest and other fee rates, if any.
- (5) The security was not valued using significant unobservable inputs. The value of all other securities was determined using significant unobservable inputs (See Note 5).
- (6) Non-income producing securities.
- (7) Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.
- (8) Non-U.S. company or principal place of business outside the United States.
- (9) Investment is held through our Taxable Subsidiary (See Note 1).
- (10) Par / Shares amount is denominated in British Pounds (£) as denoted.
- (11) The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of June 30, 2022, qualifying assets represent 83% of the Company’s total assets and non-qualifying assets represent 17% of the Company’s total assets.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**SEPTEMBER 30, 2021**  
(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index <sup>(2)</sup>	Par / Shares	Cost	Fair Value <sup>(3)</sup>
<b>Investments in Non-Controlled, Non-Affiliated Portfolio Companies—124.3% <sup>(1)(2)</sup></b>							
<b>First Lien Secured Debt—77.5%</b>							
18 Fremont Street Acquisition, LLC	08/11/2025	Hotels, Motels, Inns and Gaming	9.50 %	1M L+800	7,433	\$ 6,815	\$ 7,563
Ad.net Acquisition, LLC (Revolver)	05/06/2026	Media	7.00 %	3M L+600	76	76	74
Ad.net Acquisition, LLC (Revolver) <sup>(7)</sup>	05/06/2026	Media	—	—	369	—	(6)
Altamira Technologies, LLC (Revolver)	07/24/2025	Aerospace and Defense	8.00 %	3M L+700	50	50	47
Altamira Technologies, LLC (Revolver) <sup>(7)</sup>	07/24/2025	Aerospace and Defense	—	—	138	—	(9)
American Insulated Glass, LLC	12/21/2023	Building Materials	6.50 %	3M L+550	15,795	15,639	15,637
Any Hour Services <sup>(7)</sup>	07/21/2027	Personal, Food and Miscellaneous Services	—	—	3,824	—	(38)
Any Hour Services (Revolver) <sup>(7)</sup>	07/21/2027	Personal, Food and Miscellaneous Services	—	—	1,147	—	(23)
Apex Service Partners, LLC	07/31/2025	Personal, Food and Miscellaneous Services	6.25 %	1M L+525	1,331	1,331	1,317
Apex Service Partners, LLC Term Loan C	07/31/2025	Personal, Food and Miscellaneous Services	6.25 %	1M L+525	5,592	5,509	5,536
Apex Service Partners, LLC Term Loan C <sup>(7)</sup>	01/31/2022	Personal, Food and Miscellaneous Services	—	—	6,658	—	(8)
Apex Service Partners, LLC (Revolver)	07/29/2024	Personal, Food and Miscellaneous Services	6.25 %	3M L+525	239	239	235
Apex Service Partners, LLC (Revolver) <sup>(7)</sup>	07/29/2024	Personal, Food and Miscellaneous Services	—	—	693	—	(12)
Applied Technical Services, LLC <sup>(7)</sup>	06/29/2022	Environmental Services	—	—	6,235	—	(55)
Applied Technical Services, LLC (Revolver) <sup>(7)</sup>	12/29/2026	Environmental Services	—	—	1,000	—	(20)
Bottom Line Systems, LLC	02/13/2023	Healthcare, Education and Childcare	6.25 %	1M L+550	6,153	6,128	6,153
Broder Bros., Co.	12/02/2022	Consumer Products	9.75 %	3M L+850	25,333	25,333	25,333
CF512, Inc.	08/20/2026	Media	7.00 %	3M L+600	10,000	9,802	9,800
CF512, Inc. <sup>(7)</sup>	08/20/2026	Media	—	—	2,727	—	(27)
CF512, Inc. (Revolver) <sup>(7)</sup>	08/20/2026	Media	—	—	909	—	(18)
Compex Legal Services, Inc.	02/09/2026	Business Services	6.75 %	3M L+575	3,570	3,514	3,529
Compex Legal Services, Inc. (Revolver)	02/07/2025	Business Services	6.75 %	3M L+575	459	459	454
Compex Legal Services, Inc. (Revolver) <sup>(7)</sup>	02/07/2025	Business Services	—	—	197	—	(2)
Connatix Buyer, Inc.	07/13/2027	Media	6.25 %	3M L+550	12,000	11,766	11,760
Connatix Buyer, Inc. <sup>(7)</sup>	01/13/2023	Media	—	—	3,158	—	(32)
Connatix Buyer, Inc. (Revolver)	07/13/2027	Media	6.25 %	3M L+550	186	186	182
Connatix Buyer, Inc. (Revolver) <sup>(7)</sup>	07/13/2027	Media	—	—	1,673	—	(33)
Crane 1 Services, Inc.	08/16/2027	Personal, Food and Miscellaneous Services	6.75 %	3M L+575	1,847	1,820	1,829
Crane 1 Services, Inc. <sup>(7)</sup>	08/16/2023	Personal, Food and Miscellaneous Services	—	—	778	—	(2)
Crane 1 Services, Inc. (Revolver) <sup>(7)</sup>	08/16/2027	Personal, Food and Miscellaneous Services	—	—	292	—	(3)
Crash Champions, LLC	08/05/2025	Auto Sector	6.00 %	3M L+500	4,751	4,704	4,656
Crash Champions, LLC <sup>(7)</sup>	05/14/2022	Auto Sector	—	—	6,749	—	(67)
DermaRite Industries LLC	03/03/2022	Manufacturing / Basic Industries	8.00 %	1M L+700	8,055	8,041	7,720
Dr. Squatch, LLC	08/27/2026	Personal and Non-Durable Consumer Products	7.00 %	3M L+600	13,515	13,247	13,244
Dr. Squatch, LLC (Revolver)	08/27/2026	Personal and Non-Durable Consumer Products	7.00 %	3M L+600	1,706	1,706	1,671
Dr. Squatch, LLC (Revolver) <sup>(7)</sup>	08/27/2026	Personal and Non-Durable Consumer Products	—	—	620	—	(12)
DRS Holdings III, Inc.	11/03/2025	Consumer Products	7.25 %	3M L+625	9,975	9,882	9,905
DRS Holdings III, Inc. (Revolver) <sup>(7)</sup>	11/03/2025	Consumer Products	—	—	1,783	—	(12)
ECL Entertainment, LLC	03/31/2028	Hotels, Motels, Inns and Gaming	8.25 %	1M L+750	8,747	8,664	8,944
ECM Industries, LLC (Revolver) <sup>(7)</sup>	12/23/2025	Electronics	—	—	518	—	(3)
Fairbanks Morse Defense	06/17/2028	Aerospace and Defense	5.50 %	3M L+475	3,500	3,487	3,500
Gantech Acquisition Corp.	05/14/2026	Business Services	7.25 %	1M L+625	19,900	19,522	19,502
Gantech Acquisition Corp. (Revolver)	05/14/2026	Business Services	7.25 %	1M L+625	498	498	488
Gantech Acquisition Corp. (Revolver) <sup>(7)</sup>	05/14/2026	Business Services	—	—	1,493	—	(30)
Graffiti Buyer, Inc.	08/10/2027	Distribution	6.75 %	3M L+575	1,994	1,955	1,964
Graffiti Buyer, Inc. <sup>(7)</sup>	08/10/2023	Distribution	—	—	893	—	(4)
Graffiti Buyer, Inc. (Revolver) <sup>(7)</sup>	08/10/2027	Distribution	—	—	769	—	(18)
Hancock Roofing and Construction L.L.C. <sup>(7)</sup>	12/31/2022	Insurance	—	—	1,500	—	(15)
Hancock Roofing and Construction L.L.C. (Revolver) <sup>(7)</sup>	12/31/2026	Insurance	—	—	750	—	(8)
HW Holdco, LLC	12/10/2024	Media	5.50 %	3M L+450	2,541	2,526	2,516
HW Holdco, LLC (Revolver)	12/10/2024	Media	5.50 %	3M L+450	1,219	1,219	1,207
HW Holdco, LLC (Revolver) <sup>(7)</sup>	12/10/2024	Media	—	—	2,168	—	(22)
IG Investments Holdings, LLC	09/22/2028	Business Services	6.75 %	3M L+600	4,518	4,428	4,428
IG Investments Holdings, LLC (Revolver) <sup>(7)</sup>	09/22/2027	Business Services	—	—	477	—	—
IMIA Holdings, Inc.	04/09/2027	Aerospace and Defense	6.75 %	3M L+575	13,589	13,341	13,317
IMIA Holdings, Inc. (Revolver) <sup>(7)</sup>	04/09/2027	Aerospace and Defense	—	—	1,674	—	(33)
Integrity Marketing Acquisition, LLC	08/27/2025	Insurance	6.49 %	3M L+550	17,220	17,116	17,134
Integrity Marketing Acquisition, LLC <sup>(7)</sup>	07/09/2023	Insurance	—	—	4,278	—	11
Juniper Landscaping of Florida, LLC	12/22/2021	Personal, Food and Miscellaneous Services	6.50 %	1M L+550	2,615	2,611	2,615
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	8.00 %	1M L+700	11,800	11,712	11,486
K2 Pure Solutions NoCal, L.P. (Revolver)	12/20/2023	Chemicals, Plastics and Rubber	8.00 %	1M L+700	872	872	849
K2 Pure Solutions NoCal, L.P. (Revolver) <sup>(7)</sup>	12/20/2023	Chemicals, Plastics and Rubber	—	—	1,066	—	(28)
Lash OpCo, LLC	02/18/2027	Consumer Products	8.00 %	1M L+700	30,000	29,335	29,400
Lash OpCo, LLC (Revolver)	08/16/2026	Consumer Products	8.00 %	1M L+700	291	291	285
Lash OpCo, LLC (Revolver) <sup>(7)</sup>	08/19/2026	Consumer Products	—	—	1,528	—	(31)
LAV Gear Holdings, Inc.	10/31/2024	Leisure, Amusement, Motion Pictures, Entertainment	8.50 %	1M L+750	790	785	741
			(PIK 5.00%)				
Lightspeed Buyer Inc.	02/03/2026	Healthcare, Education and Childcare	6.75 %	1M L+575	4,994	4,922	4,994
Lightspeed Buyer Inc. (Revolver) <sup>(7)</sup>	02/03/2026	Healthcare, Education and Childcare	—	—	1,166	—	—
Lombart Brothers, Inc.	04/13/2023	Healthcare, Education and Childcare	7.25 %	1M L+625	1,036	1,036	1,036
Lombart Brothers, Inc. (Revolver)	04/13/2023	Healthcare, Education and Childcare	7.25 %	1M L+625	737	737	737

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**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS – (Continued)**  
**SEPTEMBER 30, 2021**  
(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index <sup>(4)</sup>	Par / Shares	Cost	Fair Value <sup>(3)</sup>
Mars Acquisition Holdings Corp. (Revolver) <sup>(7)</sup>	5/14/2026	Media	—	—	806	\$ —	\$ (8)
MBS Holdings, Inc. (Revolver) <sup>(7)</sup>	04/16/2027	Telecommunications	—	—	694	—	(14)
MeritDirect, LLC	05/23/2024	Media	6.50 %	3M L+550	2,759	2,736	2,732
MeritDirect, LLC (Revolver) <sup>(7)</sup>	05/23/2024	Media	—	—	2,518	—	(25)
Municipal Emergency Services, Inc.	09/28/2027	Distribution	6.00 %	3M L+500	6,953	6,814	6,814
Municipal Emergency Services, Inc. <sup>(7)</sup>	09/28/2027	Distribution	—	—	1,880	—	—
Municipal Emergency Services, Inc. (Revolver) <sup>(7)</sup>	09/28/2027	Distribution	—	—	1,880	—	—
NBH Group LLC	08/19/2026	Healthcare, Education and Childcare	6.50 %	1M L+550	7,561	7,413	7,410
NBH Group LLC (Revolver) <sup>(7)</sup>	08/19/2026	Healthcare, Education and Childcare	—	—	1,163	—	(23)
OIS Management Services, LLC	07/09/2026	Healthcare, Education and Childcare	5.75 %	3M L+475	3,893	3,843	3,834
OIS Management Services, LLC <sup>(7)</sup>	07/09/2023	Healthcare, Education and Childcare	—	—	1,433	—	(11)
OIS Management Services, LLC (Revolver) <sup>(7)</sup>	07/09/2026	Healthcare, Education and Childcare	—	—	333	—	(5)
One Stop Mailing, LLC	05/07/2027	Cargo Transport	7.25 %	3M L+625	14,920	14,631	14,659
ORL Acquisition, Inc.	09/03/2027	Business Services	6.25 %	3M L+525	5,041	4,941	4,940
ORL Acquisition, Inc. (Revolver) <sup>(7)</sup>	09/03/2027	Business Services	—	—	597	—	—
Ox Two, LLC	05/18/2026	Building Materials	7.00 %	1M L+600	15,671	15,435	15,358
Ox Two, LLC (Revolver)	05/18/2026	Building Materials	7.00 %	1M L+600	645	645	632
Ox Two, LLC (Revolver) <sup>(7)</sup>	05/18/2026	Building Materials	—	—	1,774	—	(35)
PRA Events, Inc.	08/07/2025	Business Services	11.50 %	3M L+1,050	23,675	20,421	22,373
			(PIK 11.50%)				
PRA Events, Inc. (Revolver)	08/07/2025	Business Services	11.50 %	3M L+1,050	2,461	2,123	2,326
			(PIK 11.50%)				
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	7.25 %	1M L+625	6,188	6,095	6,064
Quantic Electronics, LLC <sup>(7)</sup>	11/19/2026	Aerospace and Defense	—	—	2,094	—	(21)
Quantic Electronics, LLC (Revolver) <sup>(7)</sup>	11/19/2026	Aerospace and Defense	—	—	528	—	(11)
Questex, LLC	09/09/2024	Media	6.00 %	3M L+500	21,825	21,584	20,516
Questex, LLC (Revolver)	09/09/2024	Media	6.00 %	3M L+500	2,154	2,154	2,025
Questex, LLC (Revolver) <sup>(7)</sup>	09/09/2024	Media	—	—	1,436	—	(86)
Radius Aerospace, Inc. (Revolver) <sup>(7)</sup>	03/31/2025	Aerospace and Defense	—	—	2,227	—	(63)
Rancho Health MSO, Inc. <sup>(7)</sup>	12/18/2025	Healthcare, Education and Childcare	—	—	1,050	—	—
Rancho Health MSO, Inc. (Revolver) <sup>(7)</sup>	12/18/2025	Healthcare, Education and Childcare	—	—	525	—	—
Recteq, LLC (Revolver) <sup>(7)</sup>	01/29/2026	Consumer Products	—	—	1,127	—	(11)
Research Horizons, LLC	06/28/2022	Media	7.25 %	1M L+625	28,796	28,682	28,508
Research Now Group, Inc. and Dynata, LLC	12/20/2024	Business Services	6.50 %	3M L+550	2,884	2,884	2,847
Riverpoint Medical, LLC (Revolver) <sup>(7)</sup>	06/20/2025	Healthcare, Education and Childcare	—	—	364	—	(4)
Riverside Assessments, LLC	03/10/2025	Education	6.75 %	3M L+575	16,174	15,952	15,769
Sales Benchmark Index LLC (Revolver) <sup>(7)</sup>	01/03/2025	Business Services	—	—	732	—	(18)
Sargent & Greenleaf Inc. (Revolver)	12/20/2024	Electronics	7.00 %	3M L+550	299	299	299
Sargent & Greenleaf Inc. (Revolver) <sup>(7)</sup>	12/20/2024	Electronics	—	—	299	—	—
Schlesinger Global, Inc.	07/14/2025	Business Services	8.00 %	3M L+700	512	507	489
			(PIK 1.00%)				
Schlesinger Global, Inc. (Revolver)	07/14/2025	Business Services	8.00 %	3M L+700	24	24	23
			(PIK 1.00%)				
Schlesinger Global, Inc. (Revolver) <sup>(7)</sup>	07/14/2025	Business Services	—	—	14	—	(1)
Sigma Defense Systems, LLC	12/18/2025	Telecommunications	9.75 %	3M L+875	6,520	6,378	6,406
Sigma Defense Systems, LLC (Revolver) <sup>(7)</sup>	12/18/2025	Telecommunications	—	—	951	—	(17)
Signature Systems Holding Company - Term Loan II	12/31/2021	Chemicals, Plastics and Rubber	8.50 %	3M L+750	806	802	798
Signature Systems Holding Company (Revolver)	05/03/2024	Chemicals, Plastics and Rubber	8.50 %	3M L+750	484	484	479
Signature Systems Holding Company (Revolver) <sup>(7)</sup>	05/03/2024	Chemicals, Plastics and Rubber	—	—	1,532	—	(15)
Solutionreach, Inc. (Revolver) <sup>(7)</sup>	01/17/2024	Communications	—	—	1,665	—	—
Spear Education, LLC	02/26/2025	Education	6.00 %	3M L+500	14,898	14,781	14,898
Spear Education, LLC <sup>(7)</sup>	02/26/2022	Education	—	—	6,875	—	—
Spectacle Gary Holdings, LLC	12/23/2025	Hotels, Motels, Inns and Gaming	11.00 %	1M L+900	21,546	20,972	23,391
TAC LifePort Purchaser, LLC (Revolver) <sup>(7)</sup>	03/01/2026	Aerospace and Defense	—	—	620	—	(0)
The Bluebird Group LLC	07/27/2026	Business Services	8.00 %	3M L+700	5,606	5,496	5,570
The Bluebird Group LLC (Revolver) <sup>(7)</sup>	07/27/2026	Business Services	—	—	734	—	(5)
The Vertex Companies, LLC	08/30/2027	Business Services	6.50 %	1M L+550	4,577	4,486	4,491
The Vertex Companies, LLC <sup>(7)</sup>	08/30/2027	Business Services	—	—	2,221	—	(19)
The Vertex Companies, LLC (Revolver) <sup>(7)</sup>	08/30/2027	Business Services	—	—	740	—	(14)
TPC Canada Parent, Inc. and TPC US Parent, LLC <sup>(8),(11)</sup>	11/24/2025	Food	6.25 %	3M L+525	1,771	1,771	1,718
TVC Enterprises, LLC	03/26/2026	Transportation	6.75 %	1M L+575	15,506	15,347	15,506
TVC Enterprises, LLC (Revolver) <sup>(7)</sup>	03/26/2026	Transportation	—	—	2,702	—	—
TWS Acquisition Corporation	06/16/2025	Education	7.25 %	1M L+625	4,137	4,137	4,137
TWS Acquisition Corporation (Revolver) <sup>(7)</sup>	06/16/2025	Education	—	—	1,644	—	—
Tyto Athene, LLC (Revolver) <sup>(7)</sup>	04/01/2026	Aerospace and Defense	—	—	364	—	—
Walker Edison Furniture Company LLC	03/31/2027	Home and Office Furnishings	6.75 %	3M L+575	24,875	24,293	23,942
Wildcat Buyerco, Inc.	02/27/2026	Electronics	6.00 %	3M L+500	1,629	1,612	1,621
Wildcat Buyerco, Inc. <sup>(7)</sup>	02/27/2022	Electronics	—	—	2,574	—	16
Wildcat Buyerco, Inc. (Revolver) <sup>(7)</sup>	02/27/2026	Electronics	—	—	551	—	(7)
<b>Total First Lien Secured Debt</b>						<b>509,046</b>	<b>511,405</b>
<b>Second Lien Secured Debt—16.2%</b>							
Atlas Purchaser, Inc.	05/07/2029	Telecommunications	9.75 %	3M L+900	17,000	16,506	16,873
Data Axle, Inc.	04/03/2024	Other Media	10.25 %	3M L+925	20,400	20,220	20,400
ENC Parent Corporation	08/19/2029	Business Services	8.25 %	3M L+750	7,500	7,426	7,425
Halo Buyer, Inc.	07/06/2026	Consumer Products	9.25 %	1M L+825	32,500	32,106	31,119
Inventus Power, Inc.	09/29/2024	Electronics	9.50 %	3M L+850	16,593	16,292	16,261
QuantiTech LLC	02/04/2027	Aerospace and Defense	11.00 %	3M L+1,000	150	147	147
VT Topco, Inc.	08/17/2026	Business Services	7.06 %	3M L+675	15,000	14,922	15,000
<b>Total Second Lien Secured Debt</b>						<b>107,620</b>	<b>107,225</b>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS – (Continued)**  
**SEPTEMBER 30, 2021**  
(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index <sup>(4)</sup>	Par / Shares	Cost	Fair Value <sup>(5)</sup>
<b>Subordinated Debt/Corporate Notes—8.6%</b>							
Blackhawk Industrial Distribution, Inc.	03/17/2025	Distribution	12.00 % (PIK 2.00%)	—	14,335	\$ 14,165	\$ 14,335
Cascade Environmental LLC	12/30/2023	Environmental Services	13.00 % (PIK 13.00%)	—	42,468	42,150	42,680
<b>Total Subordinated Debt/Corporate Notes</b>						<b>56,315</b>	<b>57,015</b>
<b>Preferred Equity/Partnership Interests—3.9% <sup>(6)</sup></b>							
Ad.net Holdings, Inc. <sup>(9)</sup>	—	Media	—	—	2,400	240	240
AH Newco Equityholdings, LLC	—	Healthcare, Education and Childcare	6.00 %	—	211	500	944
Cascade Environmental LLC	—	Environmental Services	16.00 %	—	178,304	17,607	21,133
Mars Intermediate Holdings II, Inc	—	Media	—	—	414	414	432
MeritDirect Holdings, LP <sup>(9)</sup>	—	Media	—	—	540	540	693
NXOF Holdings, Inc. (Tyto Athene, LLC)	—	Aerospace and Defense	—	—	160	160	202
ORL Holdco, Inc.	—	Business Services	—	—	575	57	57
Signature CR Intermediate Holdco, Inc.	—	Chemicals, Plastics and Rubber	12.00 %	—	1,527	1,527	1,879
TPC Holding Company, LP <sup>(8),(11)</sup>	—	Food	—	—	219	219	262
TWD Parent Holdings, LLC (The Vertex Companies, LLC)	—	Business Services	—	—	30	30	30
<b>Total Preferred Equity/Partnership Interests</b>						<b>21,295</b>	<b>25,873</b>
<b>Common Equity/Partnership Interests/Warrants—18.0% <sup>(6)</sup></b>							
Ad.net Holdings, Inc. (9)	—	Media	—	—	2,667	27	49
Affinion Group Holdings, Inc. (Warrants)	04/10/2024	Consumer Products	—	—	77,190	2,126	—
AG Investco LP <sup>(9)</sup>	—	Business Services	—	—	805,164	805	1,192
AG Investco LP <sup>(7),(9)</sup>	—	Business Services	—	—	194,836	—	—
Altamira Intermediate Company II, Inc.	—	Aerospace and Defense	—	—	125,000	125	33
Atlas Investment Aggregator, LLC <sup>(9)</sup>	—	Telecommunications	—	—	1,700,000	1,700	1,710
Cascade Environmental Holdings, LLC <sup>(9)</sup>	—	Environmental Services	—	—	33,901	2,852	478
CI (Allied) Investment Holdings, LLC (PRA Events, Inc.) <sup>(9)</sup>	—	Business Services	—	—	120,962	1,243	475
Connatix Parent, LLC	—	Media	—	—	57,416	632	635
Cowboy Parent LLC (Blackhawk Industrial Distribution, Inc.)	—	Distribution	—	—	22,500	2,250	1,902
Crane I Acquisition Parent Holdings, L.P.	—	Personal, Food and Miscellaneous Services	—	—	113	104	104
Crash Champion Holdings, LLC <sup>(9)</sup>	—	Auto Sector	—	—	36	328	369
Delta InvestCo LP (Sigma Defense Systems, LLC) <sup>(9)</sup>	—	Telecommunications	—	—	570,522	571	488
Delta InvestCo LP (Sigma Defense Systems, LLC) <sup>(7),(9)</sup>	—	Telecommunications	—	—	570,522	—	(82)
ECM Investors, LLC <sup>(9)</sup>	—	Electronics	—	—	167,537	41	565
eCommission Holding Corporation <sup>(11)</sup>	—	Financial Services	—	—	80	1,005	1,153
FedHC InvestCo LP <sup>(9)</sup>	—	Aerospace and Defense	—	—	3,331	333	339
FedHC InvestCo LP <sup>(7),(9)</sup>	—	Aerospace and Defense	—	—	4,072	—	—
Gauge Lash Coinvest LLC	—	Consumer Products	—	—	889,376	136	3,558
Gauge Schlesinger Coinvest, LLC	—	Business Services	—	—	9	9	9
Gauge TVC Coinvest, LLC (TVC Enterprises, LLC)	—	Transportation	—	—	810,645	—	2,663
GCOM InvestCo LP <sup>(9)</sup>	—	Business Services	—	—	1,855	809	352
GCOM InvestCo LP <sup>(7),(9)</sup>	—	Business Services	—	—	965	—	—
Go Dawgs Capital III, LP (American Insulated Glass, LLC) <sup>(9)</sup>	—	Building Materials	—	—	675,325	675	844
Green Veracity Holdings, LP - Class A (VT Topco, Inc.)	—	Business Services	—	—	15,000	1,500	5,320
Hancock Claims Consultants Investors, LLC <sup>(9)</sup>	—	Insurance	—	—	450,000	450	613
Infogroup Parent Holdings, Inc. (Data Axle, Inc.)	—	Other Media	—	—	181,495	2,040	3,221
Ironclad Holdco, LLC (Applied Technical Services, LLC) <sup>(9)</sup>	—	Environmental Services	—	—	3,960	390	434
ITC Rumba, LLC (Cano Health, LLC) <sup>(9)</sup>	—	Healthcare, Education and Childcare	—	—	375,675	—	60,808
JWC-WE Holdings, L.P. (Walker Edison Furniture Company LLC) <sup>(9)</sup>	—	Home and Office Furnishings	—	—	1,906,433	—	6,616
Kadmon Holdings, Inc. <sup>(9)</sup>	—	Healthcare, Education and Childcare	—	—	252,014	2,266	2,195
Kentucky Racing Holdco, LLC (Warrants) <sup>(9)</sup>	—	Hotels, Motels, Inns and Gaming	—	—	161,252	—	1,147
KL Stockton Co-Invest LP (Any Hour Services) <sup>(9)</sup>	—	Personal, Food and Miscellaneous Services	—	—	382,353	382	382
Lariat ecoserv Co-Invest Holdings, LLC <sup>(9)</sup>	—	Environmental Services	—	—	363,656	364	1,044
Lightspeed Investment Holdco LLC	—	Healthcare, Education and Childcare	—	—	273,143	273	315
Mars Intermediate Holdings II, Inc.	—	Media	—	—	414	—	169
MeritDirect Holdings, LP <sup>(9)</sup>	—	Media	—	—	540	—	126
Municipal Emergency Services, Inc.	—	Distribution	—	—	1,593,514	1,594	1,594
NEPRT Parent Holdings, LLC (Recteq, LLC) <sup>(9)</sup>	—	Consumer Products	—	—	1,299	1,262	1,537
NXOF Holdings, Inc. (Tyto Athene, LLC)	—	Aerospace and Defense	—	—	3,261	3	186
OceanSound Discovery Equity, LP (Holdco Sands Intermediate, LLC) <sup>(9)</sup>	—	Aerospace and Defense	—	—	98,286	979	1,625
Oral Surgery (ITC) Holdings, LLC <sup>(9)</sup>	—	Healthcare, Education and Childcare	—	—	2,904	63	63
ORL Holdco, Inc.	—	Business Services	—	—	638	6	6
QuantiTech InvestCo LP <sup>(9)</sup>	—	Aerospace and Defense	—	—	700	66	365
QuantiTech InvestCo LP <sup>(7),(9)</sup>	—	Aerospace and Defense	—	—	967	—	—
QuantiTech InvestCo II LP <sup>(9)</sup>	—	Aerospace and Defense	—	—	40	24	21

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**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS – (Continued)**  
**SEPTEMBER 30, 2021**  
(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index <sup>(4)</sup>	Par / Shares	Cost	Fair Value <sup>(3)</sup>
RFMG Parent, LP (Rancho Health MSO, Inc.)	—	Healthcare, Education and Childcare	—	—	1,050,000	\$ 1,050	\$ 1,253
SBI Holdings Investments LLC (Sales Benchmark Index LLC)	—	Business Services	—	—	36,585	366	278
Signature CR Intermediate Holdco, Inc.	—	Chemicals, Plastics and Rubber	—	—	80	80	—
SSC Dominion Holdings, LLC Class A (US Dominion, Inc.)	—	Electronics	—	—	1,500	1,500	1,890
SSC Dominion Holdings, LLC Class B (US Dominion, Inc.)	—	Electronics	—	—	1,500	—	3,534
StellPen Holdings, LLC (CF512, Inc.)	—	Media	—	—	153,846	154	154
TAC LifePort Holdings, LLC <sup>(9)</sup>	—	Aerospace and Defense	—	—	232,558	233	260
TPC Holding Company, LP <sup>(6), (11)</sup>	—	Food	—	—	11,527	12	33
TWD Parent Holdings, LLC (The Vertex Companies, LLC)	—	Business Services	—	—	608	1	1
U.S. Well Services, Inc. - Class A <sup>(5), (11)</sup>	—	Oil and Gas	—	—	1,261,201	3,022	914
UniVista Insurance	—	Business Services	—	—	400	400	405
Wildcat Parent, LP (Wildcat Buyerco, Inc.)	—	Electronics	—	—	2,314	231	411
ZS Juniper L.P. (Juniper Landscaping of Florida, LLC) <sup>(9)</sup>	—	Personal, Food and Miscellaneous Services	—	—	1,056	1,056	5,227
<b>Total Common Equity/Partnership Interests/Warrants</b>						35,536	118,982
<b>Total Investments in Non-Controlled, Non-Affiliated Portfolio Companies</b>						729,811	820,500
<b>Investments in Non-Controlled, Affiliated Portfolio Companies—7.6%</b> <sup>(1), (2)</sup>							
<b>Preferred Equity/Partnership Interests—6.2%</b> <sup>(6)</sup>							
ETX Energy, LLC <sup>(9)</sup>	—	Oil and Gas	—	—	61,732	6,173	—
ETX Energy, LLC - Series X <sup>(9)</sup>	—	Oil and Gas	—	—	10,944	1,094	—
MidOcean JF Holdings Corp.	—	Distribution	—	—	153,922	15,392	41,023
<b>Total Preferred Equity/Partnership Interests</b>						22,660	41,023
<b>Common Equity/Partnership Interests/Warrants—1.4%</b> <sup>(6)</sup>							
ETX Energy, LLC <sup>(9)</sup>	—	Oil and Gas	—	—	1,658,389	29,712	—
ETX Energy Management Company, LLC	—	Oil and Gas	—	—	1,754,104	1,562	—
MidOcean JF Holdings Corp.	—	Distribution	—	—	65,933	24,790	9,139
<b>Total Common Equity/Partnership Interests/Warrants</b>						56,064	9,139
<b>Total Investments in Non-Controlled, Affiliated Portfolio Companies</b>						78,723	50,161
<b>Investments in Controlled, Affiliated Portfolio Companies—58.3%</b> <sup>(1), (2)</sup>							
<b>First Lien Secured Debt—6.2%</b> <sup>(8), (10), (11)</sup>							
AKW Holdings Limited <sup>(8), (10), (11)</sup>	03/13/2024	Healthcare, Education and Childcare	7.50 %	3M L+700	£ 30,500	42,389	41,125
<b>Total First Lien Secured Debt</b>						42,389	41,125
<b>Second Lien Secured Debt—10.6%</b>							
MailSouth Inc.	04/23/2025	Printing and Publishing	15.00 % (PIK 15.00%)	—	11,087	11,087	11,087
PT Network Intermediate Holdings, LLC	11/30/2024	Healthcare, Education and Childcare	11.00 % (PIK 11.00%)	3M L+1,000	58,582	58,276	58,582
<b>Total Second Lien Secured Debt</b>						69,363	69,668
<b>Subordinated Debt—9.7%</b>							
PennantPark Senior Loan Fund, LLC <sup>(11)</sup>	07/31/2027	Financial Services	9.00 %	3M L+800	64,155	64,155	64,155
<b>Total Subordinated Debt</b>						64,155	64,155
<b>Preferred Equity—2.0%</b> <sup>(6)</sup>							
CI (PTN) Investment Holdings II, LLC	—	Healthcare, Education and Childcare	—	—	36,450	547	—
(PT Network, LLC) <sup>(9)</sup>							
PT Network Intermediate Holdings, LLC <sup>(9)</sup>	—	Healthcare, Education and Childcare	11.00 %	3M L+1,000	833	10,725	13,412
<b>Total Preferred Equity</b>						11,272	13,412
<b>Common Equity—29.7%</b> <sup>(6)</sup>							
AKW Holdings Limited <sup>(8), (10), (11)</sup>	—	Healthcare, Education and Childcare	—	—	£ 950	132	254
CI (PTN) Investment Holdings II, LLC	—	Healthcare, Education and Childcare	—	—	333,333	5,000	—
(PT Network, LLC) <sup>(9)</sup>							
MSpark, LLC	—	Printing and Publishing	—	—	51,151	16,516	11,013
PennantPark Senior Loan Fund, LLC <sup>(11)</sup>	—	Financial Services	—	—	33,830,005	33,893	41,160
PT Network Intermediate Holdings, LLC <sup>(9)</sup>	—	Healthcare, Education and Childcare	—	—	621	7,159	62,131
RAM Energy Holdings LLC	—	Energy and Utilities	—	—	180,805	162,708	81,710
<b>Total Common Equity</b>						225,408	196,269
<b>Total Investments in Controlled, Affiliated Portfolio Companies</b>						412,587	384,628
<b>Total Investments—190.2%</b>						1,221,121	1,255,289
<b>Cash and Cash Equivalents—3.1%</b>							
BlackRock Federal FD Institutional 30						18,220	18,220
BNY Mellon Cash Reserve and Cash						2,163	2,137
<b>Total Cash and Cash Equivalents</b>						20,383	20,357
<b>Total Investments and Cash Equivalents—193.2%</b>						\$ 1,241,504	\$ 1,275,646
<b>Liabilities in Excess of Other Assets—(93.2%)</b>							(615,502)
<b>Net Assets—100.0%</b>							\$ 660,144

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (1) The provisions of the 1940 Act classify investments based on the level of control that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally presumed to be “non-controlled” when we own 25% or less of the portfolio company’s voting securities and “controlled” when we own more than 25% of the portfolio company’s voting securities.
- (2) The provisions of the 1940 Act classify investments further based on the level of ownership that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally deemed as “non-affiliated” when we own less than 5% of a portfolio company’s voting securities and “affiliated” when we own 5% or more of a portfolio company’s voting securities (See Note 6).
- (3) Valued based on our accounting policy (See Note 2).
- (4) Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable London Interbank Offered Rate, or LIBOR or “L,” the Euro Interbank Offered Rate, or EURIBOR or “E,” or Prime rate, or “P.” The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 90-day or 180-day LIBOR rate (1M L, 3M L, or 6M L, respectively), and EURIBOR loans are typically indexed to a 90-day EURIBOR rate (3M E), at the borrower’s option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.
- (5) The security was not valued using significant unobservable inputs. The value of all other securities was determined using significant unobservable inputs (See Note 5).
- (6) Non-income producing securities.
- (7) Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.
- (8) Non-U.S. company or principal place of business outside the United States.
- (9) Investment is held through our Taxable Subsidiary (See Note 1).
- (10) Par / Shares amount is denominated in British Pounds (£) as denoted.
- (11) The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of September 30, 2021, qualifying assets represent 88% of the Company’s total assets and non-qualifying assets represent 12% of the Company’s total assets.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## **1. ORGANIZATION**

PennantPark Investment Corporation was organized as a Maryland corporation in January 2007. We are a closed-end, externally managed, non-diversified investment company that has elected to be treated as a BDC under the 1940 Act. Our investment objective is to generate both current income and capital appreciation while seeking to preserve capital through debt and equity investments. We invest primarily in U.S. middle-market companies in the form of first lien secured debt, second lien secured debt, subordinated debt and, to a lesser extent, equity investments. On April 24, 2007, we closed our initial public offering. On April 14, 2022, listing and trading of the Company's common stock commenced on the New York Stock Exchange after the Company voluntarily withdrew the principal listing of its common stock from the Nasdaq Stock Market LLC effective at market close on April 13, 2022. Our common stock trades on the New York Stock Exchange under the symbol "PNNT."

We have entered into an investment management agreement, or the Investment Management Agreement, with the Investment Adviser, an external adviser that manages our day-to-day operations. PennantPark Investment, through the Investment Adviser, manages the day-to-day operations of, and provides investment advisory services to, SBIC II under a separate investment management agreement. We have also entered into an administration agreement, or the Administration Agreement, with the Administrator, which provides the administrative services necessary for us to operate. PennantPark Investment, through the Administrator, also provides similar services to SBIC II under a separate administration agreement. See Note 3.

SBIC II, our wholly-owned subsidiary, was organized as a Delaware limited partnership in 2012. SBIC II received a license from the SBA to operate as a SBIC under Section 301(c) of the 1958 Act. SBIC II's objectives are to generate both current income and capital appreciation through debt and equity investments generally by investing with us in SBA-eligible businesses that meet the investment selection criteria used by PennantPark Investment.

On July 31, 2020, we and certain entities and managed accounts of the private credit investment manager of Pantheon Ventures (UK) LLP, or Pantheon, entered into a limited liability company agreement to co-manage PSLF, a newly-formed unconsolidated joint venture. In connection with this transaction, we contributed in-kind our formerly wholly-owned subsidiary, Funding I. As a result of this transaction, Funding I became a wholly-owned subsidiary of PSLF and has been deconsolidated from our financial statements. PSLF invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSLF was formed as a Delaware limited liability company. See Note 4.

In April 2021, we issued \$150.0 million in aggregate principal amount of our 2026 Notes at a public offering price per note of 99.4%. Interest on the 2026 Notes is paid semi-annually on May 1 and November 1 of each year, at a rate of 4.50% per year, commencing November 1, 2021. The 2026 Notes mature on May 1, 2026 and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The 2026 Notes are effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities. We do not intend to list the 2026 Notes on any securities exchange or automated dealer quotation system.

In October 2021, we issued \$165.0 million in aggregate principal amount of our 2026 Notes-2 at a public offering price per note of 99.436%. Interest on the 2026 Notes is paid semi-annually on May 1 and November 1 of each year, at a rate of 4.00% per year, commencing May 1, 2022. The 2026 Notes-2 mature on November 1, 2026 and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes-2 are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The 2026 Notes-2 are effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities. We do not intend to list the 2026 Notes-2 on any securities exchange or automated dealer quotation system.

We have formed the Taxable Subsidiary, which is subject to tax as a corporation. The Taxable Subsidiary allows us to hold equity securities of certain portfolio companies treated as pass-through entities for federal income tax purposes while facilitating our ability to qualify as a RIC under the Code.

In January 2022, we funded PennantPark-TSO Senior Loan Fund II LP, ("PTSF II"), an unconsolidated limited partnership, organized as a Delaware limited liability partnership. We sold \$82.3 million in investments to a wholly-owned subsidiary of PTSF II in exchange for cash in the amount of \$75.7 million and an \$6.6 million equity interest in PTSF II representing 23.1% of the total outstanding Class A Units of PTSF II. We recognized \$0.2 million of realized gain upon the formation of PTSF II. As of June 30, 2022, our capital commitment of \$15.0 million is 100% funded and we hold 23.1% of the total outstanding Class A Units of PTSF II and a 4.99% voting interest in the general partner which manages PTSF II.

We are operated by a person who has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act and the Investment Adviser intends to continue to affirm the exclusion on an annual basis, and therefore, is not subject to registration or regulation as a commodity pool operator under the Commodity Exchange Act.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of our Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles, or GAAP requires management to make estimates and assumptions that affect the reported amount of our assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of income and expenses during the reported periods. In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of financial statements have been included. Changes in the economic and regulatory environment, financial markets, the credit worthiness of our portfolio companies, the novel coronavirus ("COVID-19") and any other parameters used in determining these estimates and assumptions could cause actual results to differ from such estimates and assumptions. We may reclassify certain prior period amounts to conform to the current period presentation. We have eliminated all intercompany balances and transactions in consolidation. References to the Financial Accounting Standards Board's, or FASB's, Accounting Standards Codification, as amended, or ASC, serve as a single source of accounting literature. Subsequent events are evaluated and disclosed as appropriate for events occurring through the date the Consolidated Financial Statements are issued.

Our Consolidated Financial Statements are prepared in accordance with GAAP, consistent with ASC Topic 946, Financial Services – Investment Companies, and pursuant to the requirements for reporting on Form 10-K/Q and Articles 6, 10 and 12 of Regulation S-X, as appropriate. In accordance with Article 6-09 of Regulation S-X, we have provided a Consolidated Statement of Changes in Net Assets in lieu of a Consolidated Statement of Changes in Stockholders' Equity.

Our significant accounting policies consistently applied are as follows:

**(a) Investment Valuations**

We expect that there may not be readily available market values for many of the investments which are or will be in our portfolio, and we value such investments at fair value as determined in good faith by or under the direction of our board of directors using a documented valuation policy and a consistently applied valuation process, as described in this Report. With respect to investments for which there is no readily available market value, the factors that our board of directors may take into account in pricing our investments at fair value include, as relevant, 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, comparison to publicly traded securities and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate or revise our valuation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and the difference may be material. See Note 5.

Our portfolio generally consists of illiquid securities, including debt and equity investments. With respect to investments for which market quotations are not readily available, or for which market quotations are deemed not reflective of the fair value, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- (1) Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of the Investment Adviser responsible for the portfolio investment;
- (2) Preliminary valuation conclusions are then documented and discussed with the management of the Investment Adviser;
- (3) Our board of directors also engages independent valuation firms to conduct independent appraisals of our investments for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment. The independent valuation firms review management's preliminary valuations in light of their own independent assessment and also in light of any market quotations obtained from an independent pricing service, broker, dealer or market maker;
- (4) The audit committee of our board of directors reviews the preliminary valuations of the Investment Adviser and those of the independent valuation firms on a quarterly basis, periodically assesses the valuation methodologies of the independent valuation firms, and responds to and supplements the valuation recommendations of the independent valuation firms to reflect any comments; and
- (5) Our board of directors discusses these valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our Investment Adviser, the respective independent valuation firms and the audit committee.

Our board of directors generally uses market quotations to assess the value of our investments for which market quotations are readily available. We obtain these market values from independent pricing services or at the bid prices obtained from at least two brokers or dealers, if available, or otherwise from a principal market maker or a primary market dealer. The Investment Adviser assesses the source and reliability of bids from brokers or dealers. If our board of directors has a bona fide reason to believe any such market quote does not reflect the fair value of an investment, it may independently value such investments by using the valuation procedure that it uses with respect to assets for which market quotations are not readily available.

**(b) Security Transactions, Revenue Recognition, and Realized/Unrealized Gains or Losses**

Security transactions are recorded on a trade-date basis. We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized, but considering prepayment penalties. Net change in unrealized appreciation or depreciation reflects, as applicable, the change in the fair values of our portfolio investments and the Credit Facility during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

We record interest income on an accrual basis to the extent that we expect to collect such amounts. For loans and debt investments with contractual PIK interest, which represents interest accrued and added to the loan balance that generally becomes due at maturity, we will generally not accrue PIK interest when the portfolio company valuation indicates that such PIK interest is not collectable. We do not accrue as a receivable interest on loans and debt investments if we have reason to doubt our ability to collect such interest. Loan origination fees, original issue discount, or OID, market discount or premium and deferred financing costs on liabilities, which we do not fair value, are capitalized and then accreted or amortized using the effective interest method as interest income or, in the case of deferred financing costs, as interest expense. We record prepayment penalties earned on loans and debt investments as income. Dividend income, if any, is recognized on an accrual basis on the ex-dividend date to the extent that we expect to collect such amounts. From time to time, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and amendment fees, and are recorded as other investment income when earned.

Loans are placed on non-accrual status when principal or interest payments are past due 30 days or more and/or if there is reasonable doubt that principal or interest will be collected. Accrued interest is generally reversed when a 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 and interest is paid and, in management's judgment, are likely to remain current. As of June 30, 2022, we had one portfolio company on non-accrual, representing 0.9% and 0.5% of our overall portfolio on a cost and fair value basis, respectively. As of September 30, 2021, we had no portfolio companies on non-accrual.

**(c) Income Taxes**

We have complied with the requirements of Subchapter M of the Code and have qualified to be treated as a RIC for federal income tax purposes. In this regard, we account for income taxes using the asset and liability method prescribed by ASC Topic 740, Income Taxes, or ASC 740. Under this method, income taxes are provided for amounts currently payable and for amounts deferred as tax assets and liabilities based on differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Based upon our qualification and election to be treated as a RIC for U.S. federal income tax purposes, we typically do not incur material federal income taxes. However, we may choose to retain a portion of our calendar year income, which may result in the imposition of an excise tax. Additionally, certain of the Company's consolidated subsidiaries are subject to federal, state and local income taxes. For the three and nine months ended June 30, 2022, we recorded a provision for taxes on net investment income of \$0.2 million and \$0.6 million respectively, all of which pertains to U.S. federal excise tax. For the three and nine months ended June 30, 2021, we recorded a provision for taxes on net investment income of \$0.2 million and \$0.5 million respectively, all of which pertains to U.S. federal excise tax.

We recognize the effect of a tax position in our Consolidated Financial Statements in accordance with ASC 740 when it is more likely than not, based on the technical merits, that the position will be sustained upon examination by the applicable tax authority. Tax positions not considered to satisfy the “more-likely-than-not” threshold would be recorded as a tax expense or benefit. Penalties or interest, if applicable, that may be assessed relating to income taxes would be classified as other operating expenses in the financial statements. There were no tax accruals relating to uncertain tax positions and no amounts accrued for any related interest or penalties with respect to the periods presented herein. The Company’s determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including, but not limited to, an on-going analysis of tax laws, regulations and interpretations thereof. Although the Company files both federal and state income tax returns, the Company’s major tax jurisdiction is federal.

PNNT Investment Holdings, LLC, a wholly-owned subsidiary of the Company, is subject to U.S. federal, state and local corporate income taxes. The income tax expense and related tax liabilities of the Taxable Subsidiary are reflected in the Company’s consolidated financial statements.

For the three and nine months ended June 30, 2022, the Company recognized a provision for taxes of \$1.1 million and \$6.2 million, respectively, on net realized gain on investments by the Taxable Subsidiary. For the three and nine months ended June 30, 2022, the Company recognized a provision for taxes of \$8.1 million and \$8.1 million, respectively, on net unrealized gain on investments by the Taxable Subsidiary. The provision for taxes on net realized and unrealized gains on investments is the result of netting (i) the expected tax liability on the gains from the sales of investments which were realized and unrealized during fiscal year ending September 30, 2022 and (ii) the expected tax benefit resulting from the use of loss carryforwards to offset such gains. For the three and nine months ended June 30, 2021, the Company recognized a provision for taxes of zero on net realized and unrealized gains on investments by the Taxable Subsidiary.

During the three and nine months ended June 30, 2022, the Company paid zero and \$4.0 million, respectively, in federal taxes on realized gains on the sale of investments held by the Taxable Subsidiary. Due to offsetting losses in the three months ended June 30, 2022 the \$4.0 million is expected to be refunded and is shown on the consolidated statement of assets and liabilities under prepaid expenses and other assets. The state and local tax liability of \$6.2 million as of June 30, 2022 is included under accrued other expenses in the consolidated statement of assets and liabilities.

Because federal income tax regulations differ from GAAP, distributions characterized in accordance with tax regulations may differ from net investment income and net realized gains recognized for financial reporting purposes. Differences between tax regulations and GAAP may be permanent or temporary. Permanent differences are reclassified among capital accounts in the Consolidated Financial Statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

**(d) Distributions and Capital Transactions**

Distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid, if any, as a distribution is determined by our board of directors each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are distributed at least annually. The tax attributes for distributions will generally include ordinary income and capital gains but may also include certain tax-qualified dividends and/or a return of capital.

Capital transactions, in connection with our dividend reinvestment plan or through offerings of our common stock, are recorded when issued and offering costs are charged as a reduction of capital upon issuance of our common stock.

**(e) Foreign Currency Translation**

Our books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

1. Fair value of investment securities, other assets and liabilities – at the exchange rates prevailing at the end of the applicable period; and
2. Purchases and sales of investment securities, income and expenses – at the exchange rates prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, we do not isolate that portion of the results of operations due to changes in foreign exchange rates on investments, other assets and debt from the fluctuations arising from changes in fair values of investments and liabilities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments and liabilities.

Foreign security and currency translations may involve certain considerations and risks not typically associated with investing in U.S. companies and U.S. government securities. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices to be more volatile than those of comparable U.S. companies or U.S. government securities.

**(f) Consolidation**

As permitted under Regulation S-X and as explained by ASC paragraph 946-810-45-3, PennantPark Investment will generally not consolidate its investment in a company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to us. Accordingly, we have consolidated the results of our SBIC Funds and our Taxable Subsidiary in our Consolidated Financial Statements. We do not consolidate our non-controlling interest in PSLF or PTSE II. See further description of our investment in PSLF in Note 4.

**(g) Asset Transfers and Servicing**

Asset transfers that do not meet ASC Topic 860, Transfers and Servicing, requirements for sale accounting treatment are reflected in the Consolidated Statements of Assets and Liabilities and the Consolidated Schedules of Investments as investments.

**(h) Recent Accounting Pronouncements**

In March 2020, the FASB issued Accounting Standards Update No. 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” The guidance provides optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships and other transactions, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

In June 2022, the FASB issued Accounting Standards Update, or ASU, 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, or ASU 2022-03, which changed the fair value measurement disclosure requirements of ASC Topic 820, Fair Value Measurements and Disclosures, or ASC 820. The amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The new guidance is effective for fiscal years beginning after December 15, 2023, including interim periods therein. Early application is permitted. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

### 3. AGREEMENTS AND RELATED PARTY TRANSACTIONS

#### (a) Investment Management Agreement

The Investment Management Agreement with the Investment Adviser was reapproved by our board of directors, including a majority of our directors who are not interested persons of us or the Investment Adviser, in February 2022. Under the Investment Management Agreement, the Investment Adviser, subject to the overall supervision of our board of directors, manages the day-to-day operations of and provides investment advisory services to, us. The Investment Adviser serves as the servicer to Funding I and has irrevocably directed that the management fee owed to it with respect to such services be paid to the Company so long as the Investment Adviser remains the servicer. SBIC II's investment management agreement does not affect the management or incentive fees that we pay to the Investment Adviser on a consolidated basis. For providing these services, the Investment Adviser receives a fee from us, consisting of two components—a base management fee and an incentive fee or, collectively, Management Fees.

#### *Base Management Fee*

The base management fee is calculated at an annual rate of 1.50% of our "average adjusted gross assets," which equals our gross assets (exclusive of U.S. Treasury Bills, temporary draws under any credit facility, cash and cash equivalents, repurchase agreements or other balance sheet transactions undertaken at the end of a fiscal quarter for purposes of preserving investment flexibility for the next quarter and unfunded commitments, if any) and is payable quarterly in arrears. In addition, on November 13, 2018, in connection with our board of directors' approval of the application of the modified asset coverage requirements under the 1940 Act to the Company, our board of directors also approved an amendment to the Investment Management Agreement reducing the Investment Adviser's annual base management fee from 1.50% to 1.00% on gross assets that exceed 200% of the Company's total net assets as of the immediately preceding quarter-end. This amendment became effective on February 5, 2019 with the amendment and restatement of the Investment Management Agreement on April 12, 2019. The base management fee is calculated based on the average adjusted gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. For example, if we sold shares on the 45th day of a quarter and did not use the proceeds from the sale to repay outstanding indebtedness, our gross assets for such quarter would give effect to the net proceeds of the issuance for only 45 days of the quarter during which the additional shares were outstanding. For the three and nine months ended June 30, 2022, the Investment Adviser earned a base management fee of \$4.9 million and \$15.0 million, respectively, from us. For the three and nine months ended June 30, 2021, the Investment Adviser earned a base management fee of \$4.4 million and \$12.8 million, respectively, from us.

#### *Incentive Fee*

The incentive fee has two parts, as follows:

One part is calculated and payable quarterly in arrears based on our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter. For this purpose, Pre-Incentive Fee Net Investment Income means interest income, dividend income and any other income, including any other fees (other than fees for providing managerial assistance), such as amendment, commitment, origination, prepayment penalties, structuring, diligence and consulting fees or other fees received from portfolio companies, accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement and any interest expense or amendment fees under any credit facility and distribution paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as OID, debt instruments with PIK interest and zero-coupon securities), accrued income not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, computed net of all realized capital losses or unrealized capital appreciation or depreciation. Pre-Incentive Fee Net Investment Income, expressed as a percentage of the value of our net assets at the end of the immediately preceding calendar quarter, is compared to the hurdle rate of 1.75% per quarter (7.00% annualized). We pay the Investment Adviser an incentive fee with respect to our Pre-Incentive Fee Net Investment Income in each calendar quarter as follows: (1) no incentive fee in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate of 1.75%, (2) 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 2.1212% in any calendar quarter (8.4848% annualized), and (3) 17.5% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.1212% in any calendar quarter. These calculations are pro-rated for any share issuances or repurchases during the relevant quarter, if applicable.

Beginning April 1, 2020 and through June 30, 2021, the Investment Adviser has voluntarily agreed, in consultation with our board of directors, to irrevocably waive the performance-based incentive fees. For the three and nine months ended June 30, 2022, the Investment Adviser earned an incentive fee of zero and \$2.7 million, respectively, on net investment income from us. For the three and nine months ended June 30, 2021, the Investment Adviser did not earn an incentive fee on net investment income from us.

The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date) and, effective January 1, 2018, equals 17.5% of our realized capital gains; (20.0% for periods prior to January 1, 2018), if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. For each of three and nine months ended June 30, 2022 and 2021, the Investment Adviser did not accrue an incentive fee on capital gains as calculated under the Investment Management Agreement (as described above).

Under GAAP, we are required to accrue a capital gains incentive fee based upon net realized capital gains and net unrealized capital appreciation and depreciation on investments held at the end of each period. In calculating the capital gains incentive fee accrual, we considered the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
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permitted to be considered in calculating the fee actually payable under the Investment Management Agreement. This accrual is calculated using the aggregate cumulative realized capital gains and losses and cumulative unrealized capital appreciation or depreciation. If such amount is positive at the end of a period, then we record a capital gains incentive fee equal to 17.5% of such amount, less the aggregate amount of actual capital gains related to incentive fees paid in all prior years, if any. If such amount is negative, then there is no accrual for such year. There can be no assurance that such unrealized capital appreciation will be realized in the future. For each of the three and nine months ended June 30, 2022 and 2021, the Investment Adviser did not accrue an incentive fee on capital gains as calculated under GAAP.

**(b) Administration Agreement**

The Administration Agreement with the Administrator was reapproved by our board of directors, including a majority of our directors who are not interested persons of us, in February 2022. Under the Administration Agreement, the Administrator provides administrative services and office facilities to us. The Administrator provides similar services to SBIC II under its administration agreement with PennantPark Investment. For providing these services, facilities and personnel, we have agreed to reimburse the Administrator for its allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs. The Administrator also offers, on our behalf, significant managerial assistance to portfolio companies to which we are required to offer such assistance. Reimbursement for certain of these costs is included in administrative services expenses in the Consolidated Statements of Operations. For the three and nine months ended June 30, 2022, we reimbursed the Administrator approximately \$(0.2) million and \$0.7 million, respectively, for the services described above. For the three and nine months ended June 30, 2021, we reimbursed the Administrator approximately \$0.1 million and \$0.8 million, respectively, for the services described above.

On July 1, 2022, the Administration Agreement with the Administrator was amended to clarify that the Administrator may be reimbursed by the Company for certain (i) tax and general legal advice and/or services provided to the Company by in-house professionals of the Administrator related to ongoing operations of the Company; and (ii) transactional legal advice and/or services provided to the Company or portfolio companies by in-house professionals of the Administrator on matters related to potential or actual investments and transactions, including tax structuring and/or due diligence.

**(c) Other Related Party Transactions**

There were no transactions subject to Rule 17a-7 under the 1940 Act during each of the three and nine months ended June 30, 2022 and 2021.

For the three and nine months ended June 30, 2022 we sold \$176.0 million and \$235.6 million in investments to PSLF at fair value, respectively, and recognized \$0.1 million and \$0.2 million of net realized gains, respectively. For the three and nine months ended June 30, 2021, we sold \$54.1 million and \$91.9 million in investments to PSLF at fair value, respectively, and recognized \$0.1 million and \$0.6 million of net realized gains, respectively.

For the three and nine months ended June 30, 2022, we sold zero and \$82.3 million in investments to PTSF II at fair value, respectively, and recognized zero and \$0.2 million of net realized gains, respectively.

**4. INVESTMENTS**

Purchases of investments, including PIK interest, for the three and nine months ended June 30, 2022 totaled \$326.3 million and \$808.2 million, respectively. For the same periods in the prior year, purchases of investments, including PIK interest, totaled \$137.4 million and \$287.4 million, respectively. Sales and repayments of investments for the three and nine months ended June 30, 2022 totaled \$198.3 million and \$736.0 million, respectively. For the same periods in the prior year, sales and repayments of investments totaled \$191.0 million and \$358.6 million, respectively.

