

**CHARTER
of the AUDIT COMMITTEE
of the BOARD of DIRECTORS
of**

BLACKROCK CAPITAL INVESTMENT CORPORATION

**AS APPROVED BY THE BOARD OF DIRECTORS
(As amended March 2015)**

The Board of Directors (the “Board”) of BlackRock Capital Investment Corporation (the “Corporation”) has determined that the Audit Committee of the Board shall assist the Board in fulfilling certain of the Board’s oversight responsibilities. The Board hereby adopts this Charter to establish the governing principles of the Audit Committee and shall review and reassess the adequacy of this Charter on an annual basis.

I. Role of the Audit Committee

The role of the Audit Committee is to act on behalf of the Board in fulfilling the following responsibilities of the Board:

- A. To oversee all material aspects of the Corporation’s accounting and financial reporting processes, internal control and audit functions, except those that are specifically related to the responsibilities of another committee of the Board;
- B. To monitor the independence and performance of the Corporation’s independent registered public accounting firm;
- C. To provide a means for open communication among the Corporation’s independent registered public accounting firm, financial and senior management and the Board;
and
- D. To oversee compliance by the Corporation with legal and regulatory requirements.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct financial statement audits and audits of internal control over financial reporting or to determine that the Corporation’s financial statements are complete and accurate or are in accordance with generally accepted accounting principles. The responsibility to plan and conduct financial statement audits and audits of internal control over financial reporting is that of the Corporation’s independent registered public accounting firm. The Corporation’s management has the responsibility to determine that the Corporation’s financial statements are complete and accurate and in accordance with generally accepted accounting principles. Nor is it the duty of the Audit Committee to assure the Corporation’s compliance with laws and regulations. The primary responsibility for these matters also rests with the Corporation’s management.

II. Composition of the Audit Committee

- A. Each calendar year, at a meeting of the Board, the Board shall designate the members of the Audit Committee. Each member shall serve, subject to his or her earlier resignation or removal from the Audit Committee or his or her ceasing to be a director, until the next meeting for the designation of the members of the Audit Committee and until their successors are designated by the Board.
- B. The Audit Committee shall consist of at least three (3) members, but no more than six (6) members. The members of the Audit Committee shall meet the independence and experience requirements of the rules of the principal market or transaction reporting system on which the Corporation's securities are traded or quoted, Section 10A(m)(3) of the Securities Exchange Act of 1934 and the rules and regulations of the Securities and Exchange Commission (the "SEC").

III. Meetings and Procedures of the Audit Committee

The Audit Committee shall fix its own rules of procedure, which shall be consistent with the Certificate of Incorporation of the Corporation (or other charter document of the Corporation), the Bylaws of the Corporation and this Audit Committee Charter. The Audit Committee shall meet as provided by its rules, which shall be at least once a quarter or more frequently as circumstances may require. The chairperson of the Audit Committee or a majority of the members of the Audit Committee may also call a special meeting of the Audit Committee.

A majority of the members of the Audit Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other shall constitute a quorum. The Audit Committee may also take action by the written consent, if the number of Directors required for approval of such action at a meeting of Directors consent to the action in writing and the written consents are filed with the records of meetings of the Audit Committee, unless otherwise required by applicable law.

The Audit Committee may form subcommittees for any purpose that the Audit Committee deems appropriate and may delegate to such subcommittees such power and authority as the Audit Committee deems appropriate.

The Audit Committee may request that any directors, officers or employees of the Corporation, or other persons whose advice and counsel are sought by the Audit Committee, attend any meeting of the Audit Committee to provide such pertinent information as the Audit Committee requests.

The Audit Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Corporation and delivered to the Board, including a description of all actions taken by the Audit Committee at the meeting.

The Audit Committee shall be responsible for meeting with the independent registered public accounting firms at their request to discuss the interim financial statements. The Audit Committee shall meet privately with the independent registered public accounting firm at least annually in a separate executive session.

IV. Responsibilities of the Audit Committee

The Audit Committee shall assist the Board in overseeing the Corporation's financial and operating reporting practices, internal controls and compliance with laws and regulations.

Specifically, the Audit Committee shall have the responsibility with respect to:

A. The Corporation's Risks and Control Environment:

- To discuss with the Corporation's management and independent registered public accounting firm the integrity of the Corporation's financial reporting processes and controls, particularly the controls in areas representing significant financial and business risks; and
- To investigate and follow up on any matters brought to its attention within the scope of its duties.

B. The Corporation's Independent Registered Public Accounting Firm:

- The Audit Committee shall have the sole authority to appoint or replace the independent registered public accounting firm (subject, to ratification by the Board). The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent registered public accounting firm (including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent registered public accounting firm shall report directly to the Audit Committee;
- To ensure that the Audit Committee receives annually from the Corporation's independent registered public accounting firm a formal written statement delineating all relationships between the independent registered public accounting firm and the Corporation, as required by applicable requirements of the Public Company Accounting Oversight Board for independent auditor communications with Audit Committees concerning independence, to actively engage in a dialogue with the independent registered public accounting firm about any relationships between the independent registered public accounting firm and the Corporation or any services that the independent registered public accounting firm provide or propose to provide that may affect the objectivity and independence of the independent registered public accounting firm and to take, or recommend that the Board take, any appropriate action to oversee the independence of the independent registered public accounting firm;

- The Audit Committee shall establish guidelines similar to those set forth in Annex A relating to the Corporation’s hiring of employees or former employees of the independent registered public accounting firm who participated in any capacity in the audit of the Corporation.
- The Audit Committee shall establish policies or procedures similar to those set forth in Annex B to pre-approve all auditing services and permitted non-audit services (including fees and terms thereof) (the “Covered Services”) to be performed for the Corporation by its independent registered public accounting firm. The Audit Committee may form and delegate authority to the Chairman of the Audit Committee or subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of the Chairman or such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting; and
- To ensure the rotation of the lead (or coordinating) audit partner (or, if required by the rules and regulations of the SEC, other employees of the independent registered public accounting firm) having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.