Investments and cash and cash equivalents consisted of the following:

Investment Classification (\$ in thousands)	June 30, 2022		September 30, 2021	
	Cost	Fair Value	Cost	Fair Value
First lien	\$ 730,254	\$ 721,770	\$ 551,435	\$ 552,530
Second lien	137,705	129,706	176,983	176,894
Subordinated debt / corporate notes	33,157	33,150	56,315	57,015
Subordinated notes in PSLF	88,011	88,011	64,155	64,154
Equity	341,207	289,099	338,341	363,537
Equity in PSLF	49,362	53,092	33,892	41,160
<b>Total investments</b>	<b>1,379,696</b>	<b>1,314,828</b>	<b>1,221,121</b>	<b>1,255,290</b>
Cash and cash equivalents	29,630	29,547	20,383	20,357
<b>Total investments and cash and cash equivalents</b>	<b>\$ 1,409,326</b>	<b>\$ 1,344,375</b>	<b>\$ 1,241,504</b>	<b>\$ 1,275,647</b>

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
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The table below describes investments by industry classification and enumerates the percentage, by fair value, of the total portfolio assets (excluding cash and cash equivalents) in such industries as of:

Industry Classification	June 30, 2022 <sup>(1)</sup>	September 30, 2021 <sup>(1)</sup>
Business Services	16 %	9 %
Healthcare, Education and Childcare	10	23
Consumer Products	9	9
Energy and Utilities	9	7
Distribution	7	7
Financial Services	5	—
Aerospace and Defense	4	2
Home and Office Furnishings	4	3
Media	4	7
Telecommunications	4	2
Auto Sector	3	—
Chemicals, Plastics and Rubber	3	1
Environmental Services	3	6
Building Materials	2	3
Education	2	3
Electronics	2	2
Hotels, Motels, Inns and Gaming	2	4
Other Media	2	2
Transportation	2	2
Cargo Transport	1	1
Insurance	1	2
Manufacturing / Basic Industries	1	1
Personal and Non-Durable Consumer Products	1	1
Personal, Food and Miscellaneous Services	1	1
Printing and Publishing	1	2
Retail	1	—
Other	—	—
Total	<u>100 %</u>	<u>100 %</u>

<sup>(1)</sup> Excludes investments in PSLF.

**PennantPark Senior Loan Fund, LLC**

In July 2020, we and Pantheon formed PSLF, an unconsolidated joint venture. PSLF invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSLF was formed as a Delaware limited liability company. As of June 30, 2022 and September 30, 2021, PSLF had total assets of \$664.6 million and \$417.4 million, respectively. PSLF's portfolio consisted of debt investments in 72 and 47 portfolio companies as of June 30, 2022 and September 30, 2021, respectively. As of the same dates, we and Pantheon had no remaining commitments to fund first lien secured debt and equity interests in PSLF. As of June 30, 2022, at fair value, the largest investment in a single portfolio company in PSLF was \$17.9 million and the five largest investments totaled \$87.2 million. As of September 30, 2021, at fair value, the largest investment in a single portfolio company in PSLF was \$16.8 million and the five largest investments totaled \$74.4 million. PSLF invests in portfolio companies in the same industries in which we may directly invest.

We provide capital to PSLF in the form of subordinated notes and equity interests. As of June 30, 2022 and September 30, 2021, we and Pantheon owned 60.5% and 39.5%, respectively, of each of the outstanding subordinated notes and equity interests of PSLF. As of June 30, 2022 and September 30, 2021 our investment in PSLF consisted of subordinated notes of \$88.0 million and \$64.2 million, respectively, and equity interests of \$53.1 million and \$41.2 million, respectively.

We and Pantheon each appointed two members to PSLF's four-person Member Designees' Committee, or the Member Designees' Committee. All material decisions with respect to PSLF, including those involving its investment portfolio, require unanimous approval of a quorum of Member Designees' Committee. Quorum is defined as (i) the presence of two members of the Member Designees' Committee; provided that at least one individual is present that was elected, designated or appointed by each of us and Pantheon; (ii) the presence of three members of the Member Designees' Committee, provided that the individual that was elected, designated or appointed by each of us or Pantheon, as the case may be, with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the Member Designees' Committee shall constitute a quorum, provided that two individuals are present that were elected, designated or appointed by each of us and Pantheon.

Additionally, PSLF, through its wholly-owned subsidiary, or PSLF Subsidiary, has entered into a \$225.0 million (reduced from \$275.0 million on March 2, 2022) senior secured revolving credit facility which bears interest at SOFR (or an alternative risk-free interest rate index) plus 255 basis points during the investment period, or the PSLF Credit Facility, with BNP Paribas, subject to leverage and borrowing base restrictions.

In March 2022, PSLF completed a \$304.0 million debt securitization in the form of a collateralized loan obligation, or the "2034 Asset-Backed Debt". The 2034 Asset-Backed Debt is secured by a diversified portfolio of PennantPark CLO IV, LLC., a wholly-owned and consolidated subsidiary of PSLF, consisting primarily of middle market loans and participation interests in middle market loans. The 2034 Asset-Backed Debt is scheduled to mature in April 2034. On the closing date of the transaction, in consideration of PSLF's transfer to PennantPark CLO IV, LLC. of the initial closing date loan portfolio, which included loans distributed to PSLF by certain of its wholly owned subsidiaries and us, PennantPark CLO IV, LLC. transferred to PSLF 100% of the Preferred Shares of PennantPark CLO IV, LLC. and 100% of the Subordinated Notes issued by PennantPark CLO IV, LLC.

Below is a summary of PSLF's portfolio at fair value:



**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) - (Continued)**  
**June 30, 2022**

(\$ in thousands)	<u>June 30, 2022</u>	<u>September 30, 2021</u>
Total investments	\$ 608,375	\$ 405,233
Weighted average cost yield on income producing investments	7.9 %	7.1 %
Number of portfolio companies in PSLF	72	47
Largest portfolio company investment	\$ 17,897	\$ 16,817
Total of five largest portfolio company investments	\$ 87,170	\$ 74,445

Below is a listing of PSLF's individual investments as of June 30, 2022 (\$ in thousands, except share data)

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) - (Continued)**  
**June 30, 2022**

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index <sup>(1)</sup>	Par	Cost	Fair Value <sup>(2)</sup>
<b>First Lien Secured Debt - 693.3%</b>							
Ad.net Acquisition, LLC	5/6/2026	Media	8.25 %	3M L+600	4,950	\$ 4,950	\$ 4,950
Alpine Acquisition Corp II	11/30/2026	Containers, Packaging and Glass	7.22 %	3M L+800	10,000	9,806	9,800
Altamira Technologies, LLC	7/24/2025	Aerospace and Defense	9.24 %	3M L+550	884	876	842
American Insulated Glass, LLC	12/21/2023	Building Materials	6.50 %	3M L+575	17,463	17,417	17,463
Amsive Holding Corporation (f/k/a Vision Purchaser Corporation)	6/10/2025	Media	7.75 %	1M L+550	13,905	13,757	13,835
Any Hour Services	7/21/2027	Personal, Food and Miscellaneous Services	6.75 %	—	9,978	9,969	9,878
Apex Service Partners, LLC	7/31/2025	Personal, Food and Miscellaneous Services	6.25 %	3M L+575	6,569	6,498	6,536
Apex Service Partners, LLC Term Loan B	7/31/2025	Personal, Food and Miscellaneous Services	6.55 %	3M L+550	3,323	3,296	3,307
Apex Service Partners, LLC - Term Loan C	7/31/2025	Personal, Food and Miscellaneous Services	6.50 %	3M L+600	7,607	7,607	7,569
Applied Technical Services, LLC	12/29/2026	Environmental Services	8.00 %	3M L+500	7,388	7,296	7,295
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distribution	7.20 %	3M L+600	18,078	17,829	17,897
CF512, Inc.	8/20/2026	Media	7.58 %	3M L+575	2,992	2,964	2,948
Connatix Buyer, Inc.	7/13/2027	Media	6.91 %	1M L+550	9,190	9,236	9,029
Crash Champions, LLC	8/5/2025	Auto Sector	6.83 %	3M L+750	15,940	15,637	15,860
Dr. Squatch, LLC	8/31/2027	Personal and Non-Durable Consumer Products	8.00 %	3M L+475	6,452	6,445	6,452
DRS Holdings III, Inc.	11/3/2025	Consumer Products	7.42 %	3M L+600	15,182	15,099	14,742
Duraco Specialty Tapes LLC	6/30/2024	Manufacturing / Basic Industries	6.87 %	3M L+575	8,200	8,049	8,028
ECL Entertainment, LLC	5/1/2028	Hotels, Motels, Inns and Gaming	9.75 %	3M L+500	4,569	4,569	4,452
ECM Industries, LLC	12/23/2025	Electronics	6.32 %	3M L+600	2,823	2,757	2,766
Exigo Intermediate II, LLC	3/15/2027	Business Services	6.81 %	1M L+575	10,000	9,863	9,850
Global Holdings InterCo LLC	3/16/2026	Banking, Finance, Insurance & Real Estate	7.00 %	3M L+600	7,380	7,350	7,159
Graffiti Buyer, Inc.	8/10/2027	Distribution	8.00 %	3M L+550	1,979	1,943	1,925
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	7.09 %	1M L+575	6,838	6,838	6,770
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	7.00 %	1M L+800	13,990	13,720	13,710
HW Holdco, LLC	12/10/2024	Media	6.00 %	3M L+700	14,475	14,325	14,186
IDC Infusion Services, Inc.	12/30/2026	Healthcare, Education and Childcare	7.00 %	3M L+750	9,975	9,791	9,875
IG Investments Holdings, LLC	9/22/2028	Business Services	8.02 %	1M L+575	4,484	4,397	4,417
Imagine Acquisitionco, LLC	11/15/2027	Business Services	6.91 %	3M L+625	5,660	5,554	5,490
Inception Fertility Ventures, LLC	12/7/2023	Healthcare, Education and Childcare	9.08 %	3M L+550	17,409	16,979	16,973
Infolinks Media Buyco, LLC	11/1/2026	Media	8.00 %	1M L+550	6,461	6,461	6,461
Integrity Marketing Acquisition, LLC	8/27/2025	Insurance	7.83 %	3M L+575	17,490	17,412	17,322
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	9.67 %	3M L+550	14,475	14,333	14,345
LAV Gear Holdings, Inc.	10/31/2024	Leisure, Amusement, Motion Pictures, Entertainment	8.50 %	3M L+500	2,137	2,127	2,081
Lash OpCo, LLC	2/18/2027	Consumer Products	9.25 %	1M L+650	9,950	9,824	9,850
Lightspeed Buyer Inc.	2/3/2026	Healthcare, Education and Childcare	7.42 %	3M L+475	12,377	12,137	12,129
MAG DS Corp.	4/1/2027	Aerospace and Defense	7.75 %	3M L+550	5,585	5,124	5,083
Mars Acquisition Holdings Corp.	5/14/2026	Media	7.17 %	1M L+625	7,940	7,880	7,861
MBS Holdings, Inc.	4/16/2027	Telecommunications	6.75 %	3M L+575	7,425	7,343	7,351
Meadowlark Acquirer, LLC	12/10/2027	Business Services	6.84 %	3M L+575	2,998	2,938	2,923
MeritDirect, LLC	5/23/2024	Media	7.75 %	3M L+600	15,371	15,276	15,294
Municipal Emergency Services, Inc.	9/28/2027	Distribution	7.25 %	3M L+550	4,164	4,099	4,006
NBH Group LLC	8/19/2026	Healthcare, Education and Childcare	6.37 %	3M L+575	7,524	7,442	7,486
OJS Management Services, LLC	7/9/2026	Healthcare, Education and Childcare	5.61 %	3M L+600	5,316	5,266	5,236
Owl Acquisition, LLC	2/4/2028	Education	6.75 %	3M L+550	4,000	3,925	3,880
Ox Two, LLC (New Issue)	5/18/2026	Distribution	8.00 %	1M L+650	4,987	4,933	4,888
PL Acquisitionco, LLC	11/9/2027	Retail	8.17 %	1M L+575	8,656	8,506	8,505
PlayPower, Inc.	5/8/2026	Consumer Products	7.75 %	1M L+525	2,587	2,489	2,244
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	7.25 %	1M L+600	3,429	3,365	3,361
Radius Aerospace, Inc.	3/31/2025	Aerospace and Defense	6.76 %	3M L+600	12,784	12,676	12,592
Rancho Health MSO, Inc.	12/18/2025	Healthcare, Education and Childcare	6.75 %	1M L+450	5,207	5,207	5,207
Reception Purchaser, LLC	2/28/2028	Transportation	8.20 %	SOFR+600	4,988	4,915	4,788
Recteq, LLC	1/29/2026	Consumer Products	8.25 %	3M L+700	9,875	9,736	9,628
Research Now Group, LLC and Dynata, LLC	12/20/2024	Business Services	6.50 %	1M L+550	14,580	14,468	13,705
Riverpoint Medical, LLC	6/20/2025	Healthcare, Education and Childcare	6.75 %	3M L+525	3,229	3,207	3,149
Riverside Assessments, LLC	3/10/2025	Education	8.45 %	1M L+575	10,000	9,920	9,800
Sales Benchmark Index LLC	1/3/2025	Business Services	8.25 %	3M L+625	7,225	7,134	7,225
Sargent & Greenleaf Inc.	12/20/2024	Electronics	7.15 %	3M L+550	5,082	5,082	5,031
Signature Systems Holding Company	5/3/2024	Chemicals, Plastics and Rubber	8.75 %	1M L+450	12,139	12,058	12,078
Solutionreach, Inc.	1/17/2024	Communications	7.42 %	6M L+675	11,420	11,380	10,986
STV Group Incorporated	12/11/2026	Transportation	6.92 %	3M L+575	12,099	12,029	11,917
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	8.83 %	SOFR+600	9,962	9,704	9,803
TAC LifePort Purchaser, LLC	3/1/2026	Aerospace and Defense	7.00 %	3M L+600	4,439	4,439	4,421
TeleGuam Holdings, LLC	11/20/2025	Telecommunications	8.25 %	3M L+450	4,553	4,532	4,553
Teneo Holdings LLC	7/18/2025	Financial Services	6.31 %	3M L+525	2,974	2,960	2,914
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	8.12 %	3M L+600	11,293	11,180	11,180
The Bluebird Group LLC	7/27/2026	Business Services	8.75 %	3M L+650	5,549	5,599	5,605
The Vertex Companies, LLC	8/30/2027	Business Services	7.17 %	3M L+550	4,543	4,495	4,461
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Food	6.50 %	3M L+525	5,550	5,398	5,384
TVC Enterprises, LLC	3/26/2026	Transportation	7.67 %	3M L+600	17,424	17,282	17,076
TWS Acquisition Corporation	6/16/2025	Education	8.76 %	3M L+625	7,949	7,914	7,910
Tyto Athene, LLC	4/3/2028	Aerospace and Defense	6.47 %	3M L+550	12,125	11,997	11,470
UBEO, LLC	4/3/2024	Printing and Publishing	6.75 %	3M L+450	4,674	4,655	4,581
Wildcat Buyerco, Inc.	2/27/2026	Electronics	6.75 %	SOFR+575	11,562	11,471	11,252
Zips Car Wash, LLC	3/1/2024	Business Services	7.75 %	3M L+725	7,498	7,373	7,348
<b>Total First Lien Secured Debt</b>						<b>612,509</b>	<b>608,375</b>
<b>Total Investments - 693.3%</b>							
<b>Cash and Cash Equivalents - 61.2%</b>							
BlackRock Federal FD Institutional 30						53,690	53,690
<b>Total Cash and Cash Equivalents</b>						<b>53,690</b>	<b>53,690</b>
<b>Total Investments and Cash Equivalents - 754.4%</b>						<b>\$ 666,200</b>	<b>\$ 662,065</b>
<b>Liabilities in Excess of Other Assets — (654.4)%</b>							<b>(574,309)</b>
<b>Members' Equity—100.0%</b>							<b>\$ 87,756</b>

<sup>(1)</sup> Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR or "L", Secured Overnight Financing Rate or "SOFR" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
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180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.

(2) Valued based on PSLF's accounting policy.

Below is a listing of PSLF's individual investments as of September 30, 2021 (\$ in thousands, except share data):

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index <sup>(1)</sup>	Par	Cost	Fair Value <sup>(2)</sup>
<b>First Lien Secured Debt - 570.7%</b>							
Ad.net Acquisition, LLC	05/06/26	Media	7.00%	3M L + 600	\$ 4,988	\$ 4,920	\$ 4,913
Altamira Technologies, LLC	07/24/25	Aerospace and Defense	8.00%	3M L+700	921	912	864
American Insulated Glass, LLC	12/21/23	Building Materials	6.50%	3M L+550	14,625	14,481	14,479
Any Hour Services	07/21/27	Personal, Food and Miscellaneous Services	6.75%	1M L+525	6,500	6,378	6,370
Apex Service Partners, LLC	07/31/25	Personal, Food and Miscellaneous Services	6.25%	1M L+550	6,569	6,518	6,504
Apex Service Partners, LLC Term Loan B	07/31/25	Personal, Food and Miscellaneous Services	6.55%	—	3,347	3,313	3,313
Applied Technical Services, LLC	12/29/26	Environmental Services	6.75%	3M L+575	7,444	7,336	7,295
Bottom Line Systems, LLC	02/13/23	Healthcare, Education and Childcare	6.25%	1M L+550	13,729	13,674	13,729
Crash Champions, LLC	08/05/25	Auto Sector	6.00%	1M L+525	5,985	5,873	5,865
DRS Holdings III, Inc.	11/03/25	Consumer Products	7.25%	1M L+625	13,428	13,335	13,334
ECL Entertainment, LLC	03/31/28	Hotels, Motels, Inns and Gaming	8.25%	3M L+750	4,604	4,560	4,707
ECM Industries, LLC	12/23/25	Electronics	5.50%	3M L+450	2,827	2,805	2,770
Global Holdings InterCo LLC	03/16/26	Banking, Finance, Insurance & Real Estate	7.00%	3M L+600	7,463	7,360	7,425
Hancock Roofing and Construction L.L.C.	12/31/26	Insurance	6.00%	3M L+500	5,955	5,819	5,895
Holdco Sands Intermediate, LLC	12/19/25	Aerospace and Defense	7.50%	3M L+600	12,071	11,934	12,010
HW Holdco, LLC	12/10/24	Media	5.50%	3M L+450	14,588	14,499	14,442
IMIA Holdings, Inc.	04/09/27	Aerospace and Defense	6.75%	3M L+600	9,059	8,890	8,878
Integrity Marketing Acquisition, LLC	08/27/25	Insurance	6.50%	3M L+550	7,868	7,803	7,829
Juniper Landscaping of Florida, LLC	12/22/21	Personal, Food and Miscellaneous Services	6.50%	3M L+550	9,420	9,420	9,420
K2 Pure Solutions NoCal, L.P.	12/20/23	Chemicals, Plastics and Rubber	8.00%	1M L+700	14,588	14,479	14,199
LAV Gear Holdings, Inc.	10/31/24	Leisure, Amusement, Motion Pictures, Entertainment	8.50%	3M L+750	2,120	2,107	1,987
Lightspeed Buyer Inc.	02/03/26	Healthcare, Education and Childcare	6.75%	1M L+550	12,472	12,273	12,472
Lombart Brothers, Inc.	04/13/23	Healthcare, Education and Childcare	7.25%	1M L+825	16,817	16,729	16,817
MAG DS Corp.	04/01/27	Aerospace and Defense	6.50%	1M L+550	5,837	5,581	5,253
Mars Acquisition Holdings Corp.	05/14/26	Media	6.50%	1M L+575	8,000	7,852	7,920
MBS Holdings, Inc.	04/16/27	Telecommunications	6.75%	3M L+550	7,481	7,338	7,332
MeritDirect, LLC	05/23/24	Media	6.50%	3M L+550	13,386	13,272	13,252
PlayPower, Inc.	05/08/26	Consumer Products	5.65%	3M L+575	3,805	3,778	3,736
Radius Aerospace, Inc.	03/31/25	Aerospace and Defense	6.75%	3M L+600	13,335	13,202	13,068
Rancho Health MSO, Inc.	12/18/25	Healthcare, Education and Childcare	6.75%	3M L+550	5,232	5,140	5,232
Recteq, LLC	01/29/26	Consumer Products	7.00%	3M L+450	9,950	9,775	9,851
Research Now Group, LLC and Dynata, LLC	12/20/24	Business Services	6.50%	3M L+600	14,695	14,602	14,508
Riverpoint Medical, LLC	06/20/25	Healthcare, Education and Childcare	5.50%	1M L+550	3,246	3,217	3,206
Sales Benchmark Index LLC	01/03/25	Business Services	7.75%	3M L+750	7,632	7,526	7,442
Sargent & Greenleaf Inc.	12/20/24	Electronics	7.00%	3M L+575	5,232	5,181	5,232
Signature Systems Holding Company	05/03/24	Chemicals, Plastics and Rubber	8.50%	1M L+525	13,500	13,397	13,365
Solutionreach, Inc.	01/17/24	Communications	6.75%	1M L+600	11,882	11,758	11,882
STV Group Incorporated	12/11/26	Transportation	5.33%	1M L+450	12,099	12,003	12,038
TAC LifePort Purchaser, LLC	03/01/26	Aerospace and Defense	7.00%	1M L+525	4,967	4,891	4,966
TeleGuam Holdings, LLC	11/20/25	Telecommunications	5.50%	3M L+525	4,593	4,558	4,547
Teneo Holdings LLC	07/18/25	Financial Services	6.25%	1M L+575	2,997	2,884	2,981
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/25	Food	6.25%	1M L+625	5,593	5,537	5,425
TVC Enterprises, LLC	03/26/26	Transportation	6.75%	3M L+550	12,773	12,643	12,773
TWS Acquisition Corporation	06/16/25	Education	7.25%	3M L+450	9,648	9,515	9,648
Tyto Athene, LLC	04/03/28	Aerospace and Defense	6.25%	1M L+675	9,950	9,853	9,950
UBEO, LLC	04/03/24	Printing and Publishing	5.50%	1M L+500	4,710	4,676	4,687
Vision Purchaser Corporation	06/10/25	Media	7.75%	3M L+675	14,249	14,056	14,035
Wildcat Buyerco, Inc.	02/27/26	Electronics	6.00%	3M L+500	7,425	7,360	7,388
<b>Total First Lien Secured Debt</b>					<b>409,602</b>	<b>405,009</b>	<b>405,232</b>
<b>Cash and Cash Equivalents—18.9%</b>							
BlackRock Federal FD Institutional 30						11,013	11,013
US Bank Cash						—	—
<b>Total Cash and Cash Equivalents</b>						<b>11,013</b>	<b>11,013</b>
<b>Total Investments and Cash Equivalents—592.7%</b>						<b>\$ 416,023</b>	<b>\$ 416,246</b>
<b>Liabilities in Excess of Other Assets—(492.7)%</b>							<b>(348,213)</b>
<b>Members' Equity—100.0%</b>							<b>\$ 68,032</b>

(1) Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR or "L" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.

(2) Valued based on PSLF's accounting policy.

Below are the consolidated statements of assets and liabilities for PSLF (\$ in thousands):

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**June 30, 2022**

	<u>June 30, 2022</u> <u>(Unaudited)</u>	<u>September 30, 2021</u>
<b>Assets</b>		
Investments at fair value (cost—\$612,509 and \$405,009, respectively)	\$ 608,375	\$ 405,233
Cash and cash equivalents (cost—\$53,690 and \$11,013, respectively)	53,690	11,013
Interest receivable	1,708	1,175
Prepaid expenses and other assets	842	—
<b>Total assets</b>	<u>664,615</u>	<u>417,421</u>
<b>Liabilities</b>		
Distribution payable to Members	4,000	2,800
Payable for investments purchased	67,265	12,793
Credit facility payable	110,900	224,000
2034 Asset-backed debt, net (par—\$246,000)	243,799	—
Notes payable to members	145,472	106,041
Interest payable on credit facility	2,718	1,499
Interest payable on notes to members	2,080	1,644
Accrued other expenses	625	612
<b>Total liabilities</b>	<u>576,859</u>	<u>349,389</u>
<b>Members' equity</b>	<u>87,756</u>	<u>68,032</u>
<b>Total liabilities and members' equity</b>	<u>\$ 664,615</u>	<u>\$ 417,421</u>

<sup>(1)</sup> As of June 30, 2022 and September 30, 2021, PSLF did not have any unfunded commitments to fund investments.

Below are the consolidated statements of operations for PSLF (\$ in thousands):

	<u>Three Months Ended June 30,</u>		<u>Nine Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Investment income:</b>				
Interest	\$ 8,491	\$ 7,101	\$ 23,759	\$ 20,359
Other income	18	1,081	160	1,808
<b>Total investment income</b>	<u>8,509</u>	<u>8,182</u>	<u>23,919</u>	<u>22,167</u>
<b>Expenses:</b>				
Interest expense on credit facility and asset-backed debt	2,183	1,505	5,838	4,755
Interest expense on notes to members	2,992	2,410	7,861	7,094
Administrative services expenses	293	293	879	879
Other general and administrative expenses	112	112	335	335
<b>Total expenses</b>	<u>5,580</u>	<u>4,320</u>	<u>14,913</u>	<u>13,063</u>
<b>Net investment income</b>	<u>2,929</u>	<u>3,862</u>	<u>9,006</u>	<u>9,104</u>
<b>Realized and unrealized (loss) gain on investments and credit facility foreign currency translations:</b>				
Net realized gain on investments	120	—	506	464
Net change in unrealized (depreciation) appreciation on:				
Investments	(3,630)	92	(4,357)	4,546
<b>Net change in unrealized (depreciation) appreciation on investments</b>	<u>(3,630)</u>	<u>92</u>	<u>(4,357)</u>	<u>4,546</u>
<b>Net realized and unrealized (loss) gain from investments</b>	<u>(3,510)</u>	<u>92</u>	<u>(3,851)</u>	<u>5,010</u>
<b>Net increase in members' equity resulting from operations</b>	<u>\$ (581)</u>	<u>\$ 3,954</u>	<u>\$ 5,155</u>	<u>\$ 14,114</u>

<sup>(1)</sup> No management or incentive fees are payable by PSLF.

## 5. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value, as defined under ASC 820, is the price that we would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment or liability. ASC 820 emphasizes that valuation techniques maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of us. Unobservable inputs reflect the assumptions market participants would use in pricing an asset or liability based on the best information available to us on the reporting period date.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchies:

- Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities, accessible by us at the measurement date.
- Level 2: Inputs that are quoted prices for similar assets or liabilities in active markets, or that are quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term, if applicable, of the financial instrument.
- Level 3: Inputs that are unobservable for an asset or liability because they are based on our own assumptions about how market participants would price the asset or liability.

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A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Generally, most of our investments, our Credit Facility and our SBA debentures are classified as Level 3. Our 2024 Notes are classified as Level 1 and our 2026 Notes and 2026 Notes-2 are classified as Level 2, as they are financial instruments with readily observable market inputs. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and those differences may be material.

The inputs into the determination of fair value may require significant management judgment or estimation. Even if observable market data is available, such information may be the result of consensus pricing information, disorderly transactions 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 disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence were available. Corroborating evidence that would result in classifying these non-binding broker/dealer bids as a Level 2 asset includes observable orderly market-based transactions for the same or similar assets or other relevant observable market-based inputs that may be used in pricing an asset.

Our investments are generally structured as debt and equity investments in the form of first lien secured debt, second lien secured debt, subordinated debt and equity investments. The transaction price, excluding transaction costs, is typically the best estimate of fair value at inception. Ongoing reviews by our Investment Adviser and independent valuation firms are based on an assessment of each underlying investment, incorporating valuations that consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information including comparable transactions, performance multiples and yields, among other factors. These non-public investments valued using unobservable inputs are included in Level 3 of the fair value hierarchy.

A review of fair value hierarchy classifications is conducted on a quarterly basis. Changes in our ability to observe valuation inputs may result in a reclassification for certain financial assets or liabilities.

In addition to using the above inputs to value cash equivalents, investments, our SBA debentures, our 2024 Notes, our 2026 Notes, our 2026 Notes -2 and our Credit Facility, we employ the valuation policy approved by our board of directors that is consistent with ASC 820. Consistent with our valuation policy, we evaluate the source of inputs, including any markets in which our investments are trading, in determining fair value. See Note 2.

As outlined in the table below, some of our Level 3 investments using a market approach valuation technique are valued using the average of the bids from brokers or dealers. The bids include a disclaimer, may not have corroborating evidence, may be the result of a disorderly transaction and may be the result of consensus pricing. The Investment Adviser assesses the source and reliability of bids from brokers or dealers. If the board of directors has a bona fide reason to believe any such bids do not reflect the fair value of an investment, it may independently value such investment by using the valuation procedure that it uses with respect to assets for which market quotations are not readily available. In accordance with ASC 820, we do not categorize any investments for which fair value is measured using the net asset value per share within the fair value hierarchy.

The remainder of our investment portfolio and our long-term Credit Facility are valued using a market comparable or an enterprise market value technique. With respect to investments for which there is no readily available market value, the factors that our board of directors may take into account in pricing our investments at fair value include, as relevant, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flow, the markets in which the portfolio company does business, comparison to publicly traded securities and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the pricing indicated by the external event, excluding transaction costs, is used to corroborate the valuation. When using earnings multiples to value a portfolio company, the multiple used requires the use of judgment and estimates in determining how a market participant would price such an asset. These non-public investments using unobservable inputs are included in Level 3 of the fair value hierarchy. Generally, the sensitivity of unobservable inputs or combination of inputs such as industry comparable companies, market outlook, consistency, discount rates and reliability of earnings and prospects for growth, or lack thereof, affects the multiple used in pricing an investment. As a result, any change in any one of those factors may have a significant impact on the valuation of an investment. Generally, an increase in a market yield will result in a decrease in the valuation of a debt investment, while a decrease in a market yield will have the opposite effect. Generally, an increase in an earnings before interest, taxes, depreciation and amortization, or EBITDA, multiple will result in an increase in the valuation of an investment, while a decrease in an EBITDA multiple will have the opposite effect.

Our Level 3 valuation techniques, unobservable inputs and ranges were categorized as follows for ASC 820 purposes:

<b>Asset Category (\$ in thousands)</b>	<b>Fair value at June 30, 2022</b>	<b>Valuation Technique</b>	<b>Unobservable Input</b>	<b>Range of Input (Weighted Average)<sup>(1)</sup></b>
First lien	\$ 51,492	Market Comparable	Broker/Dealer bids or quotes	N/A
First lien	670,278	Market Comparable	Market yield	7.0% - 20.2% (10.3%)
Second lien	21,825	Market Comparable	Broker/Dealer bids or quotes	N/A
Second lien	101,318	Market Comparable	Market yield	9.2% - 14.1% (12.7%)
Second lien	6,563	Enterprise Market Value	EBITDA multiple	5.3x
Subordinated debt / corporate notes	121,161	Market Comparable	Market yield	9.3% - 13.2% (10.4%)
Equity	251,534	Enterprise Market Value	EBITDA multiple	3.4x - 21.5x (8.1x)
Equity	21,863	Enterprise Market Value	DLOM <sup>(2)</sup>	11.8%
<b>Total Level 3 investments</b>	<b>\$ 1,246,034</b>			
<b>Debt Category (\$ in thousands)</b>				
Trust Credit Facility	\$ 412,005	Market Comparable	Market yield	2.9%

(1) The weighted averages disclosed in the table above were weighted by their relative fair value.

(2) DLOM is defined as discount for lack of marketability.

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Asset Category (\$ in thousands)	Fair value at September 30, 2021	Valuation Technique	Unobservable Input	Range of Input (Weighted Average) <sup>(1)</sup>
First lien	\$ 90,266	Market Comparable	Broker/Dealer bids or quotes	N/A
First lien	462,264	Market Comparable	Market yield	6.1% – 13.1% (8.1%)
Second lien	39,298	Market Comparable	Broker/Dealer bids or quotes	N/A
Second lien	126,509	Market Comparable	Market yield	10.3% – 11.5% (10.7%)
Second lien	11,087	Enterprise Market Value	EBITDA multiple	5.4x
Subordinated debt / corporate notes	121,170	Market Comparable	Market yield	9.6% – 17.1% (12.5%)
Equity	278,486	Enterprise Market Value	EBITDA multiple	2.6x – 18.5x (8.5x)
Equity	60,808	Enterprise Market Value	DLOM <sup>(2)</sup>	9.3%
Equity	21,133	Market Comparable	Market yield	20.4%
Total Level 3 investments	<u>\$ 1,211,021</u>			
<b>Debt Category (\$ in thousands)</b>				
Truist Credit Facility	<u>\$ 314,813</u>	Market Comparable	Market yield	2.4%

1. The weighted averages disclosed in the table above were weighted by their relative fair value.  
2. DLOM is defined as discount for lack of marketability.

Our investments, cash and cash equivalents, Truist Credit Facility, SBA debentures, 2024 Notes, 2026 Notes and 2026 Notes-2 were categorized as follows in the fair value hierarchy:

Description (\$ in thousands)	Fair Value at June 30, 2022					Measured at Net Asset Value <sup>(1)</sup>
	Fair Value	Level 1	Level 2	Level 3	Level 3	
Debt investments	\$ 972,637	\$ —	\$ —	\$ 972,637	\$ —	\$ —
Equity investments	342,191	338	—	273,397	—	68,456
Total investments	1,314,828	338	—	1,246,034	—	68,456
Cash and cash equivalents	29,547	29,547	—	—	—	—
Total investments and cash and cash equivalents	<u>\$ 1,344,375</u>	<u>\$ 29,885</u>	<u>\$ —</u>	<u>\$ 1,246,034</u>	<u>\$ —</u>	<u>\$ 68,456</u>
Truist Credit Facility	\$ 412,005	\$ —	\$ —	\$ 412,005	\$ —	\$ —
SBA Debentures <sup>(2)</sup>	27,046	—	—	27,046	—	—
2026 Notes <sup>(2)</sup>	146,542	—	146,542	—	—	—
2026 Notes-2 <sup>(2)</sup>	161,159	—	161,159	—	—	—
Total debt	<u>\$ 746,752</u>	<u>\$ —</u>	<u>\$ 307,701</u>	<u>\$ 439,051</u>	<u>\$ —</u>	<u>\$ —</u>

(1) In accordance with ASC Subtopic 820-10, Fair Value Measurements and Disclosures, or ASC 820-10, our equity investment in PSLF and PTFS II are measured using the net asset value per share (or its equivalent) as a practical expedient for fair value, and thus has not been classified in the fair value hierarchy.  
(2) We elected not to apply ASC 825-10 to the SBA debentures, the 2026 Notes and the 2026 Notes-2, and thus the balance reported in the Consolidated Statement of Assets and Liabilities represents the carrying value. As of June 30, 2022, the carrying value of the SBA debentures approximates the fair value.

Description (\$ in thousands)	Fair Value at September 30, 2021					Measured at Net Asset Value <sup>(1)</sup>
	Fair Value	Level 1	Level 2	Level 3	Level 3	
Debt investments	\$ 850,593	\$ —	\$ —	\$ 850,593	\$ —	\$ —
Equity investments	404,697	3,109	—	360,428	—	41,160
Total investments	1,255,290	3,110	—	1,211,021	—	41,160
Cash and cash equivalents	20,357	20,357	—	—	—	—
Total investments and cash and cash equivalents	<u>\$ 1,275,647</u>	<u>\$ 23,467</u>	<u>\$ —</u>	<u>\$ 1,211,021</u>	<u>\$ —</u>	<u>\$ 41,160</u>
Truist Credit Facility	\$ 314,813	\$ —	\$ —	\$ 314,813	\$ —	\$ —
SBA Debentures <sup>(2)</sup>	62,159	—	—	62,159	—	—
2024 Notes <sup>(2)</sup>	84,503	84,503	—	—	—	—
2026 Notes <sup>(2)</sup>	145,865	—	145,865	—	—	—
Total debt	<u>\$ 607,340</u>	<u>\$ 84,503</u>	<u>\$ 145,865</u>	<u>\$ 376,972</u>	<u>\$ —</u>	<u>\$ —</u>

(1) In accordance with ASC Subtopic 820-10, Fair Value Measurements and Disclosures, or ASC 820-10, our equity investment in PSLF is measured using the net asset value per share (or its equivalent) as a practical expedient for fair value, and thus has not been classified in the fair value hierarchy.  
(2) We elected not to apply ASC 825-10 to the SBA debentures or the 2024 Notes and the 2026 Notes and thus the balance reported in the Consolidated Statement of Assets and Liabilities represents the carrying value. As of September 30, 2021, the carrying value of the SBA debentures approximates the fair value.

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The tables below show a reconciliation of the beginning and ending balances for investments measured at fair value using significant unobservable inputs (Level 3):

Description (\$ in thousands)	Nine Months Ended June 30, 2022		
	Debt investments	Equity investments	Totals
Beginning Balance	\$ 850,593	\$ 360,428	\$ 1,211,021
Net realized (loss) gain	(10,046)	92,381	82,335
Net change in unrealized appreciation	(18,198)	(77,122)	(95,320)
Purchases, PIK interest, net discount accretion and non-cash exchanges	746,389	73,925	820,314
Sales, repayments and non-cash exchanges	(596,101)	(176,215)	(772,316)
Transfers in/out of Level 3	—	—	—
Ending Balance	<u>\$ 972,637</u>	<u>\$ 273,397</u>	<u>\$ 1,246,034</u>
Net change in unrealized appreciation reported within the net change in unrealized appreciation on investments in our Consolidated Statements of Operations attributable to our Level 3 assets still held at the reporting date	<u>\$ (13,953,543)</u>	<u>\$ (77,771,348)</u>	<u>\$ (91,724,891)</u>

Description (\$ in thousands)	Nine Months Ended June 30, 2021		
	Debt investments	Equity investments	Totals
Beginning Balance	\$ 773,426	\$ 270,754	\$ 1,044,180
Net realized gain (loss)	(7,474)	31,837	24,363
Net change in unrealized depreciation	31,261	74,168	105,429
Purchases, PIK interest, net discount accretion and non-cash exchanges	313,041	37,058	350,099
Sales, repayments and non-cash exchanges	(358,632)	(60,427)	(419,059)
Transfers in/out of Level 3	—	—	—
Ending Balance	<u>\$ 751,622</u>	<u>\$ 353,390</u>	<u>\$ 1,105,012</u>
Net change in unrealized depreciation reported within the net change in unrealized depreciation on investments in our Consolidated Statements of Operations attributable to our Level 3 assets still held at the reporting date	<u>\$ 29,987</u>	<u>\$ 67,653</u>	<u>\$ 97,640</u>

The table below shows a reconciliation of the beginning and ending balances for liabilities measured at fair value using significant unobservable inputs (Level 3):

Long-Term Credit Facility	Nine months ended June 30,	
	2022	2021
Beginning Balance (cost – \$316,545 and \$380,252, respectively)	\$ 314,813	\$ 360,702
Net change in unrealized (depreciation) appreciation included in earnings	(9,183)	18,494
Borrowings <sup>(1)</sup>	815,841	148,312
Repayments <sup>(1)</sup>	(709,466)	(314,019)
Transfers in and/or out of Level 3	—	—
Ending Balance (cost – \$422,920 and \$214,545, respectively)	<u>\$ 412,005</u>	<u>\$ 213,489</u>
Temporary draws outstanding, at cost	—	—
Ending Balance (cost – \$422,920 and \$214,545, respectively)	<u>\$ 412,005</u>	<u>\$ 213,489</u>

<sup>(1)</sup> Excludes temporary draws.

As of June 30, 2022, we had outstanding non-U.S. dollar borrowings on our Credit Facility. Net change in fair value on foreign currency translation on outstanding borrowings is listed below (\$ in thousands):

Foreign Currency	Amount Borrowed	Borrowing Cost	Current Value	Reset Date	Change in Fair Value
British Pound	£ 36,000	\$ 43,812	\$ 49,512	September 30, 2022	\$ 5,700

As of September 30, 2021, we had outstanding non-U.S. dollar borrowings on our Truist Credit Facility. Net change in fair value on foreign currency translation on outstanding borrowings is listed below (\$ in thousands):

Foreign Currency	Amount Borrowed	Borrowing Cost	Current Value	Reset Date	Change in Fair Value
British Pound	£ 29,000	\$ 40,045	\$ 39,102	December 17, 2021	\$ (943)

Generally, the carrying value of our consolidated financial liabilities approximates fair value. We have adopted the principles under ASC 825-10, which provides companies with an option to report selected financial assets and liabilities at fair value, and made an irrevocable election to apply ASC 825-10 to our Credit Facility. We elected to use the fair value option for the Credit Facility to align the measurement attributes of both our assets and liabilities while mitigating volatility in earnings from using different measurement attributes. Due to that election and in accordance with GAAP, we did not incur any expenses relating to amendment costs on the Credit Facility during the three and nine months ended June 30, 2022 and 2021. ASC 825-10 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and to more easily understand the effect on earnings of a company's choice to use fair value. ASC 825-10 also requires us to display the fair value of the selected assets and liabilities on the face of the Consolidated Statements of Assets and Liabilities and changes in fair value of the Credit Facility is reported in our Consolidated Statements of Operations. We did not elect to apply ASC 825-10 to any other financial assets or liabilities, including the 2024 Notes, the 2026 Notes, 2026 Notes-2, and the SBA debentures.

For the three and nine months ended June 30, 2022, the Credit Facility had a net change in unrealized depreciation of \$8.9 million and \$9.2 million, respectively. For the three and nine months ended June 30, 2021, the Credit Facility had a net change in unrealized appreciation of \$1.6 million and \$18.5 million, respectively. As of June 30,

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2022 and September 30, 2021, the net unrealized depreciation on the Credit Facility totaled \$10.9 million and \$1.7 million, respectively. We use a nationally recognized independent valuation service to measure the fair value of our Credit Facility in a manner consistent with the valuation process that our board of directors uses to value our investments.

**6. TRANSACTIONS WITH AFFILIATED COMPANIES**

An affiliated portfolio company is a company in which we have ownership of 5% or more of its voting securities. A portfolio company is generally presumed to be a non-controlled affiliate when we own at least 5% but less than 25% of its voting securities and a controlled affiliate when we own more than 25% of its voting securities. Transactions related to our funded investments with both controlled and non-controlled affiliates for the nine months ended June 30, 2022 were as follows:

Name of Investment	Fair Value at September 30, 2021	Gross Additions <sup>(1)</sup>	Gross Reductions	Net Change in Appreciation / (Depreciation)	Fair Value at June 30, 2022	Interest Income	PIK Income	Dividend Income	Net Realized Gains (Losses)
<b>Controlled Affiliates</b>									
AKW Holdings Limited	\$ 41,379	\$ 10,403	\$ —	\$ (4,217)	\$ 47,565	\$ 2,579	\$ —	\$ —	\$ —
Mailsouth Inc.	22,100	1,296	—	(16,833)	6,563	—	1,309	—	—
PennantPark Senior Loan Fund, LLC *	105,314	39,325	—	(3,536)	141,103	4,724	—	6,655	—
PT Networks, LLC	134,125	9,917	(234,974)	90,933	—	—	2,674	—	140,898
RAM Energy LLC	81,710	—	—	27,758	109,468	—	—	—	—
<b>Total Controlled Affiliates</b>	<b>\$ 384,628</b>	<b>\$ 60,941</b>	<b>\$ (234,974)</b>	<b>\$ 94,105</b>	<b>\$ 304,699</b>	<b>\$ 7,303</b>	<b>\$ 3,983</b>	<b>\$ 6,655</b>	<b>\$ 140,898</b>
<b>Non-Controlled Affiliates</b>									
Cascade Environmental Holdings, LLC <sup>(2)</sup>	\$ 64,292	\$ 34,201	\$ (61,168)	\$ (4,534)	\$ 32,791	\$ 1,361	\$ —	\$ —	\$ (28,208)
ETX Energy, LLC	—	—	(38,541)	38,541	—	—	—	—	(37,447)
MidOcean JF Holdings Corp.	50,161	—	—	(33,855)	16,306	—	—	—	—
<b>Total Non-Controlled Affiliates</b>	<b>\$ 114,453</b>	<b>\$ 34,201</b>	<b>\$ (99,709)</b>	<b>\$ 152</b>	<b>\$ 49,097</b>	<b>\$ 1,361</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (65,655)</b>
<b>Total Controlled and Non-Controlled Affiliates</b>	<b>\$ 499,081</b>	<b>\$ 95,142</b>	<b>\$ (334,683)</b>	<b>\$ 94,257</b>	<b>\$ 353,796</b>	<b>\$ 8,664</b>	<b>\$ 3,983</b>	<b>\$ 6,655</b>	<b>\$ 75,243</b>

<sup>(1)</sup> Includes PIK.

<sup>(2)</sup> Cascade Environmental Holdings, LLC became a controlled affiliate during the quarter ended June 30, 2022.

\* We and Pantheon are the members of PSLF, a joint venture formed as a Delaware limited liability company that is not consolidated by us for financial reporting purposes. The members of PSLF make investments in the PSLF in the form of subordinated debt and equity interests, and all portfolio and other material decisions regarding PSLF must be submitted to PSLF's four-person Member Designees' Committee, which is comprised of two members appointed by each of us and Pantheon. Because management of PSLF is shared equally between us and Pantheon, we do not believe we control PSLF for purposes of the 1940 Act or otherwise.

**7. CHANGE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE**

The following information sets forth the computation of basic and diluted per share net increase in net assets resulting from operations:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
Numerator for net increase (decrease) in net assets resulting from operations	\$ (18,481)	\$ 31,880	\$ 10,187	\$ 141,509
Denominator for basic and diluted weighted average shares	65,897,233	67,045,105	66,564,289	67,045,105
Basic and diluted net increase (decrease) in net assets per share resulting from operations	\$ (0.28)	\$ 0.48	\$ 0.15	\$ 2.11

**8. CASH AND CASH EQUIVALENTS**

Cash equivalents represent cash in money market funds pending investment in longer-term portfolio holdings. Our portfolio may consist of temporary investments in U.S. Treasury Bills (of varying maturities), repurchase agreements, money market funds or repurchase agreement-like treasury securities. These temporary investments with original maturities of 90 days or less are deemed cash equivalents and are included in the Consolidated Schedule of Investments. At the end of each fiscal quarter, we may take proactive steps to preserve investment flexibility for the next quarter by investing in cash equivalents, which is dependent upon the composition of our total assets at quarter-end. We may accomplish this in several ways, including purchasing U.S. Treasury Bills and closing out positions on a net cash basis after quarter-end, temporarily drawing down on the Credit Facility, or utilizing repurchase agreements or other balance sheet transactions as are deemed appropriate for this purpose. These amounts are excluded from average adjusted gross assets for purposes of computing the Investment Adviser's management fee. U.S. Treasury Bills with maturities greater than 60 days from the time of purchase are valued consistent with our valuation policy. As of June 30, 2022 and September 30, 2021, cash and cash equivalents consisted of money market funds in the amounts of \$29.5 million and \$20.4 million at fair value, respectively.



## 9. FINANCIAL HIGHLIGHTS

Below are the financial highlights (\$ in thousands, except share and per share data):

	Nine Months Ended June 30,	
	2022	2021
<b>Per Share Data:</b>		
Net asset value, beginning of period	\$ 9.85	\$ 7.84
Net investment income <sup>(1)</sup>	0.52	0.38
Net change in realized and unrealized (loss) gain <sup>(1)</sup>	(0.37)	1.73
Net increase in net assets resulting from operations <sup>(1)</sup>	0.15	2.11
Distributions to stockholders <sup>(1),(2)</sup>	(0.40)	(0.36)
Repurchase of common stock <sup>(1)</sup>	0.05	—
Net asset value, end of period	\$ 9.65	\$ 9.59
Per share market value, end of period	\$ 6.18	\$ 6.68
Total return <sup>(3)</sup>	0.88 %	123.38 %
Shares outstanding at end of period	65,413,942	67,045,105
<b>Ratios** / Supplemental Data:</b>		
Ratio of operating expenses to average net assets <sup>(4)</sup>	4.27 %	3.71 %
Ratio of debt related expenses to average net assets <sup>(5)</sup>	4.06 %	3.80 %
Ratio of total expenses to average net assets <sup>(5)</sup>	8.33 %	7.51 %
Ratio of net investment income to average net assets <sup>(5)</sup>	7.02 %	5.70 %
Net assets at end of period	\$ 631,510	\$ 643,081
Weighted average debt outstanding	\$ 676,738	\$ 649,965
Weighted average debt per share <sup>(1)</sup>	\$ 10.17	\$ 9.69
Asset coverage per unit <sup>(6)</sup>	\$ 1,871	\$ 2,424
Portfolio turnover ratio	56.91 %	32.92 %

\* Not annualized for periods less than one year.

\*\* Annualized for periods less than one year.

(1) Based on the weighted average shares outstanding for the respective periods.

(2) The tax status of distributions is calculated in accordance with income tax regulations, which may differ from amounts determined under GAAP, and reported on Form 1099-DIV each calendar year.

(3) Based on the change in market price per share during the periods and assumes distributions, if any, are reinvested.

(4) Excludes debt-related costs.

(5) Includes interest and expenses on debt (annualized) as well as Credit Facility amendment, debt issuance costs and excludes debt extinguishment cost, if any, (not annualized).

(6) Includes SBA debentures outstanding.

(7) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by the senior securities representing indebtedness at par (changed from fair value). This asset coverage ratio is multiplied by \$1,000 to determine the asset coverage per unit. These amounts exclude SBA debentures from our asset coverage per unit computation pursuant to exemptive relief received from the SEC in June 2011.

## 10. DEBT

The annualized weighted average cost of debt for the nine months ended June 30, 2022 and 2021, inclusive of the fee on the undrawn commitment under the Truist Credit Facility and amortized upfront fees on SBA debentures, 2024 Notes, 2026 Notes and 2026 Notes-2, was 4.0% and 3.5%, respectively. As of June 30, 2022, in accordance with the 1940 Act, with certain limited exceptions, we were only allowed to borrow amounts such that we are in compliance with a 150% asset coverage ratio requirement after such borrowing, excluding SBA debentures, pursuant to exemptive relief from the SEC received in June 2011.

On February 5, 2019, our stockholders approved the application of the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the Consolidated Appropriations Act of 2018 (which includes the Small Business Credit Availability Act, or SBCAA) as approved by our board of directors on November 13, 2018. As a result, the asset coverage requirement applicable to us for senior securities was reduced from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity), subject to compliance with certain disclosure requirements. As of June 30, 2022 and September 30, 2021, our asset coverage ratio, as computed in accordance with the 1940 Act, was 187% and 221%, respectively.

### Truist Credit Facility

As of June 30, 2022, we had the multi-currency Truist Credit Facility for up to \$465.0 million (increased from \$435.0 million in December 2021) in borrowings with certain lenders and Truist Bank (formerly SunTrust Bank), acting as administrative agent, and JPMorgan Chase Bank, N.A., acting as syndication agent for the lenders. As of June 30, 2022 and September 30, 2021, we had \$422.9 million and \$316.5 million, respectively, in outstanding borrowings under the Truist Credit Facility. The Truist Credit Facility had a weighted average interest rate of 3.9% and 2.4%, respectively, exclusive of the fee on undrawn commitment, as of June 30, 2022 and September 30, 2021. The Truist Credit Facility is a revolving facility with a stated maturity date of September 4, 2024, a one-year term-out period on September 4, 2023 and pricing set at 225 basis points over LIBOR (or an alternative risk-free floating interest rate index). As of June 30, 2022 and September 30, 2021, we had \$42.1 million and \$118.5 million of unused borrowing capacity under the Truist Credit Facility, respectively, subject to leverage and borrowing base restrictions. The Truist Credit Facility is secured by substantially all of our assets, excluding assets held by SBIC II. As of June 30, 2022, we were in compliance with the terms of the Truist Credit Facility.

### SBA Debentures

SBIC II is able to borrow funds from the SBA against regulatory capital (which approximates equity capital) that is paid-in and is subject to customary regulatory requirements including an examination by the SBA. We have funded SBIC II with \$75.0 million of equity capital and it had SBA debentures outstanding of \$27.5 million and \$63.5 million as of June 30, 2022 and September 30, 2021, respectively. SBA debentures are non-recourse to us and may be prepaid at any time without penalty. The interest rate of SBA debentures is fixed at the time of issuance, often referred to as pooling, at a market-driven spread over 10-year U.S. Treasury Notes. Under current SBA regulations, a SBIC may individually borrow up to a maximum of \$175.0 million, which is up to twice its potential regulatory capital, and as part of a group of SBICs under common control may borrow a maximum of \$350 million in the aggregate.

**PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) - (Continued)**  
**June 30, 2022**

As of both June 30, 2022 and September 30, 2021, SBIC II had an initial \$150.0 million in debt commitments, all of which were drawn. During the three and nine months ended June 30, 2022, zero and \$36.0 million in SBA debentures were repaid, respectively. During the three and nine months ended June 30, 2021, there was \$45.0 million and \$55.0 million in SBA debentures were repaid, respectively. As of both June 30, 2022 and September 30, 2021, the unamortized fees on the SBA debentures was \$0.5 million, respectively. The SBA debentures' upfront fees of 3.4% consist of a commitment fee of 1.0% and an issuance discount of 2.4%, which are being amortized.

Our fixed-rate SBA debentures were as follows (\$ in thousands):

Issuance Dates	Maturity	Fixed All-in Coupon Rate <sup>(1)</sup>	As of June 30, 2022 Principal Balance	
September 20, 2017	September 1, 2027	2.9 %		27,500
Issuance Dates	Maturity	Fixed All-in Coupon Rate <sup>(1)</sup>	As of September 30, 2021 Principal Balance	
September 20, 2017	September 1, 2027	2.9 %	\$	27,500
March 21, 2018	March 1, 2028	3.5		36,000
Weighted Average Rate / Total		3.2 %	\$	63,500

<sup>(1)</sup> Excluding 3.4% of upfront fees.

The SBIC program is designed to stimulate the flow of capital into eligible businesses. Under SBA regulations, SBIC II is subject to regulatory requirements, including making investments in SBA eligible businesses, investing at least 25% of regulatory capital in eligible smaller businesses, as defined under the 1958 Act, placing certain limitations on the financing terms of investments, prohibiting investment in certain industries and requiring capitalization thresholds that limit distributions to us, and is subject to periodic audits and examinations of its financial statements that are prepared on a basis of accounting other than GAAP (for example, fair value, as defined under ASC 820, is not required to be used for assets or liabilities for such compliance reporting). As of June 30, 2022, SBIC II was in compliance with its regulatory requirements.

#### 2024 Notes

As of June 30, 2022 and September 30, 2021, we had zero and \$86.3 million in aggregate principal amount of 2024 Notes outstanding, respectively. The 2024 Notes were redeemed on November 13, 2021 at a redemption price of \$25.00 per 2024 Note, plus accrued and unpaid interest to November 13, 2021, pursuant to the indenture governing the 2024 Notes. Interest on the 2024 Notes was paid quarterly on January 15, April 15, July 15 and October 15, at a rate of 5.5% per year.

#### 2026 Notes

In April 2021, we issued \$150.0 million in aggregate principal amount of our 2026 Notes at a public offering price per note of 99.4%. Interest on the 2026 Notes is paid semi-annually on May 1 and November 1 of each year, at a rate of 4.50% per year, commencing November 1, 2021. The 2026 Notes mature on May 1, 2026 and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The 2026 Notes are effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities. We do not intend to list the 2026 Notes on any securities exchange or automated dealer quotation system.

#### 2026 Notes-2

In October 2021, we issued \$165.0 million in aggregate principal amount of our 2026 Notes-2 at a public offering price per note of 99.4%. Interest on the 2026 Notes-2 is paid semi-annually on May 1 and November 1 of each year, at a rate of 4.00% per year, commencing May 1, 2022. The 2026 Notes-2 mature on November 1, 2026 and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes-2 are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The 2026 Notes-2 are effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities. We do not intend to list the 2026 Notes-2 on any securities exchange or automated dealer quotation system.

## 11. COMMITMENTS AND CONTINGENCIES

From time to time, we, the Investment Adviser or the Administrator may be a party to legal proceedings, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

Unfunded debt and equity investments, if any, are disclosed in the Consolidated Schedules of Investments. Under these arrangements, we may be required to supply a letter of credit to a third party if the portfolio company were to request a letter of credit. As of June 30, 2022 and September 30, 2021, we had \$177.6 million and \$104.8 million, respectively, in commitments to fund investments. For the same periods, there were no letters of credit issued.

**12. UNCONSOLIDATED SIGNIFICANT SUBSIDIARIES**

We must determine which, if any, of our unconsolidated controlled portfolio companies is a "significant subsidiary" within the meaning of Regulation S-X. We have determined that, as of September 30, 2021, PennantPark Senior Loan Fund, LLC, PT Networks, LLC and RAM Energy Holdings LLC triggered at least one of the significance tests. As a result and in accordance with Rule 3-09 of Regulation S-X, presented below is summarized unaudited financial information for RAM Energy Holdings LLC for the three and nine months ended June 30, 2022 and 2021. Similarly, in accordance with Rule 4-08(g) of Regulation S-X, which requires summarized financial information to be included in the notes to the Company's financial statements, please refer to Note 4 to review the Statement of Assets and Liabilities as well as the Statement of Operations for PennantPark Senior Loan Fund, LLC. PennantPark Senior Loan Fund, LLC did not meet the significance threshold under Rule 3-09 which requires separate audited financial statements. Our investment in PT Networks, LLC was realized on February 14, 2022.

a) RAM Energy Holdings LLC:

Income Statement	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
Total revenue	\$ 17,726	\$ 23,044	\$ 35,522	\$ 50,134
Total expenses	(12,499)	(9,393)	(29,337)	(27,090)
Net income (loss)	\$ 5,227	\$ 13,651	\$ 6,185	\$ 23,044

**13. STOCK REPURCHASE PROGRAM**

On February 9, 2022, we announced a share repurchase program which allows us to repurchase up to \$25 million of our outstanding common stock in the open market at prices below our net asset value as reported in our then most recently published consolidated financial statements. The shares may be purchased from time to time at prevailing market prices, through open market transactions, including block transactions. Unless extended by our board of directors, the program, which may be implemented at the discretion of management, will expire on the earlier of March 31, 2023 and the repurchase of \$25 million of common stock. During the three and nine months ended June 30, 2022, we repurchased 717,709 and 1,631,163, respectively, shares of common stock in open market transactions for an aggregate cost (including transaction costs) of \$4.9 million and \$12.0 million, respectively. During the three and nine months ended June 30, 2021, we did not make any repurchases of shares of our common stock.

**14. SUBSEQUENT EVENTS**

On July 29, 2022, the Company entered into the Fifth Amendment to the Truist Credit Facility. The Fifth Amendment amends certain provisions of the Credit Agreement to, among other things, (1) increase the facility size from \$465.0 million to \$500.0 million, which may be further increased up to \$750.0 million, subject to the terms of the Amended Credit Agreement, (2) extend the term of the revolving period from September 4, 2023 to July 29, 2026 and the stated maturity date from September 4, 2024 to July 29, 2027 for \$475.0 million out of the total \$500.0 million commitments (with the revolving period with respect to the remaining \$25.0 million of commitments continuing to expire on September 4, 2023 and the related obligations maturing on September 4, 2024), (3) adjust the applicable margin with respect to the loans extended by the lenders of the extended \$475.0 million commitments and (4) replace the LIBOR benchmark provisions with SOFR benchmark provisions, including applicable credit adjustment spread. In connection with the facility increase contemplated by the Fifth Amendment, Regions Bank joined the Amended Credit Agreement as an additional multicurrency lender.

The foregoing descriptions of the Fifth Amendment does not purport to be complete and is qualified in their entirety by reference to the full text of the Fifth Amendment, which is filed as an exhibit hereto and incorporated by reference herein.

Subsequent to quarter end we and Pantheon Ventures (UK) LLP, have agreed to increase our capital commitments to PSLF from \$234.8 million to \$310.8 million. PNNT's portion of this capital commitment increase is \$45.9 million.

To the Stockholders and Board of Directors of PennantPark Investment Corporation and its Subsidiaries

**Results of Review of Interim Financial Statements**

We have reviewed the accompanying consolidated statement of assets and liabilities of PennantPark Investment Corporation and its Subsidiaries (collectively referred to as the Company), including the consolidated schedule of investments, as of June 30, 2022, and the related consolidated statements of operations and changes in net assets for the three-month and nine-month periods ended June 30, 2022 and 2021, and cash flows for the nine-month periods ended June 30, 2022 and 2021, and the related notes to the consolidated financial statements (collectively, the interim financial information or financial statements). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of assets and liabilities of the Company, including the consolidated schedule of investments, as of September 30, 2021, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended (not presented herein), and in our report dated November 17, 2021, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated statement of assets and liabilities as of September 30, 2021, is fairly stated, in all material respects, in relation to the consolidated statement of assets and liabilities from which it has been derived.

**Basis for Review Results**

These interim financial statements are the responsibility of the Company's management. We conducted our reviews in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. We are a public accounting firm registered with the 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.

/s/ RSM US LLP

New York, New York  
August 3, 2022

**Awareness Letter of Independent Registered Public Accounting Firm**

To the Stockholders and Board of Directors of PennantPark Investment Corporation and its Subsidiaries

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of PennantPark Investment Corporation and its Subsidiaries for the periods ended June 30, 2022 and 2021, as indicated in our report dated August 3, 2022; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, is incorporated by reference in Registration Statement No. 333-263564 on Form N-2.

We are also aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ RSM US LLP

New York, New York  
August 3, 2022

**FORWARD-LOOKING STATEMENTS**

This Report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains statements that constitute forward-looking statements, which relate to us and our consolidated subsidiaries regarding 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 Report involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our prospective portfolio companies, including as a result of the current pandemic caused by COVID-19 or any worsening thereof;
- changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets that could result in changes to the value of our assets, including changes from the impact of the current COVID-19 pandemic or any worsening thereof;
- our ability to continue to effectively manage our business due to the significant disruptions caused by the current COVID-19 pandemic or any worsening thereof;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of investments that we expect to make;
- the impact of fluctuations in interest rates and foreign exchange 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;
- the ability of our prospective portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our prospective portfolio companies;
- the impact of price and volume fluctuations in the stock market;
- the ability of our Investment Adviser to locate suitable investments for us and to monitor and administer our investments;
- the impact of future legislation and regulation on our business and our portfolio companies; and
- the impact of the United Kingdom's withdrawal from the European Union and other world economic and political issues.

We use words such as "anticipates," "believes," "expects," "intends," "seeks," "plans," "estimates" and similar expressions to identify forward-looking statements. You should not place undue influence on the forward-looking statements as our actual results could differ materially from those projected in the forward-looking statements for any reason, including the factors in "Risk Factors" and elsewhere in this 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 statement in this 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 Report on information available to us on the date of this 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 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 in the future may file with the SEC, including reports on Form 10-Q/K and current reports on Form 8-K.

You should understand that under Section 27A(b)(2)(B) of the Securities Act and Section 21E(b)(2)(B) of the Exchange Act, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 do not apply to forward-looking statements made in periodic reports we file under the Exchange Act.

The following analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and the related notes thereto contained elsewhere in this Report.

**Overview**

PennantPark Investment Corporation is a BDC whose objectives are to generate both current income and capital appreciation while seeking to preserve capital through debt and equity investments primarily made to U.S. middle-market companies in the form of first lien secured debt, second lien secured debt, subordinated debt and equity investments.

We believe middle-market companies offer attractive risk-reward to investors due to a limited amount of capital available for such companies. We seek to create a diversified portfolio that includes first lien secured debt, second lien secured debt, subordinated debt and equity investments by investing approximately \$10 million to \$50 million of capital, on average, in the securities of middle-market companies. We expect this investment size to vary proportionately with the size of our capital base. We use the term “middle-market” to refer to companies with annual revenues between \$50 million and \$1 billion. The companies in which we invest are typically highly leveraged, and, in most cases, are not rated by national rating 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. Securities rated below investment grade are often referred to as “leveraged loans” or “high yield” securities or “junk bonds” and are often higher risk compared to debt instruments that are rated above investment grade and have speculative characteristics. Our debt investments may generally range in maturity from three to ten years and are made to U.S. and, to a limited extent, non-U.S. corporations, partnerships and other business entities which operate in various industries and geographical regions.

Our investment activity depends on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity for such companies, the general economic environment and the competitive environment for the types of investments we make. We have used, and expect to continue to use, our debt capital, proceeds from the rotation of our portfolio and proceeds from public and private offerings of securities to finance our investment objectives.

### **Organization and Structure of PennantPark Investment Corporation**

PennantPark Investment Corporation, a Maryland corporation organized in January 2007, is a closed-end, externally managed, non-diversified investment company that has elected to be treated as a BDC under the 1940 Act. In addition, for federal income tax purposes we have elected to be treated, and intend to qualify annually, as a RIC under the Code.

SBIC II, our wholly-owned subsidiary, was organized as a Delaware limited partnership in 2012. SBIC II received a license from the SBA to operate as a SBIC under Section 301(c) of the 1958 Act. SBIC II’s objectives are to generate both current income and capital appreciation through debt and equity investments generally by investing with us in SBA eligible businesses that meet the investment selection criteria used by PennantPark Investment.

Our investment activities are managed by the Investment Adviser. Under our Investment Management Agreement, we have agreed to pay our Investment Adviser an annual base management fee based on our average adjusted gross assets as well as an incentive fee based on our investment performance. PennantPark Investment, through the Investment Adviser, provides similar services to SBIC II under its investment management agreement. SBIC II’s investment management agreement does not affect the management and incentive fees on a consolidated basis. We have also entered into an Administration Agreement with the Administrator. Under our Administration Agreement, we have agreed to reimburse the Administrator for our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under our Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs. PennantPark Investment, through the Administrator, provides similar services to SBIC II under its administration agreement with us. Our board of directors, a majority of whom are independent of us, provides overall supervision of our activities, and the Investment Adviser supervises our day-to-day activities.

### **COVID-19 Developments**

COVID-19 was first detected in December 2019 and has since been identified as a global pandemic by the World Health Organization. The effect of the ongoing COVID-19 pandemic or any worsening thereof, uncertainty relating to more contagious strains of the virus, the length of recovery of certain economic sectors in the U.S. and globally and the speed and efficiency of the vaccination process, including the extent to which the available vaccines are ineffective against any new COVID-19 variants may create stress on the market and may affect some of our portfolio companies. We cannot predict the full impact of the COVID-19 pandemic, including any worsening thereof or its duration in the United States and globally and any impact to our business operations or the business operations of our portfolio companies.

Due to the nature of certain governmental restrictions imposed in response to the COVID-19 pandemic and their potentially long-lasting duration, some portfolio companies, especially those in vulnerable industries such as retail, food and beverage and travel, have experienced significant financial distress and may default on their financial obligations to us and their other capital providers. Moreover, certain of our portfolio companies that remain subject to prolonged and severe financial distress, have substantially curtailed their operations, deferred capital expenditures, furloughed or laid off workers and/or terminated relationships with their service providers. Depending on the length and magnitude of the disruption to the operations of our portfolio companies, certain portfolio companies may experience financial distress and possibly default on their financial obligations to us and their other capital providers in the future. These developments could impact the value of our investments in such portfolio companies.

The COVID-19 pandemic, including any worsening thereof, may have an adverse impact on certain sectors of the global economy. Particularly, COVID-19 presents material uncertainty and risk with respect to our future performance and financial results as well as the future performance and financial results of our portfolio companies due to the risk of any severe adverse reaction to the vaccine, politicization of the vaccination process or general public skepticism of the safety and efficacy of the vaccine. While we are unable to predict the ultimate adverse effect of the COVID-19 pandemic, or any worsening thereof, on our results of operation, we have identified certain factors that are likely to affect market, economic and geopolitical conditions, and thereby may adversely affect our business, including:

- U.S. and global economic recovery;
- changes in interest rates, including LIBOR;
- limited availability of credit, both in the United States and internationally;
- disruptions to supply-chains and price volatility;
- changes to existing laws and regulations, or the imposition of new laws and regulations; and
- uncertainty regarding future governmental and regulatory policies.

The business disruption and financial harm resulting from the COVID-19 pandemic experienced by some of our portfolio companies may reduce, over time, the amount of interest and dividend income that we receive from such investments and may require us to provide an increase of capital to such companies in the form of follow on investments. In connection with the adverse effects of the COVID-19 pandemic, we may also need to restructure the capitalization of some of our portfolio companies, which could result in reduced interest payments, an increase in the amount of PIK interest we receive or a permanent reduction in the value of our investments. If our net investment income decreases, the percentage of our cash flows dedicated to debt servicing and distribution payments to stockholders would subsequently increase. This has required us to reduce the amount of our distributions to stockholders as compared to distributions in previous years. As of June 30, 2022, we had one portfolio company on non-accrual status, and the continuing impact of the COVID-19 pandemic, or any worsening thereof, may result in portfolio investments being placed on non-accrual status in the future.

Additionally, as of June 30, 2022 and September 30, 2021, our asset coverage ratio, as computed in accordance with the 1940 Act, was 187% and 221%, respectively. The Truist Credit Facility includes standard covenants and events of default provisions. If we fail to make the required payments or breach the covenants therein, it could result in a default under the Truist Credit Facility. Failure to cure such default or obtain a waiver from the appropriate party would result in an event of default, and the lenders may accelerate the repayment of our indebtedness under the Truist Credit Facility, such that all amounts owed are due immediately at the time of default. Such an action would negatively affect our liquidity, business, financial condition, results of operations, cash flows and ability to pay distributions to our stockholders.

We are also subject to financial risks, including changes in market interest rates. As of June 30, 2022, our interest bearing debt portfolio consisted of 96% variable-rate investments. The variable-rate loans are usually based on a floating interest rate index such as LIBOR and typically have durations of three months after which they reset to current market interest rates. Variable-rate investments subject to a floor generally reset by reference to the current market index after one to nine months only if the index exceeds the floor. In addition, the Truist Credit Facility also has floating rate interest provisions, with pricing set at 225 basis points over LIBOR (or an alternative risk-free floating interest rate index). Due to such rates, our gross investment income may decrease, which could result in a decrease in our net investment income if such decreases in LIBOR are not offset by, among other things, a corresponding increase in the spread over LIBOR that we earn on such loans or a decrease in the interest rate of our floating interest rate liabilities tied to LIBOR. See “Item 3. Quantitative and Qualitative Disclosures About Market Risk” below.

In addition, we have continued to implement our business continuity planning strategy. Our priority has been to safeguard the health of our employees and to ensure continuity of business operations on behalf of our investors. As a result of our business continuity planning strategy, nearly all of our employees have returned to the office. Our systems and infrastructure have continued to support our business operations. We implemented a heightened level of communication across senior management, our investment team and our board of directors, and we have proactively engaged with our vendors on a regular basis to ensure they continue to meet our criteria for business continuity.

### **LIBOR Developments**

In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. As of December 31, 2021, all non-U.S. dollar LIBOR publications have been phased out. The phase out of a majority of the U.S. dollar publications is currently delayed until June 30, 2023. The Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate (“SOFR”) as its preferred alternative rate for LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by the U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. Although SOFR appears to be the preferred replacement rate for U.S. dollar LIBOR, it is not possible at this time to predict the effect of any such changes, any establishment of alternative reference rates, whether the COVID-19 pandemic will have further effect on LIBOR transition timelines, or other reforms to LIBOR that may be enacted.

The effect of the establishment of alternative reference rates or other reforms to LIBOR or other reference rates is complex and could have a material adverse effect on our business, financial condition and results of operations. Given the inherent differences between LIBOR and SOFR, or any other alternative benchmark rate that may be established, there are continuing uncertainties regarding the transition from LIBOR, including, but not limited to, the need to amend all contracts with LIBOR as the referenced rate and how this will impact the cost of variable rate debt and certain derivative financial instruments. In addition, SOFR or other replacement rates may fail to gain market acceptance. Any failure of SOFR or alternative reference rates to gain market acceptance could adversely affect the return on, value of and market for securities linked to such rates.

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.

### **Revenues**

We generate revenue in the form of interest income on the debt securities we hold and capital gains and dividends, if any, on investment securities that we may acquire in portfolio companies. Our debt investments, whether in the form of first lien secured debt, second lien secured debt or subordinated debt, typically have a term of three to ten years and bear interest at a fixed or a floating rate. Interest on debt securities is generally payable quarterly or semiannually. In some cases, our investments provide for deferred interest payments and PIK interest. The principal amount of the debt securities and any accrued but unpaid interest generally becomes due at the maturity date. In addition, we may generate revenue in the form of amendment, commitment, origination, structuring or diligence fees, fees for providing significant managerial assistance and possibly consulting fees. Loan origination fees, OID and market discount or premium and deferred financing costs on liabilities, which we do not fair value, are capitalized and accreted or amortized using the effective interest method as interest income or, in the case of deferred financing costs, as interest expense. Dividend income, if any, is recognized on an accrual basis on the ex-dividend date to the extent that we expect to collect such amounts. From time to time, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and amendment fees, and are recorded as other investment income when earned.

### **Expenses**

Our primary operating expenses include the payment of a management fee and the payment of an incentive fee to our Investment Adviser, if any, our allocable portion of overhead under our Administration Agreement and other operating costs as detailed below. Our management fee compensates our Investment Adviser for its work in identifying, evaluating, negotiating, consummating and monitoring our investments. Additionally, we pay interest expense on the outstanding debt and unused commitment fees on undrawn amounts, under our various debt facilities. We bear all other direct or indirect costs and expenses of our operations and transactions, including:

- the cost of calculating our net asset value, including the cost of any third-party valuation services;
- the cost of effecting sales and repurchases of shares of our common stock and other securities;
- fees payable to third parties relating to, or associated with, making investments, including fees and expenses associated with performing due diligence and reviews of prospective investments or complementary businesses;
- expenses incurred by the Investment Adviser in performing due diligence and reviews of investments;
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts;
- federal and state registration fees and any exchange listing fees;
- federal, state, local and foreign taxes;
- independent directors’ fees and expenses;



- brokerage commissions;
- fidelity bond, directors and officers, errors and omissions liability insurance and other insurance premiums;
- direct costs such as printing, mailing, long distance telephone and staff;
- fees and expenses associated with independent audits and outside legal costs;
- costs associated with our reporting and compliance obligations under the 1940 Act, the 1958 Act and applicable federal and state securities laws; and
- all other expenses incurred by either the Administrator or us in connection with administering our business, including payments under our Administration Agreement that will be based upon our allocable portion of overhead, and other expenses incurred by the Administrator in performing its obligations under our Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs.

Generally, during periods of asset growth, we expect our general and administrative expenses to be relatively stable or to decline as a percentage of total assets and increase during periods of asset declines. Incentive fees, interest expense and costs relating to future offerings of securities would be additive to the expenses described above.

## PORTFOLIO AND INVESTMENT ACTIVITY

As of June 30, 2022, our portfolio totaled \$1,314.8 million, which consisted of \$721.8 million of first lien secured debt, \$129.7 million of second lien secured debt, \$121.2 million of subordinated debt (including \$88.0 million in PSLF) and \$342.2 million of preferred and common equity (including \$53.1 million in PSLF). Our debt portfolio consisted of 96% variable-rate investments and 4% fixed-rate investments. As of June 30, 2022, we had one portfolio company on non-accrual, representing 0.9% and 0.5% of our overall portfolio on a cost and fair value basis, respectively. Overall, the portfolio had net unrealized depreciation of \$64.9 million as of June 30, 2022. Our overall portfolio consisted of 118 companies with an average investment size of \$11.1 million, had a weighted average yield on interest bearing debt investments of 9.3% and was invested 55% in first lien secured debt, 10% in second lien secured debt, 9% in subordinated debt (including 7% in PSLF) and 26% in preferred and common equity (including 4% in PSLF). As of June 30, 2022, all of the investments held by PSLF were first lien secured debt.

As of September 30, 2021, our portfolio totaled \$1,255.3 million and consisted of \$552.5 million of first lien secured debt, \$176.9 million of second lien secured debt, \$121.2 million of subordinated debt (including \$64.2 million in PSLF) and \$404.7 million of preferred and common equity (including \$41.2 million in PSLF). Our interest bearing debt portfolio consisted of 92% variable-rate investments and 8% fixed-rate investments. As of September 30, 2021, we had no portfolio companies on non-accrual. Overall, the portfolio had net unrealized appreciation of \$34.2 million as of September 30, 2021. Our overall portfolio consisted of 97 companies with an average investment size of \$12.9 million, had a weighted average yield on interest bearing debt investments of 9.0% and was invested 44% in first lien secured debt, 14% in second lien secured debt, 10% in subordinated debt (including 5% in PSLF) and 32% in preferred and common equity (including 3% in PSLF). As of September 30, 2021, all of the investments held by PSLF were first lien secured debt.

For the three months ended June 30, 2022, we invested \$326.3 million in 11 new and 36 existing portfolio companies with a weighted average yield on debt investments of 8.7%. Sales and repayments of investments for the three months ended June 30, 2022 totaled \$198.3 million. For the nine months ended June 30, 2022, we invested \$799.4 million in 35 new and 95 existing portfolio companies with a weighted average yield on debt investments of 8.2%. Sales and repayments of investments for the nine months ended June 30, 2022 totaled \$736.0 million.

For the three months ended June 30, 2021, we invested \$133.4 million in seven new and nine existing portfolio companies with a weighted average yield on debt investments of 7.9%. Sales and repayments of investments for the three months ended June 30, 2021 totaled \$191.0 million. For the nine months ended June 30, 2021, we invested \$276.4 million in 14 new and 32 existing portfolio companies with a weighted average yield on debt investments of 8.4%. Sales and repayments of investments for the nine months ended June 30, 2021 totaled \$358.6 million.

### PennantPark Senior Loan Fund, LLC

As of June 30, 2022, PSLF's portfolio totaled \$608.4 million, consisted of 72 companies with an average investment size of \$8.5 million and had a weighted average yield on debt investments of 7.9%.

As of September 30, 2021, PSLF's portfolio totaled \$405.2 million, consisted of 47 companies with an average investment size of \$8.6 million and had a weighted average yield on debt investments of 7.2%.

For the three months ended June 30, 2022, PSLF invested \$200.5 million (of which \$176.0 million was purchased from the Company) in 14 new and 17 existing portfolio companies with a weighted average yield on debt investments of 7.3%. PSLF's sales and repayments of investments for the same period totaled \$35.1 million. For the nine months ended June 30, 2022, PSLF invested \$278.6 million (of which \$235.6 million was purchased from the Company) in 29 new and 19 existing portfolio companies with a weighted average yield on debt investments of 7.3%. PSLF's sales and repayments of investments for the same period totaled \$73.0 million.

For the three months ended June 30, 2021, PSLF invested \$54.1 million (of which \$54.1 million was purchased from the Company) in six new and two existing portfolio companies with a weighted average yield on debt investments of 7.1%. PSLF's sales and repayments of investments for the same period totaled \$50.9 million. For the nine months ended June 30, 2021, PSLF invested \$117.8 million (of which \$91.9 million was purchased from the Company) in 12 new and eight existing portfolio companies with a weighted average yield on debt investments of 7.3%. PSLF's sales and repayments of investments for the same period totaled \$91.6 million.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of our assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of income and expenses during the reported periods. In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of financial statements have been included. Actual results could differ from these estimates due to changes in the economic and regulatory environment, financial markets and any other parameters used in determining such estimates and assumptions, including the credit worthiness of our portfolio companies and the global outbreak of COVID-19. We may reclassify certain prior period amounts to conform to the current period presentation. We have eliminated all intercompany balances and transactions. References to ASC serve as a single source of accounting literature. Subsequent events are evaluated and disclosed as appropriate for events occurring through the date the Consolidated Financial Statements are issued. In addition to the discussion below, we describe our critical accounting policies in the notes to our Consolidated Financial Statements. We discuss our critical accounting estimates

in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2021 Annual Report on Form 10-K. There have been no significant changes in our critical accounting estimates during the nine months from those disclosed in our 2021 Annual Report on Form 10-K.

### **Investment Valuations**

We expect that there may not be readily available market values for many of the investments which are or will be in our portfolio, and we value such investments at fair value as determined in good faith by or under the direction of our board of directors using a documented valuation policy and a consistently applied valuation process, as described in this Report. With respect to investments for which there is no readily available market value, the factors that our board of directors may take into account in pricing our investments at fair value include, as relevant, 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, comparison to publicly traded securities and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate or revise our valuation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and the difference may be material.

Our portfolio generally consists of illiquid securities, including debt and equity investments. With respect to investments for which market quotations are not readily available, or for which market quotations are deemed not reflective of the fair value, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- (1) Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of our Investment Adviser responsible for the portfolio investment;
- (2) Preliminary valuation conclusions are then documented and discussed with the management of the Investment Adviser;
- (3) Our board of directors also engages independent valuation firms to conduct independent appraisals of our investments for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment. The independent valuation firms review management's preliminary valuations in light of their own independent assessment and also in light of any market quotations obtained from an independent pricing service, broker, dealer or market maker;
- (4) The audit committee of our board of directors reviews the preliminary valuations of the Investment Adviser and those of the independent valuation firms on a quarterly basis, periodically assesses the valuation methodologies of the independent valuation firms, and responds to and supplements the valuation recommendations of the independent valuation firms to reflect any comments; and
- (5) Our board of directors discusses these valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our Investment Adviser, the respective independent valuation firms and the audit committee.

Our board of directors generally uses market quotations to assess the value of our investments for which market quotations are readily available. We obtain these market values from independent pricing services or at the bid prices obtained from at least two brokers or dealers, if available, or otherwise from a principal market maker or a primary market dealer. The Investment Adviser assesses the source and reliability of bids from brokers or dealers. If our board of directors has a bona fide reason to believe any such market quote does not reflect the fair value of an investment, it may independently value such investments by using the valuation procedure that it uses with respect to assets for which market quotations are not readily available.

Fair value, as defined under ASC 820, is the price that we would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment or liability. ASC 820 emphasizes that valuation techniques maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of us. Unobservable inputs reflect the assumptions market participants would use in pricing an asset or liability based on the best information available to us on the reporting period date.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchies:

- |          |   |
|----------|---|
| Level 1: | Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities, accessible by us at the measurement date.   |
| Level 2: | Inputs that are quoted prices for similar assets or liabilities in active markets, or that are quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term, if applicable, of the financial instrument. |
| Level 3: | Inputs that are unobservable for an asset or liability because they are based on our own assumptions about how market participants would price the asset or liability.  |

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Generally, most of our investments, our Credit Facility, 2026 Notes, 2026-2 Notes and our SBA debentures are classified as Level 3. Our 2024 Notes are classified as Level 1, as they were valued using the closing price from the primary exchange. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and those differences may be material.

The SEC recently adopted Rule 2a-5 under the 1940 Act which established requirements for determining fair value in good faith purposes of the 1940 Act. We will comply with the requirement of the rule before the requirement date of September 8, 2022.

In addition to using the above inputs to value cash equivalents, investments, our SBA debentures, our 2024 Notes, our 2026 Notes, 2026 Notes-2 and our Credit Facility, we employ the valuation policy approved by our board of directors that is consistent with ASC 820. Consistent with our valuation policy, we evaluate the source of inputs, including any markets in which our investments are trading, in determining fair value.

Generally, the carrying value of our consolidated financial liabilities approximates fair value. We have adopted the principles under ASC Subtopic 825-10, Financial Instruments, or ASC 825-10, which provides companies with an option to report selected financial assets and liabilities at fair value, and made an irrevocable election to apply ASC 825-10 to our Credit Facility. We elected to use the fair value option for the Credit Facility to align the measurement attributes of both our assets and liabilities while

mitigating volatility in earnings from using different measurement attributes. Due to that election and in accordance with GAAP, we did not incur any expenses relating to amendment costs on the Credit Facility for both the three and nine months ended June 30, 2022 and 2021. ASC 825-10 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and to more easily understand the effect on earnings of a company's choice to use fair value. ASC 825-10 also requires entities to display the fair value of the selected assets and liabilities on the face of the Consolidated Statements of Assets and Liabilities and changes in fair value of the Credit Facility is reported in our Consolidated Statements of Operations. We elect not to apply ASC 825-10 to any other financial assets or liabilities, including the 2024 Notes, 2026 Notes, 2026 Notes-2 and SBA debentures.

For the three and nine months ended June 30, 2022, the Truist Credit Facility had a net change in unrealized depreciation of \$8.9 million and \$9.1 million, respectively. For the three and nine months ended June 30, 2021, our Truist Credit Facility had a net change in unrealized appreciation of \$1.6 million and \$18.5 million, respectively. As of June 30, 2022 and September 30, 2021, the net unrealized depreciation on the Truist Credit Facility totaled \$10.9 million and \$1.7 million, respectively. We use a nationally recognized independent valuation service to measure the fair value of our Truist Credit Facility in a manner consistent with the valuation process that the board of directors uses to value our investments.

#### **Revenue Recognition**

We record interest income on an accrual basis to the extent that we expect to collect such amounts. For loans and debt investments with contractual PIK interest, which represents interest accrued and added to the loan balance that generally becomes due at maturity, we will generally not accrue PIK interest when the portfolio company valuation indicates that such PIK interest is not collectable. We do not accrue as a receivable interest on loans and debt investments if we have reason to doubt our ability to collect such interest. Loan origination fees, OID, market discount or premium and deferred financing costs on liabilities, which we do not fair value, are capitalized and then accreted or amortized using the effective interest method as interest income or, in the case of deferred financing costs, as interest expense. We record prepayment penalties on loans and debt investments as income. Dividend income, if any, is recognized on an accrual basis on the ex-dividend date to the extent that we expect to collect such amounts. From time to time, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and amendment fees, and are recorded as other investment income when earned.

#### **Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation**

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized, but considering unamortized upfront fees and prepayment penalties. Net change in unrealized appreciation or depreciation reflects the change in fair values of our portfolio investments and our Credit Facility including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

#### **Foreign Currency Translation**

Our books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

1. Fair value of investment securities, other assets and liabilities – at the exchange rates prevailing at the end of the applicable period; and
2. Purchases and sales of investment securities, income and expenses – at the exchange rates prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, we do not isolate that portion of the results of operations due to changes in foreign exchange rates on investments, other assets and debt from the fluctuations arising from changes in fair values of investments and liabilities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments and liabilities.

#### **Payment-in-Kind, or PIK Interest**

We have investments in our portfolio which contain a PIK interest provision. PIK interest is added to the principal balance of the investment and is recorded as income. In order for us to maintain our ability to be subject to tax as a RIC, substantially all of this income must be paid out to stockholders in the form of dividends for U.S. federal income tax purposes, even though we may not have collected any cash with respect to interest on PIK securities.

#### **Federal Income Taxes**

We have elected to be treated, and intend to qualify annually to maintain our election to be treated, as a RIC under Subchapter M of the Code. To maintain our RIC tax election, we must, among other requirements, meet certain annual source-of-income and quarterly asset diversification requirements. We also must annually distribute dividends for federal income tax purposes to our stockholders out of the assets legally available for distribution of an amount generally at least equal to 90% of the sum of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, or investment company taxable income, determined without regard to any deduction for dividends paid.

Although not required for us to maintain our RIC tax status, in order to preclude the imposition of a 4% nondeductible U.S. federal excise tax imposed on RICs, we must distribute dividends for U.S. federal income tax purposes to our stockholders in respect of each calendar year of an amount at least equal to the sum of (1) 98% of our net ordinary income (subject to certain deferrals and elections) for the calendar year, (2) 98.2% of the excess, if any, of our capital gains over our capital losses, or capital gain net income (adjusted for certain ordinary losses) for the one-year period ending on October 31 of the calendar year plus (3) the sum of any net ordinary income plus capital gain net income for preceding years that was realized but not distributed during such years and on which we did not incur any U.S. federal income tax, or the Excise Tax Avoidance Requirement. In addition, although we may distribute realized net capital gains (i.e., net long-term capital gains in excess of net short-term capital losses), if any, at least annually, out of the assets legally available for such distributions in the manner described above, we have retained and may continue to retain such net capital gains or investment company taxable income, contingent on maintaining our ability to be subject to tax as a RIC, in order to provide us with additional liquidity.

Because federal income tax regulations differ from GAAP, distributions characterized in accordance with tax regulations may differ from net investment income and net realized gain recognized for financial reporting purposes. Differences between tax regulations and GAAP may be permanent or temporary. Permanent differences are reclassified among capital accounts in the Consolidated Financial Statements to reflect their appropriate tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

For the three and nine months ended June 30, 2022, we recorded a provision for taxes on net investment income of \$0.2 million and \$0.6 million respectively, all of which pertains to U.S. federal excise tax. For the three and nine months ended June 30, 2021, we recorded a provision for taxes on net investment income of \$0.2 million and \$0.5 million respectively, all of which pertains to U.S. federal excise tax.

PNNT Investment Holdings, LLC, a wholly-owned subsidiary of the Company, is subject to U.S. federal, state and local corporate income taxes. The income tax expense and related tax liabilities of the Taxable Subsidiary are reflected in the Company's consolidated financial statements.

For the three and nine months ended June 30, 2022, the Company recognized a provision for taxes of \$1.1 million and \$6.2 million, respectively, on net realized gain on investments by the Taxable Subsidiary. For the three and nine months ended June 30, 2022, the Company recognized a provision for taxes of \$8.1 million and \$8.1 million, respectively, on net unrealized gain on investments by the Taxable Subsidiary. The provision for taxes on net realized and unrealized gains on investments is the result of netting (i) the expected tax liability on the gains from the sales of investments which were realized and unrealized during fiscal year ending September 30, 2022 and (ii) the expected tax benefit resulting from the use of loss carryforwards to offset such gains. For the three and nine months ended June 30, 2021, the Company recognized a provision for taxes of zero on net realized and unrealized gains on investments by the Taxable Subsidiary.

During the three and nine months ended June 30, 2022, the Company paid zero and \$4.0 million, respectively, in federal taxes on realized gains on the sale of investments held by the Taxable Subsidiary. Due to offsetting losses in the three months ended June 30, 2022 the \$4.0 million is expected to be refunded and is shown on the consolidated statement of assets and liabilities under prepaid expenses and other assets. The state and local tax liability of \$6.2 million as of June 30, 2022 is included under accrued other expenses in the consolidated statement of assets and liabilities.

We have formed the Taxable Subsidiary, which is subject to tax as a corporation. The Taxable Subsidiary allows us to hold equity securities of certain portfolio companies treated as pass-through entities for U.S. federal income tax purposes while facilitating our ability to qualify as a RIC under the Code.

## RESULTS OF OPERATIONS

Set forth below are the results of operations for the three and nine months ended June 30, 2022 and 2021.

### *Investment Income*

Investment income for the three and nine months ended June 30, 2022 was \$23.3 million and \$76.0 million, respectively, which was attributable to \$17.6 million and \$52.2 million from first lien secured debt, \$2.9 million and \$13.7 million from second lien secured debt, \$0.3 million and \$2.6 million from subordinated debt and \$2.5 million and \$7.4 million from preferred and common equity, respectively. This compares to Investment income for the three and nine months ended June 30, 2021 was \$20.5 million and \$58.5 million, respectively, which was attributable to \$11.8 million and \$33.9 million from first lien secured debt, \$5.2 million and \$15.8 million from second lien secured debt, \$1.8 million and \$5.2 million from subordinated debt and \$1.7 million and \$3.6 million from preferred and common equity, respectively. The increase in investment income compared to the same periods in the prior year was primarily due to the increase in the size of our debt portfolio.

### *Expenses*

Expenses for the three and nine months ended June 30, 2022 totaled \$12.8 million and \$41.3 million, respectively. Base management fee for the same periods totaled \$4.9 million and \$15.0 million, performance base incentive fee for the same periods totaled zero and \$2.7 million, debt related interest and expenses totaled \$6.7 million and \$20.1 million, general and administrative expenses totaled \$1.0 million and \$3.0 million and provision for taxes totaled \$0.2 million and \$0.6 million, respectively. This compares to expenses for the three and nine months ended June 30, 2021 \$12.3 million and \$33.2 million, respectively. Base management fee for the same periods totaled \$4.4 million and \$12.8 million, debt related interest and expenses totaled \$6.9 million (including a one-time \$1.1 million payment, which is related to the early repayment of SBA Debt) and \$16.8 million, general and administrative expenses totaled \$0.9 million and \$3.2 million and provision for taxes totaled \$0.2 million and \$0.5 million, respectively. The increase in expenses for the three months ended June 30, 2022 compared to the same period in the prior year was primarily due to increased financing costs.

### *Net Investment Income*

Net investment income totaled \$10.6 million and \$34.8 million, or \$0.16 and \$0.52 per share, for the three and nine months ended June 30, 2022, respectively. Net investment income totaled \$8.1 million and \$25.2 million, or \$0.12 and \$0.38 per share, for the three and nine months ended June 30, 2021, respectively. The increase in net investment income compared to the same period in the prior year was primarily due to increased investment income.

### *Net Realized Gains or Losses*

Sales and repayments of investments for the three and nine months ended June 30, 2022 totaled \$198.3 million and \$736.0 million, respectively, and net realized gains (losses) totaled \$(34.3) million and \$82.4 million, respectively. Sales and repayments of investments for the three and nine months ended June 30, 2021 totaled \$191.0 million and \$358.6 million, respectively, and net realized gains (losses) totaled \$41.7 million and \$24.4 million, respectively. The change in realized gains was primarily due to changes in the market conditions of our investments and the values at which they were realized.

### *Unrealized Appreciation or Depreciation on Investments and the Credit Facility*

For the three and nine months ended June 30, 2022, we reported net change in unrealized appreciation (depreciation) on investments of \$5.6 million and \$(99.1) million, respectively. For the three and nine months ended June 30, 2021, we reported net change in unrealized appreciation (depreciation) on investments of \$(16.3) million and \$110.4 million, respectively. As of June 30, 2022 and September 30, 2021, our net unrealized appreciation (depreciation) on investments totaled \$(64.9) million and \$34.2 million, respectively. The net change in unrealized depreciation on our investments compared to the same period in the prior year was primarily due to the reversal of the unrealized appreciation of PT Network Intermediate Holdings, LLC associated with the realization of the investment.

For the three and nine months ended June 30, 2022, the Truist Credit Facility had a net change in unrealized depreciation of \$8.9 million and \$9.2 million, respectively. For the three and nine months ended June 30, 2021, the Truist Credit Facility had a net change in unrealized appreciation of \$1.6 million and \$18.5 million, respectively. As of June 30, 2022 and September 30, 2021, the net unrealized depreciation on the Truist Credit Facility totaled \$10.9 million and \$1.7 million, respectively. The net change in unrealized depreciation compared to the same periods in the prior year was primarily due to changes in the capital markets.

## Net Change in Net Assets Resulting from Operations

Net change in net assets resulting from operations totaled \$(18.5) million and \$10.2 million, or \$(0.28) and \$0.15 per share, for the three and nine months ended June 30, 2022, respectively. Net change in net assets resulting from operations totaled \$31.9 million and \$141.5 million, or \$0.48 and \$2.11 per share, for the three and nine months ended June 30, 2021, respectively. The decrease in the net change in net assets from operations for the three and nine months ended June 30, 2022 compared to the same periods in the prior year was primarily due to a decrease in unrealized appreciation.

## LIQUIDITY AND CAPITAL RESOURCES

Our liquidity and capital resources are derived primarily from proceeds of securities offerings, debt capital and cash flows from operations, including investment sales and repayments, and income earned. Our primary use of funds from operations includes investments in portfolio companies and payments of fees and other operating expenses we incur. We have used, and expect to continue to use, our debt capital, proceeds from the rotation of our portfolio and proceeds from public and private offerings of securities to finance our investment objectives. As of June 30, 2022, in accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that we are in compliance with a 150% asset coverage ratio requirement after such borrowing, excluding SBA debentures pursuant to exemptive relief from the SEC received in June 2011. This "Liquidity and Capital Resources" section should be read in conjunction with the "COVID-19 Developments" section above.

On February 5, 2019, our stockholders approved the application of the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the Consolidated Appropriations Act of 2018 (which includes the SBCAA) as approved by our board of directors on November 13, 2018. As a result, the asset coverage requirement applicable to us for senior securities was reduced from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity), subject to compliance with certain disclosure requirements.

As of June 30, 2022 and September 30, 2021, our asset coverage ratio, computed in accordance with the 1940 Act was 187% and 221%, respectively.

The annualized weighted average cost of debt for the nine months ended June 30, 2022 and 2021, inclusive of the fee on the undrawn commitment and amendment costs on the Truist Credit Facility, amortized upfront fees on SBA debentures, was 4.0% and 3.5%, respectively.

As of June 30, 2022, we had the multi-currency Truist Credit Facility for up to \$465.0 million (increased from \$435.0 million in December 2021) in borrowings with certain lenders and Truist Bank, acting as administrative agent, and JPMorgan Chase Bank, N.A., acting as syndication agent for the lenders. As of June 30, 2022 and September 30, 2021, we had \$422.9 million and \$316.5 million, respectively, in outstanding borrowings under the Truist Credit Facility. The Truist Credit Facility had a weighted average interest rate of 3.9% and 2.4%, respectively, exclusive of the fee on undrawn commitments, as of June 30, 2022 and September 30, 2021. The Truist Credit Facility is a revolving facility with a stated maturity date of September 4, 2024, a one-year term-out period on September 4, 2023 and pricing set at 225 basis points over LIBOR (or an alternative risk-free floating interest rate index). As of June 30, 2022 and September 30, 2021, we had \$42.1 million and \$118.5 million of unused borrowing capacity under the Truist Credit Facility, respectively, subject to leverage and borrowing base restrictions. The Truist Credit Facility is secured by substantially all of our assets excluding assets held by SBIC II. As of June 30, 2022, we were in compliance with the terms of the Truist Credit Facility.

On November 13, 2021, the 2024 Notes were redeemed at a redemption price of \$25.00 per 2024 Note, plus accrued and unpaid interest to November 13, 2021, pursuant to the indenture governing the 2024 Notes. Accordingly, as of June 30, 2022 and September 30, 2021, we had zero and \$86.3 million in aggregate principal amount of 2024 Notes outstanding, respectively. Interest on the 2024 Notes was paid quarterly on January 15, April 15, July 15 and October 15, at a rate of 5.5% per year.

As of June 30, 2022, we had \$150.0 million in aggregate principal amount of 2026 Notes outstanding. Interest on the 2026 Notes is paid semi-annually on May 1 and November 1, at a rate of 4.50% per year, commencing November 1, 2021. The 2026 Notes mature on May 1, 2026, and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes are direct unsecured obligations and rank *pari passu* in right of payment with future unsecured unsubordinated indebtedness. The 2026 Notes are structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities.

As of June 30, 2022, we had \$165.0 million in aggregate principal amount of 2026 Notes-2 outstanding. Interest on the 2026 Notes is paid semi-annually on May 1 and November 1, at a rate of 4.0% per year, commencing May 1, 2022. The 2026 Notes-2 mature on November 1, 2026, and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes-2 are direct unsecured obligations and rank *pari passu* in right of payment with future unsecured unsubordinated indebtedness. The 2026 Notes-2 are structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities.

We may raise additional equity or debt capital through both registered offerings off our shelf registration statement and private offerings of securities, by securitizing a portion of our investments or borrowing from the SBA, among other sources. Any future additional debt capital we incur, to the extent it is available, may be issued at a higher cost and on less favorable terms and conditions than the Truist Credit Facility, 2026 Notes, 2026 Notes-2 and SBA debentures. Furthermore, the Truist Credit Facility availability depends on various covenants and restrictions. The primary use of existing funds and any funds raised in the future is expected to be for repayment of indebtedness, investments in portfolio companies, cash distributions to our stockholders or for other general corporate or strategic purposes such as our stock repurchase program.

SBIC II is able to borrow funds from the SBA against regulatory capital (which approximates equity capital) that is paid-in and is subject to customary regulatory requirements including an examination by the SBA. We have funded SBIC II with \$75.0 million of equity capital and it had SBA debentures outstanding of \$27.5 million and \$63.5 million as of June 30, 2022 and September 30, 2021, respectively. SBA debentures are non-recourse to us and may be prepaid at any time without penalty. The interest rate of SBA debentures is fixed at the time of issuance, often referred to as pooling, at a market-driven spread over 10-year U.S. Treasury Notes. Under current SBA regulations, a SBIC may individually borrow up to a maximum of \$175.0 million, which is up to twice its potential regulatory capital, and as part of a group of SBICs under common control may borrow a maximum of \$350 million in the aggregate.

As of both June 30, 2022 and September 30, 2021, SBIC II had an initial \$150.0 million in debt commitments, all of which were drawn. During the three and nine months ended June 30, 2022, zero and \$36.0 million in SBA debentures were repaid, respectively. During the three and nine months ended June 30, 2021, there was \$45.0 million and \$55.0 million in SBA debentures were repaid, respectively. As of both June 30, 2022 and September 30, 2021, the unamortized fees on the SBA debentures was \$0.4 million, respectively. The SBA debentures' upfront fees of 3.4% consist of a commitment fee of 1.0% and an issuance discount of 2.4%, which are being amortized.

Our fixed-rate SBA debentures as of June 30, 2022 and September 30, 2021 were as follows:

Issuance Dates	Maturity	Fixed All-in Coupon Rate <sup>(1)</sup>	As of June 30, 2022 Principal Balance
September 20, 2017	September 1, 2027	2.9 %	27,500

  

Issuance Dates	Maturity	Fixed All-in Coupon Rate <sup>(1)</sup>	As of September 30, 2021 Principal Balance
September 20, 2017	September 1, 2027	2.9 %	\$ 27,500
March 21, 2018	March 1, 2028	3.5	36,000
Weighted Average Rate / Total		3.2 %	\$ 63,500

<sup>(1)</sup> Excluding 3.4% of upfront fees.

The SBIC program is designed to stimulate the flow of capital into eligible businesses. Under SBA regulations, SBIC II is subject to regulatory requirements, including making investments in SBA eligible businesses, investing at least 25% of regulatory capital in eligible smaller businesses, as defined under the 1958 Act, placing certain limitations on the financing terms of investments, prohibiting investment in certain industries and requiring capitalization thresholds that limit distributions to us, and is subject to periodic audits and examinations of their financial statements that are prepared on a basis of accounting other than GAAP (for example, fair value, as defined under ASC 820, is not required to be used for assets or liabilities for such compliance reporting). As of June 30, 2022, SBIC II was in compliance with their regulatory requirements.

In accordance with the 1940 Act, with certain limited exceptions, PennantPark Investment is only allowed to borrow amounts such that our required 150% asset coverage ratio is met after such borrowing. As of June 30, 2022 and September 30, 2021, we excluded the principal amounts of our SBA debentures from our asset coverage ratio pursuant to SEC exemptive relief. In 2011, we received exemptive relief from the SEC allowing us to modify the asset coverage ratio requirement to exclude the SBA debentures from the calculation. Accordingly, our ratio of total assets on a consolidated basis to outstanding indebtedness may be less than 150% which, while providing increased investment flexibility, also increases our exposure to risks associated with leverage.

We have entered into certain contracts under which we have material future commitments. Under our Investment Management Agreement, which was reapproved by our board of directors (including a majority of our directors who are not interested persons of us or the Investment Adviser) in February 2022 PennantPark Investment Advisers serves as our investment adviser. PennantPark Investment, through the Investment Adviser, provides similar services to SBIC II under its investment management agreement with us. SBIC II's investment management agreement does not affect the management or incentive fees that we pay to the Investment Adviser on a consolidated basis. Payments under our Investment Management Agreement in each reporting period are equal to (1) a management fee equal to a percentage of the value of our average adjusted gross assets and (2) an incentive fee based on our performance.

Under our Administration Agreement, which was most recently reapproved by our board of directors, including a majority of our directors who are not interested persons of us, in February 2022 the Administrator furnishes us with office facilities and administrative services necessary to conduct our day-to-day operations. PennantPark Investment, through the Administrator, provides similar services to SBIC II under its administration agreements, which are intended to have no effect on the consolidated administration fee. If requested to provide significant managerial assistance to our portfolio companies, we or the Administrator will be paid an additional amount based on the services provided. Payment under our Administration Agreement is based upon our allocable portion of the Administrator's overhead in performing its obligations under our Administration Agreement, including rent and our allocable portion of the costs of our Chief Compliance Officer, Chief Financial Officer and their respective staffs.

If any of our contractual obligations discussed above are terminated, our costs under new agreements that we enter into may increase. In addition, we will likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under our Investment Management Agreement and our Administration Agreement. Any new investment management agreement would also be subject to approval by our stockholders.

As of June 30, 2022 and September 30, 2021, we had cash and cash equivalents of \$29.5 million and \$20.4 million, respectively, available for investing and general corporate purposes. We believe our liquidity and capital resources are sufficient to allow us to effectively operate our business.

Our operating activities used cash of \$97.5 million for the nine months ended June 30, 2022, and our financing activities provided cash of \$106.9 million for the same period. Our operating activities used cash primarily due to our investment activities and our financing activities provided cash primarily due to borrowings under the Truist Credit Facility and proceeds from our 2026-2 Notes.

Our operating activities provided cash of \$95.7 million for the nine months ended June 30, 2021 and our financing activities used cash of \$107.4 million for the same period. Our operating activities provided cash primarily from our investment activities and our financing activities used cash primarily to pay down the Truist Credit Facility and our SBA Debentures.

#### **PennantPark Senior Loan Fund, LLC**

In July 2020, we and Pantheon formed PSLF, an unconsolidated joint venture. PSLF invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSLF was formed as a Delaware limited liability company. As of June 30, 2022 and September 30, 2021, PSLF had total assets of \$664.6 million and \$417.4 million, respectively. PSLF's portfolio consisted of debt investments in 72 and 47 portfolio companies as of June 30, 2022 and September 30, 2021, respectively. As of the same dates, we and Pantheon had no remaining commitments to fund first lien secured debt and equity interests in PSLF. As of June 30, 2022, at fair value, the largest investment in a single portfolio company in PSLF was \$17.9 million and the five largest investments totaled \$87.2 million. As of September 30, 2021, at fair value, the largest investment in a single portfolio company in PSLF was \$16.8 million and the five largest investments totaled \$74.4 million. PSLF invests in portfolio companies in the same industries in which we may directly invest.

We provide capital to PSLF in the form of subordinated notes and equity interests. As of June 30, 2022 and September 30, 2021, we and Pantheon owned 60.5% and 39.5%, respectively, of each of the outstanding subordinated notes and equity interests of PSLF. As of June 30, 2022 and September 30, 2021 our investment in PSLF consisted of subordinated notes of \$88.0 million and \$64.2 million, respectively, and equity interests of \$53.1 million and \$41.2 million, respectively.

We and Pantheon each appointed two members to PSLF's four-person Member Designees' Committee, or the Member Designees' Committee. All material decisions with respect to PSLF, including those involving its investment portfolio, require unanimous approval of a quorum of Member Designees' Committee. Quorum is defined as (i) the presence of two members of the Member Designees' Committee; provided that at least one individual is present that was elected, designated or appointed by each of us and Pantheon; (ii) the presence of three members of the Member Designees' Committee, provided that the individual that was elected, designated or appointed by each of us

or Pantheon, as the case may be, with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the Member Designees' Committee shall constitute a quorum, provided that two individuals are present that were elected, designated or appointed by each of us and Pantheon.

Additionally, PSLF, through its wholly-owned subsidiary, or PSLF Subsidiary, has entered into a \$225.0 million (reduced from \$275.0 million on March 2, 2022) senior secured revolving credit facility which bears interest at SOFR (or an alternative risk-free interest rate index) plus 255 basis points during the investment period, or the PSLF Credit Facility, with BNP Paribas, subject to leverage and borrowing base restrictions.

In March 2022, PSLF completed a \$304.0 million debt securitization in the form of a collateralized loan obligation, or the "2034 Asset-Backed Debt". The 2034 Asset-Backed Debt is secured by a diversified portfolio of PennantPark CLO IV, LLC., a wholly-owned and consolidated subsidiary of PSLF, consisting primarily of middle market loans and participation interests in middle market loans. The 2034 Asset-Backed Debt is scheduled to mature in April 2034. On the closing date of the transaction, in consideration of PSLF's transfer to PennantPark CLO IV, LLC. of the initial closing date loan portfolio, which included loans distributed to PSLF by certain of its wholly owned subsidiaries and us, PennantPark CLO IV, LLC. transferred to PSLF 100% of the Preferred Shares of PennantPark CLO IV, LLC. and 100% of the Subordinated Notes issued by PennantPark CLO IV, LLC.

Below is a summary of PSLF's portfolio at fair value:

(\$ in thousands)	June 30, 2022	September 30, 2021
Total investments	\$ 608,375	\$ 405,233
Weighted average cost yield on income producing investments	7.9 %	7.1 %
Number of portfolio companies in PSLF	72	47
Largest portfolio company investment	\$ 17,897	\$ 16,817
Total of five largest portfolio company investments	\$ 87,170	\$ 74,445

Below is a listing of PSLF's individual investments as of June 30, 2022(\$ in thousands, except share data):

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index <sup>(1)</sup>	Par	Cost	Fair Value <sup>(2)</sup>
<b>First Lien Secured Debt - 693.3%</b>							
Ad.net Acquisition, LLC	5/6/2026	Media	8.25%	3M L+600	4,950	\$ 4,950	\$ 4,950
Alpine Acquisition Corp II	11/30/2026	Containers, Packaging and Glass	7.22%	3M L+800	10,000	9,806	9,800
Altamira Technologies, LLC	7/24/2025	Aerospace and Defense	9.24%	3M L+550	884	876	842
American Insulated Glass, LLC	12/21/2023	Building Materials	6.50%	3M L+575	17,463	17,417	17,463
Amsive Holding Corporation (f/k/a Vision Purchaser Corporation)	6/10/2025	Media	7.75%	1M L+550	13,905	13,757	13,835
Any Hour Services	7/21/2027	Personal, Food and Miscellaneous Services	6.75%	—	9,978	9,969	9,878
Apex Service Partners, LLC	7/31/2025	Personal, Food and Miscellaneous Services	6.25%	3M L+575	6,569	6,498	6,536
Apex Service Partners, LLC Term Loan B	7/31/2025	Personal, Food and Miscellaneous Services	6.55%	3M L+550	3,323	3,296	3,307
Apex Service Partners, LLC - Term Loan C	7/31/2025	Personal, Food and Miscellaneous Services	6.50%	3M L+600	7,607	7,607	7,569
Applied Technical Services, LLC	12/29/2026	Environmental Services	8.00%	3M L+500	7,388	7,296	7,295
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distribution	7.20%	3M L+600	18,078	17,829	17,897
CF512, Inc.	8/20/2026	Media	7.58%	3M L+575	2,992	2,964	2,948
Connatix Buyer, Inc.	7/13/2027	Media	6.91%	1M L+550	9,190	9,236	9,029
Crash Champions, LLC	8/5/2025	Auto Sector	6.83%	3M L+750	15,940	15,637	15,860
Dr. Squatch, LLC	8/31/2027	Personal and Non-Durable Consumer Products	8.00%	3M L+475	6,452	6,445	6,452
DRS Holdings III, Inc.	11/3/2025	Consumer Products	7.42%	3M L+600	15,182	15,099	14,742
Duraco Specialty Tapes LLC	6/30/2024	Manufacturing / Basic Industries	6.87%	3M L+575	8,200	8,049	8,028
ECL Entertainment, LLC	5/1/2028	Hotels, Motels, Inns and Gaming	9.75%	3M L+500	4,569	4,569	4,452
ECM Industries, LLC	12/23/2025	Electronics	6.32%	3M L+600	2,823	2,757	2,766
Exigo Intermediate II, LLC	3/15/2027	Business Services	6.81%	1M L+575	10,000	9,863	9,850
Global Holdings InterCo LLC	3/16/2026	Banking, Finance, Insurance & Real Estate	7.00%	3M L+600	7,380	7,350	7,159
Graffiti Buyer, Inc.	8/10/2027	Distribution	8.00%	3M L+550	1,979	1,943	1,925
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	7.09%	1M L+575	6,838	6,838	6,770
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	7.00%	1M L+800	13,990	13,720	13,710
HW Holdco, LLC	12/10/2024	Media	6.00%	3M L+700	14,475	14,325	14,186
IDC Infusion Services, Inc.	12/30/2026	Healthcare, Education and Childcare	7.00%	3M L+750	9,975	9,971	9,875
IG Investments Holdings, LLC	9/22/2028	Business Services	8.02%	1M L+575	4,484	4,397	4,417
Imagine Acquisitionco, LLC	11/15/2027	Business Services	6.91%	3M L+625	5,660	5,554	5,490
Inception Fertility Ventures, LLC	12/7/2023	Healthcare, Education and Childcare	9.08%	3M L+550	17,409	16,979	16,973
Infolinks Media Buycio, LLC	11/1/2026	Media	8.00%	1M L+550	6,461	6,461	6,461
Integrity Marketing Acquisition, LLC	8/27/2025	Insurance	7.83%	3M L+575	17,490	17,412	17,322
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	9.67%	3M L+550	14,475	14,333	14,345
LAV Gear Holdings, Inc.	10/31/2024	Leisure, Amusement, Motion Pictures, Entertainment	8.50%	3M L+500	2,137	2,127	2,081
Lash OpCo, LLC	2/18/2027	Consumer Products	9.25%	1M L+650	9,950	9,824	9,850
Lightspeed Buyer Inc.	2/3/2026	Healthcare, Education and Childcare	7.42%	3M L+475	12,377	12,137	12,129
MAG DS Corp.	4/1/2027	Aerospace and Defense	7.75%	3M L+550	5,585	5,124	5,083
Mars Acquisition Holdings Corp.	5/14/2026	Media	7.17%	1M L+625	7,940	7,880	7,861
MBS Holdings, Inc.	4/16/2027	Telecommunications	6.75%	3M L+575	7,425	7,343	7,351
Meadowlark Acquirer, LLC	12/10/2027	Business Services	6.84%	3M L+575	2,998	2,938	2,923
MeritDirect, LLC	5/23/2024	Media	7.75%	3M L+600	15,371	15,276	15,294
Municipal Emergency Services, Inc.	9/28/2027	Distribution	7.25%	3M L+550	4,164	4,099	4,006
NBH Group LLC	8/19/2026	Healthcare, Education and Childcare	6.37%	3M L+575	7,524	7,442	7,486
OIS Management Services, LLC	7/9/2026	Healthcare, Education and Childcare	5.61%	3M L+600	5,316	5,266	5,236
Owl Acquisition, LLC	2/4/2028	Education	6.75%	3M L+550	4,000	3,925	3,880
Ox Two, LLC (New Issue)	5/18/2026	Distribution	8.00%	1M L+650	4,987	4,933	4,888
PL Acquisitionco, LLC	11/9/2027	Retail	8.17%	1M L+575	8,656	8,506	8,505
PlayPower, Inc.	5/8/2026	Consumer Products	7.75%	1M L+525	2,587	2,489	2,244
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	7.25%	1M L+600	3,429	3,365	3,361
Radius Aerospace, Inc.	3/31/2025	Aerospace and Defense	6.76%	3M L+600	12,784	12,676	12,592
Rancho Health MSO, Inc.	12/18/2025	Healthcare, Education and Childcare	6.75%	1M L+450	5,207	5,207	5,207
Reception Purchaser, LLC	2/28/2028	Transportation	8.20%	SOFR+600	4,988	4,915	4,788
Recteq, LLC	1/29/2026	Consumer Products	8.25%	3M L+700	9,875	9,736	9,628
Research Now Group, LLC and Dynata, LLC	12/20/2024	Business Services	6.50%	1M L+550	14,580	14,468	13,705
Riverpoint Medical, LLC	6/20/2025	Healthcare, Education and Childcare	6.75%	3M L+525	3,229	3,207	3,149
Riverside Assessments, LLC	3/10/2025	Education	8.45%	1M L+575	10,000	9,920	9,800
Sales Benchmark Index LLC	1/3/2025	Business Services	8.25%	3M L+625	7,225	7,134	7,225
Sargent & Greenleaf Inc.	12/20/2024	Electronics	7.15%	3M L+550	5,082	5,082	5,031
Signature Systems Holding Company	5/3/2024	Chemicals, Plastics and Rubber	8.75%	1M L+450	12,139	12,058	12,078
Solutionreach, Inc.	1/17/2024	Communications	7.42%	6M L+675	11,420	11,380	10,986
STV Group Incorporated	12/11/2026	Transportation	6.92%	3M L+575	12,099	12,029	11,917
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	8.83%	SOFR+600	9,962	9,704	9,803
TAC LifePort Purchaser, LLC	3/1/2026	Aerospace and Defense	7.00%	3M L+600	4,439	4,439	4,421
TeleGuam Holdings, LLC	11/20/2025	Telecommunications	8.25%	3M L+450	4,553	4,532	4,553
Teneo Holdings LLC	7/18/2025	Financial Services	6.31%	3M L+525	2,974	2,960	2,914
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	8.12%	3M L+600	11,293	11,180	11,180
The Bluebird Group LLC	7/27/2026	Business Services	8.75%	3M L+650	5,549	5,599	5,605
The Vertex Companies, LLC	8/30/2027	Business Services	7.17%	3M L+550	4,543	4,495	4,461
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Food	6.50%	3M L+525	5,550	5,398	5,384
TVC Enterprises, LLC	3/26/2026	Transportation	7.67%	3M L+600	17,424	17,282	17,076
TWS Acquisition Corporation	6/16/2025	Education	8.76%	3M L+625	7,949	7,914	7,910
Tyto Athene, LLC	4/3/2028	Aerospace and Defense	6.47%	3M L+550	12,125	11,997	11,470
UBEO, LLC	4/3/2024	Printing and Publishing	6.75%	3M L+450	4,674	4,655	4,581
Wildcat Buyerco, Inc.	2/27/2026	Electronics	6.75%	SOFR+575	11,562	11,471	11,252
Zips Car Wash, LLC	3/1/2024	Business Services	7.75%	3M L+725	7,498	7,373	7,348
<b>Total First Lien Secured Debt</b>						<b>612,509</b>	<b>608,375</b>
<b>Total Investments - 693.3%</b>							
<b>Cash and Cash Equivalents - 61.2%</b>							
BlackRock Federal FD Institutional 30						53,690	53,690
<b>Total Cash and Cash Equivalents</b>						<b>53,690</b>	<b>53,690</b>
<b>Total Investments and Cash Equivalents - 754.4%</b>						<b>\$ 666,200</b>	<b>\$ 662,065</b>
<b>Liabilities in Excess of Other Assets — (654.4)%</b>							<b>(574,309)</b>
<b>Members' Equity—100.0%</b>							<b>\$ 87,756</b>

(1) Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR, or "L" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.

(2) Valued based on PSLF's accounting policy.

(3) Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.



Below is a listing of PSLF's individual investments as of September 30, 2021(\$ in thousands, except share data):

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index <sup>(1)</sup>	Par	Cost	Fair Value <sup>(2)</sup>
<b>First Lien Secured Debt - 570.7%</b>							
Ad.net Acquisition, LLC	05/06/26	Media	7.00%	3M L + 600	\$ 4,988	\$ 4,920	\$ 4,913
Altamira Technologies, LLC	07/24/25	Aerospace and Defense	8.00%	3M L+700	921	912	864
American Insulated Glass, LLC	12/21/23	Building Materials	6.50%	3M L+550	14,625	14,481	14,479
Any Hour Services	07/21/27	Personal, Food and Miscellaneous Services	6.75%	1M L+525	6,500	6,378	6,370
Apex Service Partners, LLC	07/31/25	Personal, Food and Miscellaneous Services	6.25%	1M L+550	6,569	6,518	6,504
Apex Service Partners, LLC Term Loan B	07/31/25	Personal, Food and Miscellaneous Services	6.55%	---	3,347	3,313	3,313
Applied Technical Services, LLC	12/29/26	Environmental Services	6.75%	3M L+575	7,444	7,336	7,295
Bottom Line Systems, LLC	02/13/23	Healthcare, Education and Childcare	6.25%	1M L+550	13,729	13,674	13,729
Crash Champions, LLC	08/05/25	Auto Sector	6.00%	1M L+525	5,985	5,873	5,865
DRS Holdings III, Inc.	11/03/25	Consumer Products	7.25%	1M L+625	13,428	13,335	13,334
ECL Entertainment, LLC	03/31/28	Hotels, Motels, Inns and Gaming	8.25%	3M L+750	4,604	4,560	4,707
ECM Industries, LLC	12/23/25	Electronics	5.50%	3M L+450	2,827	2,805	2,770
Global Holdings InterCo LLC	03/16/26	Banking, Finance, Insurance & Real Estate	7.00%	3M L+600	7,463	7,360	7,425
Hancock Roofing and Construction L.L.C.	12/31/26	Insurance	6.00%	3M L+500	5,955	5,819	5,895
Holdco Sands Intermediate, LLC	12/19/25	Aerospace and Defense	7.50%	3M L+600	12,071	11,934	12,010
HW Holdco, LLC	12/10/24	Media	5.50%	3M L+450	14,588	14,499	14,442
IMIA Holdings, Inc.	04/09/27	Aerospace and Defense	6.75%	3M L+600	9,059	8,890	8,878
Integrity Marketing Acquisition, LLC	08/27/25	Insurance	6.50%	3M L+550	7,868	7,803	7,829
Juniper Landscaping of Florida, LLC	12/22/21	Personal, Food and Miscellaneous Services	6.50%	3M L+550	9,420	9,420	9,420
K2 Pure Solutions NoCal, L.P.	12/20/23	Chemicals, Plastics and Rubber	8.00%	1M L+700	14,588	14,479	14,199
LAV Gear Holdings, Inc.	10/31/24	Leisure, Amusement, Motion Pictures, Entertainment	8.50%	3M L+750	2,120	2,107	1,987
Lightspeed Buyer Inc.	02/03/26	Healthcare, Education and Childcare	6.75%	1M L+550	12,472	12,273	12,472
Lombart Brothers, Inc.	04/13/23	Healthcare, Education and Childcare	7.25%	1M L+825	16,817	16,729	16,817
MAG DS Corp.	04/01/27	Aerospace and Defense	6.50%	1M L+525	5,837	5,581	5,253
Mars Acquisition Holdings Corp.	05/14/26	Media	6.50%	1M L+575	8,000	7,852	7,920
MBS Holdings, Inc.	04/16/27	Telecommunications	6.75%	3M L+550	7,481	7,338	7,332
MeritDirect, LLC	05/23/24	Media	6.50%	3M L+550	13,386	13,272	13,252
PlayPower, Inc.	05/08/26	Consumer Products	5.65%	3M L+575	3,805	3,778	3,736
Radius Aerospace, Inc.	03/31/25	Aerospace and Defense	6.75%	3M L+600	13,335	13,202	13,068
Rancho Health MSO, Inc.	12/18/25	Healthcare, Education and Childcare	6.75%	3M L+550	5,232	5,140	5,232
Recteq, LLC	01/29/26	Consumer Products	7.00%	3M L+450	9,950	9,775	9,851
Research Now Group, LLC and Dynata, LLC	12/20/24	Business Services	6.50%	3M L+600	14,695	14,602	14,508
Riverpoint Medical, LLC	06/20/25	Healthcare, Education and Childcare	5.50%	1M L+550	3,246	3,217	3,206
Sales Benchmark Index LLC	01/03/25	Business Services	7.75%	3M L+750	7,632	7,526	7,442
Sargent & Greenleaf Inc.	12/20/24	Electronics	7.00%	3M L+575	5,232	5,181	5,232
Signature Systems Holding Company	05/03/24	Chemicals, Plastics and Rubber	8.50%	1M L+525	13,500	13,397	13,365
Solutionreach, Inc.	01/17/24	Communications	6.75%	1M L+600	11,882	11,758	11,882
STV Group Incorporated	12/11/26	Transportation	5.33%	1M L+450	12,099	12,003	12,038
TAC LifePort Purchaser, LLC	03/01/26	Aerospace and Defense	7.00%	1M L+525	4,967	4,891	4,966
TeleGuam Holdings, LLC	11/20/25	Telecommunications	5.50%	3M L+525	4,593	4,558	4,547
Teneo Holdings LLC	07/18/25	Financial Services	6.25%	1M L+575	2,997	2,884	2,981
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/25	Food	6.25%	1M L+625	5,593	5,537	5,425
TVC Enterprises, LLC	03/26/26	Transportation	6.75%	3M L+550	12,773	12,643	12,773
TWS Acquisition Corporation	06/16/25	Education	7.25%	3M L+450	9,648	9,515	9,648
Tyto Athene, LLC	04/03/28	Aerospace and Defense	6.25%	1M L+675	9,950	9,853	9,950
UBEO, LLC	04/03/24	Printing and Publishing	5.50%	1M L+500	4,710	4,676	4,687
Vision Purchaser Corporation	06/10/25	Media	7.75%	3M L+675	14,249	14,056	14,035
Wildcat Buyerco, Inc.	02/27/26	Electronics	6.00%	3M L+500	7,425	7,360	7,388
					409,602	405,009	405,232
<b>Total First Lien Secured Debt</b>							
<b>Cash and Cash Equivalents—18.9%</b>							
BlackRock Federal FD Institutional 30						11,013	11,013
US Bank Cash						—	—
<b>Total Cash and Cash Equivalents</b>						11,013	11,013
<b>Total Investments and Cash Equivalents—592.7%</b>						\$ 416,023	\$ 416,246
<b>Liabilities in Excess of Other Assets—(492.7)%</b>							(348,213)
<b>Members' Equity—100.0%</b>							\$ 68,032

<sup>(1)</sup> Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR, or "L" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.

<sup>(2)</sup> Valued based on PSLF's accounting policy.

Below are the consolidated statements of assets and liabilities for PSLF,(\$ in thousands):

	June 30, 2022 (Unaudited)	September 30, 2021
<b>Assets</b>		
Investments at fair value (cost—\$612,509 and \$405,009, respectively)	\$ 608,375	\$ 405,233
Cash and cash equivalents (cost—\$53,690 and \$11,013, respectively)	53,690	11,013
Interest receivable	1,708	1,175
Prepaid expenses and other assets	842	—
<b>Total assets</b>	<b>664,615</b>	<b>417,421</b>
<b>Liabilities</b>		
Distribution payable to Members	4,000	2,800
Payable for investments purchased	67,265	12,793
Credit facility payable	110,900	224,000
2034 Asset-backed debt, net (par—\$246,000)	243,799	—
Notes payable to members	145,472	106,041
Interest payable on credit facility	2,718	1,499
Interest payable on notes to members	2,080	1,644
Accrued other expenses	625	612
<b>Total liabilities</b>	<b>576,859</b>	<b>349,389</b>
<b>Members' equity</b>	<b>87,756</b>	<b>68,032</b>
<b>Total liabilities and members' equity</b>	<b>\$ 664,615</b>	<b>\$ 417,421</b>

<sup>(1)</sup> As of June 30, 2022 and September 30, 2021, PSLF did not have any unfunded commitments to fund investments.

Below are the consolidated statements of operations for PSLF, (\$ in thousands):

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
<b>Investment income:</b>				
Interest	\$ 8,491	\$ 7,101	\$ 23,759	\$ 20,359
Other income	18	1,081	160	1,808
<b>Total investment income</b>	<b>8,509</b>	<b>8,182</b>	<b>23,919</b>	<b>22,167</b>
<b>Expenses:</b>				
Interest expense on credit facility and asset-backed debt	2,183	1,505	5,838	4,755
Interest expense on notes to members	2,992	2,410	7,861	7,094
Administrative services expenses	293	293	879	879
Other general and administrative expenses	112	112	335	335
<b>Total expenses</b>	<b>5,580</b>	<b>4,320</b>	<b>14,913</b>	<b>13,063</b>
<b>Net investment income</b>	<b>2,929</b>	<b>3,862</b>	<b>9,006</b>	<b>9,104</b>
<b>Realized and unrealized (loss) gain on investments and credit facility foreign currency translations:</b>				
Net realized gain on investments	120	—	506	464
Net change in unrealized (depreciation) appreciation on:				
Investments	(3,630)	92	(4,357)	4,546
<b>Net change in unrealized (depreciation) appreciation on investments</b>	<b>(3,630)</b>	<b>92</b>	<b>(4,357)</b>	<b>4,546</b>
<b>Net realized and unrealized (loss) gain from investments</b>	<b>(3,510)</b>	<b>92</b>	<b>(3,851)</b>	<b>5,010</b>
<b>Net increase in members' equity resulting from operations</b>	<b>\$ (581)</b>	<b>\$ 3,954</b>	<b>\$ 5,155</b>	<b>\$ 14,114</b>

<sup>(1)</sup> No management or incentive fees are payable by PSLF.

### Recent Developments

On July 29, 2022, the Company entered into the Fifth Amendment to the Truist Credit Facility. The Fifth Amendment amends certain provisions of the Credit Agreement to, among other things, (1) increase the facility size from \$465.0 million to \$500.0 million, which may be further increased up to \$750.0 million, subject to the terms of the Amended Credit Agreement, (2) extend the term of the revolving period from September 4, 2023 to July 29, 2026 and the stated maturity date from September 4, 2024 to July 29, 2027 for \$475.0 million out of the total \$500.0 million commitments (with the revolving period with respect to the remaining \$25.0 million of commitments continuing to expire on September 4, 2023 and the related obligations maturing on September 4, 2024), (3) adjust the applicable margin with respect to the loans extended by the lenders of the extended \$475.0 million commitments and (4) replace the LIBOR benchmark provisions with SOFR benchmark provisions, including applicable credit adjustment spread. In connection with the facility increase contemplated by the Fifth Amendment, Regions Bank joined the Amended Credit Agreement as an additional multicurrency lender.

The foregoing descriptions of the Fifth Amendment does not purport to be complete and is qualified in their entirety by reference to the full text of the Fifth Amendment, which is filed as an exhibit hereto and incorporated by reference herein.

Subsequent to quarter end we and Pantheon Ventures (UK) LLP, have agreed to increase our capital commitments to PSLF from \$234.8 million to \$310.8 million. PNNT's portion of this capital commitment increase is \$45.9 million.

### Distributions

In order to be treated as a RIC for federal income tax purposes and to not be subject to corporate-level tax on undistributed income or gains, we are required, under Subchapter M of the Code, to annually distribute dividends for U.S. federal income tax purposes to our stockholders out of the assets legally available for distribution of an amount generally at least equal to 90% of our investment company taxable income, determined without regard to any deduction for dividends paid.

Although not required for us to maintain our RIC tax status, in order to preclude the imposition of a 4% nondeductible federal excise tax imposed on RICs, we must distribute dividends for U.S. federal income tax purposes to our stockholders in respect of each calendar year of an amount at least equal to the Excise Tax Avoidance

Requirement. In addition, although we may distribute realized net capital gains (i.e., net long-term capital gains in excess of net short-term capital losses), if any, at least annually, out of the assets legally available for such distributions in the manner described above, we have retained and may continue to retain such net capital gains or investment company taxable income, contingent on our ability to be subject to tax as a RIC, in order to provide us with additional liquidity.

During the three and nine months ended June 30, 2022, we declared distributions of \$0.145 and \$0.405 per share, for total distributions of \$9.4 million and \$26.8 million, respectively. For the same periods in the prior year, we declared distributions of \$0.12 and \$0.36 per share, for total distributions of \$8.0 million and \$24.1 million, respectively. We monitor available net investment income to determine if a return of capital for tax purposes may occur for the fiscal year. To the extent our taxable earnings fall below the total amount of our distributions for any given fiscal year, stockholders will be notified of the portion of those distributions deemed to be a tax return of capital. Tax characteristics of all distributions will be reported to stockholders subject to information reporting on Form 1099-DIV after the end of each calendar year and in our periodic reports filed with the SEC.

We intend to continue to make quarterly distributions to our stockholders. Our quarterly distributions, if any, are determined by our board of directors.

We maintain an “opt out” dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, then 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.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage ratio for borrowings applicable to us as a BDC under the 1940 Act and/or due to provisions in future credit facilities. If we do not distribute at least a certain percentage of our income annually, we could suffer adverse tax consequences, including possible loss of our ability to be subject to tax as a RIC. We cannot assure stockholders that they will receive any distributions at a particular level.

#### Recent Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update No. 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” The guidance provides optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships and other transactions, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

In June 2022, the FASB issued Accounting Standards Update, or ASU, 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, or ASU 2022-03, which changed the fair value measurement disclosure requirements of ASC Topic 820, Fair Value Measurements and Disclosures, or ASC 820. The amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The new guidance is effective for fiscal years beginning after December 15, 2023, including interim periods therein. Early application is permitted. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

#### Stock Repurchase Program

On February 9, 2022, we announced a share repurchase program which allows us to repurchase up to \$25 million of our outstanding common stock in the open market at prices below our net asset value as reported in our then most recently published consolidated financial statements. The shares may be purchased from time to time at prevailing market prices, through open market transactions, including block transactions. Unless extended by our board of directors, the program, which may be implemented at the discretion of management, will expire on the earlier of March 31, 2023 and the repurchase of \$25 million of common stock. During the three and nine months ended June 30, 2022, we repurchased 717,709 and 1,631,163, respectively, shares of common stock in open market transactions for an aggregate cost (including transaction costs) of \$4.9 million and \$12.0 million, respectively. During the three and nine months ended June 30, 2021, we did not make any repurchases of shares of our common stock.

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

We are subject to financial market risks, including changes in interest rates. As of June 30, 2022, our debt portfolio consisted of 96% variable-rate investments and 4% fixed rate investments. The variable-rate loans are usually based on a LIBOR (or an alternative risk-free floating interest rate index) rate and typically have durations of three months after which they reset to current market interest rates. Variable-rate investments subject to a floor generally reset by reference to the current market index after one to nine months only if the index exceeds the floor. In regards to variable-rate instruments with a floor, we do not benefit from increases in interest rates until such rates exceed the floor and thereafter benefit from market rates above any such floor. In contrast, our cost of funds, to the extent it is not fixed, will fluctuate with changes in interest rates since it has no floor.

Assuming that the most recent Consolidated Statements of Assets and Liabilities was to remain constant, and no actions were taken to alter the interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates:

Change in Interest Rates	Change in Interest Income, Net of Interest Expense (in thousands)		Change in Interest Income, Net of Interest Expense Per Share	
Down 1%	\$	(3,844)	\$	(0.06)
Up 1%		5,449		0.08
Up 2%		10,677		0.16
Up 3%		15,906		0.24
Up 4%	\$	21,134	\$	0.32

Although management believes that this measure is indicative of our sensitivity to interest rate changes, it does not adjust for potential changes in the credit market, credit quality, size and composition of the assets on the Consolidated Statements of Assets and Liabilities and other business developments that could affect net increase in net assets resulting from operations, or net investment income. Accordingly, no assurances can be given that actual results would not differ materially from those shown above.

Because we borrow money to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest these funds as well as our level of leverage. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income or net assets.

We may hedge against interest rate and foreign currency fluctuations by using standard hedging instruments such as futures, options and forward contracts or our Truist Credit Facility subject to the requirements of the 1940 Act and applicable commodities laws. While hedging activities may insulate us against adverse changes in interest rates and foreign currencies, they may also limit our ability to participate in benefits of lower interest rates or higher exchange rates with respect to our portfolio of investments with fixed interest rates or investments denominated in foreign currencies. During the periods covered by this Report, we did not engage in interest rate hedging activities or foreign currency derivatives hedging activities.

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

As of the period covered by this Report, we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic filings with the SEC 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. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

There have been no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

None of us, our Investment Adviser or our Administrator, is currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us, or against our Investment Adviser or Administrator. From time to time, we, our Investment Adviser or Administrator may be a party to certain legal proceedings, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

### Item 1A. Risk Factors

In addition to the other information set forth in this Report, you should consider carefully the factors discussed below, as well as in Part I “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2021 filed on November 17, 2021 which could materially affect our business, financial condition and/or operating results. The risks described below, as well as in our Annual Report on Form 10-K, are not the only risks facing PennantPark Investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

***The ongoing invasion of Ukraine by Russia and related sanctions have increased global political and economic uncertainty, which may have a material impact on the Company's portfolio and the value of your investment in the Company.***

The ongoing invasion of Ukraine by Russia and related sanctions have increased global political and economic uncertainty. In February 2022, Russia invaded Ukraine and, in response, the United States and many other countries placed economic sanctions on certain Russian entities and individuals. Because Russia is a major exporter of oil and natural gas, the invasion and related sanctions have reduced the supply, and increased the price, of energy, which is accelerating inflation and may exacerbate ongoing supply chain issues. There is also the risk of retaliatory actions by Russia against countries which have enacted sanctions, including cyberattacks against financial and governmental institutions, which could result in business disruptions and further economic turbulence. Although the Company has no direct exposure to Russia or Ukraine, the broader consequences of the invasion may have a material adverse impact on the Company's portfolio and the value of your investment in the Company. Because this is an uncertain and evolving situation, its full impact is unknown at this time.

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

Certain of our portfolio companies are in industries that may be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results and impact their ability to pay interest and principal on our loans, particularly if interest rates rise in response to inflation. 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 realized or unrealized losses and therefore reduce our net assets resulting from operations.

***Legislation enacted in 2018 allows us to incur additional leverage.***

A BDC has historically been able to issue “senior securities,” including borrowing money from banks or other financial institutions, only in amounts such that its asset coverage, as defined in Section 61(a)(2) of the 1940 Act, equals at least 200% after such incurrence or issuance. In March 2018, the Consolidated Appropriations Act of 2018 (which includes the SBCAA) was enacted which amended the 1940 Act to decrease this percentage from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity) for a BDC that has received either stockholder approval or approval of a “required majority” (as defined in Section 57(o) of the 1940 Act) of its board of directors of the application of such lower asset coverage ratio to the BDC. On February 5, 2019, our stockholders approved such reduction, as approved by our board of directors on November 13, 2018. As of February 5, 2019, we are able to incur additional indebtedness so long as we comply with the applicable disclosure requirements, which may increase the risk of investing in us. Under the 200% minimum asset coverage ratio, we were permitted to borrow up to one dollar for investment purposes for every one dollar of investor equity and, under the 150% minimum asset coverage ratio, we are permitted to borrow up to two dollars for investment purposes for every one dollar of investor equity. In other words, Section 61(a)(2) of the 1940 Act permits BDCs to potentially increase their debt-to-equity ratio from a maximum of 1-to-1 to a maximum of 2-to-1. In addition, since our base management fee is determined and payable based upon our average adjusted gross assets, which includes any borrowings for investment purposes, our base management fee expense may increase if we incur additional leverage. Effective February 5, 2019, base management fees were reduced from 1.50% to 1.00% on gross assets that exceed 200% of the Company's total net assets as of the immediately preceding quarter-end.

***Because we intend to distribute substantially all of our income to our stockholders to maintain our ability to be subject to tax as a RIC, we may need to raise additional capital to finance our growth. If funds are not available to us, we may need to curtail new investments, and our common stock value could decline.***

In connection with satisfying the requirements to be subject to tax as a RIC for federal income tax purposes, we intend to distribute to our stockholders substantially all of our investment company taxable income and net capital gains each taxable year. However, we may retain all or a portion of our net capital gains and incur applicable income taxes with respect thereto and elect to treat such retained net capital gains as deemed dividend distributions to our stockholders.

As noted above, on November 13, 2018 and February 5, 2019, our board of directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act), and our stockholders, respectively, approved a reduction of our asset coverage ratio from 200% to 150%. As a result, as of February 6, 2019, the asset coverage requirement applicable to us for senior securities was reduced from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity). If we incur additional indebtedness under this provision, the risk of investing in us will increase. If the value of our assets declines, we may be unable to satisfy this asset coverage test. If that happens, we may be required to sell a portion of our investments or sell additional common stock and, depending on the nature of our leverage, to repay a portion of our indebtedness at a time when such sales and repayments may be disadvantageous. In addition, the issuance of additional securities could dilute the percentage ownership of our current stockholders in us.

We are partially dependent on our SBIC Fund for cash distributions to enable us to meet the distribution requirements in order to permit us to be subject to tax as a RIC. In this regard, our SBIC Fund is limited by the SBA regulations governing SBICs from making certain distributions to us that may be necessary to satisfy the requirements to be subject to tax as a RIC. In such a case, we would need to request a waiver of the SBA's restrictions for our SBIC Fund to make certain distributions to enable us to be subject to tax as a RIC. We cannot assure you that the SBA will grant such waiver, and if our SBIC Fund is unable to obtain a waiver, compliance with the SBA regulations may cause us to incur a corporate-level income tax.

***If we incur additional debt, it could increase the risk of investing in our shares.***

We have indebtedness outstanding pursuant to the Truist Credit Facility, 2024 Notes, 2026 Notes, 2026 Notes-2 and SBA debentures and expect in the future to borrow additional amounts under the Truist Credit Facility or other debt securities, subject to market availability, and, may increase the size of the Truist Credit Facility. We cannot assure you that our leverage will remain at current levels. The amount of leverage that we employ will depend upon our assessment of the market and other factors at the time of any proposed borrowing. Lenders have fixed dollar claims on our assets that are superior to the claims of our common stockholders or preferred stockholders, if any, and we have granted a security interest in our assets, excluding those of SBIC II, in connection with borrowings under the Truist Credit Facility. In the case of a liquidation event, those lenders would receive proceeds before our stockholders. Additionally, the SBA, as a lender and an administrative agent, has a superior claim over the assets of SBIC II in relation to our other creditors. Any future debt issuance will increase our leverage and may be subordinate to the Truist Credit Facility and SBA debentures. In addition, borrowings or debt issuances and SBA debentures, also known as leverage, magnify the potential for loss or gain on amounts invested and, therefore, increase the risks associated with investing in our securities. Leverage is generally considered a speculative investment technique. If the value of our assets decreases, then leveraging would cause the net asset value attributable to our common stock to decline more than it otherwise would have had we not utilized leverage. Similarly, any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on our common or preferred stock. Our ability to service any debt that we incur depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures.

As noted above, on November 13, 2018 and February 5, 2019, our board of directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act), and our stockholders, respectively, approved a reduction of our asset coverage ratio. As a result, as of February 6, 2019, the asset coverage requirement applicable to us for senior securities was reduced from 200% to 150%. As of such date, we are able to incur additional indebtedness so long as we comply with the applicable disclosure requirements, which may increase the risk of investing in us.

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

No unregistered securities were sold in the quarter ended June 30, 2022.

### Issuer Purchases of Equity Securities

Repurchases of our common stock under our share repurchase program are as follows:

Period	Total Number of Shares Purchased	Average Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
January 1, 2022 through March 31, 2022	913,454	\$ 7.72	913,454	\$ 17,944
April 1, 2022 through June 30, 2022	717,709	\$ 6.91	1,631,163	\$ 12,986
Total investments	1,631,163	\$ 7.37		

(1) On February 9, 2022, we announced a share repurchase program which allows us to repurchase up to \$25.0 million of our outstanding common stock. Unless extended by our board of directors, the program will expire on the earlier of March 31, 2023 and the repurchase of \$25.0 million of common stock.

## Item 3. Defaults Upon Senior Securities

None.

## Item 4. Mine Safety Disclosures

Not applicable.

## Item 5. Other Information

None.

**Item 6. Exhibits**

Unless specifically indicated otherwise, the following exhibits are incorporated by reference to exhibits previously filed with the SEC:

- 3.1 [Articles of Incorporation \(Incorporated by reference to Exhibit 99\(a\) to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2/A \(File No. 333-140092\), filed on April 5, 2007\).](#)
- 3.2 [Second Amended and Restated Bylaws of the Registrant \(Incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q \(File No. 814-00736\), filed on May 11, 2020\).](#)
- 4.1 [Form of Share Certificate \(Incorporated by reference to Exhibit 99\(d\)\(1\) to the Registrant's Registration Statement on Form N-2 \(File No. 333-150033\), filed on April 2, 2008\).](#)
- 10.1\* [Amended and Restated Administration Agreement between the Registrant and PennantPark Investment Administration LLC, Dated July 1, 2022](#)
- 10.2\* [Fifth Amendment \("Fifth Amendment"\) to Second Amended and Restated Senior Secured Revolving Credit Agreement and Second Amended and Restated Guarantee and Security Agreement, dated as of July 29, 2022, among the Registrant, the lenders party thereto and Truist Bank, as administrative agent for the lenders \("Credit Agreement"\).](#)
- 10.3\* [Form of Credit Agreement \(Exhibit A to Fifth Amendment\)](#)
- 31.1\* [Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.](#)
- 31.2\* [Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.](#)
- 32.1\* [Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2\* [Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 99.1 [Privacy Policy of the Registrant \(Incorporated by reference to Exhibit 99.1 to the Registrant's Annual Report on Form 10-K \(File No. 814-00736\), filed on November 16, 2011\).](#)

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\* Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

PENNANTPARK INVESTMENT CORPORATION

Date: August 3, 2022

By: \_\_\_\_\_  
*/s/ Arthur H. Penn*  
**Arthur H. Penn**  
**Chief Executive Officer and Chairman of the Board of Directors**  
**(Principal Executive Officer)**

Date: August 3, 2022

By: \_\_\_\_\_  
*/s/ Richard T. Allorto, Jr.*  
**Richard T. Allorto, Jr.**  
**Chief Financial Officer and Treasurer**  
**(Principal Financial and Accounting Officer)**



**AMENDED AND RESTATED ADMINISTRATION AGREEMENT**

AGREEMENT (this “Agreement”) made as of July 1, 2022 by and between PennantPark Investment Corporation, a Maryland corporation (hereinafter referred to as the “Corporation”), and PennantPark Investment Administration, LLC, a Delaware limited liability company, (hereinafter referred to as the “Administrator”).

**WITNESSETH:**

WHEREAS, the Corporation is a closed-end non-diversified management investment company that has filed a notice with the Securities and Exchange Commission that it intends to elect to be treated as a business development company under the Investment Company Act of 1940, as amended (hereinafter referred to as the “1940 Act”);

WHEREAS, the Corporation has engaged the Administrator to provide administrative services to the Corporation under that Administration Agreement, most recently re-approved by the Board of Directors of the Corporation in February 2022; and

WHEREAS, the Corporation and the Administrator wish to make certain amendments to the Administration Agreement, as reflected in this Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Corporation and the Administrator hereby agree as follows:

1. Duties of the Administrator

(a) Employment of Administrator. The Corporation hereby employs the Administrator to act as administrator of the Corporation, and to furnish, or arrange for others to furnish, the administrative services, personnel and facilities described below, subject to review by and the overall control of the Board of Directors of the Corporation, for the period and on the terms and conditions set forth in this Agreement. The Administrator hereby accepts such employment and agrees during such period to render, or arrange for the rendering of, such services and to assume the obligations herein set forth subject to the reimbursement of costs and expenses provided for below. The Administrator and such others shall for all purposes herein be deemed to be independent contractors and shall, unless otherwise expressly provided or authorized herein, have no authority to act for or represent the Corporation in any way or otherwise be deemed agents of the Corporation.

(b) Services. The Administrator shall perform (or oversee, or arrange for, the performance of) the administrative services necessary for the operation of the Corporation. Without limiting the generality of the foregoing, the Administrator shall provide the Corporation with office facilities, equipment, clerical, bookkeeping and record keeping services at such facilities and such other

services as the Administrator, subject to review by the Board of Directors of the Corporation, shall from time to time determine to be necessary or useful to perform its obligations under this Agreement. The Administrator shall also, on behalf of the Corporation, conduct relations with custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. The Administrator shall make reports to the Directors of its performance of obligations hereunder and furnish advice and recommendations with respect to such other aspects of the business and affairs of the Corporation as it shall determine to be desirable; provided that nothing herein shall be construed to require the Administrator to, and the Administrator shall not, provide any advice or recommendation relating to the securities and other assets that the Corporation should purchase, retain or sell or any other investment advisory services to the Corporation. The Administrator shall be responsible for the financial and other records that the Corporation is required to maintain and shall prepare reports to stockholders, and reports and other materials filed with the Securities and Exchange Commission (the "SEC"). The Administrator will provide on the Corporation's behalf significant managerial assistance to those portfolio companies to which the Corporation is required to provide such assistance. In addition, the Administrator will assist the Corporation in determining and publishing the Corporation's net asset value, overseeing the preparation and filing of the Corporation's tax returns, and the printing and dissemination of reports to stockholders of the Corporation, and generally overseeing the payment of the Corporation's expenses and the performance of administrative and professional services rendered to the Corporation by others.

## 2. Records

The Administrator agrees to maintain and keep all books, accounts and other records of the Corporation that relate to activities performed by the Administrator hereunder and, if required by the 1940 Act, will maintain and keep such books, accounts and records in accordance with that Act. In compliance with the requirements of Rule 31a-3 under the 1940 Act, the Administrator agrees that all records which it maintains for the Corporation shall at all times remain the property of the Corporation, shall be readily accessible during normal business hours, and shall be promptly surrendered upon the termination of the Agreement or otherwise on written request. The Administrator further agrees that all records which it maintains for the Corporation pursuant to Rule 31a-1 under the 1940 Act will be preserved for the periods prescribed by Rule 31a-2 under the 1940 Act unless any such records are earlier surrendered as provided above. Records shall be surrendered in usable machine-readable form. The Administrator shall have the right to retain copies of such records subject to observance of its confidentiality obligations under this Agreement.

## 3. Confidentiality

The parties hereto agree that each shall treat confidentially the terms and conditions of this Agreement and all information provided by each party to the other regarding its business and operations. All confidential information provided by a party hereto, including nonpublic personal information pursuant to Regulation S-P of the SEC, shall be used by any other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to any third party, without the prior consent of such providing party. The foregoing shall not be applicable to any information that is publicly

available when provided or thereafter becomes publicly available other than through a breach of this Agreement, or that is required to be disclosed by any regulatory authority, any authority or legal counsel of the parties hereto, by judicial or administrative process or otherwise by applicable law or regulation.

#### 4. Compensation; Allocation of Costs and Expenses

In full consideration of the provision of the services of the Administrator, the Corporation shall reimburse the Administrator for the costs and expenses incurred by the Administrator in performing its obligations and providing personnel and facilities hereunder. If requested to perform significant managerial assistance to portfolio companies of the Corporation, the Administrator will be paid an additional amount based on the services provided, which shall not exceed the amount the Corporation receives from the portfolio companies for providing this assistance.

The Corporation will bear all costs and expenses that are incurred in its operation and transactions and not specifically assumed by the Corporation's investment adviser (the "Adviser"), pursuant to that certain Third Amended and Restated Investment Advisory Management Agreement, dated as of April 12, 2019, by and between the Corporation and the Adviser. Costs and expenses to be borne by the Corporation include, but are not limited to, those relating to: organization and offering; calculating the Corporation's net asset value (including the cost and expenses of any independent valuation firm); expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for the Corporation and in monitoring the Corporation's investments and performing due diligence (including related legal expenses) on its prospective portfolio companies and expenses related to unsuccessful portfolio acquisition efforts; interest payable on debt, if any, incurred to finance the Corporation's investments; offerings of the Corporation's common stock and other securities; investment advisory and management fees; administration fees payable under this Agreement; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments, including costs associated with meeting potential financial sponsors; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Corporation's 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; costs of any reports, proxy statements or other notices to stockholders, including printing costs; costs associated with individual or groups of stockholders; the Corporation's allocable portion of the 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 legal costs; and all other expenses incurred by the Corporation or the Administrator in connection with administering the Corporation's business, including payments under this Agreement based upon the Corporation's allocable portion of the Administrator's overhead in performing its obligations under this Agreement, including rent and the allocable portion of the cost of the Corporation's chief compliance officer and chief financial officer and their respective staffs. For the avoidance of doubt, the costs and expenses to be borne by the Corporation set forth above include the costs and expenses allocable with respect to the provision of in-house legal, tax, or other professional advice and/or services to the Corporation, including performing due diligence on its prospective portfolio companies, as deemed appropriate by the Administrator, where such in-house personnel perform services that would be paid by the

Corporation if outside service providers provided the same services, subject to the Board of Directors' oversight.

At its election, the Administrator may elect to receive payment under this Agreement in the form of a percentage of assets under management by the Corporation, rather than based on the sum of the actual expenses accrued. Such percentage shall be in an amount mutually agreed by the Administrator and the Corporation.

5. Limitation of Liability of the Administrator; Indemnification

The Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation its sole member) shall not be liable to the Corporation for any action taken or omitted to be taken by the Administrator in connection with the performance of any of its duties or obligations under this Agreement or otherwise as administrator for the Corporation, and the Corporation shall indemnify, defend and protect the Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation the Adviser, each of whom shall be deemed a third party beneficiary hereof, collectively, the "Indemnified Parties") and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Corporation or its security holders) arising out of or otherwise based upon the performance of any of the Administrator's duties or obligations under this Agreement or otherwise as administrator for the Corporation. Notwithstanding the preceding sentence of this Paragraph 5 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Corporation or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Administrator's duties or by reason of the reckless disregard of the Administrator's duties and obligations under this Agreement (to the extent applicable, as the same shall be determined in accordance with the 1940 Act and any interpretations or guidance by the SEC or its staff thereunder).

6. Activities of the Administrator

The services of the Administrator to the Corporation are not to be deemed to be exclusive, and the Administrator and each affiliate is free to render services to others. It is understood that directors, officers, employees and stockholders of the Corporation are or may become interested in the Administrator and its affiliates, as directors, officers, members, managers, employees, partners, stockholders or otherwise, and that the Administrator and directors, officers, members, managers, employees, partners and stockholders of the Administrator and its affiliates are or may become similarly interested in the Corporation as stockholders or otherwise.

7. Duration and Termination of this Agreement

This Agreement shall become effective as of the date hereof, and shall remain in force with respect to the Corporation for two years thereafter, and thereafter continue from year to year, but only so long as such continuance is specifically approved at least annually by (i) the Board of Directors of the Corporation and (ii) a majority of those directors who are not parties to this Agreement or “interested persons” (as defined in the 1940 Act) of any such party.

This Agreement may be terminated at any time, without the payment of any penalty, by vote of the directors of the Corporation, or by the Administrator, upon 60 days’ written notice to the other party. This Agreement may not be assigned by a party without the consent of the other party.

8. Amendments of this Agreement

This Agreement may be amended pursuant to a written instrument by mutual consent of the parties.

9. Governing Law

This Agreement shall be construed in accordance with laws of the State of New York and the applicable provisions of the 1940 Act, if any. To the extent that the applicable laws of the State of New York, or any of the provisions herein, conflict with the applicable provisions of the 1940 Act, if any, the latter shall control.

10. Entire Agreement

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof.

11. Notices

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

**PENNANTPARK INVESTMENT CORPORATION**

By: /s/ Arthur H. Penn  
Name: Arthur H. Penn  
Title: Chief Executive Officer

**PENNANT INVESTMENT ADMINISTRATION, LLC**

By: /s/ Arthur H. Penn  
Name: Arthur H. Penn  
Title: Chief Executive Officer

FIFTH AMENDMENT TO SECOND AMENDED AND RESTATED SENIOR SECURED REVOLVING CREDIT AGREEMENT

This FIFTH AMENDMENT TO SECOND AMENDED AND RESTATED SENIOR SECURED REVOLVING CREDIT AGREEMENT, dated as of July 29, 2022 (this "Amendment"), is entered into among PENNANTPARK INVESTMENT CORPORATION, a Maryland corporation (the "Borrower"), the LENDERS party hereto, the ISSUING BANKS party hereto, TRUIST BANK, as Administrative Agent (the "Administrative Agent"), and, solely with respect to Section 8.9, PNNT CI (GALLS) PRIME INVESTMENT HOLDINGS, LLC, a Delaware limited liability company ("PNNT CI"), and PNNT INVESTMENT HOLDINGS, LLC, a Delaware limited liability company ("PNNT Investment Holdings").

RECITALS

WHEREAS, the Borrower and the Administrative Agent entered into that certain Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of June 25, 2014 (as amended by that certain First Omnibus Amendment to Second Amended and Restated Senior Secured Revolving Credit Agreement and Second Amended and Restated Guarantee and Security Agreement, dated as of May 25, 2017, that certain Second Amendment to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of September 4, 2019, that certain Third Amendment to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of December 10, 2021, that certain Fourth Amendment to Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of February 23, 2022, and as further amended or otherwise modified prior to the Effective Date (as hereinafter defined), the "Credit Agreement"), with the Lenders from time to time party thereto, pursuant to which the Lenders extended certain commitments and made certain loans to the Borrower;

WHEREAS, it has come to the attention of the Borrower and the Administrative Agent that the Borrower may have failed to designate PennantPark SBIC GP II, LLC, a Delaware limited liability company ("SBIC GP II"), and PennantPark SBIC II LP, a Delaware limited partnership ("SBIC II"), as SBIC Subsidiaries in accordance with the definition thereof (the "Failure to Designate");

WEHREAS, the Borrower has permitted PNNT Investment Holdings, LLC, a Delaware limited liability company and a Subsidiary of the Borrower, to grant a Lien in all of its assets to PennantPark Loan Agency Servicing, LLC, as evidenced by that certain UCC-1 financing statement filed with the Secretary of State of the State of Delaware on December 30, 2021, with filing number 20210749738 (the "Subject Financing Statement"), resulting in a breach of Section 6.02 of the Credit Agreement (the "Lien Covenant Breach"); and

WHEREAS, the Borrower has requested and the Lenders party hereto and the Administrative Agent are willing, on the terms and subject to the conditions hereinafter set forth, to (i) amend the Credit Agreement to make certain changes, as set forth below, (ii) waive any Default or Event of Default that may have arisen as a result of the Failure to Designate (the

“Possible Default or Event of Default”) and (iii) waive any Default or Event of Default that resulted from the Lien Covenant Breach (the “Specified Default or Event of Default”).

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and in the Credit Agreement, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms not otherwise defined herein are used as defined in (or by reference in) the Credit Agreement as amended hereby.

SECTION 2. Regions Bank as a Lender. Subject to the occurrence of the Effective Date, each of the parties hereto hereby agrees that Regions Bank will (and does hereby) become a “Lender” under and for all purposes of the Credit Agreement with a Multicurrency Commitment equal to \$35,000,000 and Regions Bank hereby agrees to be bound by and comply with all of the terms and provisions of the Credit Agreement applicable to it as a “Lender” thereunder and that it will perform all of the obligations which by the terms of the Amended Credit Agreement (as hereinafter defined) are required to be performed by it as a Lender. Regions Bank represents and warrants that it has full power and authority, and has taken all action necessary, to execute this Amendment and to consummate the transactions contemplated hereby and to become a Lender under the Amended Credit Agreement.

SECTION 3. Limited Waiver. Subject to the occurrence of the Effective Date, the Lenders party hereto hereby waive (x) the Possible Default or Event of Default, (y) the Specified Default or Event of Default, and (z) (i) the taking of any action, or the failure to take any action, prior to the Effective Date, in each case, not permitted under the Credit Agreement and the other Loan Documents as a result of the Possible Default or Event of Default or the Specified Default or Event of Default or (ii) the failure to give notice of (or other information with respect to) the Possible Default or Event of Default or the Specified Default or Event of Default (the “Waiver”). The Waiver is a one-time waiver and shall not be construed to be a waiver of or in any way obligate the Administrative Agent or any Lender to waive any other Default or Event of Default. The Administrative Agent hereby expressly reserves, on behalf of itself and the Collateral Agent, all rights, powers and/or remedies, whether under and with respect to the Credit Agreement, the other Loan Documents and/or applicable law, from and after the Effective Date, including the right to exercise any right or remedy arising on account of the continuance of an Event of Default arising from the Failure to Designate after the Effective Date.

SECTION 4. Amendments to Credit Agreement. The Credit Agreement (including the Exhibits and Schedules thereto) is hereby amended in its entirety in the form of Exhibit A attached hereto (the “Amended Credit Agreement”).

SECTION 5. Eurocurrency Loans. Notwithstanding anything to the contrary in the Credit Agreement, as amended by this Amendment, all outstanding Eurocurrency Loans (as defined in the Credit Agreement) as of the Effective Date shall remain outstanding as Eurocurrency Loans until the end of the Interest Period applicable thereto as of the Effective Date and thereafter shall be converted to ABR Loans, Term Benchmark Loans or RFR Loans, as applicable, in accordance with the terms of the Credit Agreement, as amended by this Amendment.



SECTION 6. Conditions Precedent. This Amendment shall become effective on the first date on which the following conditions precedent have been satisfied (the “Effective Date”):

(a) the Administrative Agent shall have received from each party hereto either (i) a counterpart of this Amendment signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page to this Amendment) that such party has signed a counterpart of this Amendment;

(b) the Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated as of the date hereof) of counsel for the Borrower, in form and substance reasonably acceptable to the Administrative Agent (and the Borrower hereby instructs such counsel to deliver such opinion to the Lenders and the Administrative Agent);

(c) the Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization of this Amendment and any other legal matters relating to the Borrower, this Amendment or the transactions contemplated by this Amendment, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel;

(d) the Administrative Agent shall have received a certificate of a Financial Officer of the Borrower, designating each of SBIC GP II and SBIC II as a SBIC Subsidiary in accordance with the definition thereof, in form and substance reasonably satisfactory to the Administrative Agent;

(e) the Subject Financing Statement has been terminated; and

(f) confirmation of receipt by the Administrative Agent (on behalf of itself and the Lenders) or the Lenders, as applicable, of any fees and expenses due and owing by the Borrower as of the date hereof under the Credit Agreement.

SECTION 7. Assignment and Reallocation of Existing Commitments and Existing Loans.

7.1. On the Effective Date, the Lenders, shall assign and transfer the Loans among themselves, in a manner acceptable to the Administrative Agent, so that, after giving effect to all such assignments and transfers, the Loans of each Class are held ratably by the Lenders of such Class in accordance with the respective Commitments of such Class of such Lenders (immediately after giving effect to this Amendment). Concurrently therewith, the Lenders of each Class shall be deemed to have assigned and transferred their participation interests in any outstanding Letters of Credit of such Class among themselves, in a manner acceptable to the Administrative Agent, so that such interests are held ratably in accordance with the Commitments of such Class of such Lenders (immediately after giving effect to this Amendment).

7.2. Each of the Lenders hereby acknowledges and agrees that (i) no Lender nor the Administrative Agent has made any representations or warranties or assumed any responsibility

with respect to (A) any statements, warranties or representations made in or in connection with this Amendment, the Amended Credit Agreement or the execution, legality, validity, enforceability, genuineness or sufficiency of this Amendment, the Amended Credit Agreement or any other Loan Document or (B) the financial condition of any Obligor or the performance by any Obligor of its obligations hereunder or under the Amended Credit Agreement or any other Loan Document; (ii) it has received such information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment; (iii) it has made and continues to make its own credit decisions in taking or not taking action under this Amendment or the Amended Credit Agreement, independently and without reliance upon the Administrative Agent or any other Lender; and (iv) no amounts shall be required to be paid to such Lender under Section 2.15 of the Credit Agreement in connection with the reallocation described in this Section 7.2.

#### SECTION 8. Miscellaneous.

8.1. Representations and Warranties. The Borrower hereby represents and warrants that (i) this Amendment and the Amended Credit Agreement each constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, (ii) immediately prior to the effectiveness of this Amendment, no Default or Event of Default (other than the Possible Default or Event of Default or the Specified Default or Event of Default) shall exist and, upon the effectiveness of this Amendment, no Default or Event of Default shall exist and (iii) its representations and warranties as set forth in the Loan Documents, as applicable, are true and correct in all material respects (except those representations and warranties qualified by materiality or by reference to a material adverse effect, which are true and correct in all respects) on and as of the date hereof as though made on and as of the date hereof (unless such representations and warranties specifically refer to a previous day, in which case, they shall be complete and correct in all material respects (or, with respect to such representations or warranties qualified by materiality or by reference to a material adverse effect, complete and correct in all respects) on and as of such previous day).

8.2. References to Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Amended Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, or words of like import shall mean and be a reference to the Credit Agreement as amended hereby and each reference to the Credit Agreement in the other Loan Documents and in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

8.3. Effect on Existing Agreements. Except as specifically amended above, the Credit Agreement, the other Loan Documents and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed in all respects. This Amendment does not constitute a novation or termination of the Secured Obligations (as defined in the Guarantee and Security Agreement) under the Credit Agreement as in effect immediately prior to the effectiveness of this Amendment and which remain outstanding.

8.4. No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent under the Credit Agreement, the Amended Credit Agreement, the other Loan Documents or any other document,

instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein. The parties hereto hereby agree that this Amendment is a Loan Document.

8.5. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

8.6. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

8.7. Headings. The Section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.

8.8. Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

8.9. Reaffirmation. Each of PNNT CI and PNNT Investment Holdings (i) hereby consents to the terms of this Amendment and the Amended Credit Agreement, (ii) hereby confirms that, after giving effect to this Amendment and the transactions contemplated hereby, its Guarantee under the Guarantee and Security Agreement remains unaltered and in full force and effect and (iii) hereby reaffirms, ratifies and confirms that, after giving effect to this Amendment and the transactions contemplated hereby, the Liens and other security interests granted by it pursuant to, and the terms and conditions of, the Guarantee and Security Agreement remain unaltered and in full force and effect.

[SIGNATURES FOLLOW]

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**PENNANTPARK INVESTMENT CORPORATION,**  
as Borrower

By: /s/ Arthur H. Penn

Name: Arthur H. Penn

Title: Chief Executive Officer

**TRUIST BANK,**  
as the Administrative Agent, Issuing Bank and a Lender

By: /s/ David Fournier  
Name: David Fournier  
Title: Managing Director

[\_\_\_\_\_] ,  
as a Lender

By: \_  
Name:  
Title:

Agreed and acknowledged solely with respect to Section 8.9:

**PNNT CI (GALLS) PRIME INVESTMENT HOLDINGS, LLC**

By: \_  
Name:  
Title:

**PNNT INVESTMENT HOLDINGS, LLC**

By: \_  
Name:  
Title:

**EXHIBIT A**

[Attached]

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SECOND AMENDED AND RESTATED  
SENIOR SECURED  
REVOLVING CREDIT AGREEMENT

dated as of

June 25, 2014

and

as amended by the First Omnibus Amendment to Second Amended and Restated Senior Secured Revolving Credit Agreement and Second Amended and Restated Guarantee and Security Amendment dated as of May 25, 2017, by the Second Amendment to Second Amended and Restated Senior Secured Revolving Credit Agreement dated as of September 4, 2019, by the Third Amendment to Second Amended and Restated Senior Secured Revolving Credit Agreement dated as of December 10, 2021, by the Fourth Amendment to Second Amended and Restated Senior Secured Revolving Credit Agreement dated as of February 23, 2022, and by the Fifth Amendment to Second Amended and Restated Senior Secured Revolving Credit Agreement dated as of July 29, 2022

among

PENNANTPARK INVESTMENT CORPORATION  
as Borrower

The LENDERS Party Hereto

and

TRUIST BANK  
as Administrative Agent

JPMORGAN CHASE BANK, N.A.  
as Syndication Agent

\$500,000,000

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TRUIST SECURITIES, INC.  
JPMORGAN CHASE BANK, N.A.  
as Joint Lead Arrangers and Joint Book Runners

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SECOND AMENDED AND RESTATED SENIOR SECURED REVOLVING CREDIT AGREEMENT dated as of June 25, 2014 (as amended, restated, supplemented or otherwise modified from time to time, this “Agreement”), among PENNANTPARK INVESTMENT CORPORATION, a Maryland corporation (the “Borrower”), the LENDERS party hereto, and TRUIST BANK, as Administrative Agent.

Pursuant to the Amended and Restated Senior Secured Revolving Credit Agreement dated as of February 21, 2012 (as amended, supplemented or otherwise modified prior to the Effective Date, the “Existing Credit Agreement”), among the Borrower, the lenders party thereto (collectively, the “Existing Lenders”) and the Administrative Agent, the Existing Lenders agreed to make extensions of credit to the Borrower on the terms and conditions set forth therein, including making loans (the “Existing Loans”) to the Borrower.

The Borrower has requested that the Existing Credit Agreement be amended and restated in its entirety to become effective and binding on the Borrower pursuant to the terms of this Agreement, and the Lenders (including certain of the Existing Lenders) have agreed (subject to the terms of this Agreement) to amend and restate the Existing Credit Agreement in its entirety to read as set forth in this Agreement, and it has been agreed by the parties to the Existing Credit Agreement that (a) the commitments which the Existing Lenders have agreed to extend to the Borrower under the Existing Credit Agreement shall be extended or advanced upon the amended and restated terms and conditions contained in this Agreement; and (b) the Existing Loans and other obligations outstanding under the Existing Credit Agreement shall be governed by and deemed to be outstanding under the amended and restated terms and conditions contained in this Agreement on and after the date hereof, with the intent that the terms of this Agreement shall supersede the terms of the Existing Credit Agreement (each of which shall hereafter have no further effect upon the parties thereto, other than for accrued and unpaid fees and expenses, and indemnification provisions accrued and owing, under the terms of the Existing Credit Agreement on or prior to the Effective Date or arising (in the case of indemnification) under the terms of the Existing Credit Agreement).

The parties hereto hereby agree to amend and restate the Existing Credit Agreement, and 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:

“2026 May Notes” means the Borrower’s 4.50% unsecured notes due May 1, 2026.

“2026 November Notes” means the Borrower’s 4.00% unsecured notes due November 1, 2026.

“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.

“Adjusted Borrowing Base” means the Borrowing Base minus the aggregate amount of Cash and Cash Equivalents included in the Portfolio Investments held by the Obligors (provided that Cash Collateral for outstanding Letters of Credit shall not be treated as a portion of the Portfolio Investments).

“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 Portfolio Investments held by the Obligors (provided that Cash Collateral for outstanding Letters of Credit shall not be treated as a portion of the Portfolio Investments).

“Adjusted Term Benchmark Rate” means (a) for the Interest Period for any Term Benchmark Borrowing denominated in Euros, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (i) the Term Benchmark Rate for such Interest Period for such Currency multiplied by (ii) the Statutory Reserve Rate for such Interest Period and (b) for the Interest Period for any Term Benchmark Borrowing denominated in a Currency (other than Euros) an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the Term Benchmark Rate for such Interest Period for such Currency; provided that if the Adjusted Term Benchmark Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Administrative Agent” means Truist, in its capacity as administrative agent for the Lenders hereunder.

“Administrative Agent Appraisal Testing Month” has the meaning assigned to such term in Section 5.12(b)(ii) (E)(y).

“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 Currency” has the meaning assigned to such term in Section 2.13.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. Anything herein to the contrary notwithstanding, the term



“Affiliate” shall not include any Person that constitutes an Investment held by any Obligor in the ordinary course of business.

“Affiliate Agreements” means, collectively, (a) the Administration Agreement dated June 11, 2010 by and among the Borrower, PennantPark SBIC LP and PennantPark SBIC GP, LLC, (b) the Investment Advisory Agreement dated June 11, 2010 by and among the Borrower, PennantPark SBIC LP and PennantPark SBIC GP, LLC, (c) the Investment Advisory Management Agreement dated as of April 17, 2007, between the Borrower and Pennant Investment Advisers, LLC, (d) the Administration Agreement dated as of April 17, 2007, between the Borrower and PennantPark Investment Administration, LLC, (e) the Trademark License Agreement dated as of April 15, 2007, between the Borrower and Pennant Investment Advisers, LLC, (f) the Administration Agreement, dated December 28, 2012, by and among the Borrower, PennantPark SBIC II LP and PennantPark SBIC GP II, LLC and (g) the Investment Advisory Agreement, dated December 28, 2012, by and among the Borrower, PennantPark SBIC II LP and PennantPark SBIC GP II, LLC.

“Agreed Foreign Currency” means, at any time, (i) any of Canadian Dollars, Sterling, Euros, Australian Dollars, Swiss Francs and Swedish Krona, and (ii) with the agreement of each Multicurrency Lender, any other Foreign Currency, so long as, in respect of any such specified Foreign Currency or other Foreign Currency, at such time (a) such Foreign Currency is dealt with in the London interbank deposit market, (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 to this Agreement

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate for such day plus 1/2 of 1%, (c) the rate per annum equal to (x) the greater of (A) Term SOFR for an interest period of one (1) month and (B) zero plus (y) 1.00% and (d) zero. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or Term SOFR (or successor therefor) as set forth above shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or Term SOFR (or successor therefor), respectively.

“Anti-Corruption Laws” has the meaning assigned to such term in Section 3.16.

“Applicable Dollar Percentage” means, with respect to any Dollar Lender, the percentage of the total Dollar Commitments represented by such Dollar Lender’s Dollar Commitment. If the Dollar Commitments have terminated or expired, the Applicable Dollar Percentages shall be determined based upon the Dollar Commitments most recently in effect, giving effect to any assignments; provided that, for the avoidance of doubt, on and after the

Non-Extended Commitment Termination Date for any Non-Extending Lender, the Applicable Dollar Percentage of such Non-Extending Lender that is a Dollar Lender shall be 0%.

“Applicable Financial Statements” means, as at any date, the most-recent audited financial statements of the Borrower delivered to the Lenders; provided that if immediately prior to the delivery to the Lenders of new audited financial statements of the Borrower a Material Adverse Change (the “Pre-existing MAC”) shall exist (regardless of when it occurred), then the “Applicable Financial Statements” as at said date means the Applicable Financial Statements in effect immediately prior to such delivery until such time as the Pre-existing MAC shall no longer exist.

“Applicable Margin” means (i) in the case of any Extending Lender, the Extending Lender Applicable Margin and (ii) in the case of any Non-Extending Lender, the Non-Extending Lender Applicable Margin for such Non-Extending Lender.

“Applicable Multicurrency Percentage” means, with respect to any Multicurrency Lender, the percentage of the total Multicurrency Commitments represented by such Multicurrency Lender’s Multicurrency Commitment. If the Multicurrency Commitments have terminated or expired, the Applicable Multicurrency Percentages shall be determined based upon the Multicurrency Commitments most recently in effect, giving effect to any assignments; provided that, for the avoidance of doubt, on and after the Non-Extended Commitment Termination Date for any Non-Extending Lender, the Applicable Multicurrency Percentage of such Non-Extending Lender that is a Multicurrency Lender shall be 0%.

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitments. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments; provided that, for the avoidance of doubt, on and after the Non-Extended Commitment Termination Date for any Non-Extending Lender, the Applicable Percentage of such Non-Extending Lender shall be 0%.

“Approved Dealer” means (a) in the case of any 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, (b) in the case of a U.S. Government Security, any primary dealer in U.S. Government Securities, and (c) in the case of any foreign Portfolio Investment, any foreign broker-dealer of internationally recognized standing or an Affiliate thereof, in the case of each of clauses (a), (b) and (c) above, as set forth on Schedule 1.01(a) or any other bank or broker-dealer acceptable to the Administrative Agent in its reasonable determination.

“Approved Pricing Service” means a pricing or quotation service as set forth in Schedule 1.01(a) or any other pricing or quotation service approved by the Board of Directors of the Borrower and designated 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 pricing or quotation service has been approved by the Borrower).

“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 Howard & Zukin Capital, Inc., Duff & Phelps LLC, Murray, Devine and Company, Lincoln International LLC and Valuation Research Corporation are acceptable to the Administrative Agent. As used in Section 5.12 hereof, an “Approved Third-Party Appraiser selected 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).

“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 (with adjustments thereto to reflect the Classes of Commitments and/or Loans being assigned or outstanding at the time of the respective assignment) or any other form approved by the Administrative Agent.

“Assuming Lender” has the meaning assigned to such term in Section 2.08(e).

“Australian Dollars” means the lawful currency of The Commonwealth of Australia.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark for any available Currency, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.22(d).

“Availability Period” means (a) in the case of any Extending Lender (with respect to such Extending Lender’s Extended Loans), the Extended Availability Period or (b) in the case of any Non-Extending Lender (with respect to such Non-Extending Lender’s Non-Extended Loans), the Non-Extended Availability Period for such Non-Extending Lender.

“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).

“Base Rate Term SOFR Determination Day” has the meaning set forth in the definition of “Term SOFR”.

“BBSY” has the meaning assigned to such term in clause (d) of the definition of “Term Benchmark Rate”.

“BBSY Screen Rate” has the meaning assigned to such term in clause (d) of the definition of “Term Benchmark Rate”.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benchmark” means, initially, with respect to any Loans denominated in (a) Dollars, the Term SOFR Reference Rate, (b) Sterling or Swiss Francs, the Daily Simple RFR for such Currency, and (c) any other Agreed Foreign Currency, the Adjusted Term Benchmark Rate for such Currency; provided that, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Term SOFR Reference Rate, the Daily Simple RFR or the Adjusted Term Benchmark Rate for such Currency, as applicable, then “Benchmark” shall mean the applicable Benchmark Replacement for such Currency to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.22(a).

“Benchmark Replacement” means, with respect to any Benchmark Transition Event for any then-current Benchmark, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; provided that, other than in the case of the Term SOFR Reference Rate, such alternative shall be the alternative set forth in clause (2) below:

(1) the sum of: (a) Daily Simple SOFR and (b) 0.15%; and

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Currency giving due consideration to (i) any selection or recommendation of a replacement benchmark 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 benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Currency at such time and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above 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 Adjustment” means, with respect to any replacement of the then-current Benchmark for a Currency with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, 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 for the applicable Currency 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 such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date 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 such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Currency in the U.S. syndicated loan market at such time.

“Benchmark Replacement Date” means, (x) with respect to any Benchmark (other than the Term SOFR Reference Rate), the earliest to occur of the following events with respect to such then-current Benchmark and (y) with respect to the Term SOFR Reference Rate, a date and time determined by the Administrative Agent in its reasonable discretion, which date shall be no later than the earliest to occur of the following events with respect to such then-current Benchmark:

(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 such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any then-current Benchmark, the occurrence of one or more of the following events with respect to such Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), including the Board or the Federal Reserve Bank of New York, as applicable, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component thereof), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component thereof) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component thereof), which states that the administrator of such Benchmark (or such component thereof) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any then-current Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any other Loan Document in accordance with Section 2.22 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any other Loan Document in accordance with Section 2.22.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America (or any successor thereof).

“Borrower” has the meaning assigned to such term in the preamble to this Agreement.

“Borrower Asset Coverage Ratio” means, as of any date of determination, the ratio, determined on a consolidated basis for the Obligors, without duplication, of (a) Total Assets as of such date *minus* Total Assets Concentration Limitation as of such date to (b) the sum of (i) Total Secured Debt as of such date *plus* (ii) any portion of any (x) Unsecured Longer-Term Indebtedness or (y) Unsecured Shorter-Term Indebtedness that, in the case of this clause (x) or (y), becomes subject to a contractually scheduled amortization prepayment or payment in full upon its maturity date within 90 days after such date of determination.

“Borrower Net Worth” means, as of any date of determination, (a) Total Assets as of such date *minus* (b) the sum of (i) Total Assets Concentration Limitation as of such date *plus* (ii) Total Secured Debt as of such date.

“Borrowing” means (a) all Syndicated ABR Loans of the same Class made, converted or continued on the same date, (b) all Term Benchmark Loans of the same Class denominated in the same Currency that have the same Interest Period, (c) all RFR Loans of the same Class denominated in the same Currency or (d) a Swingline Loan.

“Borrowing Base” has the meaning assigned to such term in Section 5.13.

“Borrowing Base Certificate” means a certificate of a Financial Officer of the Borrower, substantially in the form of Exhibit B and appropriately completed.

“Borrowing Base Deficiency” means, at any date on which the same is determined, the amount, if any, that (a) the aggregate Covered Debt Amount as of such date exceeds (b) the Borrowing Base as of such date.

“Borrowing Request” means a request by the Borrower for a Syndicated Borrowing in accordance with Section 2.03, which, if in writing, shall be substantially in the form of Exhibit C.

“Business Day” means any day 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; provided that (a) when used in relation to Term Benchmark Loans or any interest rate settings, fundings, disbursements, settlements or payments of any such Term Benchmark Loan, or any other dealings in the applicable Currency of such Term Benchmark Loan, the term “Business Day” shall also exclude any day that is not a Term Benchmark Banking Day for such Currency and (b) 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 for such Currency.

“Calculation Amount” means, as of the end of any Testing Quarter, an amount equal to the greater of: (a) (i) 125% of the Adjusted Covered Debt Balance (as of the end of such Testing Quarter) minus (ii) the aggregate Value of all Quoted Investments (including, without duplication, Market Value Investments) included in the Borrowing Base (as of the end of such Testing Quarter) and (b) 10% of the aggregate Value (or as near thereto as reasonably practicable) of all Unquoted Investments included in the Borrowing Base (as of the end of such Testing Quarter); provided that in no event shall more than 25% (or, if clause (b) applies, 10%) of the

aggregate Value (or as near thereto as reasonably practicable) of all Unquoted Investments in the Borrowing Base be subject to testing by the Administrative Agent pursuant to Section 5.12(b)(ii)(E) in respect of any applicable Testing Quarter; provided, further, that notwithstanding anything to the contrary in this Agreement, Market Value Investments shall be deemed to be Quoted Investments for purposes of this definition.

“CAM Exchange” means the exchange of the Lenders’ interests provided for in Article VII.

“CAM Exchange Date” means the date on which any Event of Default referred to in clause (j) of Article VII shall occur or the date on which the Borrower receives written notice from the Administrative Agent that any Event of Default referred to in clause (i) of Article VII has occurred.

“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 Dollars” means the lawful currency of Canada.

“Canadian Prime Rate” means, on any day, the rate determined by the Administrative Agent to be the higher of (i) the rate equal to the PRIMCAN Index rate that appears on the Bloomberg screen at 10:15 a.m. Toronto time on such day (or, in the event that the PRIMCAN Index is not published by Bloomberg, any other information services that publishes such index from time to time, as selected by the Administrative Agent in its reasonable discretion) and (ii) the average rate for thirty (30) day Canadian Dollar bankers’ acceptances that appears on the Reuters Screen CDOR Page (or, in the event such rate does not appear on such page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion) at 10:15 a.m. Toronto time on such day; provided, that if any of the above rates shall be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement. Any change in the Canadian Prime Rate due to a change in the PRIMCAN Index or CDOR shall be effective from and including the effective date of such change in the PRIMCAN Index or CDOR, respectively.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or finance leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.



“Cash” means any immediately available funds in Dollars or in any currency other than Dollars (measured in terms of the Dollar Equivalent thereof) which is a freely convertible currency.

“Cash Collateralize” means, in respect of a Letter of Credit or any obligation hereunder, to provide and pledge cash collateral pursuant to Section 2.05(k), at a location and pursuant to documentation in form and substance reasonably satisfactory to Administrative Agent and the Issuing Bank. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means investments (other than Cash) that are one or more of the following obligations:

(a) U.S. Government Securities, in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 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 (or if only one of S&P or Moody’s provides such rating, such investment shall also have an equivalent credit rating from any other rating agency);

(c) investments in certificates of deposit, bankers’ 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 the jurisdiction or any constituent jurisdiction thereof in which the Principal Financial Center in respect of any Agreed Foreign Currency is located; 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 (or if only one of S&P or Moody’s provides such rating, such investment shall also have an equivalent credit rating from any other rating agency);

(d) fully collateralized repurchase agreements with a term of not more than 15 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-2 from S&P and at least P-2 from Moody’s (or if only one of S&P or Moody’s provides such rating, such Approved Dealer shall also have an equivalent credit rating from any other rating agency); and

(e) investments in money market funds that invest, and which are restricted by their respective charters to invest, substantially all of their assets in investments of the type described in the immediately preceding clauses (a) through (d) above (including as to credit quality and maturity), in each case rated no lower than the then-current rating of the federal government of the United States;

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, repurchase agreements or the money market funds described in clause (e) of this definition of “Cash Equivalents”) shall not include any such investment of more than 10% of total assets of the Borrower and its Subsidiaries in any single issuer; and (iv) in no event shall Cash Equivalents include any obligation that is not denominated in Dollars or an Agreed Foreign Currency.

“CDOR Screen Rate” has the meaning assigned to such term in clause (e) of the definition of “Term Benchmark Rate”.

“Central Bank Rate” means the greater of (A) the sum of (i) for any Loan denominated in (x) Sterling, the Bank of England (or any successor thereto)’s “Bank Rate” as published by the Bank of England (or any successor thereto) from time to time, (y) Euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time or (z) any other Agreed Foreign Currency, a central bank rate as determined by the Administrative Agent in its reasonable discretion; plus (ii) the applicable Central Bank Rate Adjustment and (B) 0%.

“Central Bank Rate Adjustment” means , for any date, for any Loan denominated in (A) Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Daily Simple RFR for Sterling for the five most recent RFR Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and the lowest SONIA applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of Sterling in effect on the last RFR Business Day in such period, (B) Euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted Term Benchmark Rate for Euros for the five most recent Term Benchmark Banking Days for Euro preceding such day for which the EURIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest EURIBOR Screen Rate applicable during such period of five Term Benchmark Banking Days for Euro) minus (ii) the Central Bank Rate in respect of Euro in effect on the last Term Benchmark Banking Day for Euro in such period and (C) any other Agreed Foreign Currency, a Central Bank Rate Adjustment as determined by the Administrative Agent in its reasonable discretion. For the purposes of this definition, (x) the term “Central Bank Rate” shall be determined disregarding clause (A)(ii) of the definition of such term and (y) the Adjusted Term Benchmark Rate for Euros on any day shall be based on the EURIBOR Screen Rate, on such day at approximately the time referred to in the definition of such term for deposits in Euro for a maturity of one month.

“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 Securities and Exchange Commission 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; or (c) the acquisition of direct or indirect Control of the Borrower by any Person or group other than PennantPark Investment Advisers, LLC.

“Change in Law” means the occurrence, after the date of this Agreement (or with respect to a Person becoming a Lender by assignment or joinder after the date of this Agreement, the effective date thereof), of (a) the adoption of any law, treaty or governmental rule or regulation or any change in any law, treaty or governmental rule or regulation or in the interpretation, administration or application thereof (regardless of whether the underlying law, treaty or governmental rule or regulation was issued or enacted prior to the date hereof), but excluding proposals thereof, or any determination of a court or Governmental Authority, (b) any guideline, request or directive by any Governmental Authority (whether or not having the force of law) or any implementation rules or interpretations of previously issued guidelines, requests or directives, in each case that is issued or made after the date hereof (or with respect to a Person becoming a Lender by assignment or joinder after the date of this Agreement, the effective date thereof) or (c) compliance by any Lender (or its applicable lending office) or any company controlling such Lender with any guideline, request or directive regarding capital adequacy or liquidity (whether or not having the force of law) of any such Governmental Authority, in each case adopted after the date hereof (or with respect to a Person becoming a Lender by assignment or joinder after the date of this Agreement, the effective date thereof). For the avoidance of doubt, all requests, rules, guidelines or directives concerning liquidity and capital adequacy issued (i) by any United States regulatory authority under or in connection with the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act and (ii) in connection with the implementation of the recommendations of the Bank for International Settlements or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority), in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date 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 (x) Syndicated Dollar Loans, Syndicated Multicurrency Loans or Swingline Loans and/or (y) Extended Loans or Non-Extended Loans; when used in reference to any Lender, refers to whether such Lender is (x) a Dollar Lender or a Multicurrency Lender and/or (y) an Extending Lender or a Non-Extending Lender; and, when used in reference to any Commitment, refers to whether such Commitment is a Dollar Commitment or a Multicurrency Commitment. The “Class” of a Letter of Credit refers to whether such Letter of Credit is a Dollar Letter of Credit or a Multicurrency Letter of Credit. Other than for purposes of Sections 2.08(f), 2.09(a), 2.10(e), 2.17(c), 2.20 and the last paragraph of 9.02(b), Extending Lenders and Non-Extending Lenders shall be treated as the same Class of Lenders and Extended Loans and Non-Extended Loans shall be treated as the same Class of Loans.

“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 Truist in its capacity as Collateral Agent under the Guarantee and Security Agreement, and includes any successor Collateral Agent thereunder.

“Collateral Pool” means, at any time, each Portfolio Investment that has been Delivered (as defined in the Guarantee and Security Agreement) to the Collateral Agent and is subject to the Lien of the Guarantee and Security Agreement, and then only for so long as such Portfolio Investment continues to be Delivered as contemplated therein and in which the Collateral Agent has a first-priority perfected Lien as security for the Secured Obligations (as such term is defined in the Guarantee and Security Agreement) (subject to any Lien permitted by Section 6.02 hereof); provided that in the case of any Portfolio Investment in which the Collateral Agent has a first-priority perfected security interest pursuant to a valid Uniform Commercial Code filing (and for which no other method of perfection with a higher priority is possible), such Portfolio Investment may be included in the Borrowing Base so long as all remaining actions to complete “Delivery” are satisfied in full within 7 days of such inclusion.

“Combined Debt Amount” means, as of any date, (i) the aggregate Commitments as of such date (or, if greater, the Revolving Credit Exposures of all Lenders as of such date) plus (ii) the aggregate amount of outstanding Designated Indebtedness (as such term is defined in the Guarantee and Security Agreement) and, without duplication, the aggregate amount of unused commitments under any Designated Indebtedness (as such term is defined in the Guarantee and Security Agreement).

“Commitments” means, collectively, the Dollar Commitments and the Multicurrency Commitments.

“Commitment Increase” has the meaning assigned to such term in Section 2.08(e).

“Commitment Increase Date” has the meaning assigned to such term in Section 2.08(e).

“Commitment Termination Date” means the Extended Commitment Termination Date or the relevant Non-Extended Commitment Termination Date, as applicable.

“Conforming Changes” means with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Term Benchmark Rate”, the definition of “Alternate Base Rate”, the definition of “Business Day”, the definition of “Term Benchmark Banking Day”, the definition of “U.S. Government Securities Business Day”, the definition of “Interest Period”, the definition of “Daily Simple RFR”, the definition of “RFR”, the definition of “RFR Business Day”, the definition of “RFR Interest Day”, the definition of “RFR Reference Day”, the definition of or any similar or analogous definition, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability

and length of lookback periods, the applicability of Section 2.15 and other technical, administrative or operational matters) that the Administrative Agent (after consultation with the Borrower) decides in its reasonable discretion may be appropriate or reflect the adoption and implementation of any such rate or to permit the use and 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 (after consultation with the Borrower) determines that no market practice for the administration of any such rate 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.

“Consolidated Asset Coverage Ratio” means the ratio, determined on a consolidated basis for Borrower and its Subsidiaries, without duplication, of (a) the value of total assets of the Borrower and its Subsidiaries, less all liabilities and indebtedness not represented by senior securities to (b) the aggregate amount of senior securities representing indebtedness of Borrower and its Subsidiaries, in each case as determined pursuant to the Investment Company Act and any orders of the Securities and Exchange Commission issued to or with respect to Borrower thereunder, including any exemptive relief granted by the Securities and Exchange Commission with respect to the indebtedness of any SBIC Subsidiary.

“Consolidated Group” has the meaning assigned to such term in Section 5.13(a).

“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; provided, however, “Control” shall not include “negative” control or “blocking” rights whereby action cannot be taken without the vote or consent of any Person.

“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 amount of Other Covered Indebtedness on such date minus (z) the LC Exposures fully Cash Collateralized on such date pursuant to Section 2.05(k) and the last paragraph of Section 2.09(a); provided that, the 2026 May Notes, the 2026 November Notes, Permitted Amortizing Unsecured Longer-Term Indebtedness and Special Permitted Indebtedness shall be excluded from the calculation of the Covered Debt Amount until the date that is nine (9) months prior to the scheduled maturity date of such Indebtedness (provided that to the extent, but only to the extent, any portion of any such Indebtedness (including any portion of any Permitted Amortizing Unsecured Longer-Term Indebtedness) is subject to a contractually scheduled amortization payment, other principal payment or redemption (other than any conversion into Permitted Equity Interests) earlier than the scheduled maturity date of such Indebtedness, such portion of such Indebtedness shall be included in the calculation of the Covered Debt Amount beginning upon the date that is the later of (i) 9 months prior to such scheduled amortization payment, other principal payment or redemption and (ii) the date the Borrower becomes aware that such Indebtedness is required to be paid or redeemed). For the avoidance of doubt, for purposes of calculating the Covered Debt Amount, any Indebtedness that is required to be part of the Covered Debt Amount will be included at the then outstanding principal balance thereof.

“Currency” means Dollars or any Foreign Currency.

“Daily Simple RFR” means, for any day (an “RFR Interest Day”), an interest rate per annum equal to (a) for any RFR Loan denominated in Sterling, the greater of (i) SONIA for the day (the “RFR Reference Day”) that is five RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day, in each case plus the applicable RFR Credit Adjustment Spread for the Interest Period in which such RFR Interest Day occurs, and (ii) 0.00%; and (b) for any RFR Loan denominated in Swiss Francs, the greater of (i) SARON for the RFR Reference Day that is five RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day, in each case plus the applicable RFR Credit Adjustment Spread for the Interest Period in which such RFR Interest Day occurs, and (ii) 0.00%. If by 5:00 p.m. (local time for the applicable RFR), on the second RFR Business Day immediately following any RFR Reference Day, the applicable RFR Rate in respect of such RFR Reference Day has not been published on the applicable RFR Administrator’s Website and a Benchmark Replacement Date with respect to the applicable Daily Simple RFR has not occurred, then the RFR Rate for such RFR Reference Day will be the RFR Rate as published in respect of the first preceding RFR Business Day for which such RFR Rate was published on the RFR Administrator’s Website; provided that, any RFR Rate as determined pursuant to this sentence shall be utilized for purposes of calculating the Daily Simple RFR for no more than three consecutive RFR Interest Days. Any change in Daily Simple RFR due to a change in the applicable RFR Rate shall be effective from and including the effective date of such change in such RFR Rate without notice to the Borrower.

“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), a rate per annum equal to SOFR for the day (such day “SOFR Determination Date”) that is five (5) RFR Business Days prior to (i) if such SOFR Rate Day is an RFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not an RFR Business Day, the RFR 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. If by 5:00 p.m. (New York City time) on the second (2<sup>nd</sup>) RFR Business Day immediately following any SOFR Determination Date, the SOFR in respect of such SOFR Determination Date has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to the Daily Simple SOFR has not occurred, then the SOFR for such SOFR Determination Date will be the SOFR as published in respect of the first preceding RFR 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 the calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days. Any change in Daily Simple 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.

“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, subject to Section 2.19(b), any Lender that, during such Lender’s Availability Period, (a) has failed to (i) fund all or any portion of its Loans or

participations in Letters of Credit within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's reasonable determination that one or more conditions precedent to funding (each of which conditions precedent, together with the applicable default, if any, shall be specifically identified in detail in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, Issuing Bank, Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, Issuing Bank or Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's reasonable determination that a condition precedent to funding (which condition precedent, together with the applicable default, if any, shall be specifically identified in detail in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (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), or (d) the Administrative Agent has received notification that such Lender has become, or has a direct or indirect parent company that is, (i) insolvent, or is generally unable to pay its debts as they become due, or admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of its creditors, (ii) other than via an Undisclosed Administration, the subject of a bankruptcy, insolvency, reorganization, liquidation or similar proceeding, or a receiver, trustee, conservator, intervenor or sequestrator or the like has been appointed for such Lender or its direct or indirect parent company, or such Lender or its direct or indirect parent company has taken any action in furtherance of or indicating its consent to or acquiescence in any such proceeding or appointment or (iii) the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority or instrumentality so long as such ownership interest 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 or instrumentality) 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 (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.19(b)) upon such determination (and the Administrative Agent shall deliver written notice of such determination to the Borrower, the Issuing Bank and each Lender and the Swingline Lender).

“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.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any

rights and claims associated therewith; provided that the term “Disposition” or “Dispose” shall not include the disposition of Portfolio Investments originated by the Borrower and immediately transferred to a Financing Subsidiary pursuant to a transaction not prohibited hereunder.

“Dollar Commitment” means, with respect to each Dollar Lender, the commitment of such Dollar Lender to make Syndicated Loans, and to acquire participations in Letters of Credit and Swingline Loans, denominated in Dollars hereunder, during such Lender’s Availability Period, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Dollar Credit Exposure hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Dollar Commitment is set forth on Schedule 1.01(b), or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Dollar Commitment, as applicable. The aggregate amount of the Lenders’ Dollar Commitments as of the Fifth Amendment Effective Date is \$85,000,000.

“Dollar Equivalent” means, on any date of determination, 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 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 LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Dollar Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements in respect of such Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower at such time. The Dollar LC Exposure of any Lender at any time shall be its Applicable Dollar Percentage of the total Dollar LC Exposure at such time.

“Dollar Lender” means the Persons listed on Schedule 1.01(b) as having Dollar Commitments and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption that provides for it to assume 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 Letters of Credit” means Letters of Credit that utilize the Dollar Commitments.

“Dollar Loan” means a Loan denominated in Dollars.

“Dollars” or “\$” refers to lawful money of the United States of America.

“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 clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.



“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02), which date is June 25, 2014.

“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, 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 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) any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) 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.

“Erroneous Payment” has the meaning assigned to such term in Section 8.09(a).

“Erroneous Payment Deficiency Assignment” has the meaning assigned to such term in Section 8.09(d).

“Erroneous Payment Impacted Class” has the meaning assigned to such term in Section 8.09(d).

“Erroneous Payment Return Deficiency” has the meaning assigned to such term in Section 8.09(d).

“Erroneous Payment Subrogation Rights” has the meaning assigned to such term in Section 8.09(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.

“EURIBOR Screen Rate” has the meaning assigned to such term in clause (b) of the definition of “Term Benchmark Rate”.

“Euro” means a single currency of the Participating Member States.

“Event of Default” has the meaning assigned to such term in Article VII.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income, corporate, franchise or other similar Taxes imposed on (or measured by) its net income by the United States of America (or any state or political subdivision thereof), or 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, (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, any U.S. federal withholding Tax imposed on amounts payable to such Lender (i) at the time such Lender (other than an assignee pursuant to a request by the Borrower under Section 2.18(b)) becomes a party to this Agreement or designates a new lending office, except to the extent that such Lender’s assignor or such Lender was entitled to receive additional amounts from the Borrower with respect to such withholding Tax pursuant to Section 2.16, at the time of such assignment or designation (other than to the extent such withholding is as a result of a CAM Exchange), or (ii) that is attributable to such Lender’s failure or inability (other than as a result of a Change in Law occurring after the date such Lender becomes a party to this Agreement) to comply with Section 2.16(f), (d) any U.S. federal, state or local backup withholding Taxes imposed on payments made under any Loan Document, and (e) any U.S. federal withholding Tax that is imposed pursuant to FATCA.

“Existing Credit Agreement” has the meaning assigned to such term in the preamble to this Agreement.

“Existing Lenders” has the meaning assigned to such term in the preamble to this Agreement.

“Existing Loans” has the meaning assigned to such term in the preamble to this Agreement.

“Extended Availability Period” means, with respect to any Extending Lender, the period from and including the Effective Date to but excluding the earlier of the Extended Commitment Termination Date and the date of termination of the Commitments.

“Extended Commitment Termination Date” means, with respect to each Extending Lender, July 29, 2026.

“Extended Final Maturity Date” means, with respect to each Extending Lender, July 29, 2027.

“Extended Loans” means Loans or Borrowings of any Extending Lender maturing on the Extended Final Maturity Date.

“Extending Lender” means each Lender designated as an “Extending Lender” on Schedule 1.01(b).

“Extending Lender Applicable Margin” means (a) if the Borrowing Base (as of the most recently delivered Borrowing Base Certificate) is greater than or equal to the product of 1.60 and the Combined Debt Amount, (i) with respect to any ABR Loan, 1.00% per annum, (ii) with respect to any Term Benchmark Loan, 2.00% per annum and (iii) with respect to any RFR Loan, 2.00% per annum; and (b) if the Borrowing Base (as of the most recently delivered Borrowing Base Certificate) is less than the product of 1.60 and the Combined Debt Amount, (i) with respect to any ABR Loan, 1.25% per annum, (ii) with respect to any Term Benchmark Loan, 2.25% per annum and (iii) with respect to any RFR Loan, 2.25% per annum.

“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 and issuances of Indebtedness by any Obligor); provided that Extraordinary Receipts shall not include any (x) amounts that the Borrower receives from the Administrative Agent or any Lender pursuant to Section 2.16(f), 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 Section 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the foregoing, and any

legislation or regulations adopted or promulgated pursuant to any such intergovernmental agreement.

“Federal Funds Effective Rate” means, for any day, the greater of (a) zero and (b) weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions, 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.

“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.

“Fee Letter” means that certain fee letter, dated July 25, 2022, among the Borrower, Truist Bank and Truist Securities, Inc.

“Fifth Amendment Effective Date” means July 29, 2022.

“Final Maturity Date” means (i) in the case of any Extending Lender (with respect to such Extending Lender’s Extended Loans), the Extended Final Maturity Date or (ii) in the case of any Non-Extending Lender (with respect to such Non-Extending Lender’s Non-Extended Loans), such Non-Extending Lender’s applicable Non-Extended Final Maturity Date.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“Financial Stability Board” means the Financial Stability Board established after the G20 London summit in April 2009 as a successor to the Financial Stability Forum.

“Financing Subsidiary” means an SPE Subsidiary or an SBIC Subsidiary.

“Floor” means zero percent (0.00%).

“Foreign Currency” means at any time any Currency other than Dollars.

“Foreign Currency Equivalent” means, with respect to any amount in Dollars, the amount of any 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 Lender” means any Lender that is not a “United States person” as defined under Section 7701(a)(30) of the Code.

“Foreign Subsidiary” means any (a) direct or indirect Subsidiary of the Borrower that is resident or organized under the laws of any jurisdiction other than the United States or its states, territories or possessions and that is treated as a corporation for United States federal income tax purposes, (b) direct or indirect Subsidiary of the Borrower which is a “controlled foreign

corporation” within the meaning of the Code or (c) direct or indirect Subsidiary that is disregarded as an entity that is separate from its owner for United States federal income tax purposes and substantially all of its assets consist of the Capital Stock of one or more direct or indirect Foreign Subsidiaries.

“Fronting Exposure” means, at any time there is a Defaulting Lender, with respect to the Issuing Bank, such Defaulting Lender’s (a) Applicable Dollar Percentage of the outstanding Dollar LC Exposure and (b) Applicable Multicurrency Percentage of the outstanding Multicurrency LC Exposure, in each case with respect to Letters of Credit issued by the Issuing Bank other than Dollar LC Exposure or Multicurrency LC Exposure, as the case may be, as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

“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 (i) endorsements for collection or deposit in the ordinary course of business or (ii) customary indemnification agreements entered into in the ordinary course of business, provided that such indemnification obligations are unsecured, such Person has determined that any liability thereunder is remote and such indemnification obligations are not the functional equivalent of the guaranty of a payment obligation of the primary obligor.

“Guarantee and Security Agreement” means that certain Second Amended and Restated Guarantee and Security Agreement dated as of the date hereof among the Borrower, the Administrative Agent, each Subsidiary of the Borrower from time to time party thereto, each holder (or a representative or trustee therefor) from time to time of any Secured Longer-Term Indebtedness or Secured Shorter-Term Indebtedness, and the Collateral Agent, as the same shall be amended, modified, restated and supplemented and in effect 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.

“Immaterial Subsidiaries” means those Subsidiaries of the Borrower that are “designated” as Immaterial Subsidiaries by the Borrower from time to time (it being understood that the Borrower may at any time change any such designation); provided that such designated Immaterial Subsidiaries shall collectively meet all of the following criteria as of the date of the most recent balance sheet required to be delivered pursuant to Section 5.01: (a) the aggregate assets of such Subsidiaries and their Subsidiaries (on a consolidated basis) as of such date do not exceed an amount equal to 3% of the consolidated assets of the Borrower and its Subsidiaries as of such date; and (b) the aggregate revenues of such Subsidiaries and their Subsidiaries (on a consolidated basis) for the fiscal quarter ending on such date do not exceed an amount equal to 3% of the consolidated revenues of the Borrower and its Subsidiaries for such period.

“Increasing Lender” has the meaning assigned to such term in Section 2.08(e).

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar 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 (excluding accounts payable and accrued expenses incurred in the ordinary course of business), (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 and (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. 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 or (y) a commitment arising in the ordinary course of business to make a future Portfolio Investment, but shall include any SBIC Equity Commitment.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower or any Obligor under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Independent” when used with respect to any specified Person means that such Person (a) does not have any direct financial interest or any material indirect financial interest in the Borrower or any of its Subsidiaries or Affiliates (including its investment advisor or any Affiliate thereof) and (b) is not connected with the Borrower or of its Subsidiaries or Affiliates (including its investment advisor or any Affiliate thereof) as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.

“Industry Classification Group” means (a) any of the classification groups set forth in Schedule 1.01(c) hereto, together with any such classification groups that may be subsequently established by Moody’s and provided by the Borrower to the Lenders, and (b) up to three additional industry group classifications established by the Borrower pursuant to Section 5.12.

“Interest Election Request” means a request by the Borrower to convert or continue a Syndicated Borrowing in accordance with Section 2.07.

“Interest Payment Date” means (a) with respect to any Syndicated ABR Loan or RFR Loan, each Quarterly Date, (b) with respect to any Term Benchmark Loan or RFR 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 Swingline Loan, the day that such Loan is required to be repaid.

“Interest Period” means, for any Term Benchmark Loan or Borrowing or any RFR Loan or Borrowing, the period commencing on the date of such Loan or Borrowing and ending on the numerically corresponding day in the calendar month that is one month, three months or, except with respect to Term Benchmark Loans and Borrowings denominated in Canadian Dollars and RFR Loans and Borrowings, six months thereafter or, with respect to such portion of any Term Benchmark Loan or Borrowing or any RFR Loan or Borrowing denominated in a Foreign Currency that is scheduled to be repaid on the applicable Final Maturity Date, a period of less than one month’s duration commencing on the date of such Loan or Borrowing and ending on the applicable Final Maturity Date, as specified in the applicable Borrowing Request or Interest Election Request; provided that, (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, (ii) any Interest Period (other than an Interest Period pertaining to a Term Benchmark Borrowing or RFR Borrowing denominated in a Foreign Currency that ends on the applicable Final Maturity Date that is permitted to be of less than one month’s duration as provided in this definition) that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.22(d) shall be available for specification in such Borrowing Request or notice of

conversion or continuation unless or until it is reinstated pursuant to [Section 2.22\(d\)](#). 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 Syndicated Borrowing comprising Loans that have been converted or continued shall be the effective date of the most recent conversion or continuation of such Loans.

“[Investment](#)” means, for any Person: (a) Equity Interests, bonds, notes, debentures or other securities of any other Person 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 Company Act](#)” means the Investment Company Act of 1940, as amended from time to time.

“[Investment Policies](#)” means the investment objectives, policies, restrictions and limitations set forth in the “BUSINESS” section of its Registration Statement, and as the same may be changed, altered, expanded, amended, modified, terminated or restated from time to time.

“[IRS](#)” means the United States Internal Revenue Service.

“[Issuing Bank](#)” means Truist, in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in [Section 2.05\(j\)](#). In the case of any Letter of Credit to be issued in an Agreed Foreign Currency, Truist may designate any of its affiliates as the “Issuing Bank” for purposes of such Letter of Credit.

“[LC Disbursement](#)” means a payment made by the Issuing Bank pursuant to a Letter of Credit.

“[LC Exposure](#)” means, at any time, the sum of the Dollar LC Exposure and the Multicurrency LC Exposure.

“[Lenders](#)” means, collectively, the Dollar Lenders and the Multicurrency Lenders. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender.

“[Letter of Credit](#)” means any letter of credit issued pursuant to this Agreement.

“[Letter of Credit Collateral Account](#)” has the meaning assigned to such term in [Section 2.05\(k\)](#).

“[Letter of Credit Documents](#)” means, with respect to any Letter of Credit, collectively, any application therefor and any other agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations, each as the same may be modified and supplemented and in effect from time to time.



“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, for the avoidance of doubt, in the case of Portfolio Investments that are loans or other debt obligations, customary restrictions on assignments or transfers thereof pursuant to the underlying documentation for such Portfolio Investment shall not be deemed to be a “Lien” and in the case of Investments that are securities, excluding customary drag-along, tag-along, right of first refusal, restrictions on assignments or transfers (so long as such restrictions do not preclude the granting to the Collateral Agent of a Lien on such securities) and other similar rights in favor of the equity holders of the same issuer).

“Loan Documents” means, collectively, this Agreement, the Fee Letter, the Letter of Credit Documents and the Security Documents.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement.

“Losses” has the meaning assigned to such term in Section 9.03(b).

“Margin Stock” means “margin stock” within the meaning of Regulations T, U and X.

“Market Value Investments” has the meaning assigned to such term in Section 5.12(b)(ii)(B)(z).

“Material Adverse Change” has the meaning assigned to such term in Section 3.04(b).

“Material Adverse Effect” means a material adverse effect on (a) the business, Portfolio Investments and other assets, liabilities and financial condition of the Borrower or the Borrower and its Subsidiaries (other than Financing Subsidiaries) taken as a whole (excluding in any case a decline in the net asset value of the Borrower or a change in general market conditions or values of the Portfolio Investments), 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.

“Material Indebtedness” means (a) Indebtedness (other than the Loans, Letters of Credit and Hedging Agreements), of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding \$15,000,000 and (b) obligations in respect of one or more Hedging Agreements under which the maximum aggregate amount (giving effect to any netting agreements) that the Borrower and its Subsidiaries would be required to pay if such Hedging Agreement(s) were terminated at such time would exceed \$15,000,000.

“Minimum Collateral Amount” means, at any time, with respect to Cash Collateral consisting of Cash or deposit account balances, an amount equal to 100% of the Fronting Exposure of the Issuing Bank with respect to Letters of Credit issued and outstanding at such time.

“Moody’s” means Moody’s Investors Service, Inc. or any successor thereto.

“Multicurrency Commitment” means, with respect to each Multicurrency Lender, the commitment of such Multicurrency Lender to make Syndicated Loans, and to acquire participations in Letters of Credit and Swingline Loans, denominated in Dollars and in Agreed Foreign Currencies hereunder, during such Multicurrency Lender’s Availability Period, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Multicurrency Credit Exposure hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Multicurrency Commitment is set forth on Schedule 1.01(b), or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Multicurrency commitment, as applicable. The aggregate amount of the Lenders’ Multicurrency Commitments as of the Fifth Amendment Effective Date is \$415,000,000.

“Multicurrency LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Multicurrency Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements in respect of such Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower at such time. The Multicurrency LC Exposure of any Lender at any time shall be its Applicable Multicurrency Percentage of the total Multicurrency LC Exposure at such time.

“Multicurrency Lender” means the Persons listed on Schedule 1.01(b) as having Multicurrency Commitments and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption that provides for it to assume a Multicurrency Commitment or to acquire Revolving Multicurrency Credit Exposure, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Multicurrency Letters of Credit” means Letters of Credit that utilize the Multicurrency Commitments.

“Multicurrency Loan” means a Loan denominated in Dollars or an Agreed Foreign Currency.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“National Currency” means the currency, other than the Euro, of a Participating Member State.

“Net Cash Proceeds” means:

(a) with respect to any Disposition by the Borrower or any of its Subsidiaries (other than Financing Subsidiaries), or any Extraordinary Receipt received or paid to the account of the Borrower or any of its Subsidiaries (other than Financing Subsidiaries) (in each case, which requires a payment of the Loans under Section 2.10(e)), an amount equal to (a) the sum of cash and Cash Equivalents received in connection with such transaction (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note

receivable or otherwise, but only as and when so received) minus (b) the sum of (i) the principal amount of any Indebtedness that is secured by the applicable asset and that is required to be repaid in connection with such transaction (other than Indebtedness under the Loan Documents), (ii) the reasonable out-of-pocket fees, costs and expenses incurred by the Borrower or such Subsidiary in connection with such transaction, (iii) the taxes paid or reasonably estimated to be actually payable within two years of the date of the relevant transaction in connection with such transaction; provided that, if the amount of any estimated taxes pursuant to clause (iii) exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds (as of the date the Borrower determines such excess exists), (iv) any reasonable costs, fees, commissions, premiums and expenses incurred by the Borrower or any of its Subsidiaries in connection with such Disposition, and (v) reserves for indemnification, purchase price adjustments or analogous arrangements reasonably estimated by the Borrower or the relevant Subsidiary in connection with such Disposition; provided that, if the amount of any estimated reserves pursuant to this clause (v) exceeds the amount actually required to be paid in cash in respect of indemnification, purchase price adjustments or analogous arrangements for such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds (as of the date the Borrower determines such excess exists); and

(b) with respect to the sale or issuance of any Equity Interest by the Borrower or any of its Subsidiaries (other than any Financing Subsidiary) (including, for the avoidance of doubt, cash received by the Borrower or any of its Subsidiaries (other than any Financing Subsidiaries) for the sale by the Borrower or such Subsidiary of any Equity Interest of a Financing Subsidiary but specifically excluding any sale of any Equity Interest by a Financing Subsidiary or cash received by a Financing Subsidiary in connection with the sale of any Equity Interest), or the incurrence or issuance of any Indebtedness by the Borrower or any of its Subsidiaries (other than Financing Subsidiaries) (in each case, which requires a payment of the Loans under Section 2.10(e)), an amount equal to (i) the sum of the cash and Cash Equivalents received in connection with such transaction minus (ii) the sum of (1) reasonable out-of-pocket fees, costs and expenses, incurred by the Borrower or such Subsidiary in connection therewith plus (2) any reasonable costs, fees, commissions, premiums, expenses, or underwriting discounts or commissions incurred by the Borrower or any of its Subsidiaries in connection with such sale or issuance.

“Non-Defaulting Lender” means, at any time, a Lender that is not a Defaulting Lender at such time.

“Non-Extended Availability Period” means, with respect to any Non-Extending Lender, the period from and including the Effective Date to but excluding the earlier of the Non-Extended Commitment Termination Date for such Non-Extending Lender and the date of termination of the Commitments.

“Non-Extended Commitment Termination Date” means, with respect to each Non-Extending Lender, the “Non-Extended Commitment Termination Date” set forth next to such Non-Extending Lender’s name on Schedule 1.01(b).

“Non-Extended Final Maturity Date” means, with respect to each Non-Extending Lender, the “Non-Extended Final Maturity Date” set forth next to such Non-Extending Lender’s name on Schedule 1.01(b).

“Non-Extended Loans” means Loans or Borrowings of any Non-Extending Lender maturing on the Non-Extended Final Maturity Date for such Non-Extending Lender.

“Non-Extending Lender” means each Lender designated as a “Non-Extending Lender” on Schedule 1.01(b).

“Non-Extending Lender Applicable Margin” means, with respect to each Non-Extending Lender, the “Non-Extending Lender Applicable Margin” set forth next to such Non-Extending Lender’s name on Schedule 1.01(b).

“Non-Public Information” means material non-public information (within the meaning of United States federal, state or other applicable securities laws) with respect to Borrower or its Affiliates or their Securities.

“Obligor” means, collectively, the Borrower and the Subsidiary Guarantors.

“OFAC” has the meaning assigned to such term in Section 3.15.

“Original Currency” has the meaning assigned to such term in Section 2.17.

“Other Covered Indebtedness” means, collectively, Secured Longer-Term Indebtedness, Secured Shorter-Term Indebtedness, Unsecured Shorter-Term Indebtedness, Special Permitted Indebtedness, the 2026 May Notes, the 2026 November Notes and Permitted Amortizing Unsecured Longer-Term Indebtedness.

“Other Permitted Indebtedness” means (a) accrued expenses and current trade accounts payable incurred in the ordinary course of the Borrower’s business which are not overdue for a period of more than 90 days or 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 the Borrower’s business in connection with its purchasing of securities, loans, derivatives transactions, reverse repurchase agreements or dollar rolls to the extent such transactions are permitted under the Investment Company Act and the Borrower’s Investment Policies (after giving effect to any Permitted Policy Amendments), provided that such Indebtedness does not arise in connection with the purchase of Portfolio Investments other than Cash Equivalents and U.S. Government Securities and (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 clause (l) of Article VII.

“Other Taxes” means any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes, 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, excluding any such Taxes, resulting from an assignment by any Lender in accordance with Section 9.04 hereof (unless such assignment is made pursuant to Section 2.18(b)).

“Participant” has the meaning assigned to such term in Section 9.04.

“Participant Register” has the meaning assigned to such term in Section 9.04.

“Participating Member State” means any member state of the European Community that adopts or has adopted the Euro as its lawful currency in accordance with the legislation of the European Union relating to the European Monetary Union.

“Payment Recipient” has the meaning assigned to such term in Section 8.09(a).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Amortizing Unsecured Longer-Term Indebtedness” means Indebtedness of any Obligor (which may be Guaranteed by any other Obligor) incurred after the Effective Date which (a) has a final maturity date not earlier than six months after the Extended Final Maturity Date and pursuant to which an aggregate principal amount of up to, but not exceeding, 30% of the original principal amount of such Indebtedness may amortize prior to the Extended Final Maturity Date and (b) satisfies all of the criteria specified in the definition of “Unsecured Longer-Term Indebtedness” other than clause (a) thereof.

“Permitted Convertible Indebtedness” means Indebtedness incurred by an Obligor that is convertible solely into Permitted Equity Interests of the Borrower.

“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 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 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 under clause (l) of Article VII; (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 securing payment of fees, indemnities 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 or in respect of assets sold or otherwise disposed of to a non-Obligor in a transaction permitted by this Agreement; and (i) deposits of money securing leases to which Borrower is a party as lessee made in the ordinary course of business.

“Permitted Policy Amendment” means any change, alteration, expansion, 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, rule, regulation or Governmental Authority, or (c) not materially adverse to the rights, remedies or interests of the Lenders in the reasonable discretion of the Administrative Agent (for the avoidance of doubt, no change, alteration, expansion, amendment, modification, termination or restatement of the Investment Policies shall be deemed “material” if (i) investment size proportionately increases as the size of the Borrower’s capital base changes or (ii) the Borrower and its Subsidiaries, taken as a whole, invest up to 30% of their assets in non-U.S. companies).

“Permitted SBIC Guarantee” means a guarantee by the Borrower of Indebtedness of an SBIC Subsidiary on the SBA’s then applicable form, provided that the recourse to the Borrower thereunder is expressly limited only to periods after the occurrence of an event or condition that is an impermissible change in the control of such SBIC Subsidiary (it being understood that, as provided in clause (s) of Article VII, it shall be an Event of Default hereunder if any such event or condition giving rise to such recourse occurs).

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Platform” has the meaning set forth in Section 5.01(i).

“Portfolio Investment” means any Investment held by the Obligors in their asset portfolio (and solely for purposes of determining the Borrowing Base, Cash).

“Prime Rate” means the rate which is quoted as the “prime rate” in the print edition of *The Wall Street Journal*, Money Rates Section.

“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.

“Prohibited Assignees and Participants Side Letter” means that certain Side Letter, dated as of the date hereof, between the Borrower and the Administrative Agent (as amended, restated, modified or otherwise supplemented from time to time with the consent of the Administrative Agent and each Lender).

“Public Lender” means Lenders that do not wish to receive Non-Public Information with respect to the Borrower or any of its Subsidiaries or their Securities.

“Quarterly Dates” means the last Business Day of March, June, September and December in each year, commencing on June 30, 2014.

“Quoted Investment” means a Portfolio Investment with a value that may be assigned by the Borrower pursuant to Section 5.12(b)(ii)(A).

“Register” has the meaning set forth in Section 9.04.

“Registration Statement” means the Registration Statement filed by the Borrower with the Securities and Exchange Commission on April 19, 2007.

“Regulations D, T, U and X” means, respectively, Regulations D, T, U and X of the Board, 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 partners, directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means (a) with respect to a Benchmark Replacement in respect of obligations, interest, fees, commissions or other amounts owing hereunder denominated in, or calculated with respect to, Dollars, the Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board and/or the Federal Reserve Bank of New York or, in each case, any successor thereto, (b) with respect to a Benchmark Replacement in respect of obligations, interest, fees, commissions or other amounts owing hereunder denominated in, or calculated with respect to, Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, (c) with respect to a Benchmark Replacement in respect of obligations, interest, fees, commissions or other amounts owing hereunder denominated in, or calculated with respect to, Euro, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto, and (d) with respect to a Benchmark Replacement in respect of obligations, interest, fees, commissions or other amounts owing hereunder denominated in, or calculated with respect to, any Currency (other than Dollars, Sterling or Euro), (1) the central bank for the Currency in which such obligations, interest, fees, commissions or other amounts are denominated, or calculated with respect to, or any central bank or other supervisor which is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement or (2) any working group or committee

officially endorsed or convened by (A) the central bank for the Currency in which such obligations, interest, fees, commissions or other amounts are denominated, or calculated with respect to, (B) any central bank or other supervisor that is responsible for supervising either (i) such Benchmark Replacement or (ii) the administrator of such Benchmark Replacement, (C) a group of those central banks or other supervisors or (D) the Financial Stability Board or any part thereof.

“Required Lenders” means, at any time, 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 the Revolving Credit Exposures and unused Commitments of any Defaulting Lender shall be disregarded in the determination of Required Lenders. The Required Lenders of a Class (which shall include the terms “Required Dollar Lenders” and “Required Multicurrency Lenders”) means, at any time, Lenders having Revolving Credit Exposures and unused Commitments of such Class representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments of such Class at such time; provided that the Revolving Credit Exposures and unused Commitments of any Defaulting Lenders shall be disregarded in the determination of the Required Lenders of a Class.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of an Obligor. Any document delivered hereunder that is signed by a Responsible Officer of an Obligor shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Obligor and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Obligor.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of any class of capital stock of the Borrower or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of capital stock of the Borrower or any option, warrant or other right to acquire any such shares of capital stock of the Borrower (it being understood that none of: (w) the conversion features under convertible notes; (x) the triggering and/or settlement thereof; or (y) any cash payment made by the Borrower in respect thereof, shall constitute a Restricted Payment hereunder).

“Return of Capital” means (a) any cash amount (and net cash proceeds of any noncash amount) received by any Obligor in respect of the outstanding principal of any Portfolio Investment (whether at stated maturity, by acceleration or otherwise), (b) without duplication of amounts received under clause (a), any net cash proceeds (including net cash proceeds of any noncash consideration) received by any Obligor 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, (c) any net cash amount (and net cash proceeds of any noncash amount) received by any Obligor 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 or (d) any similar return of capital (net of any fees, costs and expenses) received by any Obligor in cash (and net cash proceeds of any noncash amount) in respect of any Portfolio Investment.

“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 Syndicated Loans, and its LC Exposure and Swingline Exposure, at such time made or incurred under the Dollar Commitments.

“Revolving Multicurrency Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Syndicated Loans, and its LC Exposure and Swingline Exposure, at such time made or incurred under the Multicurrency Commitments.

“Revolving Percentage” means, as of any date of determination, the result, expressed as a percentage, of the Revolving Credit Exposure on such date divided by the aggregate outstanding Covered Debt Amount on such date.

“RFR”, 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 Daily Simple RFR for the applicable Currency.

“RFR Administrator” means the SONIA Administrator or the SARON Administrator, as applicable.

“RFR Business Day” means, for any Loans, Borrowings, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London, (b) Swiss Francs, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for the settlement of payments and foreign exchange transactions in Zurich and (c) Dollars, 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.

“RFR Credit Adjustment Spread” means (a) with respect to RFR Loans denominated in Sterling, 0.1193% and (b) with respect to RFR Loans denominated in Swiss Francs, 0.0031%.

“RFR Interest Day” has the meaning specified in the definition of “Daily Simple RFR”.

“RFR Rate” means, for any Loans, Borrowings, interest, fees, commissions or other amounts denominated in, or calculated with respect to (a) Sterling, SONIA, and (b) Swiss Francs, SARON.

“RFR Reference Day” has the meaning specified in the definition of “Daily Simple RFR”.

“RIC” means a person qualifying for treatment as a “regulated investment company,” as defined in Section 851 of the Code.

“S&P” means S&P Global Ratings or any successor thereto.

“Sanctioned Country” means, at any time, a country, territory or region that is the subject or the target of country-wide or territory-wide Sanctions broadly prohibiting dealings with such country, territory or region (currently, Cuba, Crimea, Iran, North Korea and Syria).

“Sanctions” has the meaning assigned to such term in Section 3.15.

“SARON” means a rate equal to the Swiss Average Rate Overnight as administered by the SARON Administrator.

“SARON Administrator” means the SIX Swiss Exchange AG (or any successor administrator of the Swiss Average Rate Overnight).

“SARON Administrator’s Website” means SIX Swiss Exchange AG’s website, currently at <https://www.six-group.com>, or any successor source for the Swiss Average Rate Overnight identified as such by the SARON Administrator from time to time.

“SBA” means the United States Small Business Administration.

“SBIC Equity Commitment” means a commitment by the Borrower to make one or more capital contributions to an SBIC Subsidiary.

“SBIC Subsidiary” means any direct or indirect Subsidiary (including such Subsidiary’s general partner or managing entity to the extent that the only material asset of such general partner or managing entity is its equity interest in the SBIC Subsidiary) of the Borrower licensed as a small business investment company under the Small Business Investment Act of 1958, as amended (or that has applied for such a license and is actively pursuing the granting thereof by appropriate proceedings promptly instituted and diligently conducted), and which is designated by the Borrower (as provided below) as an SBIC Subsidiary, 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 a Permitted SBIC Guarantee or analogous commitment), (ii) is recourse to or obligates any Obligor in any way (other than in respect of any SBIC Equity Commitment, Permitted SBIC Guarantee or analogous commitment), or (iii) subjects any property of any Obligor, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than Equity Interests in any SBIC Subsidiary pledged to secure such Indebtedness, and (b) no Obligor has any obligation to maintain or preserve such Subsidiary’s financial condition or cause such entity to achieve certain levels of operating results (other than in respect of any SBIC Equity

Commitment, Permitted SBIC Guarantee or analogous commitment). 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 officer's knowledge, such designation complied with the foregoing conditions.

“Screen Rate” means each of the Term SOFR Screen Rate, the EURIBOR Screen Rate, the CDOR Screen Rate, the BBSY Screen Rate and the STIBOR Screen Rate.

“Second Amendment Effective Date” means September 4, 2019.

“Secured Debt Amount” means, on any date, the aggregate amount of all Secured Longer-Term Indebtedness and Secured Shorter-Term Indebtedness on such date (other than the obligations owed under the Loan Documents, including the Revolving Credit Exposure).

“Secured Longer-Term Indebtedness” means, as at any date, Indebtedness (other than Indebtedness hereunder) of any Obligor (which may be Guaranteed by any other Obligor) that (a) has no scheduled amortization (other than for amortization in an amount not greater than 1% of the aggregate initial principal amount of such Indebtedness per annum, provided that amortization in excess of 1% per annum shall be permitted so long as the amount of such amortization in excess of 1% is permitted to be incurred pursuant to Section 6.01(g)) prior to, and a final maturity date not earlier than, six months after the Extended Final Maturity Date (it being understood that none of: (w) the conversion features under convertible notes; (x) the triggering and/or settlement thereof; or (y) any cash payment made in respect thereof, shall constitute “amortization” for purposes of this clause (a)), (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 and (ii) other terms (other than interest) 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 an Event of Default under this Agreement shall not be deemed to be more restrictive for purposes of this definition)); provided that, upon the Borrower's written request in connection with the incurrence of any Secured Longer-Term Indebtedness that otherwise would not meet the requirements 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, covenants governing the borrowing base, if any, portfolio valuations, 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) or other terms, as applicable, in this Agreement shall be as restrictive as such covenants in the Secured Longer-Term Indebtedness, and (c) is not secured by any assets of any Obligor other than pursuant to this Agreement or the Security Documents and the holders of which (or an authorized agent,

representative or trustee of such holders) have either executed (i) a joinder agreement to the Guarantee and Security Agreement or (ii) such other document or agreement, in a form reasonably satisfactory to the Administrative Agent and the Collateral Agent, pursuant to which the holders (or an authorized agent, representative or trustee of such holders) of such Secured Longer-Term Indebtedness shall have become a party to the Guarantee and Security Agreement and assumed the obligations of a Financing Agent or Designated Indebtedness Holder (in each case, as defined in the Guarantee and Security Agreement).

“Secured Shorter-Term Indebtedness” means, collectively, (a) any Indebtedness of the Borrower or any Subsidiary (other than a Financing Subsidiary) that is (x) secured by any assets of any Obligor and that does not constitute Secured Longer-Term Indebtedness and (y) not secured by any assets of any Obligor other than pursuant to this Agreement or the Security Documents and the holders of which (or an authorized agent, representative or trustee of such holders) have either executed (i) a joinder agreement to the Guarantee and Security Agreement or (ii) such other document or agreement, in a form reasonably satisfactory to the Administrative Agent and the Collateral Agent, pursuant to which the holders (or an authorized agent, representative or trustee of such holders) of such Secured Shorter-Term Indebtedness shall have become a party to the Guarantee and Security Agreement and assumed the obligations of a Financing Agent or Designated Indebtedness Holder (in each case, as defined in the Guarantee and Security Agreement) and (b) any Indebtedness that is designated as “Secured Shorter-Term Indebtedness” pursuant to Section 6.11(a).

“Security Documents” means, collectively, the Guarantee and Security Agreement, all Uniform Commercial Code financing statements filed with respect to the security interests in personal property created pursuant to the Guarantee and Security Agreement and all other assignments, pledge agreements, security agreements, control agreements and other instruments executed and delivered on or after the date hereof by any of the Obligors pursuant to the Guarantee and Security Agreement or otherwise providing or relating to any collateral security for any of the Secured Obligations under and as defined in the Guarantee and Security Agreement.

“Shareholders’ Equity” means, at any date, the amount determined on a consolidated basis, without duplication, in accordance with GAAP, of shareholders equity for the Borrower and its Subsidiaries at such date.

“SOFR” means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Determination Date” has the meaning assigned to such term in the definition of “Daily Simple SOFR”.

“SOFR Rate Day” has the meaning assigned to such term in the definition of “Daily Simple SOFR”.

“SONIA” means a rate equal to the Sterling Overnight Index Average as administered by the SONIA Administrator.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website” means 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 SONIA Administrator from time to time.

“SPE Subsidiary” 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 engages in no material activities other than in connection with the purchase, holding, disposition or financing of such assets and which is designated by the Borrower (as provided below) as an SPE Subsidiary:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (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) with which no Obligor has any material contract, agreement, arrangement or understanding other than on terms, taken as a whole, not materially 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 receivables, and

(c) to which 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.

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 officer’s knowledge, such designation complied with the foregoing conditions. Each Subsidiary of an SPE Subsidiary shall be deemed to be an SPE Subsidiary and shall comply with the foregoing requirements of this definition.

“Special Equity Interest” means any Equity Interest that is subject to a Lien in favor of creditors of the issuer of such Equity Interest provided that (a) such Lien was created to secure Indebtedness owing by such issuer to such creditors, (b) such Indebtedness was (i) in existence at the time the Obligors acquired such Equity Interest, (ii) incurred or assumed by such issuer substantially contemporaneously with such acquisition or (iii) already subject to a Lien granted to such creditors and (c) unless such Equity Interest is not intended to be included in the Collateral, the documentation creating or governing such Lien does not prohibit the inclusion of such Equity Interest in the Collateral.

“Special Permitted Indebtedness” means Indebtedness of any Obligor (which may be Guaranteed by any other Obligor) incurred after the Effective Date which (a) has a final maturity date not earlier than five years after the incurrence thereof and (b) satisfies all of the criteria specified in the definition of “Unsecured Longer-Term Indebtedness” other than clause (a) thereof.

“Specified Countries” means the United States and U.S. Territories, Canada, Australia, the United Kingdom, Ireland, Germany, Spain, France, Belgium, the Netherlands, Luxembourg, Switzerland, Denmark, Finland, Norway, Sweden, Austria, Iceland and Lichtenstein.

“Specified Tax Jurisdictions” shall mean Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, the Isle of Man and the Netherlands Antilles.

“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 dilutive events or misrepresentations (in each case unrelated to the collectability of the assets sold or the creditworthiness of the associated account debtors) and (c) representations, warranties, covenants and indemnities (together with any related performance guarantees) of a type that are reasonably customary in accounts receivable securitizations.

“Statutory Reserve Rate” means, for any applicable Interest Period for any Term Benchmark 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. Term Benchmark Loans denominated in Euros 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.

“Sterling” means the lawful currency of the United Kingdom.

“STIBOR” has the meaning assigned to such term in clause (e) of the definition of “Term Benchmark Rate”.

“STIBOR Screen Rate” has the meaning assigned to such term in clause (e) of the definition of “Term Benchmark Rate”.

“Subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Anything herein to the contrary notwithstanding,

the term “Subsidiary” shall not include any Person that constitutes an Investment held by the Borrower 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 a Guarantor under the Guarantee and Security Agreement. It is understood and agreed that no Financing Subsidiary or Foreign Subsidiary shall be a Subsidiary Guarantor. As of the Fifth Amendment Effective Date, the Subsidiary Guarantors are PNNT CI (GALLS) Prime Investment Holdings, LLC and PNNT Investment Holdings, LLC.

“Swedish Krona” means the lawful currency of Sweden.

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be the sum of (i) its Applicable Dollar Percentage of the total Swingline Exposure at such time incurred under the Dollar Commitments and (ii) its Applicable Multicurrency Percentage of the total Swingline Exposure at such time incurred under the Multicurrency Commitments.

“Swingline Lender” means Truist, in its capacity as lender of Swingline Loans hereunder, and its successors in such capacity as provided in Section 2.04(d).

“Swingline Loan” means a Loan made pursuant to Section 2.04.

“Swiss Franc” means the lawful currency of Switzerland.

“Syndicated”, when used in reference to any Loan or Borrowing, refers to whether such Loan is, or the Loans constituting such Borrowing are, made pursuant to Section 2.01.

“TARGET Day” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system (or any successor settlement system as determined by the Administrative Agent to be a suitable replacement) is open 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 other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Benchmark”, 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 Term Benchmark Rate.

“Term Benchmark Banking Day” means for any Term Benchmark Loan or Loans or Term Benchmark Borrowings, interest, fees, commissions or other amounts denominated in, or calculated with respect to:

- (a) Dollars, a U.S. Government Securities Business Day;

(b) Euros, a TARGET Day;

(c) Canadian Dollars, any day (other than a Saturday or Sunday) on which banks are open for business in Toronto, Canada;

(d) Australian Dollars, any day (other than a Saturday or Sunday) on which banks are open for business in Melbourne, Australia; and

(e) Swedish Krona, any day (other than a Saturday or Sunday) on which banks are open for business in Stockholm, Sweden.

“Term Benchmark Rate” means, for any Interest Period:

(a) in the case of Term Benchmark Borrowings denominated in Dollars, Term SOFR for such Interest Period;

(b) in the case of Term Benchmark Borrowings denominated in Euros, the rate per annum equal to the Euro Interbank Offered Rate as administered by the European Money Markets Institute (or any other Person that takes over the administration of such rate) for a period equal in length to such Interest Period, as displayed on the applicable Bloomberg page (or on any successor or substitute page or service providing such quotations as determined by the Administrative Agent from time to time in its reasonable discretion; in each case, the “EURIBOR Screen Rate”) at approximately 11:00 a.m. (Brussels time) two Term Benchmark Banking Days for Euros prior to the first day of such Interest Period;

(c) in the case of Term Benchmark Borrowings denominated in Canadian Dollars, 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. (Toronto, Ontario time) on the first day of such Interest Period (or if such day is not a Term Benchmark Banking Day, then on the immediately preceding Term Benchmark Banking Day) 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) 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) (the “CDOR Screen Rate”);

(d) in the case of Term Benchmark Borrowings denominated in Australian Dollars, the rate per annum equal to the Bank Bill Swap Reference Bid rate or a successor thereto approved by the Administrative Agent (“BBSY”) as published by Reuters (or such other page or commercially available source providing BBSY (Bid) quotations as may be designated by the Administrative Agent from time to time) at or about 10:30 a.m. (Melbourne, Australia time) on the day that is two Term Benchmark Banking Days for Australian Dollars prior to the first day of the Interest Period (or if such day is not a Term Benchmark Banking Day for Australian Dollars, then on the immediately preceding Term Benchmark Banking Day for Australian Dollars) with a term equivalent to such Interest Period (the “BBSY Screen Rate”); and

(e) in the case of Term Benchmark Borrowings denominated in Swedish Krona, the rate per annum equal to the Stockholm Interbank Offered Rate or a successor thereto approved by



the Administrative Agent (“STIBOR”) as published by Reuters (or such other page or commercially available source providing STIBOR quotations as may be designated by the Administrative Agent from time to time) at or about 11:00 a.m. (Stockholm, Sweden time) on the day that is two Term Benchmark Banking Days for Swedish Krona prior to the first day of the Interest Period (or if such day is not an Term Benchmark Banking Day for Swedish Krona, then on the immediately preceding Term Benchmark Banking Day for Swedish Krona) with a term equivalent to such Interest Period (the “STIBOR Screen Rate”);

provided that, in each case, if such rate for any Currency is less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Term SOFR” means,

(a) for any calculation with respect to a Term Benchmark Loan for any Interest Period, the sum of (i) the applicable Term SOFR Credit Adjustment Spread for Term Benchmark Loans for such Interest Period and (ii) 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 (the “Term SOFR Screen Rate”); provided, 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 Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, 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 sum of (i) the applicable Term SOFR Credit Adjustment Spread for Term Benchmark Loans for an Interest Period of one month and (ii) the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “Base Rate 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 that if as of 5:00 p.m. on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, 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 Base Rate Term SOFR Determination Day.

“Term SOFR Administrator” means the 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 Credit Adjustment Spread” means, with respect to Term Benchmark Loans denominated in Dollars, (i) with an Interest Period of one month, 0.10%, (ii) with an Interest Period of three months, 0.15% and (iii) with an Interest Period of six months, 0.25%.

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“Term SOFR Screen Rate” has the meaning assigned to such term in the definition of “Term SOFR”.

“Termination Date” means the earliest to occur of (i) the Extended Final Maturity Date, (ii) the date of the termination of the Commitments in full pursuant to Section 2.08(c), or (iii) the date on which the Commitments are terminated pursuant to Article VII.

“Testing Quarter” has the meaning assigned to such term in Section 5.12(b)(i)(E)(x).

“Total Assets” means, as of any date of determination, the value of the total assets of the Obligor on a consolidated basis, less all liabilities and indebtedness not represented by senior securities, in each case, as of such date of determination.

“Total Assets Concentration Limitation” means, as of any date of determination, the amount by which the aggregate value of Equity Interests in Financing Subsidiaries held by the Obligor as of such date of determination exceeds 12.5% of the Total Assets as of such date of determination.

“Total Secured Debt” means, as of any date of determination, the aggregate amount of senior securities representing secured indebtedness of the Obligor as of such date of determination.

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Transferred Assets” has the meaning assigned to such term in Section 6.03(h).

“Truist” means Truist Bank (as successor by merger to SunTrust Bank).

“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 Term Benchmark Rate, Daily Simple RFR or the Alternate Base Rate.

“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 subject to 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 applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Undisclosed Administration” means, in relation to a Lender, 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 is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Unquoted Investment” means a Portfolio Investment with a value that may be assigned by the Borrower pursuant to Section 5.12(b)(ii)(B).

“Unsecured Longer-Term Indebtedness” means Indebtedness of any Obligor (which may be Guaranteed by any other Obligor) that (a) has no amortization prior to, and a final maturity date not earlier than, six months after the Extended Final Maturity Date (it being understood that (A) none of: (w) the conversion features under convertible notes; (x) the triggering and/or settlement thereof; and (y) any cash payment made in respect thereof shall constitute “amortization” for the purposes of this definition); (B) any mandatory amortization 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); and (C) any mandatory amortization under any Permitted Amortizing Unsecured Longer-Term Indebtedness shall not in and of itself be deemed to disqualify such Indebtedness under this clause (a); provided, with respect to clause (a)(B) and clause (a)(C), the Borrower acknowledges that any payment prior to the Extended Final Maturity Date in respect of any such obligation or right shall only be made to the extent permitted by this Agreement and immediately upon such contingent event occurring the amount of such mandatory amortization shall be included in the Covered Debt Amount), (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 the Borrower or, if such transaction is not one in which there are market terms for substantially similar debt of other similarly situated borrowers, on terms that are negotiated in good faith on an arm’s length basis (except, in each case, 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, while any Loans or the Commitments are outstanding, than those set forth in the Loan Documents; provided that, upon the Borrower’s written request in connection with 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 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 Obligor. For the avoidance of doubt, the conversion of all or any portion of any Permitted Convertible Indebtedness constituting Unsecured Longer-Term Indebtedness into Permitted Equity Interests in accordance with Section 6.12(a), shall not cause such Indebtedness to be designated as Unsecured Shorter-Term Indebtedness hereunder.

Notwithstanding the foregoing, each of the 2026 May Notes and the 2026 November Notes shall be deemed Unsecured Longer-Term Indebtedness in all respects despite the fact that the maturity dates of the 2026 May Notes and the 2026 November Notes are prior to the Final Maturity Date so long as the 2026 May Notes and the 2026 November Notes continue to comply with all other requirements of the above definition; provided that (x) from and after the date that is 9 months prior to the scheduled maturity date of the 2026 May Notes, the 2026 May Notes shall be included in the Covered Debt Amount and (y) from and after the date that is 9 months prior to the scheduled maturity date of the 2026 November Notes, the 2026 November Notes shall be included in the Covered Debt Amount.

“Unsecured Shorter-Term Indebtedness” means, collectively, (a) any Indebtedness of the Borrower or any Subsidiary (other than a Financing Subsidiary) that is not secured by any assets of any Obligor and that does not constitute Unsecured Longer-Term Indebtedness and (b) any Indebtedness that is designated as “Unsecured Shorter-Term Indebtedness” pursuant to Section 6.11(a). For clarity, Special Permitted Indebtedness and Permitted Amortizing Unsecured Longer-Term Indebtedness shall not be Unsecured Shorter-Term Indebtedness so long as the final maturity date thereof is after the Extended Final Maturity Date.

“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” shall mean 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.

“Value” has the meaning assigned to such term in Section 5.13.

“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.

“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 it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Syndicated Dollar Loan” or “Syndicated Multicurrency Loan”), by Type (e.g., an “ABR Loan”) or by Class and Type (e.g., a “Syndicated Multicurrency Term Benchmark Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Dollar Borrowing”, “Multicurrency Borrowing” or “Syndicated Borrowing”), by Type (e.g., an “ABR Borrowing”) or by Class and Type (e.g., a “Syndicated ABR Borrowing” or “Syndicated Multicurrency Term Benchmark Borrowing”). Loans and Borrowings may also be identified by Currency.

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

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, (a) 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 date hereof in GAAP or in the application 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 such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (b) all leases that would be treated as operating leases for purposes of GAAP on the date hereof shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations hereunder regardless of any change to GAAP following the date hereof that would otherwise require such leases to be treated as Capital Lease Obligations. The Borrower covenants and agrees with the Lenders that whether or not the Borrower may at any time adopt Financial Accounting Standards Board (“FASB”) Statement of Financial Accounting Standard No. 159 (or successor standard solely as it relates to fair valuing liabilities) or accounts for liabilities acquired in an acquisition on a fair value basis pursuant to FASB Statement of Financial Accounting Standard No. 141(R) (or successor standard solely as it relates to fair valuing liabilities), all determinations of compliance with the terms and conditions of this Agreement shall be made on the basis that the Borrower has not adopted FASB Statement of Financial Accounting Standard No. 159 (or such successor standard solely as it relates to fair valuing liabilities) or, in the case of liabilities acquired in an acquisition, FASB Statement of Financial Accounting Standard No. 141(R) (or such successor standard solely as it relates to fair valuing liabilities).

SECTION 1.05. Currencies; Currency Equivalents.

(a) Currencies Generally. At any time, any reference in the definition of the term “Agreed Foreign Currency” or in any other provision of this Agreement to the Currency of any particular nation means the lawful currency of such nation at such time whether or not the name of such Currency is the same as it was on the date hereof. Except as provided in Section 2.10(b) and the last sentence of Section 2.17(a), for purposes of determining (i) whether the amount of any Borrowing or Letter of Credit under the Multicurrency Commitments, together with all other Borrowings and Letters of Credit 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 Multicurrency LC Exposure, (v) the Covered Debt Amount and (vi) the Borrowing Base or the Value or the fair market value of any Portfolio Investment, the outstanding principal amount of any Borrowing or Letter of Credit that is denominated in any Foreign Currency or the Value 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, Letter of Credit or Portfolio Investment, as the case may be, determined as of the date of such Borrowing or Letter of Credit (determined in accordance with the last sentence of the definition of the term “Interest Period”) or the date of valuation of such Portfolio Investment, as the case may be. Wherever in this Agreement in connection with a Borrowing or Loan an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing or Loan is denominated in a Foreign Currency, such amount shall be the relevant Foreign Currency Equivalent of such Dollar amount (rounded to the nearest 1,000 units of such Foreign Currency). Without limiting the generality of the foregoing, for purposes of determining compliance with any basket in Sections 6.03(g) and

6.04(f), in no event shall the Borrower or any of its Subsidiaries be deemed to not be in compliance with any such basket solely as a result of a change in exchange rates.

(b) Special Provisions Relating to Euro. Each obligation hereunder of any party hereto that is denominated in the National Currency of a state that is not a Participating Member State on the 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 may from time to time, in consultation with the Borrower, reasonably specify to be necessary or appropriate to reflect the introduction or changeover to the Euro in any country that becomes a Participating Member State after the date hereof; provided that the Administrative Agent shall provide the Borrower and the Lenders with prior notice of the proposed change with an explanation of such change in sufficient time to permit the Borrower and the Lenders an opportunity to respond to such proposed change.

SECTION 1.06. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division 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, 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 1.07. Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Alternate Base Rate, the Daily Simple RFR, or Term Benchmark Rate or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or

liquidity as, the Alternate Base Rate, the Daily Simple RFR, Term Benchmark Rate or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Alternate Base Rate, the Daily Simple RFR, Term Benchmark Rate, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Alternate Base Rate, the Daily Simple RFR, Term Benchmark Rate or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) by any such information source or service.

## 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 Syndicated Loans in Dollars to the Borrower from time to time during such Dollar Lender's Availability Period in an aggregate principal amount that will not result in (i) such Lender's Revolving Dollar Credit Exposure exceeding such Lender's Dollar Commitment, (ii) the aggregate Revolving Dollar Credit Exposure of all of the Dollar Lenders with Dollar Commitments then in effect exceeding the aggregate Dollar Commitments at such time or (iii) the total Covered Debt Amount exceeding the Borrowing Base then in effect; and

(b) each Multicurrency Lender severally agrees to make Syndicated Loans in Dollars and in Agreed Foreign Currencies to the Borrower from time to time during such Multicurrency Lender's Availability Period in an aggregate principal amount that will not result in (i) such Lender's Revolving Multicurrency Credit Exposure exceeding such Lender's Multicurrency Commitment, (ii) the aggregate Revolving Multicurrency Credit Exposure of all of the Multicurrency Lenders with Multicurrency Commitments then in effect exceeding the aggregate Multicurrency Commitments at such time or (iii) 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 Syndicated Loans.

SECTION 2.02. Loans and Borrowings.

(a) Obligations of Lenders. Each Syndicated Loan shall be made as part of a Borrowing consisting of Loans of the same Class (other than with respect to any Syndicated Loan requested pursuant to Section 2.20), 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 2.13, each Syndicated Borrowing of a Class shall be constituted entirely of ABR Loans, of RFR Loans or of Term Benchmark 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 Term Benchmark Loan shall be denominated in Dollars or in an Agreed Foreign Currency (other than Sterling and Swiss Francs). Each RFR Loan shall be denominated in Sterling or Swiss Francs. Each Lender at its option may make any Term Benchmark Loan or RFR 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 Term Benchmark Borrowing and RFR Borrowing shall be in an aggregate amount of \$1,000,000 or a larger multiple of \$1,000,000, and each ABR Borrowing (whether a Syndicated Loan or a Swingline Loan) shall be in an aggregate amount of \$1,000,000 or a larger multiple of \$100,000; provided that a Syndicated ABR Borrowing of a Class may be in an aggregate amount that is equal to the entire unused balance of the total Commitments of such Class or that is required to finance the reimbursement of an LC Disbursement of such Class as contemplated by Section 2.05(f). Borrowings of more than one Class, Currency and Type may be outstanding at the same time.

(d) Limitations on Interest Periods. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request (or to elect to convert to or continue as a Term Benchmark Borrowing or RFR Borrowing) any Borrowing if the Interest Period requested therefor would end after the Extended Final Maturity Date; provided that any request (or election to convert or continue as a Term Benchmark Borrowing or RFR Borrowing) that would extend past an applicable Non-Extended Final Maturity Date may only be made with respect to the portion of the Term Benchmark Borrowing or RFR Borrowing held by the Extending Lenders and Non-Extending Lenders for which the Non-Extended Final Maturity Date shall not have occurred.

(e) Treatment of Classes. Notwithstanding anything to the contrary contained herein, with respect to each Syndicated Loan, Swingline Loan or Letter of Credit designated in Dollars (including any Loan requested pursuant to Section 2.20), the Administrative Agent shall deem the Borrower to have requested that such Syndicated Loan, Swingline Loan or Letter of Credit be applied ratably to each of the Dollar Commitments and the Multicurrency Commitments, based upon the percentage of the aggregate Commitments represented by the Dollar Commitments and the Multicurrency Commitments, respectively.

#### SECTION 2.03. Requests for Syndicated Borrowings.

(a) Notice by the Borrower. To request a Syndicated Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (i) in the case of a Term Benchmark Borrowing denominated in Dollars, not later than 11:00 a.m., New York City time,

two Business Days before the date of the proposed Borrowing, (ii) in the case of a Term Benchmark Borrowing denominated in a Foreign Currency, not later than 11:00 a.m., New York City time, four Business Days before the date of the proposed Borrowing, (iii) in the case of an RFR Borrowing, not later than 11:00 a.m., New York City time, four Business Days before the date of the proposed Borrowing or (iv) in the case of a Syndicated ABR Borrowing, not later than 11:00 a.m., New York City time, on 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.

(b) Content of Borrowing Requests. Each telephonic and written 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 or the Multicurrency Commitments;

(ii) the aggregate amount and Currency of the requested Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) in the case of a Syndicated Borrowing denominated in Dollars, whether such Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing;

(v) in the case of a Borrowing denominated in an Agreed Foreign Currency, whether such Borrowing is to be a Term Benchmark Borrowing or an RFR Borrowing;

(vi) in the case of a Term Benchmark Borrowing or RFR Borrowing, the Interest Period therefor, which shall be a period contemplated by the definition of the term "Interest Period" and permitted under Section 2.02(d); and

(vii) the location and number of the Borrower's account to which funds are to be disbursed, which will comply with the requirements of Section 2.06.

(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 Syndicated Borrowing is specified, then the requested Syndicated Borrowing shall be deemed to be under the Multicurrency Commitments. If no election as to the Currency of a Syndicated Borrowing is specified, then the requested Syndicated Borrowing shall be denominated in Dollars. If no election as to the Type or Currency of a Syndicated Borrowing is specified, then the requested Borrowing shall be a Term Benchmark Borrowing denominated in Dollars having an Interest Period of one month and, if an Agreed Foreign Currency has been specified, the requested Syndicated Borrowing shall be a Term Benchmark Borrowing or RFR Borrowing, as applicable, denominated in such Agreed Foreign Currency and having an Interest Period of one month. If a Term Benchmark Borrowing or RFR 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 Term Benchmark Borrowing denominated in Dollars having an Interest Period of one month's duration, and (ii) if the Currency specified for such Borrowing is an Agreed Foreign Currency (other than Sterling and Swiss Franc), the Borrower shall be deemed to have selected an Interest Period of one month's duration.

#### SECTION 2.04. Swingline Loans.

(a) Agreement to Make Swingline Loans. Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans under each Commitment to the Borrower from time to time during the Extended Availability Period in Dollars, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans of both Classes of Commitments exceeding \$70,000,000, (ii) the total Revolving Dollar Credit Exposures of Dollar Lenders with Dollar Commitments then in effect exceeding the aggregate Dollar Commitments at such time, (iii) the total Revolving Multicurrency Credit Exposures of Multicurrency Lenders with Multicurrency Commitments then in effect exceeding the aggregate Multicurrency Commitments at such time or (iv) the total Covered Debt Amount exceeding the Borrowing Base then in effect; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, repay and reborrow Swingline Loans.

(b) Notice of Swingline Loans by the Borrower. To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by telecopy) not later than 2:00 p.m., New York City time, on the day of such proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and the amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general deposit account of the Borrower with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(f), by remittance to the Issuing Bank) by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) Participations by Lenders in Swingline Loans. The Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., New York City time on any Business Day, require the Lenders of the applicable Class (other than Non-Extending Lenders for which such Non-Extending Lender's applicable Non-Extending Commitment Termination Date shall have occurred) to acquire participations on such Business Day in all or a portion of the Swingline Loans of such Class outstanding. Such notice to the Administrative Agent shall specify the aggregate amount of Swingline Loans in which the applicable Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each applicable Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above in this paragraph, to pay to the Administrative Agent, for account of the Swingline Lender, such Lender's Applicable Percentage, as the case may be, of such Swingline Loan or Loans; provided that no Lender shall be required to purchase a participation in a Swingline

Loan pursuant to this Section 2.04(c) if (x) the conditions set forth in Section 4.02 would not be satisfied in respect of a Borrowing at the time such Swingline Loan was made and (y) the Required Lenders of the respective Class shall have so notified the Swingline Lender in writing and shall not have subsequently determined that the circumstances giving rise to such conditions not being satisfied no longer exist.

Subject to the foregoing, each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph (c) is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments of the respective Class, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

(d) Resignation and Replacement of Swingline Lender. The Swingline Lender may resign and be replaced at any time by written agreement among the Borrower, the Administrative Agent, the resigning Swingline Lender and the successor Swingline Lender. The Administrative Agent shall notify the Lenders of any such resignation and replacement of the Swingline Lender. In addition to the foregoing, if a Lender becomes, and during the period it remains, a Defaulting Lender, and if any Default has arisen from a failure of the Borrower to comply with Section 2.19(a), then the Swingline Lender may, upon prior written notice to the Borrower and the Administrative Agent, resign as Swingline Lender, effective at the close of business New York City time on a date specified in such notice (which date may not be less than five (5) Business Days after the date of such notice). On or after the effective date of any such resignation, the Borrower and the Administrative Agent may, by written agreement, appoint a successor Swingline Lender. The Administrative Agent shall notify the Lenders of any such appointment of a successor Swingline Lender. Upon the effectiveness of any resignation of the Swingline Lender, the Borrower shall repay in full all outstanding Swingline Loans together with all accrued interest thereon. From and after the effective date of the appointment of a successor Swingline Lender, (i) the successor Swingline Lender shall have all the rights and obligations of the replaced Swingline Lender under this Agreement with respect to Swingline Loans to be made thereafter and (ii) references herein to the term "Swingline Lender" shall be deemed to refer to such successor or to any previous Swingline Lender, or to such successor and all previous Swingline Lenders, as the context shall require. After the replacement of the Swingline Lender

hereunder, the replaced Swingline Lender shall have no obligation to make additional Swingline Loans.

SECTION 2.05. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 2.01, the Borrower may request the Issuing Bank to issue, at any time and from time to time during the Extended Availability Period and under either the Dollar Commitments or Multicurrency Commitments, Letters of Credit denominated in Dollars or (in the case of Letters of Credit under the Multicurrency Commitments) in any Agreed Foreign Currency for its own account in such form as is acceptable to the Issuing Bank in its reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Commitments up to the aggregate amount available to be drawn thereunder.

(b) Notice of Issuance, Amendment, Renewal or Extension. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (d) of this Section), the amount and Currency of such Letter of Credit, whether such Letter of Credit is to be issued under the Dollar Commitments or the Multicurrency Commitments, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) Limitations on Amounts. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate LC Exposure of the Issuing Bank (determined for these purposes without giving effect to the participations therein of the Lenders pursuant to paragraph (e) of this Section) shall not exceed \$50,000,000; (ii) the total Revolving Dollar Credit Exposure of Dollar Lenders with Dollar Commitments then in effect shall not exceed the aggregate Dollar Commitments at such time; (iii) the total Revolving Multicurrency Credit Exposure of Multicurrency Lenders with Multicurrency Commitments then in effect shall not exceed the aggregate Multicurrency Commitments at such time; and (iv) the total Covered Debt Amount shall not exceed the Borrowing Base then in effect.

(d) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the date twelve months after the date of the issuance of such Letter of Credit (or, in

the case of any renewal or extension thereof, twelve months after the then-current expiration date of such Letter of Credit, so long as such renewal or extension occurs within three months of such then-current expiration date); provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods. No Letter of Credit may be renewed following the earlier to occur of the Extended Commitment Termination Date and the Termination Date, except to the extent that the relevant Letter of Credit is Cash Collateralized no later than five (5) Business Days prior to the Extended Commitment Termination Date or Termination Date, as applicable, or supported by another letter of credit, in each case pursuant to arrangements reasonably satisfactory to the Issuing Bank and the Administrative Agent.

(e) Participations. By the issuance of a Letter of Credit of a Class (or an amendment to a Letter of Credit increasing the amount thereof) by the Issuing Bank, and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender (other than any Non-Extending Lender for which such Non-Extending Lender's applicable Non-Extending Commitment Termination Date has occurred) of such Class, and each Lender of such Class hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Dollar Percentage or Applicable Multicurrency Percentage, as the case may be, of the aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the applicable Commitments; provided that no Lender shall be required to purchase a participation in a Letter of Credit pursuant to this Section 2.05(e) if (x) the conditions set forth in Section 4.02 would not be satisfied in respect of a Borrowing at the time such Letter of Credit was issued and (y) the Required Lenders of the respective Class shall have so notified the Issuing Bank in writing and shall not have subsequently determined that the circumstances giving rise to such conditions not being satisfied no longer exist.

In consideration and in furtherance of the foregoing, each Lender of a Class (other than any Non-Extending Lender for which such Non-Extending Lender's applicable Non-Extending Commitment Termination Date has occurred) hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for account of the Issuing Bank, such Lender's Applicable Dollar Percentage or Applicable Multicurrency Percentage, as the case may be, of each LC Disbursement made by the Issuing Bank in respect of Letters of Credit of such Class promptly upon the request of the Issuing Bank at any time from the time of such LC Disbursement until such LC Disbursement is reimbursed by the Borrower or at any time after any reimbursement payment is required to be refunded to the Borrower for any reason. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to the next following paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that the Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the

Issuing Bank for any LC Disbursement shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse the Issuing Bank in respect of such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 11:00 a.m., New York City time, on (i) the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 10:00 a.m., New York City time, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time; provided that, if such LC Disbursement is not less than \$1,000,000 and is denominated in Dollars, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.04 that such payment be financed with a Syndicated ABR Borrowing or a Swingline Loan of the respective Class in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Syndicated ABR Borrowing or Swingline Loan.

If the Borrower fails to make such payment when due, the Administrative Agent shall notify each applicable Lender with a Commitment then in effect of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Dollar Percentage or Applicable Multicurrency Percentage, as the case may be, thereof.

(g) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (f) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, and (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

Neither the Administrative Agent, the Lenders nor the Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the Issuing Bank or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's gross negligence or willful misconduct when determining

whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that:

(i) the Issuing Bank may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit;

(ii) the Issuing Bank shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iii) this sentence shall establish the standard of care to be exercised by the Issuing Bank when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

(h) Disbursement Procedures. The Issuing Bank shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly after such examination notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the applicable Lenders with respect to any such LC Disbursement.

(i) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Syndicated ABR Loans; provided that, if the Borrower fails to reimburse such LC Disbursement within two Business Days following the date when due pursuant to paragraph (f) of this Section, then the provisions of Section 2.12(d) shall apply. Interest accrued pursuant to this paragraph shall be for account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (f) of this Section to reimburse the Issuing Bank shall be for account of such Lender to the extent of such payment.

(j) Resignation and/or Replacement of Issuing Bank. The Issuing Bank may resign and be replaced at any time by written agreement among the Borrower, the Administrative Agent, the resigning Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such resignation and replacement of the Issuing Bank. Upon the effectiveness of any resignation or replacement of the Issuing Bank, the Borrower shall pay all unpaid fees accrued for account of the resigning or replaced Issuing Bank pursuant to Section 2.11(b). From and after the effective date of the appointment of a successor Issuing Bank, (i) the successor Issuing Bank shall have all the rights and obligations of the replaced Issuing Bank under



this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term “Issuing Bank” shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the effective replacement or resignation of the Issuing Bank hereunder, the replaced or resigning Issuing Bank, as the case may be, shall remain a party hereto and shall continue to have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit.

(k) Cash Collateralization. If the Borrower shall be required to provide Cash Collateral for LC Exposure pursuant to Section 2.05(d), Section 2.09(a), Section 2.10(b) or (c), Section 2.20(b) or the penultimate paragraph of Article VII, the Borrower shall immediately deposit into a segregated collateral account or accounts (herein, collectively, the “Letter of Credit Collateral Account”) in the name and under the dominion and control of the Administrative Agent Cash denominated in the Currency of the Letter of Credit under which such LC Exposure arises in an amount equal to the amount required under Section 2.05(d), Section 2.09(a), Section 2.10(b) or (c), Section 2.20(b) or the penultimate paragraph of Article VII, as applicable. Such deposit shall be held by the Administrative Agent as collateral in the first instance for the LC Exposure under this Agreement and thereafter for the payment of the “Secured Obligations” under and as defined in the Guarantee and Security Agreement, and for these purposes the Borrower hereby grants a security interest to the Administrative Agent for the benefit of the Lenders in the Letter of Credit Collateral Account and in any financial assets (as defined in the Uniform Commercial Code) or other property held therein.

#### SECTION 2.06. 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 11:00 a.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; provided that Swingline Loans shall be made as provided in Section 2.04. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower designated by the Borrower in the applicable Borrowing Request; provided that Syndicated ABR Borrowings made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(f) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Presumption by the Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section 2.06 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in the corresponding Currency with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender,

the Federal Funds Effective Rate or (ii) in the case of the Borrower, the interest rate applicable at the time to ABR Loans in the case of a Dollar Borrowing or the interest rate applicable to such Borrowing in the case of a Multicurrency Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. Nothing in this paragraph shall relieve any Lender of its obligation to fulfill its commitments hereunder, and this paragraph shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

SECTION 2.07. Interest Elections.

(a) Elections by the Borrower for Syndicated Borrowings. Subject to Section 2.03(d), the Loans constituting each Syndicated Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing or RFR Borrowing, shall have the Interest Period specified in such Borrowing Request. Thereafter, 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 Term Benchmark Borrowing or RFR Borrowing, may elect the Interest Period therefor, all as provided in this Section; provided, however, that (i) a Syndicated Borrowing of a Class may only be continued or converted into a Syndicated Borrowing of the same Class, (ii) a Syndicated Borrowing denominated in one Currency may not be continued as, or converted to, a Syndicated Borrowing in a different Currency, (iii) no Term Benchmark Borrowing or RFR Borrowing denominated in a Foreign Currency or RFR Borrowing may be continued if, after giving effect thereto, the aggregate Revolving Multicurrency Credit Exposures would exceed the aggregate Multicurrency Commitments, and (iv) a Term Benchmark Borrowing or RFR Borrowing denominated in a Foreign Currency may not be converted 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, and the Loans constituting each such portion shall be considered a separate Borrowing. This Section 2.07(a) shall not apply to Swingline Loans, which may not be converted or continued.

(b) Notice of Elections. To make an election pursuant to this Section 2.07, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Syndicated Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly (but no later than the close of business on the date of such request) by hand delivery or teletype to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Content of Interest Election Requests. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing (including the Class) to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the

information to be specified pursuant to clauses (iii) and (iv) of this paragraph shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether, in the case of a Borrowing denominated in Dollars, the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing; and

(iv) if the resulting Borrowing is a Term Benchmark Borrowing or RFR Borrowing, the Interest Period therefor after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period" and permitted under Section 2.02(d).

(d) Notice by the Administrative Agent to the Lenders. Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each applicable Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) Failure to Elect; Events of Default. If the Borrower fails to deliver a timely and complete Interest Election Request with respect to a Term Benchmark Borrowing or RFR Borrowing prior to the end of the Interest Period therefor, then, unless such Borrowing is repaid as provided herein, (i) if such Borrowing is denominated in Dollars, at the end of such Interest Period such Borrowing shall be converted to a Syndicated Term Benchmark Borrowing of the same Class having an Interest Period of one 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 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 Term Benchmark Borrowing denominated in Dollars shall, at the end of the applicable Interest Period for such Term Benchmark Borrowing, be automatically converted to an ABR Borrowing and (ii) any Term Benchmark Borrowing or RFR Borrowing denominated in a Foreign Currency shall not have an Interest Period of more than one month's duration.

#### SECTION 2.08. Termination, Reduction or Increase of the Commitments.

(a) Scheduled Termination. Unless previously terminated, the Commitments of each Extending Lender with respect to such Extending Lender's Extended Loans shall terminate on the Extended Commitment Termination Date and the Commitments of each Non-Extending Lender with respect to such Non-Extending Lender's Non-Extended Loans shall terminate on the Non-Extended Commitment Termination Date for such Non-Extending Lender.

(b) Voluntary Termination or Reduction. The Borrower may at any time terminate, or from time to time reduce, the Commitments of either Class; provided that (i) each reduction of the Commitments of a Class shall be in an amount that is \$25,000,000 or a larger multiple of \$5,000,000 in excess thereof and (ii) the Borrower shall not terminate or reduce the Commitments of either Class if, after giving effect to any concurrent prepayment of the Syndicated Loans of such Class in accordance with Section 2.10, the total Revolving Credit Exposures of such Class would exceed the total Commitments of such Class. Any such reduction of the

Commitments below the principal amount of the Swingline Loans permitted under Section 2.04(a)(i) and the Letters of Credit permitted under Section 2.05(c)(i) shall result in a dollar-for-dollar reduction of such amounts as applicable.

(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 two 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 pursuant to clause (b) shall be permanent. Each reduction of the Commitments of a Class pursuant to clause (b) shall be made ratably among the Lenders of such Class (including with respect to (x) Dollar Lenders and Multicurrency Lenders and (y) Extending Lenders and Non-Extending Lenders) in accordance with their respective Commitments.

(e) Increase of the Commitments.

(i) Requests for Increase by Borrower. The Borrower may, at any time, request that the Commitments hereunder of a Class be increased (each such proposed increase being a "Commitment Increase"), upon notice to the Administrative Agent (who shall promptly notify the Lenders), which notice shall specify 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 Administrative Agent may reasonably agree) after delivery of such notice and 30 days prior to the Extended Commitment Termination Date; provided that:

(A) the minimum amount of the Commitment of any Assuming Lender, and the minimum amount of the increase of the Commitment of any Increasing Lender, as part of such Commitment Increase shall be \$10,000,000 or a larger multiple of \$5,000,000 in excess thereof (or such lesser amount as the Administrative Agent may reasonably agree);

(B) immediately after giving effect to such Commitment Increase (including, if applicable, the substantially concurrent reduction of the Commitments of a Non-Extending Lender in accordance with Section 2.08(f)), the total Commitments of all of the Lenders hereunder shall not exceed \$750,000,000;

(C) each Assuming Lender shall be consented to by the Administrative Agent and the Issuing Bank (such consent not to 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 shall be true and correct in all material respects (or, in the case of any portion of the representations and warranties already subject to a materiality qualifier, 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).

(ii) Effectiveness of Commitment Increase by Borrower. An Assuming Lender, if any, shall become a Lender hereunder as of such Commitment Increase Date and the Commitment of the respective Class of any Increasing Lender and such Assuming Lender shall be increased as of such Commitment Increase Date; provided that:

(x) the Administrative Agent shall have received on or prior to 11:00 a.m., 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 11:00 a.m., 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, duly executed by such Assuming Lender 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 an Assuming Lender or any Increasing Lender, together with the certificate referred to in clause (ii)(x) above, the Administrative Agent shall, if such agreement 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 the Commitment Increase Date, the Borrower shall (A) prepay the outstanding Loans (if any) of the affected 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 Class of such Lenders (after giving effect to such Commitment Increase) and (C) pay to the Lenders of such Class the amounts, if any, payable under Section 2.15 as a result of any such prepayment. Concurrently therewith, the Lenders of such Class shall be deemed to have adjusted their participation interests in any outstanding Letters of Credit of such Class so that such interests are held ratably in accordance with their commitments of such Class as so increased.

(f) Reduction of Non-Extending Lenders' Commitment. Notwithstanding anything to the contrary herein (including Section 2.08(d)):

(i) The Borrower may at any time no Default or Event of Default exists (x) in connection with any Commitment Increase under Section 2.08(e), terminate, or from time to time reduce, the Commitment of any Non-Extending Lender (by an amount not to exceed the amount of such Commitment Increase) without reducing the Commitments of any other Lender or (y) at any time after a Non-Extending Lender's Non-Extended Commitment Termination Date, prepay the Loans of such Non-Extending Lender without prepaying the Loans of any other Lender; provided that each reduction of the Commitment or prepayment of Loans of a Non-Extending Lender hereunder shall be in an amount that is \$10,000,000 or a larger multiple of \$5,000,000 in excess thereof (or, in each case, the entire Commitment or outstanding Loans of such Non-Extending Lender, as applicable).

(ii) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitment or prepay the Loans of any Non-Extending Lender under this clause (f) at least two Business Days prior to (x) the related Commitment Increase Date in the case of any termination or reduction or (y) the effective date of such prepayment, in each case, specifying such election and the related Commitment Increase Date or effective date thereof, as applicable. Promptly following receipt of any notice, the Administrative Agent shall advise each Lender of the contents thereof. Each notice delivered by the Borrower pursuant to this clause (f) shall be irrevocable; provided that a notice of termination may state that such notice is conditioned upon the effectiveness of the related Commitment Increase, 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.

(iii) Any termination or reduction of the Commitment or prepayment of Loans of any Non-Extending Lender pursuant to this clause (f) shall be permanent and, if applicable in connection with any termination or reduction of Commitments, shall be made concurrently with all required reallocation prepayments and cash collateralizations required under Section 2.20.

SECTION 2.09. Repayment of Loans; Evidence of Debt.

(a) Repayment. The Borrower hereby unconditionally promises to pay the Loans of each Class as follows:

(i) to the Administrative Agent for account of the Lenders of such Class the outstanding principal amount of the Syndicated Loans of the Lenders of such Class and all other amounts due and owing hereunder and under the other Loan Documents on such Lender's applicable Final Maturity Date; and

(ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan of such Class denominated in Dollars, on the earlier of the Extended Commitment Termination Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least ten Business Days after such Swingline Loan is made; provided that on each date that a Syndicated Borrowing of such Class is made, the Borrower shall repay all Swingline Loans of such Class then outstanding.

In addition, on the Extended Commitment Termination Date, the Borrower shall deposit Cash into the Letter of Credit Collateral Account (denominated in the Currency of the Letter of Credit under which such LC Exposure arises) in an amount equal to 100% of the undrawn face amount of all Letters of Credit outstanding on the close of business on the Extended Commitment Termination Date, such deposit to be held by the Administrative Agent as collateral security for the LC Exposure under this Agreement in respect of the undrawn portion of such Letters of Credit.

(b) Manner of Payment. Prior to any repayment or prepayment of any Borrowings to any Lenders 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) of such selection not later than the time set forth in Section 2.10(f) prior to the scheduled date of such repayment; provided that each repayment of Borrowings to any Lenders 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 the applicable Class and, second, to other 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). Other than in connection with a reduction or termination of Commitments or prepayment of Loans pursuant to Section 2.08(f), the occurrence of the Final Maturity Date with respect to any Lender pursuant to Section 2.09(a) or a mandatory prepayment pursuant to Section 2.10(e), each payment of a Syndicated Borrowing to Lenders of a Class shall be applied ratably (both with respect to (x) Dollar Loans and Multicurrency Loans and (y) Extended Loans and Non-Extended Loans) to the Loans included in such Borrowing.

(c) Maintenance of Records by Lenders. Each Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts and Currency of principal and interest payable and paid to such Lender from time to time hereunder.

(d) Maintenance of Records by the Administrative Agent. The Administrative Agent shall maintain records in which it shall record (i) the amount 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 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 obvious 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.

(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 registered assigns) and in a form approved by the Administrative Agent. 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 registered assigns).

#### SECTION 2.10. Prepayment of Loans.

(a) Optional Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, without premium or penalty except for payments under Section 2.15, subject to the requirements of this Section. Any prepayment of a Borrowing made in accordance with this clause (a) shall be applied ratably among the Lenders unless such prepayment is made in connection with the reduction of Commitments or the prepayment of Loans in accordance with Section 2.08(f) in which case such prepayment shall be applied in accordance with Section 2.08(f).

(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 minus the Multicurrency LC Exposure fully Cash Collateralized on such date exceeds 105% of the aggregate amount of the Multicurrency Commitments as then in effect, the Borrower shall, if requested by the Required Multicurrency Lenders (through the Administrative Agent), prepay the Syndicated Multicurrency Loans and Swingline Multicurrency Loans (and/or provide Cash Collateral for Multicurrency LC Exposure as specified in Section 2.05(k)) within 15 Business Days following the Borrower's receipt of such request 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.

Any prepayment pursuant to this paragraph shall be applied, first to Swingline Multicurrency Loans outstanding, second, to Syndicated Multicurrency Loans outstanding and third, as cover for Multicurrency LC Exposure.

(c) Mandatory Prepayments due to Borrowing Base Deficiency. In the event that at any time any Borrowing Base Deficiency shall exist, the Borrower shall, within five Business Days after delivery of the applicable Borrowing Base Certificate, prepay the Loans (or provide Cash Collateral for Letters of Credit as contemplated by Section 2.05(k)) or reduce Other Covered Indebtedness in such amounts as shall be necessary so that such Borrowing Base Deficiency is cured; provided that (i) the aggregate amount of such prepayment of Loans (and Cash Collateral for Letters of Credit) shall be at least equal to the Revolving Percentage times the aggregate prepayment of the Covered Debt Amount, and (ii) if, within five Business Days after delivery of a Borrowing Base Certificate demonstrating such Borrowing Base Deficiency, the Borrower shall present the Administrative Agent with a reasonably feasible plan acceptable to the Administrative Agent in its sole discretion to enable such Borrowing Base Deficiency to be cured within 30 Business Days (which 30-Business Day period shall include the five Business Days permitted for delivery of such plan), then such prepayment or reduction shall not be required to be effected immediately but may be effected in accordance with such plan (with such modifications as the Borrower may reasonably determine), so long as such Borrowing Base Deficiency is cured within such 30-Business Day period.

(d) [Reserved].

(e) Mandatory Prepayments During Amortization Period. During the period commencing on the date immediately following the Commitment Termination Date with respect

to any Loans of any Lender or Lenders and ending on the Final Maturity Date with respect to the Loans of such Lender or Lenders:

(i) Asset Disposition. If the Borrower or any of its Subsidiaries (other than a Financing Subsidiary) Disposes of any property which results in the receipt by such Person of Net Cash Proceeds in excess of \$3,000,000 in the aggregate since the applicable Commitment Termination Date (which aggregate amount shall reset to \$0 on the Extended Commitment Termination Date), the Borrower shall prepay an aggregate principal amount of such Loans owed to such Lender or Lenders equal to 100% of such Net Cash Proceeds no later than the fifth Business Day following the receipt of such Net Cash Proceeds.

(ii) Equity Issuance. Upon the sale or issuance by the Borrower or any of its Subsidiaries (other than a Financing Subsidiary) of any of its Equity Interests (other than any sales or issuances of Equity Interests to the Borrower or any Subsidiary Guarantor), the Borrower shall prepay an aggregate principal amount of such Loans owed to such Lender or Lenders equal to 75% of all Net Cash Proceeds received therefrom no later than the fifth Business Day following the receipt of such Net Cash Proceeds.

(iii) Indebtedness. Upon the incurrence or issuance by the Borrower or any of its Subsidiaries (other than a Financing Subsidiary) of any Indebtedness (other than the making of any Loans or issuance of any Letters of Credit hereunder), the Borrower shall prepay an aggregate principal amount of such Loans owed to such Lender or Lenders equal to 100% of all Net Cash Proceeds received therefrom no later than the fifth Business Day following the receipt of such Net Cash Proceeds.

(iv) Extraordinary Receipt. Upon any Extraordinary Receipt (which, when taken with all other Extraordinary Receipts received after the applicable Commitment Termination Date, exceeds \$7,500,000 in the aggregate (which aggregate amount shall reset to \$0 on the Extended Commitment Termination Date)) received by or paid to or for the account of the Borrower or any of its Subsidiaries (other than a Financing Subsidiary), and not otherwise included in clause (i), (ii) or (iii) of this Section 2.10(e), the Borrower shall prepay an aggregate principal amount of such Loans owed to such Lender or Lenders equal to 100% of all Net Cash Proceeds received therefrom no later than the fifth Business Day following the receipt of such Net Cash Proceeds.

(v) Return of Capital. If any Obligor shall receive any Return of Capital (other than from any Financing Subsidiary), the Borrower shall prepay an aggregate principal amount of such Loans owed to such Lender or Lenders equal to 90% of such Return of Capital (excluding amounts payable by the Borrower pursuant to Section 2.15) no later than the fifth Business Day following the receipt of such Return of Capital.

Notwithstanding the foregoing, Net Cash Proceeds and Return of Capital required to be applied to the prepayment of the Loans pursuant to this Section 2.10(e) shall (A) (I) from the period commencing on the Non-Extended Commitment Termination Date and ending on the Extended Commitment Termination Date, be applied ratably among the Non-Extending Lenders for which the Non-Extending Lender Commitment Termination Date shall have occurred and (II) from the Extended Commitment Termination Date to the Extended Final Maturity Date, be applied ratably

among the Extending Lenders and shall be made in the manner specified in Section 2.09(b), (B) exclude the amount necessary for the Borrower to make all required distributions (which shall be no less than the amount estimated in good faith by Borrower under Section 6.05(b) herein) to maintain its ability to be subject to Tax as a RIC under Section 852 of the Code and its election to be treated as a “business development company” under the Investment Company Act for so long as the Borrower retains such status and to avoid payment by the Borrower of federal excise Taxes imposed by Section 4982 of the Code for so long as the Borrower retains the status of a RIC under the Code and (C) if the Loans to be prepaid are Term Benchmark Loans, the Borrower may defer such prepayment until the last day of the Interest Period applicable to such Loans, so long as the Borrower deposits an amount equal to such Net Cash Proceeds, no later than the fifth Business Day following the receipt of such Net Cash Proceeds, 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 on the last day of such Interest Period; provided, further, that the Administrative Agent may direct the application of such deposits as set forth in Section 2.09(b) at any time and if the Administrative Agent does so, no amounts will be payable by the Borrower pursuant to Section 2.15.

(f) Notices, Etc. The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Term Benchmark Borrowing denominated in Dollars (other than in the case of a prepayment pursuant to Section 2.10(e)), not later than 11:00 a.m., New York City time, two Business Days before the date of prepayment, (ii) in the case of prepayment of a Term Benchmark Borrowing denominated in a Foreign Currency (other than in the case of a prepayment pursuant to Section 2.10(e)), not later than 11:00 a.m., New York time, four Business Days before the date of prepayment, (iii) in the case of prepayment of an RFR Borrowing (other than in the case of a prepayment pursuant to Section 2.10(e)), not later than 11:00 a.m., New York time, four Business Days before the date of prepayment, (iv) in the case of prepayment of a Syndicated ABR Borrowing (other than in the case of a prepayment pursuant to Section 2.10(e)), not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment, (v) in the case of prepayment of a Swingline Loan, not later than 11:00 a.m., New York City time, on the date of prepayment, or (vi) in the case of any prepayment pursuant to Section 2.10(e), not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; provided that, if (i) a notice of prepayment is given in connection with a conditional notice of termination of the Commitments of a Class as contemplated by Section 2.08, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.08 and (ii) any notice given in connection with Section 2.10(e) may be conditioned on the consummation of the applicable transaction contemplated by such Section and the receipt by the Borrower or any such Subsidiary (other than a Financing Subsidiary) of Net Cash Proceeds. Promptly following receipt of any such notice relating to a Syndicated Borrowing, the Administrative Agent shall advise the affected Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of a Borrowing of the same Type as provided in Section 2.02 or in the case of a Swingline Loan, as provided in Section 2.04, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Syndicated Borrowing shall be applied ratably to the Loans

held by the Lenders of such Class included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12 and shall be made in the manner specified in Section 2.09(b) unless such prepayment is made in connection with the reduction of Commitments or the prepayment of Loans in accordance with Section 2.08(f) or a mandatory prepayment pursuant to Section 2.10(e) in which case such prepayment shall be applied in accordance with Section 2.08(f) or Section 2.10(e), as applicable.

SECTION 2.11. Fees.

(a) Commitment Fee. The Borrower agrees to pay to the Administrative Agent for account of each Lender a commitment fee, which shall accrue at a rate per annum equal to 0.375% on the average daily unused amount of the Dollar Commitment and Multicurrency Commitment, as applicable, of such Lender during the period from and including the date hereof to but excluding the earlier of the date such commitment terminates and such Lender's Commitment Termination Date. Accrued commitment fees shall be payable within one Business Day after each Quarterly Date and on the earlier of the date the Commitments of the respective Class terminate and the Commitment Termination Date of such Class, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, the Commitment of any Class of a Lender shall be deemed to be used to the extent of the outstanding Syndicated Loans and LC Exposure of such Class of such Lender (and the Swingline Exposure of such Class of such Lender shall be disregarded for such purpose).

(b) Letter of Credit Fees. The Borrower agrees to pay (i) to the Administrative Agent for account of each Lender a participation fee with respect to its participations in Letters of Credit of each Class, which shall accrue at a rate per annum equal to the Applicable Margin applicable to interest on Term Benchmark Loans (or, if such Letter of Credit is denominated in Sterling or Swiss Franc, RFR Loans) on the average daily amount of such Lender's LC Exposure of such Class (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment of such Class terminates and the date on which such Lender ceases to have any LC Exposure of such Class, and (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including each Quarterly Date shall be payable on the third Business Day following such Quarterly Date, commencing on the first such date to occur after the Effective Date; provided that all such fees with respect to the Letters of Credit shall be payable (i) with respect to the Issuing Bank, on the Termination Date and (ii) with respect to any Lender, on the earlier to occur of such Lender's Final Maturity Date and the Termination Date and the Borrower shall pay any such fees that have accrued and that are unpaid on such date and, in the event any Letters of Credit shall be outstanding that have expiration dates after the Termination Date, the Borrower shall prepay on the Termination Date the full amount of the participation and fronting fees that will accrue on such

Letters of Credit subsequent to the Termination Date through but not including the date such outstanding Letters of Credit are scheduled to expire (and, in that connection, the Lenders agree not later than the date two Business Days after the date upon which the last such Letter of Credit shall expire or be terminated to rebate to the Borrower the excess, if any, of the aggregate participation and fronting fees that have been prepaid by the Borrower over the sum of the amount of such fees that ultimately accrue through the date of such expiration or termination and the aggregate amount of all other unpaid obligations hereunder at such time). Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) Administrative Agent Fees. The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) Payment of Fees. All fees payable hereunder shall be paid on the dates due, in Dollars (or, at the election of the Borrower with respect to any fees payable to the Issuing Bank on account of Letters of Credit issued in any Foreign Currency, in such Foreign Currency) and immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of facility fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances absent obvious error.

#### SECTION 2.12. Interest.

(a) ABR Loans. The Loans constituting each ABR Borrowing (including each Swingline Loan) shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin.

(b) Term Benchmark Loans. The Loans constituting each Term Benchmark Borrowing shall bear interest at a rate per annum equal to the applicable Adjusted Term Benchmark Rate for the related Interest Period for such Borrowing plus the Applicable Margin.

(c) RFR Loans. The Loans constituting each RFR Borrowing shall bear interest at a rate per annum equal to the Daily Simple RFR plus the Applicable Margin.

(d) Default Interest. Notwithstanding the foregoing, (i) if any amount of principal of any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to (A) in the case of principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided above, (B) in the case of any Letter of Credit, 2% plus the fee otherwise applicable to such Letter of Credit as provided in Section 2.11(b)(i), or (C) in the case of any fee or other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section and (ii) if any Event of Default has occurred and is continuing for any Term Benchmark Loan or RFR Loan, at the end of the current applicable Interest Period, interest shall (if requested by the Administrative Agent upon instructions of the Required Lenders) accrue (A) in the case of

Dollar Loans, at the Alternate Base Rate plus the Applicable Margin plus 2% per annum and (B) for Loans in any Foreign Currency, at the one month Term Benchmark Rate or RFR Rate, as applicable, plus the Applicable Margin plus 2% per annum.

(e) 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, in the case of Syndicated Loans, with respect to any Lender, upon the earlier of such Lender's Final Maturity Date and the Termination Date; provided that (i) interest accrued pursuant to paragraph (c) 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 a Syndicated ABR Loan prior to such Lender's Final 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 Term Benchmark Borrowing denominated in Dollars prior to the end of the Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(f) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed (i) by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate and (ii) on Multicurrency Loans denominated in Canadian Dollars or 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). The applicable Alternate Base Rate, Daily Simple RFR or Adjusted Term Benchmark Rate shall be determined by the Administrative Agent and such determination shall be conclusive absent manifest error.

SECTION 2.13. Inability to Determine Interest Rates. Subject to Section 2.22, if:

(a) (i) prior to the commencement of any Interest Period for a Term Benchmark Borrowing in any Currency, the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Term Benchmark Rate (including, without limitation, because the applicable Screen Rate for such Currency for such Interest Period is not available or published on a current basis and such circumstances are unlikely to be temporary) for such Interest Period or (ii) at any time, for an RFR Borrowing, the Administrative Agent determines that adequate and reasonable means do not exist for ascertaining the Daily Simple RFR (each determination under this clause (a) shall be made in good faith and shall be conclusive absent manifest error); or

(b) (i) prior to the commencement of any Interest Period for a Term Benchmark Borrowing in any Currency, the Administrative Agent is advised by the Required Lenders of the applicable Class that the Adjusted Term Benchmark Rate for a Loan in such Currency or for the applicable Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining the Loans included in such Borrowing for such Interest Period or (ii) at any time for an RFR Borrowing in any Currency, the Administrative Agent is advised by the Required Multicurrency Lenders that the Daily Simple RFR for a Loan in such Currency will not adequately and fairly reflect the cost to such Lenders of making or maintaining the Loans included in such Borrowing;

then the Administrative Agent shall give written notice thereof (or telephonic notice, promptly confirmed in writing) to the Borrower and the affected Lenders as promptly as practicable thereafter identifying the relevant provision above. Until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Syndicated Borrowing to, or the continuation of any Syndicated Borrowing as, a Term Benchmark Borrowing denominated in the affected Currency shall be ineffective and, if the affected Currency is Dollars, such Syndicated Borrowing (unless prepaid) shall be continued as, or converted to, a Syndicated ABR Borrowing at the end of the applicable Interest Period, (ii) if the affected Currency is Dollars and any Borrowing Request requests a Term Benchmark Borrowing denominated in Dollars, such Borrowing shall be made as a Syndicated ABR Borrowing, (iii) if the affected Currency is a Foreign Currency other than Canadian Dollars, (A) any Borrowing Request that requests a Term Benchmark Borrowing or RFR Borrowing denominated in the affected Currency shall be made as a Borrowing bearing interest at the Central Bank Rate for the applicable Agreed Foreign Currency; provided, that if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Foreign Currency cannot be determined, such Borrowing Request shall be ineffective, and (B) any outstanding Term Benchmark Borrowing or RFR Borrowing in the affected Currency, at the Borrower's election shall either (1) be converted to a Borrowing bearing interest at the Central Bank Rate for the applicable Agreed Foreign Currency; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Foreign Currency cannot be determined, such Borrowing shall be converted into an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such affected Currency) immediately in the case of an RFR Borrowing or, in the case of a Term Benchmark Borrowing, at the end of the applicable Interest Period, (2) be converted into a Syndicated ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such affected Currency) immediately in the case of an RFR Borrowing or, in the case of a Term Benchmark Borrowing, at the end of the applicable Interest Period, or (3) be prepaid in full immediately in the case of an RFR Borrowing or, in the case of a Term Benchmark Borrowing, at the end of the applicable Interest Period, and (iv) if the affected Currency is Canadian Dollars, (A) any Borrowing Request that requests a Term Benchmark Borrowing denominated in Canadian Dollars shall be made as a Term Benchmark Borrowing with a Term Benchmark Rate equal to the Canadian Prime Rate; provided, that if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Canadian Prime Rate cannot be determined, such Borrowing Request shall be ineffective, and (B) any outstanding Term Benchmark Borrowing in Canadian Dollars, at the Borrower's election, shall either (1) be converted to a Term Benchmark Borrowing denominated in Canadian Dollars with a Term Benchmark Rate equal to the Canadian Prime Rate at the end of applicable Interest Period, (2) be converted into a Syndicated ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such affected Currency) at the end of the applicable Interest Period, or (3) be prepaid in full at the end of the applicable Interest Period; provided that if no election is made by the Borrower by the date that is three Business Days after receipt by the Borrower of such notice or, in the case of a Term Benchmark Borrowing, the last day of the current Interest Period for the applicable Term Benchmark Loan, if earlier, the Borrower shall be deemed to have elected clause (iii)(B)(1) or (iv)(B)(1) above, as applicable.

SECTION 2.14. Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the Board for determining the maximum reserve requirement (including any emergency, special, supplemental other marginal reserve requirement) with respect to any eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D)), special deposit or similar requirement against assets of, deposits with or for account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted Term Benchmark Rate for Euros) or the Issuing Bank; or

(ii) impose on any Lender or the Issuing Bank any other condition, cost or expense (other than Taxes) affecting this Agreement or Term Benchmark Loans or RFR Loans made by such Lender or any Letter of Credit or participation in any such Loan or Letter of Credit;

and the result of any of the foregoing shall be to increase the cost to such Lenders of making, converting to, continuing or maintaining any Term Benchmark Loan or RFR Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or the Issuing Bank, as the case may be, in Dollars, such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital or Liquidity Requirements. If any Lender or the Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender’s or the Issuing Bank’s capital or on the capital of such Lender’s or the Issuing Bank’s holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Swingline Loans and Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender’s or the Issuing Bank’s holding company could have achieved but for such Change in Law (taking into consideration such Lender’s or the Issuing Bank’s policies and the policies of such Lender’s or the Issuing Bank’s holding company with respect to capital adequacy), by an amount deemed to be material by such Lender or the Issuing Bank, then from time to time the Borrower will pay to such Lender or the Issuing Bank, as the case may be, in Dollars, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender’s or the Issuing Bank’s holding company for any such reduction suffered.

(c) Certificates from Lenders. A certificate of a Lender or the Issuing Bank setting forth in reasonable detail the basis for and the calculation of the amount or amounts, in Dollars, necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be promptly delivered to the Borrower and shall be conclusive absent manifest error (it being understood that no Lender shall



be required to disclose (i) any confidential or price sensitive information or (ii) any information to the extent prohibited by applicable law). The Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than six months prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided, further, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.15. Break Funding Payments. In the event of (a) the payment of any principal of any Term Benchmark Loan, in each case, other than on the last day of an Interest Period therefor (including as a result of the occurrence of any Commitment Increase Date or an Event of Default), (b) the conversion of any Term Benchmark Loan other than on the last day of an Interest Period therefor, (c) the failure to borrow, convert, continue or prepay any Term Benchmark 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 2.10(f) and is revoked in accordance herewith), or (d) the assignment as a result of a request by the Borrower pursuant to Section 2.18(b) of any Term Benchmark Loan other than on the last day of an Interest Period therefor, then, in any such event, the Borrower shall compensate each affected Lender for such Lender's the loss, cost and reasonable expense attributable to such event (excluding loss of anticipated profits). In the case of a Term Benchmark 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

(i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan 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 Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Adjusted Term Benchmark Rate for such Currency for such Interest Period, over

(ii) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for deposits denominated in such Currency from other banks in the market for the applicable Term Benchmark Rate at the commencement of such period.

Payment under this Section 2.15 shall be made upon 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 certificate of such Lender setting forth in reasonable detail the basis for and the calculation of the amount or amounts that such Lender is entitled to receive pursuant to this Section, which certificate shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.16. Taxes. For purposes of this Section 2.16, the term “Lender” includes the Issuing Bank and the term “applicable law” includes FATCA.

(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, except as required by applicable law; provided that if the Borrower shall be required to deduct any Taxes from such payments, then (i) if such Taxes are Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, applicable Lender or the Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrower. In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank for and, within 10 Business Days after written demand therefor, pay the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority, except to the extent that any such Indemnified Taxes arise as the result of the gross negligence or willful misconduct of the Administrative Agent, such Lender or the Issuing Bank. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 Business Days after written demand therefor, for (i) any Indemnified Taxes or Other Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 9.04(f) relating to the maintenance of a Participant Register, and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to 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 any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.16, 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.

(f) Tax Documentation. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax, with respect to payments under any Loan Document 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 reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate. 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 2.16(f)(ii)(A) and (B) 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:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent (and such additional copies as shall be reasonably requested by the recipient) 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), duly completed and executed copies of Internal Revenue Service Form W-9 or any successor form certifying that such Lender is exempt from U.S. federal backup withholding Tax; and

(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 only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(w) duly completed and executed copies of Internal Revenue Service Form W-8BEN, W-8BEN-E or any applicable successor form claiming eligibility for benefits of an income tax treaty to which the United States is a party pursuant to the “interest” article of such tax treaty (for payments of interest) or establishing an exemption from or reduction of U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty (for other payments),

(x) duly completed copies 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,

(y) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (1) a certificate to the effect that such Foreign Lender is not (1) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (2) a “10 percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or (3) a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code and (2) duly completed and executed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E (or any applicable successor form) certifying that the Foreign Lender is not a United States Person, or

(z) duly completed and executed originals of Internal Revenue Service Form W-8IMY (or any applicable successor form), accompanied by Internal Revenue Service Form W-8ECI (or any applicable successor form), Internal Revenue Service Form W-8BEN or W-8BEN-E (or any applicable successor form), a U.S. Tax Compliance Certificate, Internal Revenue Service Form W-9 (or any applicable successor form), and/or other certification documents from each beneficial owner, as applicable.

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(iii) In addition, each Lender shall deliver such forms promptly upon the obsolescence, expiration or invalidity of any form previously delivered by such Lender; provided it is legally able to do so at the time. Each Lender shall promptly notify the Borrower and the Administrative Agent at any time the chief tax officer of such Lender

becomes aware that it no longer satisfies the legal requirements to provide any previously delivered form or certificate to the Borrower (or any other form of certification adopted by the U.S. or other taxing authorities for such purpose).

(g) Documentation Required by FATCA. If a payment made to a Lender under any Loan Document 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 Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, 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 Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent 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 such payment. Solely for purposes of this Section 2.16(g), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) Treatment of Certain Refunds. If the Administrative Agent, any Lender or an Issuing Bank determines, in its sole discretion exercised in good faith, that it has received a refund or credit (in lieu of such refund) of any Taxes or Other 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, it shall pay to the Borrower an amount equal to such refund or credit (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent, any Lender or an Issuing Bank, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent, any Lender or an Issuing Bank, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, any Lender or an Issuing Bank in the event the Administrative Agent, any Lender or an Issuing Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (h), in no event will the Administrative Agent, any Lender or an Issuing Bank be required to pay any amount to Borrower pursuant to this clause (h), the payment of which would place such Person in a less favorable net after-Tax position than such Person would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require the Administrative Agent, any Lender or an Issuing Bank to make available its Tax returns or its books or records (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

#### SECTION 2.17. 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 reimbursement of LC Disbursements, or under Section 2.14, 2.15 or 2.16, or otherwise) or under any other Loan Document (except to the extent otherwise provided therein) prior to 2:00 p.m., New York City

time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Administrative Agent's Account, except as otherwise expressly provided in the relevant Loan Document and except payments to be made directly to the Issuing Bank or the Swingline Lender as expressly provided herein and payments pursuant to Sections 2.14, 2.15, 2.16 and 9.03, which shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

All amounts owing under this Agreement (including commitment fees, payments required under Section 2.14, and payments required under Section 2.15 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 2.15, 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 (or, if such due date is a day other than the last day of the Interest Period therefor, on the last day of such Interest Period) in an amount equal to the Dollar Equivalent thereof on the date of such redenomination and such interest shall be payable on demand.

Notwithstanding the foregoing provisions of this Section, if, after the making of any Borrowing in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Borrowing was made (the "Original Currency") no longer exists or the Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, then all payments to be made by the Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Equivalent (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrower takes all risks of the imposition of any such currency control or exchange regulations.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees of a Class then due hereunder, such funds shall be applied (i) first, to pay interest and fees of such Class then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees of such Class then due

to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements of such Class then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements of such Class then due to such parties.

(c) Pro Rata Treatment. Except to the extent otherwise provided herein: (i) (x) other than with respect any Syndicated Borrowing requested pursuant to Section 2.20(a)(i), each Syndicated Borrowing of a Class shall be made from the Lenders of such Class of Commitments, (y) other than the payment of a commitment fee to a Non-Extending Lender on its applicable Non-Extending Commitment Termination Date, each payment of commitment fee under Section 2.11 shall be made for account of the Lenders of the applicable Class, and (z) other than with respect to any termination or reduction of Commitments or prepayment of Loans in accordance with Section 2.08(f), each termination or reduction of the amount of the Commitments of a Class under Section 2.08 shall be applied to the respective Commitments of the Lenders of such Class, in each case pro rata according to the amounts of their respective Commitments of such Class; (ii) other than with respect to any Syndicated Borrowing requested pursuant to Section 2.20(a)(i), each Syndicated Borrowing of a Class shall be allocated pro rata among the Lenders of such Class according to the amounts of their respective Commitments of such Class (in the case of the making of Syndicated Loans) or their respective Loans of such Class that are to be included in such Borrowing (in the case of conversions and continuations of Loans); (iii) other than in connection with a termination or reduction of Commitments or prepayment of Loans in accordance with Section 2.08(f), the payment of a Non-Extending Lender's Non-Extending Loans on such Non-Extending Lender's Non-Extending Final Maturity Date pursuant to Section 2.09(a) or a mandatory prepayment pursuant to Section 2.10(e), each payment or prepayment of principal of Syndicated Loans of a Class by the Borrower shall be made for account of the Lenders of such Class pro rata in accordance with the respective unpaid principal amounts of the Syndicated Loans of such Class held by them; and (iv) other than the payment of interest to a Non-Extending Lender on its applicable Non-Extending Final Maturity Date, each payment of interest on Syndicated Loans of a Class by the Borrower shall be made for account of the Lenders of such Class pro rata in accordance with the amounts of interest on such Loans of such Class then due and payable to the respective Lenders. Each Syndicated Borrowing requested pursuant to Section 2.20(a)(i) shall be made from each Extending Lender on a pro rata basis according to the amounts of their respective Commitments. Any termination or reduction of Commitments or prepayment of Loans made in accordance with Section 2.08(f) (including any payment or prepayment of principal of Syndicated Loans in connection therewith), shall be applied to the applicable Non-Extending Lender(s) on a pro rata basis according to the amounts of their respective Commitments or Loans, as applicable, (iii) any payment of Non-Extending Loans on a Non-Extending Final Maturity Date pursuant to Section 2.09(a) shall be made for the account of each Non-Extending Lender for which the applicable Non-Extending Final Maturity Date shall have occurred pro rata in accordance with the respective unpaid principal amounts of the Non-Extending Loans held by them and (iv) any mandatory prepayment of Non-Extending Loans pursuant to Section 2.10(e) shall be made for account of each Non-Extending Lender for which the applicable Non-Extending Commitment Termination Date shall have occurred pro rata in accordance with the respective unpaid principal amounts of the Non-Extending Loans held by them. For the avoidance of doubt, no payments shall be allocated solely to Non-Extending Lenders following the occurrence and during the continuance of a Default or Event of Default.

(d) Sharing of Payments by Lenders. If any Lender of any 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 Syndicated Loans, or participations in LC Disbursements or Swingline Loans, of such Class resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Syndicated Loans, and participations in LC Disbursements and Swingline Loans, and accrued interest thereon of such Class then due than the proportion received by any other Lender of such Class, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Syndicated Loans, and participations in LC Disbursements and Swingline 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 Syndicated Loans, and participations in LC Disbursements and Swingline Loans, of such Class; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Presumptions of Payment. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent at the Federal Funds Effective Rate.

(f) Certain Deductions by the Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(c), 2.05(e), 2.06(a) or (b) or 2.17(e), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.



SECTION 2.18. Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.14, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts 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 judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, in the future 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 requests compensation under Section 2.14, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for account of any Lender pursuant to Section 2.16, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 2.18(a), or if any Lender becomes a Defaulting Lender or is a Non-Consenting Lender (as provided in Section 9.02(d)), 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 (other than its existing rights to payments pursuant to Section 2.14 or Section 2.16) and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Commitment is being assigned, the Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline 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 2.14 or payments required to be made pursuant to Section 2.16, 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.

SECTION 2.19. Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Defaulting Lender Waterfall. 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 Article VII or otherwise) or

received by Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall 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*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to Issuing Bank or Swingline Lender hereunder; *third*, to Cash Collateralize Issuing Bank's Fronting Exposure with respect to such Defaulting Lender in the manner described in Section 2.09(a); *fourth*, as Borrower may request (so long as no Default or Event of 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; *fifth*, if so determined by Administrative Agent and Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize Issuing Bank's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in the manner described in Section 2.09(a); *sixth*, to the payment of any amounts owing to the Lenders, Issuing Bank or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Bank or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of 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 *eighth*, 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 or reimbursement obligations in respect of any LC Disbursement for which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied and waived, such payment shall be applied solely to pay the Loans of, and reimbursement obligations in respect of any LC Disbursement that is owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or reimbursement obligations in respect of any LC Disbursement that is owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in Letters of Credit and Swingline Loans are held by the Lenders pro rata in accordance with the applicable Commitments without giving effect to Section 2.19(a)(iii). 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 or to post Cash Collateral pursuant to this Section 2.19(a)(i) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(ii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee pursuant to Sections 2.11(a) and (b) for any period during which that Lender is a Defaulting Lender (and Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender); provided that such Defaulting Lender shall be entitled to receive fees pursuant to Section 2.11(b) for any period during which that Lender is a Defaulting Lender only to

extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it (but not the Borrower) has provided Cash Collateral pursuant to Section 2.19(d).

(B) With respect to any Section 2.11(b) fees not required to be paid to any Defaulting Lender pursuant to clause (A) above, Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letters of Credit or Swingline Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iii) below, (y) pay to Issuing Bank the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to Issuing Bank's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iii) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in Letters of Credit and Swingline Loans shall be reallocated (effective no later than one (1) Business Day after the Administrative Agent has actual knowledge that such Lender has become a Defaulting Lender) among the Non-Defaulting Lenders in accordance with their respective Applicable Dollar Percentages and Applicable Multicurrency Percentages, as the case may be (in each case, calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless Borrower shall have otherwise notified Administrative Agent at such time, Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. Subject to Section 9.16, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(iv) Cash Collateral; Repayment of Swingline Loans. If the reallocation described in clause (iii) above cannot, or can only partially, be effected, the Borrower shall not later than two (2) Business Days after demand by the Administrative Agent (at the direction of the Issuing Bank and/or the Swingline Lender), without prejudice to any right or remedy available to it hereunder or under law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Swingline Exposure (which exposure shall be deemed equal to the applicable Defaulting Lender's Applicable Percentage of the total outstanding Swingline Exposure (other than Swingline Exposure as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof)) and (y) second, Cash Collateralize the Issuing Bank's Fronting Exposure in accordance with the procedures set forth in Section 2.19(d) or (z) make other arrangements reasonably satisfactory to the Administrative Agent, the Issuing Bank and the Swingline Lender in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender and the Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that such former Defaulting Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held pro rata by the Lenders in accordance with the applicable Commitments (without giving effect to Section 2.19(a)(iii)), and if Cash Collateral has been posted with respect to such Defaulting Lender, the Administrative Agent will promptly return or release such Cash Collateral to the Borrower, 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 Borrower while that Lender was a Defaulting Lender; and 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 that Lender having been a Defaulting Lender.

(c) New Swingline Loans/Letters of Credit. So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that the participations therein will be fully allocated among Non-Defaulting Lenders in a manner consistent with clause (a)(iii) above and the Defaulting Lender shall not participate therein and (ii) the Issuing Bank shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that the participations in any existing Letters of Credit as well as the new, extended, renewed or increased Letter of Credit has been or will be fully allocated among the Non-Defaulting Lenders in a manner consistent with clause (a)(iii) above and such Defaulting Lender shall not participate therein except to the extent such Defaulting Lender's participation has been or will be fully Cash Collateralized in accordance with Section 2.19(d).

(d) Cash Collateral. At any time that there shall exist a Defaulting Lender, promptly following the written request of Administrative Agent or Issuing Bank (with a copy to Administrative Agent) Borrower shall Cash Collateralize Issuing Bank's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.19(a)(iii)) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(i) Grant of Security Interest. Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) Administrative Agent, for the benefit of Issuing Bank, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of Letters of Credit, to be applied pursuant to clause (ii) below. If at any time Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than Administrative Agent and Issuing Bank as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, Borrower will, promptly upon demand by Administrative Agent, pay or provide to Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided

by the Defaulting Lender). All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Truist. Borrower shall pay on demand therefor from time to time all reasonable and customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(ii) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.19 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of Letters of Credit (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iii) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce Issuing Bank's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.19 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender or giving effect to Section 2.19(a)(iii)) or (ii) the determination by Administrative Agent and Issuing Bank that there exists excess Cash Collateral; provided that, subject to the other provisions of this Section 2.19, the Person providing Cash Collateral and Issuing Bank may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure; provided, further, that to the extent that such Cash Collateral was provided by Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

## SECTION 2.20. Reallocation Following a Non-Extended Commitment Termination Date.

### (a) Reallocation of Participations and Loans.

(i) Notwithstanding anything to the contrary herein, in connection with the reduction or termination of any Non-Extending Lender's Commitments in accordance with Section 2.08(f) on any date prior to the Non-Extended Commitment Termination Date for such Non-Extending Lender, the Borrower shall be permitted to request, and each Lender other than such Non-Extending Lender agrees to provide, one or more Dollar Loans be made ratably among the Extending Lenders and Non-Extending Lenders for which the Non-Extended Commitment Termination Date shall not have occurred in accordance with the provisions of Sections 2.02, 2.03 and 2.17(c) in an amount up to the amount by which such Non-Extending Lender's Revolving Credit Exposure would exceed such Non-Extending Lender's Commitments after giving effect to such Commitment reduction, in each case, so long as (x) the conditions set forth in Section 4.02 are satisfied (and, unless Borrower shall have otherwise notified the Administrative Agent at such time, Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), (y) such Borrowing does not cause (I) the aggregate Revolving Credit Exposure of any Extending Lender to exceed such Extending Lender's Commitment, (II) the aggregate Revolving Dollar Credit Exposure of all of the Dollar Lenders with Dollar

Commitments then in effect to exceed the aggregate Dollar Commitments at such time or (III) the aggregate Revolving Multicurrency Credit Exposure of all of the Multicurrency Lenders with Multicurrency Commitments then in effect to exceed the aggregate Multicurrency Commitments at such time and (z) the proceeds of any such Loan are applied solely to reduce the Revolving Credit Exposure of the applicable Non-Extending Lender or Non-Extending Lenders, as applicable.

(ii) All or any part of each Non-Extending Lender's participation in Letters of Credit and Swingline Loans shall be reallocated on (A) any date on which the Commitment of such Non-Extending Lender is reduced or terminated pursuant to Section 2.08(f) and (B) on the Non-Extended Commitment Termination Date for such Non-Extending Lender, in each case, among the Extending Lenders and Non-Extending Lenders for which the Non-Extended Commitment Termination Date shall not have occurred in accordance with their respective Applicable Dollar Percentages and Applicable Multicurrency Percentages after giving effect to the reduction of the aggregate Commitments, but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless Borrower shall have otherwise notified Administrative Agent at such time, Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause (I) the aggregate Revolving Credit Exposure of any Extending Lender or Non-Extending Lender for which the Commitment Termination Date shall not have occurred to exceed such Lender's Commitment, (II) the total Revolving Dollar Credit Exposures of Dollar Lenders with Dollar Commitments then in effect to exceed the aggregate Dollar Commitments at such time, or (III) the total Revolving Multicurrency Credit Exposures of Multicurrency Lenders with Multicurrency Commitments then in effect to exceed the aggregate Multicurrency Commitments at such time.

(b) Cash Collateral; Repayment of Swingline Loans. If any Loan related to the reduction or termination of a Non-Extending Lender's Commitment prior to the Non-Extended Commitment Termination Date described in clause (a)(i) above or any reallocation described in clause (a)(ii) above cannot, or can only partially, be effected, the Borrower shall, not later than (i) with respect to any reduction or termination of a Non-Extending Lender's Commitment pursuant to Section 2.08(f), the date of such Commitment reduction or termination or, (ii) with respect to any reallocation of participations in Letters of Credit and Swingline Loans on the Non-Extended Commitment Termination Date for any Non-Extending Lender, on the Non-Extended Commitment Termination Date applicable to such Non-Extending Lender, as the case may be, without prejudice to any right or remedy available to it hereunder or under law, (x) prepay Swingline Loans in an amount equal to the amount by which the participation obligations of the Non-Extending Lenders for which the Non-Extended Commitment Termination Date shall have occurred which have not been reallocated to the Extending Lenders and Non-Extending Lenders for which the Non-Extended Commitment Termination Date shall not have occurred pursuant to clause (a)(ii) above, (y) provide Cash Collateral in an amount equal to the amount by which the participation obligations of such Non-Extending Lenders in Letters of Credit have not been reallocated pursuant to clause (a)(ii) above and/or (z) prepay any other Loans of a Non-Extending Lender for which the Non-Extended Commitment Termination Date shall have occurred in an amount equal to the amount by which the Revolving Credit Exposure of such Non-Extending Lender after giving effect to any prepayment described in clause (a)(i)(z) above exceeds such

Non-Extending Lender's Commitment after giving effect to any reduction in such Non-Extending Lender's Commitment, as applicable.

SECTION 2.21. [Reserved].

SECTION 2.22. Benchmark Replacement.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark for a Currency, then (x) if a Benchmark Replacement for the Term SOFR Reference Rate is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any other Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for such Currency for all purposes hereunder and under any other Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the 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 Benchmark Replacement from Lenders comprising (x) in the case of a Benchmark Replacement for Dollars, the Required Lenders, and (y) in the case of a Benchmark Replacement for any Foreign Currency, the Required Multicurrency Lenders. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a quarterly basis.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent (after consulting with the Borrower) will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) 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, (ii) the implementation of any Benchmark Replacement and (iii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (y) 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 2.22, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, 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 to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.22.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark for a Currency is a term rate (including the Term SOFR Reference Rate or the applicable Adjusted Term Benchmark Rate) and either (A) any tenor for such Benchmark for such Currency is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark for such Currency is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings for such Currency at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark for such Currency (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark for such Currency (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings for such Currency at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a Term Benchmark Borrowing or RFR Borrowing of, conversion to or continuation of Term Benchmark Loans or RFR Loans in each affected Currency to be made, converted or continued during any Benchmark Unavailability Period and, failing that, (i) any Interest Election Request that requests the conversion of any Borrowing to, or the continuation of any Borrowing as, a Term Benchmark Borrowing, denominated in the affected Currency shall be ineffective and, if the affected Currency is Dollars, such Borrowing (unless prepaid) shall be continued as, or converted to an ABR Borrowing at the end of the applicable Interest Period, (ii) if the affected Currency is Dollars and any Borrowing Request requests a Term Benchmark Borrowing denominated in Dollars, such Borrowing shall be made as an ABR Borrowing, (iii) if the affected Currency is a Foreign Currency other than Canadian Dollars, (A) any Borrowing Request that requests a Term Benchmark Borrowing or RFR Borrowing denominated in the affected Currency shall be made as a Borrowing bearing interest at the Central Bank Rate for the applicable Agreed Foreign Currency; provided, that if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, such Borrowing Request shall be ineffective, and (B) any outstanding Term Benchmark Borrowing or RFR Borrowing in the affected Currency, at the Borrower's election, shall either (1) be converted to a Borrowing bearing interest at the Central Bank Rate for the applicable Agreed Foreign Currency; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Foreign Currency cannot be determined, such Borrowing shall be converted into an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such affected Currency) immediately in the case of an RFR Borrowing or, in the case of a Term Benchmark Borrowing, at the end of the applicable Interest Period, (2)



be converted into an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such affected Currency) immediately in the case of an RFR Borrowing or, in the case of a Term Benchmark Borrowing, at the end of the applicable Interest Period, or (3) be prepaid in full immediately in the case of an RFR Borrowing or, in the case of a Term Benchmark Borrowing, at the end of the applicable Interest Period, and (iv) if the affected Currency is Canadian Dollars, (A) any Borrowing Request that requests a Term Benchmark Borrowing denominated in Canadian Dollars shall be made as a Term Benchmark Borrowing with a Term Benchmark Rate equal to the Canadian Prime Rate; provided, that if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Canadian Prime Rate cannot be determined, such Borrowing Request shall be ineffective, and (B) any outstanding Term Benchmark Borrowing in Canadian Dollars, at the Borrower's election, shall either (1) be converted to a Term Benchmark Borrowing denominated in Canadian Dollars with a Term Benchmark Rate equal to the Canadian Prime Rate at the end of applicable Interest Period; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Canadian Prime Rate cannot be determined, such Borrowing shall be converted into an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such affected Currency) at the end of the applicable Interest Period, (2) be converted into an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such affected Currency) at the end of the applicable Interest Period, or (3) be prepaid in full at the end of the applicable Interest Period; provided that, if no election is made by the Borrower by the date that is three Business Days after receipt by the Borrower of such notice or, in the case of a Term Benchmark Borrowing, the last day of the current Interest Period for the applicable Term Benchmark Loan, if earlier, the Borrower shall be deemed to have elected clause (iii)(B)(1) or (iv)(B)(1) above, as applicable. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Alternate Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Alternate Base Rate.

### 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, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required of the Borrower or such Subsidiary, as applicable.

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 shareholder action. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each of the other Loan Documents when executed and delivered will constitute, a legal, valid and binding obligation of the Borrower, enforceable in

accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (i) such as have been or will be obtained or made and are in full force and effect and (ii) filings and recordings in respect of the Liens created pursuant to this Agreement or the Security Documents, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority, (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 this Agreement or 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 Change.

(a) Financial Statements. The Borrower has heretofore delivered to the Lenders the audited consolidated balance sheet and statements of assets and liabilities, operations, changes in net assets and cash flows of the Borrower and its Subsidiaries as of and for the year ended September 30, 2013, certified by a Financial Officer of the Borrower. Such financial statements present fairly, in all material respects, the consolidated financial position and results of operations and cash flows of the Borrower and its Subsidiaries as of such date and for such period in accordance with GAAP.

(b) No Material Adverse Change. Since the date of the most recent Applicable Financial Statements, there has not been any event, development or circumstance (herein, a "Material Adverse Change") that has had or could reasonably be expected to have a material adverse effect on (i) the business, Portfolio Investments and other assets, liabilities and financial condition of the Borrower and its Subsidiaries (other than any Financing Subsidiary) taken as a whole (excluding in any case a decline in the net asset value of the Borrower or a change in general market conditions or values of the Borrower's Portfolio Investments), or (ii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder.

SECTION 3.05. Litigation. There are no actions, suits, investigations or proceedings by or before any arbitrator or Governmental Authority now pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

SECTION 3.06. Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental

Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries is subject to any contract or other arrangement, the performance of which by the Borrower or its Subsidiaries could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.07. Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all material Tax returns and reports required to have been filed and has paid or caused to be paid all material Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Person has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.09. Disclosure. As of the Effective Date, the Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, and, as of the Fifth Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all material respects. None of the reports, financial statements, certificates or other written information (other than projected financial information, other forward looking information relating to third parties and information of a general economic or general industry nature) furnished by or on behalf of the Borrower to the Administrative Agent in connection with the negotiation of this Agreement and the other Loan Documents or delivered hereunder or thereunder (as modified or supplemented by other information so furnished) when taken as a whole (and after giving effect to all updates, modifications and supplements) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.10. Investment Company Act; Margin Regulations.

(a) Status as Business Development Company. The Borrower is an “investment company” that has elected to be regulated as a “business development company” within the meaning of the Investment Company Act and qualifies as a RIC.

(b) Compliance with Investment Company Act. The business and other activities of the Borrower and its Subsidiaries, including the making 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 in any material respect of the provisions of the Investment Company Act or any rules, regulations or orders issued by the

Securities and Exchange Commission thereunder, in each case that are applicable to the Borrower and its Subsidiaries.

(c) Investment Policies. The Borrower is in compliance in all material respects with the Investment Policies (after giving effect to any Permitted Policy Amendments).

(d) Use of Credit. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of any extension of credit hereunder will be used to buy or carry any Margin Stock.

#### SECTION 3.11. Material Agreements and Liens.

(a) Material Agreements. Part A of Schedule 3.11 is a complete and correct list, as of the date hereof, 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 Fifth Amendment Effective Date (other than Indebtedness hereunder or under any other Loan Document), and the aggregate principal or face amount outstanding or that is, or may become, outstanding under each such arrangement is correctly described in Part A of Schedule 3.11.

(b) Liens. Part B of Schedule 3.11 is a complete and correct list, as of the Fifth Amendment Effective Date, of each Lien securing Indebtedness of any Person outstanding on the Fifth Amendment Effective Date (other than Indebtedness hereunder or under any other Loan Document) covering any property of the Borrower or any of its Subsidiaries, and the aggregate Indebtedness secured (or that may be secured) by each such Lien and the property covered by each such Lien is correctly described in Part B of Schedule 3.11.

#### SECTION 3.12. Subsidiaries and Investments.

(a) Subsidiaries. Set forth on Schedule 3.12(a) is a list of the Borrower's Subsidiaries as of the Fifth Amendment Effective Date.

(b) Investments. Set forth in Schedule 3.12(b) is a complete and correct list, as of the Fifth Amendment Effective Date, of all Investments (other than Investments of the types referred to in clauses (b), (c) and (d) of Section 6.04) held by the Borrower or any of its Subsidiaries (other than any Financing Subsidiary) in any Person on the Fifth Amendment Effective Date and, for each such Investment, (x) the identity of the Person or Persons holding such Investment and (y) the nature of such Investment. Except as disclosed in Schedule 3.12, as of the Fifth Amendment Effective Date, each of the Borrower and its Subsidiaries (other than any Financing Subsidiary) owns, free and clear of all Liens (other than Liens created pursuant to this Agreement or the Security Documents), all such Investments.

#### SECTION 3.13. Properties.

(a) Title Generally. Each of the Borrower and its Subsidiaries (other than any Financing Subsidiary or Immaterial Subsidiary) 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 (other than any Financing Subsidiary) 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 (other than any Financing Subsidiary) 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. Affiliate Agreements. As of the date hereof, the Borrower has heretofore delivered to each of the Lenders true and complete copies of each of the Affiliate Agreements (including and schedules and exhibits thereto, and any amendments, supplements or waivers executed and delivered thereunder). As of the date of hereof, each of the Affiliate Agreements is in full force and effect.

SECTION 3.15. Sanctions.

(a) None of the Borrower or any of its Subsidiaries, nor, to the knowledge of the Borrower, any of their respective directors, officers or authorized signors (i) is a person on the list of Specially Designated Nationals and Blocked Persons or subject to, or the subject or target of, the limitations or prohibitions (collectively "Sanctions") under (A) any U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") or U.S. Department of State regulation or executive order or (B) any international economic sanction administered or enforced by the United Nations Security Council, Her Majesty's Treasury or the European Union or (ii) is located, organized or resident in a Sanctioned Country.

(b) The Borrower has implemented and maintains in effect policies and procedures reasonably designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and investment advisors with Anti-Corruption Laws and applicable Sanctions in all material respects.

SECTION 3.16. Patriot Act. Each of the Borrower and its Subsidiaries is in compliance with (a) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act of 2001). No part of the proceeds of the Loans or Letters of Credit will be used, directly or, to the knowledge of the Borrower, indirectly, for any payments (i) 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, all in violation by the Borrower or its Subsidiaries of the United States Foreign Corrupt Practices Act of 1977, as amended, or the UK Bribery Act or in material violation of US or UK regulations implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (collectively, the "Anti-Corruption Laws") or (ii) for the purpose of financing the activities in or with any Sanctioned

Country, or of any Person, at the time of such financing (A) subject to, or the subject of, any Sanctions or (B) located, organized or resident in a Sanctioned Country, in each case as would result in a violation of Sanctions by any party hereto.

SECTION 3.17. Collateral Documents. The provisions of the Security Documents are effective to create in favor of the Collateral Agent a legal, valid and enforceable first priority Lien (subject to Liens permitted by Section 6.02) on all right, title and interest of the Borrower and each Subsidiary Guarantor in the Collateral described therein. Except for filings completed prior to the Effective Date and as contemplated hereby and by the Security Documents, no filing or other action will be necessary to perfect such Liens.

SECTION 3.18. EEA Financial Institutions. Neither the Borrower nor any Subsidiary is an EEA Financial Institution.

#### ARTICLE IV

#### CONDITIONS

SECTION 4.01. Effective Date. The effectiveness of this Agreement and of the obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until completion of each of the following conditions precedent (unless a condition shall have been waived in accordance with Section 9.02):

(a) Documents. Administrative Agent shall have received each of the following documents, each of which shall be 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 (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page to this Agreement) that such party has signed a counterpart of this Agreement.

(ii) Opinion of Counsel to the Borrower. A favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Dechert LLP, New York and Maryland counsel for the Borrower, in form and substance reasonably acceptable to the Administrative Agent (and the Borrower hereby instructs such counsel to deliver such opinion to the Lenders and the Administrative Agent).

(iii) Corporate Documents. Such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization of the Transactions and any other legal matters relating to the Borrower, this Agreement or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(iv) Officer's Certificate. A certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in the lettered clauses of the first sentence of Section 4.02.

(v) Guarantee and Security Agreement. The Guarantee and Security Agreement, duly executed and delivered by each of the parties to the Guarantee and Security Agreement.

(vi) Borrowing Base Certificate. A Borrowing Base Certificate showing a calculation of the Borrowing Base as of May 31, 2014.

(b) Liens. The Administrative Agent shall have received results of a recent lien search in each relevant jurisdiction with respect to the Borrower and its Subsidiaries (other than Financing Subsidiaries), 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 (other than Financing Subsidiaries) except for liens permitted under Section 6.02 or liens to be discharged on or prior to the Effective Date pursuant to documentation satisfactory to the Administrative Agent. All UCC financing statements and similar documents required to be filed in order to create in favor of the Administrative Agent, for the benefit of the Lenders, a first priority perfected security interest in the Collateral (to the extent that such a security interest may be perfected by a filing under the Uniform Commercial Code) shall have been properly filed in each jurisdiction required.

(c) Consents. The Borrower 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 the Borrower and all guarantors in connection with the Transactions and any transaction being financed with the proceeds of the Loans, 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.

(d) Fees and Expenses. The Borrower shall have paid in full to the Administrative Agent all fees and expenses related to this Agreement owing on the Effective Date.

(e) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent or any Lender may reasonably request in form and substance satisfactory to the Administrative Agent.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make any Loan, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is additionally subject to the satisfaction of the following conditions:

(a) the representations and warranties of the Borrower set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects (or, in the case of any portion of any representations and warranties already subject to a materiality qualifier, true and correct in all respects) on and as of the date of such Loan or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, or, as to any such representation or warranty that refers to a specific date, as of such specific date;

(b) at the time of and immediately after giving effect to such Loan or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing; and

(c) either (i) the aggregate Covered Debt Amount (after giving effect to such extension of credit) 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 extension of credit) shall not exceed the Borrowing Base after giving effect to such extension of credit as well as any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in the preceding sentence. For the avoidance of doubt, the conversion or continuation of a Borrowing as the same or a different Type (without an increase in the principal amount thereof) shall not be considered the making of a Loan.

## ARTICLE V

### AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired, been terminated, Cash Collateralized or backstopped and all LC Disbursements shall have been reimbursed, 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 and each Lender:

(a) within 90 days after the end of each fiscal year of the Borrower, the audited consolidated statements of assets and liabilities, operations, changes in net assets and cash flows of the Borrower and its Subsidiaries as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by KPMG 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; provided that the requirements set forth in this clause (a) may be fulfilled by providing to the Administrative Agent and the Lenders the report of the Borrower to the SEC on Form 10-K for the applicable fiscal year;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, the consolidated statements of assets and liabilities, operations, changes in net assets and cash flows of the Borrower and its Subsidiaries 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 statements of assets and liabilities,



operations, changes in net assets and cash flows, as of the end of) the corresponding period or periods of the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; provided that the requirements set forth in this clause (b) may be fulfilled by providing to the Lenders the report of the Borrower to the SEC on Form 10-Q for the applicable quarterly period;

(c) concurrently with any delivery of financial statements under clause (a) or (b) of this Section, a certificate of a Financial Officer of the Borrower (i) certifying that such statements are consistent with the financial statements filed by the Borrower with the Securities and Exchange Commission, (ii) certifying as to whether the Borrower has knowledge that a Default has occurred during the applicable period and, if a Default has occurred, 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, 6.02, 6.04 and 6.07 and (iv) stating whether any change in GAAP as applied by (or in the application of GAAP by) the Borrower has occurred since the Effective Date and, if any such change has occurred, specifying the effect as determined by the Borrower of such change on the financial statements accompanying such certificate;

(d) as soon as available and in any event not later than 20 days after the end of each monthly accounting period (ending on the last day of each calendar month) of the Borrower and its Subsidiaries, a Borrowing Base Certificate as at the last day of such accounting period;

(e) promptly but no later than five Business Days after any Responsible Officer of the Borrower shall at any time have knowledge that there is a Borrowing Base Deficiency, a Borrowing Base Certificate as at the date such Responsible Officer of the Borrower has knowledge of such Borrowing Base Deficiency indicating the amount of the Borrowing Base Deficiency as at the date such Responsible Officer obtained knowledge of such deficiency and the amount of the Borrowing Base Deficiency as of the date not earlier than one Business Day prior to the date the Borrowing Base Certificate is delivered pursuant to this paragraph;

(f) promptly upon receipt thereof copies of all significant reports submitted 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 filed by the Borrower or any of its Subsidiaries with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, as the case may be; and

(h) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any of its Subsidiaries, or

compliance with the terms of this Agreement, the other Loan Documents and the Beneficial Ownership Regulation, as the Administrative Agent or any Lender may reasonably request.

(i) Borrower and each Lender acknowledge that certain of the Lenders may be Public Lenders and, if documents or notices required to be delivered pursuant to this Section 5.01 or otherwise are being distributed through IntraLinks™/IntraAgency, SyndTrak or another relevant website or other information platform (the “Platform”), any document or notice that Borrower has indicated contains Non-Public Information shall not be posted by Administrative Agent on that portion of the Platform designated for such Public Lenders. Borrower agrees to clearly designate all information provided to Administrative Agent by or on behalf of Borrower or any of its Subsidiaries which is suitable to make available to Public Lenders. If Borrower has not indicated whether a document or notice delivered pursuant to this Section 5.01 contains Non-Public Information, the Administrative Agent reserves the right to post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material Non-Public Information with respect to Borrower, its Subsidiaries and their Securities (as such term is defined in Section 5.13 of this Agreement).

(j) Notwithstanding anything to the contrary herein, the requirements to deliver documents set forth in Section 5.01(a), (b) and (g) will be fulfilled by filing by the Borrower of the applicable documents for public availability on the SEC’s Electronic Data Gathering and Retrieval system; provided, that the Borrower shall notify the Administrative Agent (by telecopier or electronic mail) of the posting of any such documents.

**SECTION 5.02. Notices of Material Events.** The Borrower will furnish to the Administrative Agent and each Lender prompt written notice upon any Responsible Officer obtaining actual knowledge of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred after the Second Amendment Effective Date, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding \$7,500,000; and

(d) any other development (excluding matters of a general economic, financial or political nature to the extent that they could not reasonably be expected to have a disproportionate effect on the Borrower) that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries (other than Immaterial Subsidiaries) to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including income Tax and other material Tax liabilities and material contractual obligations, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries (other than Immaterial Subsidiaries) to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (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 businesses operating in the same or similar locations.

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 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 visit and inspect its properties during business hours, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested, in each case, to the extent such inspection or requests for such information are reasonable and such information can be provided or discussed without violation of law, rule, regulation or contract; 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.

(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 the assets included in the Borrowing Base, all at such reasonable times and as often as reasonably requested. The Borrower shall pay the reasonable fees and expenses of any 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 to the extent required by the Administrative Agent or the Required Lenders as a result of any such evaluation or appraisal; 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.

SECTION 5.07. Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations, including the Investment Company Act, and orders of any Governmental Authority applicable to 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. Without limiting the generality of the foregoing, the Borrower will, and will cause its Subsidiaries to, conduct its business and other activities in compliance in all material respects with the provisions of the Investment Company Act and any applicable rules, regulations or orders issued by the Securities and Exchange Commission thereunder. The Borrower will maintain policies, procedures and internal controls reasonably designed to ensure compliance with the economic sanctions and trade embargo regulations promulgated by OFAC, the U.S. Department of State, the United Nations Security Council, Her Majesty's Treasury or the European Union and Anti-Corruption Laws.

SECTION 5.08. Certain Obligations Respecting Subsidiaries; Further Assurances.

(a) Subsidiary Guarantors. In the event that the Borrower or any of its Subsidiaries shall form or acquire any new Subsidiary (other than a Financing Subsidiary, a Foreign Subsidiary or an Immaterial Subsidiary) the Borrower will cause such new Subsidiary to become a "Subsidiary Guarantor" (and, thereby, an "Obligor") under the Guarantee and Security Agreement pursuant to a Guarantee Assumption Agreement and to deliver such proof of corporate or other action, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered by the Borrower pursuant to Section 4.01 upon the Effective Date or as the Administrative Agent shall have reasonably requested.

(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, 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: (i) to create, in favor of the Collateral Agent, for the benefit of the Secured Parties (as defined in the Guarantee and Security Agreement), perfected security interests and Liens in the Collateral; provided that any such security interest or Lien shall be subject to the relevant requirements of the Security Documents, (ii) to cause any 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 bank account or securities account of the Obligor (other than

“Excluded Accounts” as defined in the Guarantee and Security Agreement), and in that connection, the Borrower agrees to cause all cash and other proceeds of Portfolio Investments received by any Obligor to be promptly deposited into such an account (or otherwise delivered to, or registered in the name of, the Collateral Agent) and, until such deposit, delivery or registration such cash and other proceeds shall be held in trust by the Borrower for and as the property of the Collateral Agent and shall not be commingled with any other funds or property of such Obligor, (iii) 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 holds any interest in the loans or other extensions of credit under such loan documents, (x) to cause such Financing Subsidiary to be party to such underlying loan documents as a “lender” having a direct interest (or a participation not acquired from an Obligor) in such underlying loan documents and the extensions of credit thereunder and (y) to ensure that all amounts owing to such Obligor or Financing Subsidiary by the underlying borrower or other obligated party are remitted by such borrower or obligated party directly to separate accounts of such Obligor and such Financing Subsidiary, (iv) in the event that any Obligor is acting as an agent or administrative agent under any loan documents with respect to any Bank Loan that does not constitute all of the credit extended to the underlying borrower under the relevant underlying loan documents, to ensure that all funds held by such Obligor in such capacity as agent or administrative agent is segregated from all other funds of such Obligor and clearly identified as being held in an agency capacity and (v) to cause the closing sets and all executed amendments, consents, forbearances and other modifications and assignment agreements relating to any Portfolio Investment and any other documents relating to any Portfolio Investment requested by the Collateral Agent, in each case to be held by the Collateral Agent or a custodian pursuant to the terms of a custodian agreement reasonably satisfactory to the Collateral Agent.

SECTION 5.09. Use of Proceeds. The Borrower will use the proceeds of the Loans only for general corporate purposes of the Borrower in the ordinary course of business, including the acquisition and funding (either directly or through one or more wholly-owned Subsidiaries) 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. Margin Stock shall be purchased by the Obligors only with the proceeds of Indebtedness not directly or indirectly secured by Margin Stock, or with the proceeds of equity capital of the Borrower. No Obligor will directly or knowingly 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 on the list of Specially Designated Nationals and Blocked Persons or that is subject to, or the subject or target of, Sanctions, or in any 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 (after giving effect to any Permitted Policy Amendments); provided that it shall not be deemed a material change in the Investment Policies if (i) investment size (which as of the Effective Date is to normally range from between \$5,000,000 and \$50,000,000) proportionately increases as the size of the Borrower's capital base changes or (ii) the Borrower and its Subsidiaries, taken as a whole, invest up to 30% of their assets in non-U.S. companies.

SECTION 5.12. Portfolio Valuation and Diversification Etc.

(a) Industry Classification Groups. For purposes of this Agreement, the Borrower shall assign each Portfolio Investment to an Industry Classification Group. To the extent that any Portfolio Investment is not correlated with the risks of other Portfolio Investments in an Industry Classification Group, such Portfolio Investment may be assigned by the Borrower to an Industry Classification Group that is more closely correlated to such Portfolio Investment. In the absence of any correlation, the Borrower shall be permitted, upon prior notice to the Administrative Agent and each Lender, to create up to three additional industry classification groups for purposes of this Agreement.

(b) Portfolio Valuation Etc.

(i) Settlement Date Basis. For purposes of this Agreement, all determinations of whether an investment is to be included as a Portfolio Investment shall be determined on a settlement-date basis (meaning that any investment that has been purchased will not be treated as a Portfolio Investment until such purchase has settled, and any Portfolio Investment which has been sold will not be excluded as a Portfolio Investment until such sale has settled); provided that no such investment shall be included as a Portfolio Investment to the extent it has not been paid for in full.

(ii) Determination of Values. The Borrower will conduct reviews of the value to be assigned to each of its Portfolio Investments as follows:

(A) Quoted Investments - External Review. With respect to Portfolio Investments (including Cash Equivalents) for which market quotations are readily available, the Borrower shall, not less frequently than once each calendar week, determine the market value of such Portfolio Investments which shall, in each case, be determined in accordance with one of the following methodologies (as selected by the Borrower):

(w) in the case of public and 144A securities, the average of the bid prices as determined by two Approved Dealers selected by the Borrower,

(x) in the case of bank loans, the bid price as determined by one Approved Dealer selected by the Borrower,

(y) in the case of any Portfolio Investment traded on an exchange, the closing price for such Portfolio Investment most recently posted on such exchange, and

(z) in the case of any other Portfolio Investment, the fair market value thereof as determined by an Approved Pricing Service selected by the Borrower; and

(B) Unquoted Investments- External Review. With respect to Portfolio Investments for which market quotations are not readily available, 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 Portfolio Investments, as at the last day of each fiscal quarter; provided that

(x) except as set forth in clause (z) below, the Value of any such Portfolio Investment (i.e., a Portfolio Investment for which market quotations are not readily available) acquired during a fiscal quarter shall be deemed to be equal to the cost of such Portfolio Investment until such time as the fair market value of such Portfolio Investment is determined in accordance with the foregoing provisions of this sub-clause (B) as at the last day of such fiscal quarter;

(y) notwithstanding the foregoing, the Board of Directors of the Borrower may, without the assistance of an Approved Third-Party Appraiser, determine the fair market value of such unquoted Portfolio Investments so long as the aggregate Value thereof so determined does not at any time exceed 10% of the aggregate Borrowing Base, except that the fair market value of any Portfolio Investment that has been determined without the assistance of an Approved Third-Party Appraiser as at the last day of any fiscal quarter or Testing Quarter shall be deemed to be zero as at the last day of the immediately succeeding fiscal quarter (but effective upon the date upon which the Borrowing Base Certificate for such last day is required to be delivered hereunder) if an Approved Third-Party Appraiser has not assisted the Board of Directors of the Borrower in determining the fair market value of such Portfolio Investments, as at such date; and

(z) the Value, at the end of any fiscal quarter, of any such Portfolio Investment (i.e., a Portfolio Investment for which market quotations are not readily available) that was acquired within thirty (30) days of the end of such fiscal quarter (collectively, the "Market Value Investments") shall be deemed to be equal to the cost of such Portfolio Investment.

(C) Internal Review. The Borrower shall conduct internal reviews of all Portfolio Investments at least once each calendar week which shall take into account any events of which any Responsible Officer of the Borrower has knowledge that adversely affect the value of the Portfolio Investments. If the value of any Portfolio Investment as most recently determined by the Borrower pursuant

to this Section 5.12(b)(ii)(C) is lower than the value of such Portfolio Investment as most recently determined pursuant to Section 5.12(b)(ii)(A) and (B), such lower value shall be deemed to be the “Value” of such Portfolio Investment for purposes hereof; provided that the Value of any Portfolio Investment of the Borrower and its Subsidiaries shall be increased by the net unrealized gain as at the date such Value is determined of any Hedging Agreement entered into to hedge risks associated with such Portfolio Investment and reduced by the net unrealized loss as at such date of any such Hedging Agreement (such net unrealized gain or net unrealized loss, on any date, to be equal to the aggregate amount receivable or payable under the related Hedging Agreement if the same were terminated on such date).

(D) Failure to Determine Values. If the Borrower shall fail to determine the value of any Portfolio Investment as at any date pursuant to the requirements of the foregoing sub-clauses (A), (B) or (C), then the “Value” of such Portfolio Investment as at such date shall be deemed to be zero.

(E) Testing of Values.

(x) For the second calendar month immediately following the end of each fiscal quarter (the last such fiscal quarter is referred to herein as, the “Testing Quarter”), the Administrative Agent shall cause an Approved Third-Party Appraiser selected by the Administrative Agent to value such number of Unquoted Investments (selected by the Administrative Agent) that collectively have an aggregate Value approximately equal to the Calculation Amount. The Administrative Agent agrees to notify the Borrower of the Unquoted Investments selected by the Administrative Agent to be tested in each Testing Quarter. If there is a difference between the Borrower’s valuation and the Approved Third-Party Appraiser’s valuation of any Unquoted Investment, the Value of such Unquoted Investment for Borrowing Base purposes shall be established as set forth in the third sentence of sub-clause (E) below.

(y) For the avoidance of doubt, the valuation of any Approved Third-Party Appraiser selected by the Administrative Agent would not be as of, or delivered at, the end of any fiscal quarter. Any such valuation would be as of the end of the second month immediately following any fiscal quarter (the “Administrative Agent Appraisal Testing Month”) and would be reflected in the Borrowing Base Certificate for such month (provided that such Approved Third-Party Appraiser delivers such valuation at least seven (7) Business Days before the 20<sup>th</sup> day after the end of the applicable monthly accounting period and, if such valuation is delivered after such time, it shall be included in the Borrowing Base Certificate for the following monthly period and applied to the then applicable balance of the related Portfolio Investment). For illustrative purposes, if the given fiscal quarter is the fourth quarter ending on December 31, 2014, then (A) the Administrative Agent would initiate the testing of Values (using the December 31, 2014 Calculation Amount for



purposes of determining the scope of the testing under clauses (E)(x) during the month of February with the anticipation of receiving the valuations from the applicable Approved Third-Party Appraiser(s) on or after February 28, 2015 and (B)(xx) if such valuations were received before the 7<sup>th</sup> Business Day before March 20, 2015, such valuations would be included in the March 20, 2015 Borrowing Base Certificate covering the month of February, or (yy) if such valuations were received after such time, they would be included in the April 20, 2015 Borrowing Base Certificate for the month of March.

For the avoidance of doubt, all calculations of value pursuant to this Section 5.12(b)(ii)(E) shall be determined without application of the Advance Rates.

(F) Valuation Dispute Resolution. Notwithstanding the foregoing, the Administrative Agent shall at any time have the right to request any Portfolio Investment with a value assigned by the Borrower pursuant to Section 5.12(b)(ii)(B) 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 reasonable and documented out-of-pocket costs of any such valuation shall be at the expense of the Borrower; provided that (x) the applicable Approved Third-Party Appraiser shall use commercially reasonable efforts to ensure that an appraisal shall be conducted in a manner that is not disruptive to the Borrower's business, (y) the values determined by any appraisal shall be treated as confidential information by the Administrative Agent and the Lenders and shall be deemed to be "Information" hereunder and subject to Section 9.13 and (z) unless an Event of Default has occurred and is continuing, the Borrower's obligation to reimburse valuation costs pursuant to this supplemental testing shall be limited to the greater of (i) \$200,000 and (ii) 0.05% of the total amount of the Commitments, per annum. The Administrative Agent shall notify the Borrower of its receipt of the results of any appraisal under this clause (E) from the applicable Approved Third-Party Appraiser and provide a copy of such results and any related reports to the Borrower. If the difference between the Borrower's valuation pursuant to Section 5.12(b)(ii)(B) and the valuation of any Approved Third-Party Appraiser retained by the Administrative Agent pursuant to Section 5.12(b)(ii)(E) or (F) is (1) less than 5% of the value thereof, then the Borrower's valuation shall be used, (2) between 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 and the value determined by the Approved Third-Party Appraiser retained by the Administrative Agent and (3) greater than 20% of the value thereof, then the Borrower and the Administrative Agent shall retain an additional Approved Third-Party Appraiser and the valuation of such Portfolio Investment shall be the average of the three valuations (with the Administrative Agent's Approved Third-Party Appraiser's valuation to be used until the third valuation is obtained). For the avoidance of doubt, such supplemental values shall be applicable only to and used only for determining value under this Agreement and shall not be deemed fair value of such asset under ASC 820 for

purposes of the Borrower's financial statements, the Investment Company Act or otherwise.

(c) Investment Company Diversification and Tax Requirements. The Borrower will, and will cause its Subsidiaries (other than Financing Subsidiaries that are exempt from the Investment Company Act) at all times to (i) comply in all material respects with the portfolio diversification and similar requirements set forth in the Investment Company Act applicable to business development companies and (ii) 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.

(d) Commitments under Portfolio Investments. The Borrower will, and will cause its Subsidiaries to, acquire Portfolio Investments (it being understood that neither (x) the receipt of Portfolio Investments as part of a restructuring or workout nor (y) any new or additional borrowing under an existing Portfolio Investment shall constitute an "acquisition" of such Portfolio Investments) constituting revolving credit facilities or delayed draw term loans with revolving or future commitments only if the aggregate commitments or future commitments under such revolving credit facilities or delayed draw term loans (excluding discretionary future commitments, such as accordions and commitment increase options) does not exceed (i) prior to the Extended Commitment Termination Date, 20% of the aggregate Commitment amount at the time of acquisition and (ii) following the Extended Commitment Termination Date, 20% of the Revolving Credit Exposure at the time of acquisition.

SECTION 5.13. Calculation of Borrowing Base. For purposes of this Agreement, the "Borrowing Base" shall be determined, as at any date of determination, as the sum of the products of the Advance Rates and the Value of each Portfolio Investment (excluding any Cash Collateral held by the Administrative Agent pursuant to Section 2.05(k) or the last paragraph of Section 2.09(a)); provided that:

(a) the Advance Rate applicable to that portion of the aggregate Value of the Portfolio Investments in a consolidated group of corporations or other entities (collectively, a "Consolidated Group"), in accordance with GAAP, that exceeds 6% of the Value of all Portfolio Investments in the Collateral Pool (other than Portfolio Investments for which the Advance Rate is 0%) shall be 50% of the Advance Rate otherwise applicable; provided that, at all times prior to the 18 month anniversary of the Second Amendment Effective Date, with respect to the Value of Portfolio Investments in a single Consolidated Group designated by the Borrower to the Administrative Agent such 6% figure shall be increased to 10%;

(b) the Advance Rate applicable to that portion of the aggregate Value of the Portfolio Investments of all issuers in a Consolidated Group exceeding 12% of the Value of all Portfolio Investments in the Collateral Pool (other than Portfolio Investments for which the Advance Rate is 0%) shall be 0%;

(c) the Advance Rate applicable to that portion of the aggregate Value of the Portfolio Investments in any single Industry Classification Group that exceeds 15% of the Value of all Portfolio Investments in the Collateral Pool (other than Portfolio Investments for which the Advance Rate is 0%) shall be 0%; provided that, with respect to the Value of Portfolio Investments

in a single Industry Classification Group from time to time designated by the Borrower to the Administrative Agent such 15% figure shall be increased to 25% and, accordingly, only to the extent that the Value of Portfolio Investments in such single Industry Classification Group exceeds 25% of the Value of all Portfolio Investments in the Collateral Pool (other than Portfolio Investments for which the Advance Rate is 0%) shall the Advance Rate applicable to such excess Value be 0%;

(d) no Portfolio Investment may be included in the Borrowing Base unless the Collateral Agent maintains a first priority, perfected Lien (subject to Permitted Liens) on such Portfolio Investment and such Portfolio Investment has been Delivered (as defined in the Guarantee and Security Agreement) to the Collateral Agent, and then only for so long as such Portfolio Investment continues to be Delivered as contemplated therein;

(e) the portion of the Borrowing Base attributable to Performing Non-Cash Pay High Yield Securities, Performing Non-Cash Pay Mezzanine Investments, Equity Interests and Non-Performing Portfolio Investments shall not exceed 20%;

(f) the portion of the Borrowing Base attributable to Non-Performing Portfolio Investments shall not exceed 15% and the portion of the Borrowing Base attributable to Portfolio Investments that were Non-Performing Portfolio Investments at the time such Portfolio Investments were acquired shall not exceed 5%;

(g) the portion of the Borrowing Base attributable to Equity Interests shall not exceed 10% (it being understood that in no event shall Equity Interests of Financing Subsidiaries be included in the Borrowing Base);

(h) the portion of the Borrowing Base attributable to Portfolio Investments invested in a jurisdiction other than a Specified Country or a Specified Tax Jurisdiction (solely to the extent the External Manager determines in good faith that a substantial portion of the assets, revenues, or operations supporting such Portfolio Investments are directly, or indirectly, made in a Specified Country) shall not exceed 0%;

(i) the portion of the Borrowing Base attributable to Portfolio Investments invested in Australia, the Netherlands and any Specified Tax Jurisdiction (solely to the extent the External Manager determines in good faith that a substantial portion of the assets, revenues, or operations supporting such Portfolio Investments are directly, or indirectly, made in Australia or the Netherlands) shall not exceed 10%;

(j) the portion of the Borrowing Base attributable to Portfolio Investments invested in Ireland, Germany, Spain, Sweden, Austria, Belgium, Denmark, Finland, Iceland, Lichtenstein, Luxembourg, Norway and any Specified Tax Jurisdiction (solely to the extent the External Manager determines in good faith that a substantial portion of the assets, revenues, or operations supporting such Portfolio Investments are directly, or indirectly, made in one of the other jurisdictions listed in this clause (j)) shall not exceed 7.5%;

(k) at any time the Borrower Asset Coverage Ratio is greater than or equal to 2.00 to 1:00, but less than 2.25 to 1.00, the portion of the Borrowing Base attributable to Portfolio Investments other than Performing First Lien Bank Loans shall not exceed 62.5%; and

(l) at any time the Borrower Asset Coverage Ratio is greater than or equal to 2.25 to 1:00, the portion of the Borrowing Base attributable to Portfolio Investments other than Performing First Lien Bank Loans shall not exceed 67.5%.

To the extent any Portfolio Investment is required to be removed from the Borrowing Base to comply with any of the portfolio limitations set forth in this Section 5.13, the Borrower shall be permitted to choose the Portfolio Investments, or portions of such Portfolio Investments, to be so removed to effect such compliance. As used herein, the following terms have the following meanings:

“Advance Rate” means, as to any Portfolio Investment and subject to adjustment as provided in Section 5.13(a), (b) and (c), the following percentages with respect to such Portfolio Investment:

<u>Portfolio Investment</u>	<u>Quoted</u>	<u>Unquoted</u>
Cash, Cash Equivalents and Short-Term U.S. Government Securities	100%	n.a.
Long-Term U.S. Government Securities	95%	n.a.
Performing First Lien Bank Loans	85%	75%
Performing Unitranche Loans	80%	70%
Performing Second Lien Bank Loans	75%	65%
Performing Cash Pay High Yield Securities	70%	60%
Performing Cash Pay Mezzanine Investments	65%	55%
Performing Non-Cash Pay High Yield Securities	60%	50%
Performing Non-Cash Pay Mezzanine Investments	55%	45%
Non-Performing First Lien Bank Loans	45%	45%
Non-Performing Unitranche Loans	40%	40%
Non-Performing Second Lien Bank Loans	40%	35%
Non-Performing High Yield Securities	30%	30%
Non-Performing Mezzanine Investments	30%	25%
Performing Common Equity	30%	20%
Non-Performing Common Equity	0%	0%
Structured Finance Obligations and Finance Leases	0%	0%

“Bank Loans” means debt obligations (including term loans, notes, revolving loans, debtor-in-possession financings, the funded and unfunded portion of revolving credit lines and letter of credit facilities and other similar loans and investments including interim loans and senior subordinated loans) which are generally under a loan or credit facility (whether or not syndicated) or note purchase agreement.

“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 the Credit Agreement.

“Cash Equivalents” has the meaning assigned to such term in Section 1.01 of the Credit 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 (subject to Liens for “ABL” revolvers and customary encumbrances) on a substantial portion of the assets of the respective borrower and guarantors obligated in respect thereof. For the avoidance of doubt, an Obligor’s investment in the “first-out” portion (as defined in the definition of Unitranche Loan) of a First Lien Bank Loan shall be treated as a First Lien Bank Loan for purposes of determining the applicable Advance Rate for such portion of such Portfolio Investment.

“High Yield Securities” means debt Securities and Preferred Stock, 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) or other exemption to the Securities Act and (c) that are not Cash Equivalents, Mezzanine Investments or Bank Loans.

“Long-Term U.S. Government Securities” means U.S. Government Securities maturing more than one year from the applicable date of determination.

“Mezzanine Investments” means debt Securities (including convertible debt Securities (other than the “in-the-money” equity component thereof)) and Preferred Stock in each case (a) issued by public or private issuers, (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 issuer.

“Non-Performing Common Equity” means Capital Stock (other than Preferred Stock) and warrants of an issuer having any debt outstanding that is non-Performing.

“Non-Performing First Lien Bank Loans” means First Lien Bank Loans other than Performing First Lien Bank Loans.

“Non-Performing High Yield Securities” means High Yield Securities other than Performing High Yield Securities.

“Non-Performing Mezzanine Investments” means Mezzanine Investments other than Performing Mezzanine Investments.

“Non-Performing Portfolio Investment” means Portfolio Investments for which the issuer is, at the time of determination, in default of any payment obligations of principal or interest in respect thereof after the expiration of any applicable grace period.

“Non-Performing Second Lien Bank Loans” means Second Lien Bank Loans other than Performing Second Lien Bank Loans.

“Non-Performing Unitranche Loans” means Unitranche Loans other than Performing Unitranche Loans.

“Performing” means (a) with respect to any Portfolio Investment that is debt (or any other debt), the issuer of such Portfolio Investment (or other debt) is, at the time of determination, not in default of any payment obligations of principal or interest in respect thereof after the receipt of any notice and/or expiration of any applicable grace period and (b) with respect to any Portfolio Investment that is Preferred Stock, the issuer of such Portfolio Investment has not failed to meet any scheduled redemption obligations or to pay its latest declared cash dividend, after the expiration of any applicable grace period.

“Performing Cash Pay High Yield Securities” means High Yield Securities (a) as to which, at the time of determination, not less than 2/3rds of the interest (including accretions and “pay-in-kind” interest) for the current monthly, quarterly, semiannual or annual period (as applicable) is payable in cash and (b) which are Performing.

“Performing Cash Pay Mezzanine Investments” means Mezzanine Investments (a) as to which, at the time of determination, not less than 2/3rds of the interest (including accretions and “pay-in-kind” interest) for the current monthly, quarterly, semi-annual or annual period (as applicable) is payable in cash and (b) which are Performing.

“Performing Common Equity” means Capital Stock (other than Preferred Stock) and warrants of an issuer all of whose outstanding debt is Performing.

“Performing First Lien Bank Loans” means First Lien Bank Loans which are Performing.

“Performing Non-Cash Pay High Yield Securities” means Performing High Yield Securities other than Performing Cash Pay High Yield Securities.

“Performing Non-Cash Pay Mezzanine Investments” means Performing Mezzanine Investments other than Performing Cash Pay Mezzanine Investments.

“Performing Second Lien Bank Loans” means Second Lien Bank Loans which are Performing.

“Performing Unitranche Loans” means Unitranche Loans which are Performing.

“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.

“Second Lien Bank Loan” means a Bank Loan that is entitled to the benefit of a second lien and second priority perfected security interest (subject to customary encumbrances) on specified assets of the respective borrower and guarantors obligated in respect thereof.

“Securities” means common and preferred stock, units and participations, membership 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 one year of the applicable date of determination.

“Structured Finance Obligation” means any obligation issued by a special purpose vehicle and secured directly by, referenced to, or representing ownership of, a pool of receivables or other financial assets of any obligor, including collateralized debt obligations and mortgaged-backed securities. For the avoidance of doubt, if an obligation satisfies the definition of “Structured Finance Obligation”, such obligation shall not (a) qualify as any other category of Portfolio Investment and (b) be included in the Borrowing Base.

“U.S. Government Securities” has the meaning assigned to such term in Section 1.01.

“Unitranche Loan” means the “last-out” portion of a Bank Loan that is a First Lien Bank Loan, a portion of which is, in effect, subject to superpriority rights (the “first-out” portion) of other lenders with respect to such lenders’ right to receive distributions of collateral proceeds following an event of default (such portion, a “last-out” portion). An Obligor’s investment in the last-out portion shall be treated as a Unitranche Loan for purposes of determining the applicable Advance Rate for such Portfolio Investment under this Agreement.

“Value” means, with respect to any Portfolio Investment, the lower of:

- (i) the most recent internal market value as determined pursuant to Section 5.12(b)(ii)(C); and
- (ii) the most recent external market value as determined pursuant to Sections 5.12(b)(ii)(A) and (B).

## ARTICLE VI

### NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired, been terminated, Cash Collateralized or backstopped and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. Subject to the last sentence of this Section 6.01, 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) Secured Longer-Term Indebtedness and Unsecured Longer-Term Indebtedness so long as (i) no Default or Event of Default exists at the time of the incurrence thereof, (ii) at the time of incurrence thereof, the aggregate amount of such Secured Longer-Term Indebtedness and Unsecured Longer-Term Indebtedness, taken together with other then-outstanding Indebtedness that constitutes senior securities, does not exceed the amount required to comply with the provisions of Sections 6.07(c) and (d), and (iii) prior to and immediately after giving effect to the incurrence of any Secured Longer-Term Indebtedness, the Covered Debt Amount does not or would not exceed the Borrowing Base then in effect;

(c) Other Permitted Indebtedness;

(d) Indebtedness of Financing Subsidiaries;

(e) repurchase obligations arising in the ordinary course of business with respect to U.S. Government Securities;

(f) obligations payable to clearing agencies, brokers or dealers in connection with the purchase or sale of securities in the ordinary course of business;

(g) Secured Shorter-Term Indebtedness and Unsecured Shorter-Term Indebtedness so long as (i) no Default or Event of Default exists at the time of the incurrence thereof, (ii) at the time of incurrence thereof, the aggregate amount (determined at the time of the incurrence of such Indebtedness) of such Indebtedness does not exceed 5% of Borrower Net Worth, (iii) the aggregate amount of such Indebtedness, taken together with other then-outstanding Indebtedness that constitutes senior securities, does not exceed the amount required to comply with the provisions of Sections 6.07(c) and (d), and (iv) prior to and immediately after giving effect to the incurrence of any such Indebtedness, the Covered Debt Amount does not or would not exceed the Borrowing Base then in effect;

(h) obligations (including Guarantees) in respect of Standard Securitization Undertakings;

(i) Permitted SBIC Guarantees and any SBIC Equity Commitment or analogous commitment;

(j) Special Permitted Indebtedness so long as (i) no Default exists at the time of the incurrence thereof, (ii) the aggregate amount (determined at the time of the incurrence of such Indebtedness) of such Indebtedness does not exceed \$150,000,000, (iii) at the time of incurrence thereof, the aggregate amount of such Indebtedness, taken together with other then-outstanding Indebtedness that constitutes senior securities, does not exceed the amount required to comply with the provisions of Sections 6.07(c) and (d), and (iv) prior to and immediately after giving effect to the incurrence of any such Indebtedness, the Covered Debt Amount does not or would not exceed the Borrowing Base then in effect;

(k) Permitted Amortizing Unsecured Longer-Term Indebtedness constituting Unsecured Longer-Term Indebtedness so long as (i) no Default exists at the time of the incurrence



thereof, (ii) the aggregate amount (determined at the time of the incurrence of such Indebtedness) of such Indebtedness does not exceed \$150,000,000, (iii) at the time of incurrence thereof, the aggregate amount of such Indebtedness, taken together with other then-outstanding Indebtedness that constitutes senior securities, does not exceed the amount required to comply with the provisions of Sections 6.07(c) and (d), and (iv) prior to and immediately after giving effect to the incurrence of any such Indebtedness, the Covered Debt Amount does not or would not exceed the Borrowing Base then in effect;

- (l) other Indebtedness not to exceed \$10,000,000 in the aggregate at any time; and
- (m) guarantees of other Indebtedness otherwise permitted hereunder.

Notwithstanding the foregoing provisions of this Section, the Borrower will not nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any additional Indebtedness (other than Indebtedness permitted under clauses (c), (e), (f), (h) and (i)) unless, after giving effect to such Indebtedness, (x) Shareholders' Equity plus Secured Longer-Term Indebtedness plus Unsecured Longer-Term Indebtedness plus aggregate undrawn commitments with terms in excess of sixth months exceeds (y) the Value of the Portfolio Investments that cannot be converted to Cash in fewer than 10 Business Days without more than a 5% change in price.

SECTION 6.02. Liens. The Borrower will not, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof except:

(a) any Lien on any property or asset of the Borrower or any Subsidiary existing on the Fifth Amendment Effective Date and set forth in Part B of Schedule 3.11; 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 Fifth Amendment Effective Date and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(b) Liens created pursuant to this Agreement (including Section 2.19) or any of the Security Documents (including Liens in favor of the Designated Indebtedness Holders (as defined in the Guarantee and Security Agreement));

(c) Liens on the assets of a Financing Subsidiary securing obligations of such Financing Subsidiary;

(d) Liens on Special Equity Interests included in the Portfolio Investments of the Borrower but only to the extent securing obligations in the manner provided in the definition of "Special Equity Interests" in Section 1.01;

(e) Liens securing Indebtedness or other obligations in an aggregate principal amount not exceeding \$12,500,000 at any one time outstanding (which may cover Portfolio Investments, but only to the extent released from the Lien in favor of the Collateral Agent in accordance with the requirements of Section 10.03 of the Guarantee and Security Agreement), so

long as at the time of incurrence of such Indebtedness or other obligations, the aggregate amount of Indebtedness permitted under clauses (a), (b) and (g) of Section 6.01, does not exceed the lesser of (i) the Borrowing Base and (ii) the amount required to comply with the provisions of Sections 6.07(c) and (d);

(f) Permitted Liens;

(g) Liens on Equity Interests in any SBIC Subsidiary created in favor of the SBA or its designee;

(h) Liens securing Hedging Agreements permitted under Section 6.04(c) and not otherwise permitted under clause (b) above; and

(i) Liens securing repurchase obligations arising in the ordinary course of business with respect to U.S. Government Securities.

SECTION 6.03. Fundamental Changes. The Borrower will not, nor will it permit any of its Subsidiaries (other than Financing Subsidiaries or Immaterial Subsidiaries) to, enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution). The Borrower will not, nor will it permit any of its Subsidiaries (other than Financing 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 (other than Financing Subsidiaries or Immaterial Subsidiaries) to, convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, any part of its assets, whether now owned or hereafter acquired, but excluding (x) assets (other than Portfolio Investments) sold or disposed of in the ordinary course of business (including to make expenditures of cash in the normal course of the day-to-day business activities of the Borrower and its Subsidiaries) and (y) subject to the provisions of clauses (d) and (e) below, Portfolio Investments.

Notwithstanding the foregoing provisions of this Section:

(a) any Subsidiary Guarantor of the Borrower may be merged or consolidated with or into the Borrower or any other Subsidiary Guarantor; provided that if any such transaction shall be between a Subsidiary Guarantor and a wholly owned Subsidiary Guarantor, the wholly owned Subsidiary Guarantor shall be the continuing or surviving corporation;

(b) any Subsidiary of the Borrower may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any wholly owned Subsidiary Guarantor of the Borrower;

(c) the capital stock of any Subsidiary of the Borrower may be sold, transferred or otherwise disposed of to the Borrower or any wholly owned Subsidiary Guarantor of the Borrower;

(d) the Obligors may sell, transfer or otherwise dispose of Portfolio Investments (other than to a Financing Subsidiary) so long as after giving effect to such sale, transfer or other disposition (and any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness) either (x) the Covered Debt Amount does not exceed the Borrowing Base or (y) if the Administrative Agent consents in writing, the amount by which the Covered Debt Amount exceeds the Borrowing Base is reduced thereby;

(e) the Obligors may sell, transfer or otherwise dispose of Portfolio Investments to a Financing Subsidiary so long as (i) after giving effect to such sale, transfer or other disposition (and any concurrent acquisitions of Portfolio Investments or payment of outstanding Loans or Other Covered Indebtedness) the Covered Debt Amount does not exceed the Borrowing Base and the Borrower delivers to the Administrative Agent a certificate of a Financial Officer to such effect and (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 110% of the Covered Debt Amount;

(f) the Borrower may merge or consolidate with any other Person so long as (i) after giving effect thereto, the Borrower is (x) the continuing or surviving entity in such transaction and (y) organized under the laws of any State in the United States or the District of Columbia and (ii) at the time thereof and after giving effect thereto, no Default shall have occurred or be continuing;

(g) the Borrower and its Subsidiaries may sell, lease, transfer or otherwise dispose of equipment or other property or assets that do not consist of Portfolio Investments so long as the aggregate amount of all such sales, leases, transfer and dispositions does not exceed \$7,500,000 in any fiscal year; and

(h) the Obligors 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, (ii) the Covered Debt Amount shall not exceed the Borrowing Base at such time and (iii) the Transferred Assets were transferred to such Obligor by the transferor Financing Subsidiary on the same Business Day that such assets are transferred by such Obligor to the transferee Financing Subsidiary.

SECTION 6.04. Investments. The Borrower will not, nor will it permit any of its Subsidiaries to, acquire, make or enter into, or hold, any Investments except:

(a) operating deposit accounts 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 financial planning and not for speculative purposes;

(d) Portfolio Investments by the Borrower and its Subsidiaries to the extent such Portfolio Investments are permitted under the Investment Company Act (if applicable) and in compliance in all material respects with the Borrower's Investment Policies, in each case as in effect as of the date such Investments are acquired;

(e) Investments in Financing Subsidiaries so long as, (i) after giving effect to such Investment, the Covered Debt Amount does not exceed the Borrowing Base and (ii) the sum of (x) all Investments under this clause (e) that occur after the Extended Commitment Termination Date and (y) all Investments under clause (f) below shall not exceed \$7,500,000 in the aggregate (A) at any time there are any Non-Extending Lenders, from the Non-Extending Commitment Termination Date to the Non-Extending Final Maturity Date and (B) from the Extending Commitment Termination Date to the Extending Final Maturity Date;

(f) additional Investments up to but not exceeding \$75,000,000 in the aggregate; provided that the sum of all Investments under this clause (f) shall not exceed \$7,500,000 in the aggregate (x) at any time there are any Non-Extending Lenders, from the Non-Extending Commitment Termination Date to the Non-Extending Final Maturity Date and (y) from the Extending Commitment Termination Date to the Extending Final Maturity Date;

(g) Investments in Cash and Cash Equivalents;

(h) Investments described on Schedule 3.12(b);

(i) Investments by a Financing Subsidiary; and

(j) Investments in the form of Guarantees permitted pursuant to Section 6.01.

For purposes of clauses (e) and (f) of this Section, 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 Return of Capital and dividends, distributions or other payments received in cash in respect of such Investment and the values (valued in accordance with Section 5.12(b) of other Investments received in respect of such Investment; provided that in no event shall the aggregate amount of such Investment be deemed to be less than zero; the amount of an Investment shall not in any event be reduced by reason of any write-off of such Investment nor increased by any increase in the amount of earnings retained in the Person in which such Investment is made that have not been dividended, distributed or otherwise paid out.

SECTION 6.05. Restricted Payments. The Borrower will not, nor will it permit any of its Subsidiaries (other than Financing Subsidiaries) to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except that the Borrower may declare and pay:

(a) dividends with respect to the capital stock of the Borrower payable solely in additional shares of the Borrower's common stock;

(b) dividends and distributions in either case in cash or other property (excluding for this purpose the Borrower's common stock) in any taxable year of the Borrower in amounts not to exceed the amount that is estimated in good faith by the Borrower to be required to (i) reduce to zero for such taxable year or for the previous taxable year, its investment company taxable income (within the meaning of Section 852(b)(2) of the Code) and reduce to zero the tax imposed by Section 852(b)(3) of the Code, and (ii) avoid federal excise taxes for such taxable year imposed by Section 4982 of the Code;

(c) dividends and distributions in each case in cash or other property (excluding for this purpose the Borrower's common stock) in addition to the dividends and distributions permitted under the foregoing clauses (a) and (b), so long as on the date of such Restricted Payment and after giving effect thereto:

(i) no Default shall have occurred and be continuing; and

(ii) the aggregate amount of Restricted Payments made during any taxable year of the Borrower after the date hereof under this clause (c) shall not exceed the sum of (x) an amount equal to 15% of the taxable income of the Borrower for such taxable year determined under section 852(b)(2) of the Code, but without regard to subparagraphs (A), (B) or (D) thereof, minus (y) the amount, if any, by which dividends and distributions made during such taxable year pursuant to the foregoing clause (b) (whether in respect of such taxable year or the previous taxable year) based upon the Borrower's estimate of taxable income exceeded the actual amounts specified in subclauses (i) and (ii) of such foregoing clause (b) for such taxable year.

(d) other Restricted Payments so long as (i) on the date of such other Restricted Payment and after giving effect thereto (x) the Covered Debt Amount does not exceed 90% of the Borrowing Base and (y) no Default shall have occurred and be continuing and (ii) on the date of such other Restricted Payment the Borrower delivers to the Administrative Agent and each Lender a Borrowing Base Certificate as at such date demonstrating compliance with subclause (x) after giving effect to such Restricted Payment. For purposes of preparing such Borrowing Base Certificate, (A) the Value of any Quoted Investment shall be the most recent quotation available for such Portfolio Investment and (B) the Value of any Unquoted Investment shall be the Value set forth in the Borrowing Base Certificate most recently delivered by the Borrower to the Administrative Agent and the Lenders pursuant to Section 5.01(d); provided that the Borrower shall reduce the Value of any 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 Portfolio Investment.

Nothing herein shall be deemed to prohibit the payment of Restricted Payments by any Subsidiary of the Borrower to the Borrower or to any other Subsidiary Guarantor.

SECTION 6.06. Certain Restrictions on Subsidiaries. The Borrower will not permit any of its Subsidiaries (other than Financing Subsidiaries) to enter into or suffer to exist any indenture, agreement, instrument or other arrangement 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 (g); provided that any such prohibition or reservation set forth therein does not prohibit the performance by the Borrower or its Subsidiaries of their obligations under this Agreement, (ii) any Indebtedness permitted under Section 6.01(c) secured by a Lien permitted under Section 6.02 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(e) or (f) 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 Shareholders' Equity. The Borrower will not permit Shareholders' Equity at the last day of any fiscal quarter of the Borrower to be less than \$290,000,000 plus 25% of the net proceeds of the sale of Equity Interests by the Borrower and its Subsidiaries after the Effective Date (other than proceeds of sales of Equity Interests by and among the Borrower and its Subsidiaries).

(b) Minimum Borrower Net Worth. The Borrower will not permit Borrower Net Worth at the last day of any fiscal quarter to be less than \$222,500,000.

(c) Borrower Asset Coverage Ratio. The Borrower will not permit the Borrower Asset Coverage Ratio at the last day of any fiscal quarter to be less than 2.00 to 1.

(d) Consolidated Asset Coverage Ratio. The Borrower will not permit the Consolidated Asset Coverage Ratio at the last day of any fiscal quarter to be less than 1.50 to 1.

(e) Liquidity Test. The Borrower will not permit the aggregate Value of the Portfolio Investments that are Cash (excluding Cash Collateral for outstanding Letters of Credit) or that can be converted to Cash in fewer than 10 Business Days without more than a 5% change in price to be less than 10% of the Covered Debt Amount for more than 30 Business Days during any period when the Adjusted Covered Debt Balance is greater than 90% of the Adjusted Borrowing Base.

SECTION 6.08. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to enter into any transactions with any of its Affiliates, even if otherwise permitted under this Agreement, except (a) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary (other than a SBIC Subsidiary) than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and its Subsidiaries not involving any other Affiliate, (c) Restricted Payments permitted by Section 6.05, (d) the transactions provided in the Affiliate Agreements, (e) transactions described on Schedule 6.08, (f) any Investment that results in the creation of an Affiliate or (g) transactions between or among the Obligor 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, taken as a whole, not materially less favorable to the Obligor than in good faith is believed could be obtained at the time on an arm's-length basis from unrelated third parties.

SECTION 6.09. Lines of Business. The Borrower will not, nor will it permit any of its Subsidiaries (other than Immaterial Subsidiaries) to, engage to any material extent in any business other than in accordance with its Investment Policies. The Borrower will not, nor will it permit any of its Subsidiaries to amend or modify the Investment Policies (other than a Permitted Policy Amendment).

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, the other Loan Documents and documents with respect to Indebtedness permitted under Section 6.01(b) or (g); (b) covenants in documents creating Liens permitted by Section 6.02 (including covenants with respect to the Designated Indebtedness Obligations or Designated Indebtedness Holders under (and, in each case, as defined in) the Security Documents) prohibiting further Liens on the assets encumbered thereby; (c) customary restrictions contained in leases not subject to a waiver; and (d) any other agreement that does not restrict in any manner (directly or indirectly) Liens created pursuant to the Loan Documents on any Collateral securing the “Secured Obligations” under and as defined in the Guarantee and Security Agreement and does not require the direct or indirect granting of any Lien securing any Indebtedness or other obligation by virtue of the granting of Liens on or pledge of property of any Obligor to secure the Loans or any Hedging Agreement.

SECTION 6.11. Modifications of Longer-Term Indebtedness Documents. The Borrower will not consent to any modification, supplement or waiver of:

(a) any of the provisions of any agreement, instrument or other document evidencing or relating to any Secured Longer-Term Indebtedness or Unsecured Longer-Term Indebtedness that would result in such Indebtedness not meeting the requirements of the definition of “Secured Longer-Term Secured Indebtedness” and “Unsecured Longer-Term Indebtedness”, as applicable, set forth in Section 1.01 of this Agreement, unless (i) in the case of Secured Longer-Term Indebtedness, such Indebtedness would have been permitted to be incurred as Secured Shorter-Term Indebtedness at the time of such modification, supplement or waiver and the Borrower so designates such Indebtedness as “Secured Shorter-Term Indebtedness” (whereupon such Indebtedness shall be deemed to constitute “Secured Shorter-Term Indebtedness” for all purposes of this Agreement) and (ii) 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); or

(b) any of the Affiliate Agreements, unless such modification, supplement or waiver is not materially less favorable to the Borrower than could be obtained on an arm’s-length basis from unrelated third parties, in each case, without the prior consent of the Administrative Agent (with the approval of the Required Lenders).

SECTION 6.12. Payments of Longer-Term Indebtedness. The Borrower will not, nor will it permit any of its Subsidiaries (other than Financing 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 payment or prepayment of the principal of or interest on, or any other amount owing in respect of, any Secured Longer-Term Indebtedness, Special Permitted Indebtedness or Unsecured Longer-Term Indebtedness (other than the refinancing of Secured Longer-Term Indebtedness, Special Permitted Indebtedness or Unsecured Longer-Term Indebtedness with Indebtedness permitted under Section 6.01), except for (a) regularly scheduled payments, prepayments or redemptions of principal and interest (excluding regularly scheduled payments of principal on Permitted Amortizing Unsecured Longer-Term Indebtedness or Special Permitted Indebtedness) 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 Permitted Convertible Indebtedness; (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 Permitted Convertible Indebtedness made by the Borrower or any of its Subsidiaries in respect of such triggering and/or settlement thereof shall be permitted under this clause (a)), (b) voluntary payments or prepayments of Secured Longer-Term Indebtedness and regularly scheduled payments of principal of Permitted Amortizing Unsecured Longer-Term Indebtedness and Special Permitted Indebtedness, so long as both before and after giving effect to such voluntary payment or prepayment (i) the Borrower is in pro forma compliance with the financial covenants set forth in Section 6.07 and (ii) no Default or Event of Default shall exist or be continuing or (c) so long as no Default shall exist or be continuing, any payment that, if treated as a Restricted Payment for purposes of Section 6.05(d), would be permitted to be made pursuant to the provisions set forth in Section 6.05(d).

SECTION 6.13. Accounting Changes. The Borrower will not, nor will it permit any of its Subsidiaries to, make any change in (a) accounting policies or reporting practices, except as permitted under GAAP or required by law or rule or regulation of any Governmental Authority, or (b) its fiscal year.

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.

## ARTICLE VII

### EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur and be continuing:

(a) the Borrower shall (i) fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise or (ii) fail to deposit any amount into the Letter of Credit Collateral Account as required



by Section 2.09(a) on the Extended Commitment Termination Date or as required by Section 2.20(b) on the date so required;

(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 the Borrower or any of its Subsidiaries in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, shall prove to have been incorrect when made or deemed made in any material respect;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in (i) Section 5.03 (with respect to the Borrower's existence) or Sections 5.08(a) and (b) or in Article VI or any Obligor shall default in the performance of any of its obligations contained in Section 7 of the Guarantee and Security Agreement or (ii) Sections 5.01(e) and (f) or 5.02 and such failure shall continue unremedied for a period of five or more days after notice thereof by the Administrative Agent (given at the request of any Lender) to the Borrower;

(e) a Borrowing Base Deficiency shall occur and continue unremedied for a period of five or more Business Days after delivery of a Borrowing Base Certificate demonstrating such Borrowing Base Deficiency pursuant to Section 5.01(e); provided that it shall not be an Event of Default hereunder if the Borrower shall present the Administrative Agent with a reasonably feasible plan acceptable to the Administrative Agent in its sole discretion to enable such Borrowing Base Deficiency to be cured within 30 Business Days (which 30-Business Day period shall include the five Business Days permitted for delivery of such plan), so long as such Borrowing Base Deficiency is cured within such 30-Business Day period;

(f) the Borrower or any Obligor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b), (d), (e) or (f) of this Article) or any other Loan Document and such failure shall continue unremedied for a period of 30 or more days after notice thereof from the Administrative Agent (given at the request of any Lender) to the Borrower;

(g) the Borrower or any of its Subsidiaries shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, taking into account any applicable grace period;

(h) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or 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 (for the avoidance of doubt, after giving effect to any applicable grace period); provided that this clause (h) 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 conversion or redemption event, other than to the extent it becomes due or is paid in cash (other than interest or expenses) as a result of an “event of default” (as defined in the documents governing such convertible Material Indebtedness);

(i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed and unstayed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(j) the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (i) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(k) the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(l) one or more judgments for the payment of money in an aggregate amount in excess of \$15,000,000 shall be rendered against the Borrower or any of its Subsidiaries (other than Immaterial Subsidiaries) or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or 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 (other than Immaterial Subsidiaries) to enforce any such judgment;

(m) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(n) a Change in Control shall occur;

(o) PennantPark Investment Advisers, LLC or an Affiliate thereof shall cease to be the investment advisor for the Borrower;

(p) the Liens created by the Security Documents shall, at any time with respect to Portfolio Investments having an aggregate Value in excess of 5% of the aggregate Value of all Portfolio Investments, 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 Administrative Agent, 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 the certificates representing the securities pledged under the Loan Documents;

(q) 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 the Borrower;

(r) the Obligors shall at any time, without the consent of the Required Lenders fail to comply with the covenant contained in Section 5.11, and such failure shall continue unremedied for a period of 30 or more days after the earlier of notice thereof by the Administrative Agent (given at the request of any Lender) to the Borrower or knowledge thereof by a Financial Officer; or

(s) 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 with respect to the Borrower described in clause (i) or (j) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (i) or (j) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

In the event that the Loans shall be declared, or shall become, due and payable pursuant to the immediately preceding paragraph then, upon notice from the Administrative Agent or Lenders with LC Exposure representing more than 50% of the total LC Exposure demanding

the deposit of Cash Collateral pursuant to this paragraph, the Borrower shall immediately deposit into the Letter of Credit Collateral Account cash in an amount equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (i) or (j) of this Article.

Notwithstanding anything to the contrary contained herein, on the CAM Exchange Date, to the extent not otherwise prohibited by law, (a) 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 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. 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 any 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).

## ARTICLE VIII

### THE ADMINISTRATIVE AGENT

SECTION 8.01. Appointment of the Administrative Agent. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Collateral Agent as its agent hereunder and under the other Loan Documents and authorizes the Collateral Agent 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.

SECTION 8.02. Capacity as Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

SECTION 8.03. Limitation of Duties; Exculpation. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein and in the other Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable to any Lender or Issuing Bank for any action taken or not taken by it with the consent or at the request of the Required Lenders or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein or therein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 8.04. Reliance. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.05. Sub-Agents. The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any

and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be 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. The Administrative Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower not to be unreasonably withheld (or, if an Event of Default has occurred and is continuing in consultation with the Borrower), 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 the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent's resignation shall nonetheless become effective and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and (2) the Required Lenders shall perform the duties of the Administrative Agent (and all payments and communications provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly) until such time as the Required Lenders appoint a successor agent as provided for above in this paragraph. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Any resignation by Truist as Administrative Agent pursuant to this Section shall also constitute its resignation as Issuing Bank and Swingline Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank and Swingline Lender, (b) the retiring Issuing Bank and Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Issuing Bank to effectively assume the obligations of the retiring Issuing Bank with respect to such Letters of Credit.

SECTION 8.07. Reliance by Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently

and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder. The Administrative Agent shall have no duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and the Administrative Agent shall have no responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

Each Lender, by delivering its signature page to this Agreement or any Assignment and Assumption and funding any Loan shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be approved by the Administrative Agent, Required Lenders or Lenders.

**SECTION 8.08. Modifications to Loan Documents.** Except as otherwise provided in Section 2.22 or Section 9.02(b) or (c) of this Agreement or the Security Documents with respect to this Agreement, the Administrative Agent may, with the prior consent of the Required Lenders (but not otherwise), consent to any modification, supplement or waiver under any of the Loan Documents; provided that, without the prior consent of each Lender, the Administrative Agent shall not (except as provided herein or in the Security Documents) release all or substantially all of the Collateral or otherwise terminate all or substantially all of the Liens under any Security Document providing for collateral security, agree to additional obligations being secured by all or substantially all of such collateral security, or alter the relative priorities of the obligations entitled to the benefits of the Liens created under the Security Documents with respect to all or substantially all of the Collateral, except that no such consent shall be required, and the Administrative Agent is hereby authorized, (w) to release any Subsidiary Guarantor from its guarantee obligations to the extent it may be released in accordance with Section 10.03 of the Guarantee and Security Agreement, (x) 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 have consented, (y) for the avoidance of doubt, execute and deliver agreements, instruments and other documents reasonably requested by the Borrower to implement collateral sharing with respect to Secured Longer-Term Indebtedness and Secured Shorter-Term Indebtedness, and (z) following the (i) cancellation or termination of any commitment to extend credit or issue Letters of Credit under this Agreement or any other Loan Document, (ii) final payment and performance in full of all obligations under this Agreement or any other Loan Document so long as all Letters of Credit have expired, been terminated, Cash Collateralized or backstopped and all LC Disbursements have been reimbursed and (iii) termination of this Agreement, to release all Liens and guarantees by Obligors.

**SECTION 8.09. Erroneous Payments.**

(a) If the Administrative Agent notifies a Lender, an Issuing Bank or an Indemnatee, or any Person who has received funds on behalf of a Lender, an Issuing Bank or an Indemnatee (any such Lender, Issuing Bank, Indemnatee or other recipient, 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 transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Bank, Indemnitee 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 and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender, Issuing Bank or Indemnitee 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 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 Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting the immediately preceding clause (a), each Lender, Issuing Bank or Indemnitee, or any Person who has received funds on behalf of a Lender, Issuing Bank or Indemnitee, hereby further 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 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, Issuing Bank or Indemnitee, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of the immediately preceding clause (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error 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, Issuing Bank or Indemnitee shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) 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 8.09(b).

(c) Each Lender, Issuing Bank and Indemnitee hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender, Issuing Bank or Indemnitee under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender, Issuing Bank or Indemnitee from any



source, against any amount due to the Administrative Agent under clause (a) above or under the indemnification provisions of this Agreement.

(d) 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 clause (a) above, from any Lender or Issuing Bank 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 or Issuing Bank at any time, (i) such Lender or Issuing Bank 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”) 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 a Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuing Bank shall deliver any notes evidencing such Loans to the Borrower or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or Issuing Bank, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuing Bank shall cease to be a Lender or Issuing Bank, as applicable, 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 or assigning Issuing Bank and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. So long as any sale of Loans complies with the terms of Section 9.04(b), 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 or Issuing Bank 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 or Issuing Bank (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, Issuing Bank or Indemnatee 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 Revolving Credit Exposure or other 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 purpose 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, any defense based on “discharge for value” or any similar doctrine.

(g) Each party’s obligations, agreements and waivers under this Section 8.09 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, 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

#### 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, as follows:

(i) if to the Borrower, to it at:

PennantPark Investment Corporation  
590 Madison Avenue, 15<sup>th</sup> Floor  
New York, New York 10022  
Attention: Richard Cheung, Chief Financial Officer  
Telecopy Number: (212) 905-1075  
Telephone: (212) 905-1083

(ii) if to the Administrative Agent or Swingline Lender, to it at:

Truist Bank  
3333 Peachtree Road, 7th Floor  
Atlanta, Georgia 30326  
Attention: Hays Wood  
Telecopy Number: (404) 836-5879

with a copy to:

Truist Bank  
Agency Services  
303 Peachtree Road, N. E./ 25<sup>th</sup> Floor  
Atlanta, Georgia 30308  
Attention: Wanda Gregory  
Telecopy Number: (404) 658-4906

(iii) if to the Issuing Bank, to it at:

Truist Bank  
303 Peachtree Road, N. E./ 25<sup>th</sup> Floor  
Atlanta, Georgia 30308  
Attention: Wanda Gregory  
Telecopy Number: (404) 658-4906

(iv) 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 for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt. Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender or the Issuing Bank pursuant to Section 2.06 if such Lender or the Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(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 for the recipient, 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.

Each party hereto understands that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution and agrees and assumes the risks associated with such electronic distribution, except to the extent caused by the willful misconduct or gross negligence of Administrative Agent, any Lender or their respective Related Parties, as determined by a final, non-appealable judgment of a court of competent jurisdiction. The Platform and any electronic communications media approved by the Administrative Agent as provided herein are provided “as is” and “as available”. None of the Administrative Agent or its Related Parties warrant the accuracy, adequacy, or completeness of such media or the Platform and each expressly disclaims liability for errors or omissions in the Platform and such media. 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 Administrative Agent and any of its Related Parties in connection with the Platform or the electronic communications media approved by the Administrative Agent as provided for herein.

(c) Private Side Information Contacts. Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable law, including United States federal and state securities laws, to make reference to information that is not made available through the “Public Side Information” portion of the Platform and that may contain Non-Public Information with respect to the Borrower, its Subsidiaries or their Securities for purposes of United States federal or state securities laws. In the event that any Public Lender has determined for itself to not access any information disclosed through the Platform or otherwise, such Public Lender acknowledges that (i) other Lenders may have availed themselves of such information and (ii) neither Borrower nor Administrative Agent has any responsibility for such Public Lender’s decision to limit the scope of the information it has obtained in connection with this Agreement and the other Loan Documents.

(d) Documents to be Delivered under Sections 5.01 and 5.12(a). For so long as an Intralinks™ or equivalent website is available to each of the Lenders hereunder, the Borrower may satisfy its obligation to deliver documents to the Administrative Agent or the Lenders under Sections 5.01 and 5.12(a) by delivering one hard copy thereof to the Administrative Agent and either an electronic copy or a notice identifying the website where such information is located for posting by the Administrative Agent on Intralinks™ or such equivalent website; provided that the Administrative Agent shall have no responsibility to maintain access to Intralinks™ or an equivalent website.

#### SECTION 9.02. Waivers; Amendments.

(a) No Deemed Waivers Remedies Cumulative. No failure or delay by the Administrative Agent the Issuing Bank, the Swingline Lender or any other Lender in exercising any right or power hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce

such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank, the Swingline Lender 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, Swingline Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, the Swingline Lender, any Lender or the Issuing Bank 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 no such agreement shall

(i) increase the Commitment of any Lender without the written consent of such Lender,

(ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon (other than with respect to the election of or the failure to elect the Default Rate), or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby,

(iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable 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,

(iv) change Section 2.17(b), (c) or (d) in a manner that would alter the pro rata sharing of payments, or making of disbursements, required thereby without the written consent of each Lender directly affected thereby, or

(v) change any of the provisions of this Section or 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 directly affected thereby;

provided further that (x) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be and (y) the consent of Lenders (other than Defaulting Lenders) holding not less than two-thirds of the Revolving Credit Exposure and unused Commitments (other than of Defaulting Lenders) will be required (A) for any adverse change affecting the provisions of this

Agreement relating to the Borrowing Base (including the definitions used therein), or the provisions of Section 5.12(c)(ii), and (B) for 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 equally shall be effective against the Lenders of such Class unless the Required Lenders of such Class shall have concurred with such waiver or modification. Anything in this Agreement to the contrary notwithstanding, this Agreement may be amended by the Borrower with the consent of the Administrative Agent and any Non-Extending Lender (but without the consent of the Required Lenders) for the sole purpose of extending the Commitments of such Non-Extending Lender so that such Non-Extending Lender becomes an Extending Lender hereunder. Any Non-Extending Lender that has had all of its obligations under this Agreement and each other Loan Document paid in full shall cease to be a Lender under the Loan Documents following the earlier to occur of (i) such Non-Extending Lender's Non-Extended Commitment Termination Date or (ii) the termination of such Non-Extending Lender's Commitment in its entirety pursuant to Section 2.08(f), except with respect to any provision applicable to such Non-Extending Lender that expressly survives the termination of a Loan Document.

(c) Amendments to Security Documents. No Security Document nor any provision thereof may be waived, amended or modified, nor may the Liens thereof be spread to secure any additional obligations (including any increase in Loans hereunder, but excluding any such increase pursuant to a Commitment Increase under Section 2.08(e) to an amount not greater than \$750,000,000) 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, (i) without the written consent of each Lender, no such agreement shall release all or substantially all of the Obligors from their respective obligations under the Security Documents and (ii) without the written consent of each Lender, no such agreement shall release all or substantially all of the collateral security or otherwise terminate all or substantially all of the Liens under the Security Documents, alter the relative priorities of the obligations entitled to the Liens created under the Security Documents (except in connection with securing additional obligations equally and ratably with the Loans and other obligations hereunder) with respect to all or substantially all of the collateral security provided thereby, or release all or substantially all of the guarantors under the Guarantee and Security Agreement from their guarantee obligations thereunder, except that no such consent 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, (x) 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 have consented, (y) to release any Lien and/or guarantee obligation in accordance with Section 10.03 of the Guarantee and Security Agreement and (z) to release (and to acknowledge the release of) all Liens and guarantees of Obligors with respect to the Revolving Credit Exposure upon the termination of this Agreement (including in connection with a complete refinancing) following the payment in full in cash of all Revolving Credit Exposure (other than contingent indemnification and fee reimbursement obligations) following the termination of the Commitments; provided that, for the avoidance of doubt, the Administrative Agent shall not be required under this clause (z) to instruct the Collateral Agent to release any Lien or guarantee of an Obligor solely as it relates to

such Lien securing or guarantee guaranteeing any Secured Obligations other than Credit Agreement Obligations (in each case, as defined in the Guarantee and Security Agreement).

(d) Replacement of Non-Consenting Lender. If, in connection with any proposed change, waiver, discharge or termination to any of the provisions of this Agreement as contemplated by this Section 9.02, the consent of the Required Lenders shall have been obtained but the consent of one or more Lenders (each a “Non-Consenting Lender”) whose consent is required for such proposed change, waiver, discharge or termination is not obtained, then (so long as no Event of Default has occurred and is continuing) the Borrower shall have the right, at its sole cost and expense, to replace each such Non-Consenting Lender or Lenders with one or more replacement Lenders pursuant to Section 2.18(b) so long as at the time of such replacement, each such replacement Lender consents to the proposed change, waiver, discharge or termination.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent, the Collateral Agent and their Affiliates, including the reasonable and documented fees, charges and disbursements of counsel for the Administrative Agent and the Collateral Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration 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 reasonable and documented out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender, including the reasonable and documented fees, charges and disbursements of one outside counsel for the Administrative Agent, the Issuing Bank and the Swingline Lender as well as one outside counsel for the Lenders and additional counsel should any conflict of interest arise, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect thereof and (iv) and all documented costs, expenses, taxes, assessments and other charges reasonably 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 the Administrative Agent, the Issuing Bank, the Swingline Lender 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, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable and documented out-of-pocket fees and disbursements of one outside counsel for all Indemnitees (and, if reasonably necessary, of one local counsel in any relevant jurisdiction for all Indemnitees) unless, in the reasonable opinion of an Indemnitee, representation of all Indemnitees by such counsel would be inappropriate due to the existence of an actual or potential conflict of interest) (collectively, “Losses”) in connection with any investigative, administrative

or judicial proceeding or hearing commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and laws, statutes, rules or regulations relating to environmental, occupational safety and health or land use matters), on common law or equitable cause or on contract or otherwise and related expenses or disbursements of any kind (other than Taxes or Other Taxes which shall only be indemnified by the Borrower to the extent provided in Section 2.16), including the fees, charges and disbursements of counsel for any Indemnitee as specified above, 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, Swingline Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or (iii) any 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 or a third party and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not as to any Indemnitee, be available to the extent that such Losses are (A) 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 or its Related Parties, (B) result from the settlement of any such claim, investigation, litigation or other proceedings described in clause (iii) above unless the Borrower has consented to such settlement (which consent shall not be unreasonably withheld or delayed (provided that nothing in this clause (B) shall restrict the right of any person to settle any claim for which it has waived its right of indemnity by the Borrower) or (C) result from disputes solely among Indemnitees and not involving any act or omission of an Obligor or any of Affiliate thereof (other than any dispute against the Administrative Agent in its capacity as such). Notwithstanding the foregoing, it is understood and agreed that indemnification for Taxes is subject to the provisions of Section 2.16.

(c) The Borrower shall not be liable to any Indemnitee for any special, indirect, consequential or punitive Losses (as opposed to direct or actual damages (which may include special, indirect, consequential or punitive Losses asserted against any such party hereto by a third party)) arising out of, in connection with, or as a result of this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of proceeds thereof, 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 with respect to Losses not expressly described in the foregoing limitation.

(d) Reimbursement by Lenders. To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent, the Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or



indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(e) Waiver of Consequential Damages, Etc. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of; this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by 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 Indemnitee or its Related Parties, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(f) Payments. All amounts due under this Section shall be payable promptly after written demand therefor.

#### SECTION 9.04. Successors and Assigns.

(a) Assignments Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders.

(i) Assignments Generally. Subject to the conditions set forth in clause (ii) below, any Lender may assign to one or more assignees (other than natural persons, any Defaulting Lender or any Person listed in the Prohibited Assignees and Participants Side Letter) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans and LC Exposure at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; provided that 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; provided, further, that the Borrower shall be deemed to have consented to any such assignment unless it shall have objected thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof; and

(B) the Administrative Agent and the Issuing Bank.

(ii) Certain Conditions to Assignments. Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans and LC Exposure of a Class, the amount of the Commitment or Loans and LC Exposure of 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 U.S. \$5,000,000 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 and LC Exposure 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, Loans and LC Exposure;

(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 U.S. \$3,500 (which fee shall not be payable in connection with an assignment to a Lender or to an Affiliate of a Lender), for which the Borrower and the Guarantors shall not be obligated; 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 2.14, 2.15, 2.16 and 9.03 with respect to facts and circumstances occurring prior to the effective date of such assignment). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be

treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (f) of this Section. Notwithstanding anything to the contrary herein, in connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions set forth in Section 9.04(b)(ii) or otherwise, the parties to the assignment shall make such additional payments to Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Borrower and Administrative Agent, the Applicable Percentage of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to Administrative Agent, Issuing Bank, Swingline Lender and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full Applicable Percentage of all Loans and participations in Letters of Credit and Swingline Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(c) Maintenance of Registers by Administrative Agent. The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in New York City a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the “Registers” and each individually, a “Register”). The entries in the Registers shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Bank and the Lenders may treat each Person whose name is recorded in the Registers pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Registers shall be available for inspection by the Borrower, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Acceptance of Assignments by Administrative Agent. Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Special Purpose 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 Section 2.14 (or any other increased costs protection provision), 2.15 or 2.16. Each SPC shall be conclusively presumed to have made arrangements with its Granting Lender for the exercise of voting and other rights hereunder in a manner which is acceptable to the SPC, the Administrative Agent, the Lenders and the Borrower, and each of the Administrative Agent, the Lenders and the Obligors shall be entitled to rely upon and deal solely with the Granting Lender with respect to Loans made by or through its SPC. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by the Granting Lender.

Each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof, in respect of claims arising out of this Agreement; provided that the Granting Lender for each SPC hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage and expense arising out of their inability to institute any such proceeding against its SPC. In addition, notwithstanding anything to the contrary contained in this Section, any SPC may (i) without the prior written consent of the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to its Granting Lender or to any financial institutions providing liquidity and/or credit facilities to or for the account of such SPC to fund the Loans made by such SPC or to support the securities (if any) issued by such SPC to fund such Loans (but nothing contained herein shall be construed in derogation of the obligation of the Granting Lender to make Loans hereunder); provided that neither the consent of the SPC or of any such assignee shall be required for amendments or waivers hereunder except for those amendments or waivers for which the consent of participants is required under paragraph (f) below, and (ii) disclose on a confidential basis (in the same manner described in Section 9.13(b)) any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of a surety, guarantee or credit or liquidity enhancement to such SPC.

(f) Participations. Any Lender may, with the consent of the Borrower (such consent not to be unreasonably withheld or delayed), 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 and LC Disbursements owing to it); provided that (i) the consent of the Borrower shall not be required if (x) an Event of Default has occurred and is continuing, (y) such Participant does not have any of the voting rights or consent rights permitted in the immediately succeeding sentence or (z) such Participant does not have the right to receive any non-public information that may be provided pursuant to this Agreement (and the Lender selling such participation agrees with the Borrower at the time of the sale of such participation that it will not deliver such non-public

information to the Participant), (ii) such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged, (iii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iv) the Borrower, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents and (v) no Person listed in the Prohibited Assignees and Participants Side Letter may be a Participant. 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 2.14, 2.15 and 2.16 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 shall not be entitled to receive any greater payment under Sections 2.14, 2.15 or 2.16, with respect to any participation, than its participating Lenders would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation; provided, further, that no Participant shall be entitled to the benefits of Section 2.16 unless the Borrower is notified of the participation granted to such Participant and such Participant shall have complied with the requirements of Section 2.16 as if such Participant is a Lender. 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 2.17(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 (the "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 other information relating to a Participant's interest in any commitments, loans, letters of credit or is other obligations under any Loan Document) to any person except to the extent that such disclosures are 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 the 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 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 2.14, 2.15 or 2.16 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 2.16 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with paragraphs (e) and (f) of

Section 2.16 as though it were a Lender and in the case of a Participant claiming exemption for portfolio interest under Section 871(h) or 881(c) of the Code, the applicable Lender shall provide the Borrower with satisfactory evidence that the participation is in registered form and shall permit the Borrower to review such register as reasonably needed for the Borrower to comply with its obligations under applicable laws and regulations.

(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 to the Borrower or Affiliates. Anything in this Section to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan or LC Exposure held by it hereunder to the Borrower or any of its Affiliates or Subsidiaries without the prior consent of each Lender.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 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, Cash Collateralization or backstop of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement 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 electronically (e.g. pdf) 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. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) 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 the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to Administrative Agent for further application in accordance with the provisions of Sections 2.17(d) and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of Administrative Agent, the Issuing Bank, and the Lenders, and (y) the Defaulting Lender shall provide promptly to Administrative Agent a statement describing in reasonable detail the amounts owing to such Defaulting Lender hereunder as to which it exercised such right of setoff. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.09. Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement 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 and any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement (i) irrevocably consents to service of process in the manner provided for notices in Section 9.01 and (ii) agrees that service as provided in the manner provided for notices in Section 9.01 is sufficient to confer personal jurisdiction over such party in any proceeding in any court and otherwise constitutes effective and binding service in every respect. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

**SECTION 9.10. WAIVER OF JURY TRIAL**. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**SECTION 9.11. Judgment Currency**. This is an international loan transaction in which the specification of Dollars or any Foreign Currency, as the case may be (the "Specified Currency"), and payment in New York City or the country of the Specified Currency, as the case may be (the "Specified Place"), is of the essence, and the Specified Currency shall be the currency of account in all events relating to Loans denominated in the Specified Currency. The payment obligations of the Borrower under this Agreement shall not be discharged or satisfied by an amount paid in another currency or in another place, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on conversion to the Specified Currency and transfer to the Specified Place under normal banking procedures does not yield the amount of the Specified Currency at the



Specified Place due hereunder. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Specified Currency into another currency (the “Second Currency”), the rate of exchange that shall be applied shall be the rate at which in accordance with normal banking procedures the Administrative Agent could purchase the Specified Currency with the Second Currency on the Business Day next preceding the day on which such judgment is rendered. The obligation of the Borrower in respect of any such sum due 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 Second Currency such Entitled Person may in accordance with normal banking procedures purchase and transfer to the Specified Place the Specified Currency with the amount of the Second Currency so adjudged to be due; and the Borrower hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify such Entitled Person against, and to pay such Entitled Person on demand, in the Specified Currency, the amount (if any) by which the sum originally due 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; No Fiduciary Duty; Confidentiality.

(a) Treatment of Certain Information. The Borrower acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrower or one or more of its Subsidiaries (in connection with this Agreement or otherwise) by any Lender or by one or more subsidiaries or affiliates of such Lender and the Borrower hereby authorizes each Lender to share any information delivered to such Lender by the Borrower and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any such subsidiary or affiliate, it being understood that any such subsidiary or affiliate receiving such information shall be bound by the provisions of paragraph (b) of this Section as if it were a Lender hereunder. Such authorization shall survive the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof. Each Lender shall use all information delivered to such Lender by the Borrower and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, in connection with providing services to the Borrower. The Administrative Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of the Borrower or any of its Subsidiaries, their stockholders and/or their affiliates. The Borrower, on behalf of itself and each of its Subsidiaries, agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrower or any of its Subsidiaries, its stockholders or its affiliates, on the other. The Borrower and each of its Subsidiaries each acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are

arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower and its Subsidiaries, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower or any of its Subsidiaries, any of their stockholders or affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower or any of its Subsidiaries, their stockholders or their affiliates on other matters) or any other obligation to the Borrower or any of its Subsidiaries except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of the Borrower or any of its Subsidiaries, their management, stockholders, creditors or any other Person. The Borrower and each of its Subsidiaries 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 of its Subsidiaries each agree that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower or any of its Subsidiaries, in connection with such transaction or the process leading thereto.

(b) Confidentiality. Each of the Administrative Agent, the Lenders, the Swingline Lender and the Issuing Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) 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, (vi) other than to any Person listed in the Prohibited Assignees and Participants Side Letter, subject to an agreement containing provisions substantially the same as those of this Section, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (vii) to any rating agencies and market data collectors on a confidential basis, (viii) with the consent of the Borrower or (ix) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

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, other than any such information that is available to the Administrative Agent any Lender or the Issuing Bank on a nonconfidential basis prior to disclosure by the Borrower or any of its Subsidiaries; provided that, in the case of information received from the Borrower or any of its Subsidiaries after the date hereof; 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 Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), it is required to obtain, verify and record information that identifies the Borrower and each other Obligor, which information includes the name and address of the Borrower and each other Obligor and other information that will allow such Lender to identify the Borrower and each other Obligor in accordance with said Act and the Beneficial Ownership Regulation.

SECTION 9.15. Effect of Amendment and Restatement of the Existing Agreement. On the Effective Date, the Existing Credit Agreement shall be amended and restated in its entirety. The parties hereto acknowledge and agree that (a) this Agreement and the other Loan Documents, whether executed and delivered in connection herewith or otherwise, do not constitute a novation or termination of the obligations for principal, interest or fees of the Borrower under the Existing Agreement as in effect immediately prior to the Effective Date and which remain outstanding; and (b) except for any of the Borrower's obligations under the Existing Credit Agreement which are expressly contemplated to be repaid on the Effective Date and to the extent are in fact so repaid, the obligations of the Borrower under the Existing Credit Agreement (as amended and restated hereby and which are on and after the date hereof subject to the terms herein) are in all respects continuing, and shall continue to be secured as provided in the Security Documents.

SECTION 9.16. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Solely to the extent any Lender that is an Affected Financial Institution is a party to this Agreement and 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 Lender 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 undertaking, 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 9.17. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Agreements or any other 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 9.17, the following terms have the following meanings:

(i) “BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

(ii) “Covered Entity” means any of the following:

(A) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(B) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(C) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

(iii) “Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 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).

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

PENNANTPARK INVESTMENT CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

DOCVARIABLE #DNDocID \\* MERGEFORMAT 748401849 152 *Second Amended and Restated  
Revolving Credit Agreement*

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TRUIST BANK, as Administrative Agent, Swingline Lender, Issuing Bank  
and a Lender

By: \_\_\_\_\_  
Name:  
Title:

DOCVARIABLE #DNDocID \\* MERGEFORMAT 748401849 153 *Second Amended and Restated  
Revolving Credit Agreement*

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JPMORGAN CHASE BANK, N.A., as a Lender

By: \_\_\_\_\_  
Name:  
Title:

DOCVARIABLE #DNDocID \\* MERGEFORMAT 748401849 154 *Second Amended and Restated  
Revolving Credit Agreement*

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**CERTIFICATION PURSUANT TO SECTION 302  
CHIEF EXECUTIVE OFFICER CERTIFICATION**

I, Arthur H. Penn, Chief Executive Officer of PennantPark Investment Corporation, certify that:

1. I have reviewed this Report on Form 10-Q of PennantPark Investment 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 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 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.

Dated: August 3, 2022

/s/ Arthur H. Penn

Name: Arthur H. Penn

Title: Chief Executive Officer

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**CERTIFICATION PURSUANT TO SECTION 302  
CHIEF FINANCIAL OFFICER CERTIFICATION**

I, Richard T. Allorto, Jr., Chief Financial Officer of PennantPark Investment Corporation, certify that:

1. I have reviewed this Report on Form 10-Q of PennantPark Investment 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 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 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.

Dated: August 3, 2022

/s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr.

Title: Chief Financial Officer

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with this Report on Form 10-Q for the three and nine months ended June 30, 2022 (the "Report") of PennantPark Investment Corporation (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Arthur H. Penn, Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (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 Registrant.

/s/ Arthur H. Penn

Name: Arthur H. Penn  
Title: Chief Executive Officer  
Date: August 3, 2022

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with this Report on Form 10-Q for the three and nine months ended June 30, 2022 (the "Report") of PennantPark Investment Corporation (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Richard T. Allorto, Jr., Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (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 Registrant.

/s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr.  
Title: Chief Financial Officer  
Date: August 3, 2022

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