C. The Corporation’s Financial Reporting Process:

- To oversee the Corporation’s selection of and major changes to its accounting policies;
- To meet with the Corporation’s independent registered public accounting firm and financial management both to discuss the proposed scope of the audit and to discuss the conclusions of the audit, including any items that the independent registered public accounting firm are required by generally accepted auditing standards to discuss with the Audit Committee, such as, any significant changes to the Corporation’s accounting policies, the integrity of the Corporation’s financial reporting process, any proposed changes or improvements in financial, accounting or auditing practices, and any other matters that the independent auditors are required to communicate to the Audit Committee pursuant to Auditing Standard 16, *Communications with Audit Committees*;
- To discuss with the Corporation’s financial management and independent registered public accounting firm the Corporation’s annual results and, when appropriate, the interim results before they are made public;
- To review with management and the independent registered public accounting firm, prior to the filing of an audit report with the SEC, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accounting firm;

- To review with management and the independent registered public accounting firm, prior to the filing of an audit report with the SEC, material written communications between the independent registered public accounting firm and management, such as any management letter or schedule of unadjusted differences;
- Review disclosures made to the Audit Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls;
- To review with the independent registered public accounting firm, prior to the filing of an audit report with the SEC, all critical accounting policies and practices to be used;
- To review and discuss with the Corporation's financial management and independent registered public accounting firm the Corporation's audited financial statements including qualitative judgments, appropriateness of accounting principles (old and new), financial disclosure practices, and any observations regarding the quality of accounting principles and underlying estimates and, when appropriate, the Corporation's interim financial statements, before they are made public;
- To recommend to the Board whether the annual or quarterly financial statements, as applicable, should be included in the Corporation's Annual Report on Form 10-K or Quarterly Reports on Form 10-Q; and
- To issue for public disclosure by the Corporation the report required by the rules of the SEC.

D. The Corporation's Fair Value Procedures

- In accordance with the Corporation's Portfolio Pricing Practices with respect to investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value, to review and provide comments (if any) to management and independent valuation firms regarding the preliminary valuation conclusions provided by such independent valuation firms.

E. Other Matters

- To review and reassess the adequacy of this charter on an annual basis and recommend any proposed changes to the Board for its approval;
- To report annually to the Corporation's stockholders on certain auditing matters, as required by the rules and regulations of the SEC, as they may be amended from

time to time. Such report will be included in the Corporation's annual proxy statement;

- To review reports and any financial information submitted by the Corporation to a government body or the public;
- To report to the Board the matters discussed at each meeting of the Audit Committee;
- Administer the procedures set forth in Annex C relating to the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees or any other provider of accounting related services of concerns regarding questionable accounting or auditing matters;
- To keep an open line of communication with the financial and senior management and the independent registered public accounting firm and the Board;
- To review in advance and approve any "related party" transaction, or series of similar transactions, to which the Corporation or any of its subsidiaries was or is to be a party, in which the amount involved exceeds \$120,000 and in which such related party had, or will have, a direct or indirect material interest. For purposes of this item, a "related party" includes any director or executive officer of the Corporation, any nominee for election as a director, any security holder who is known to the Corporation to own of record or beneficially more than five percent of any class of the Corporation's voting securities, and any member of the immediate family¹ of any of the foregoing persons. The materiality of any interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case; and
- To take such other actions as the Audit Committee deems necessary or desirable to fulfill its purpose described above.

V. Evaluation of the Audit Committee

The Audit Committee shall, on an annual basis, evaluate its performance under this Audit Committee Charter. In conducting this review, the Audit Committee shall evaluate whether this Audit Committee Charter appropriately addresses the matters that are or should be within its scope. The Audit Committee shall address all matters that the Audit Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Audit Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of

¹ A person's immediate family shall include such person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, and brothers and sisters-in-law.

meetings of the Audit Committee were adequate for the Audit Committee to complete its work in a thorough and thoughtful manner.

The Audit Committee shall report to the Board on the results of its evaluation, including any recommended amendments to this Audit Committee Charter, and any recommended changes to the Corporation's or the Board's policies or procedures. This report may be written or oral.

VI. Advisors/Funding

In discharging its duties hereunder, the Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of such compensation as is determined by the Audit Committee to the independent registered public accounting firm and to any other advisors employed by the Audit Committee. The Corporation shall also provide funding for any other functions or initiatives undertaken by the Audit Committee.

Amended: March 2015

Annex A

Hiring Guidelines for Independent Registered Public Accounting Firm Employees

The Audit Committee has adopted the following practices regarding the hiring by the Corporation of any employee of its independent registered public accounting firm who participated in any capacity in the audit of the Corporation.

1. No member of the audit team that is auditing the Corporation can be hired by the Corporation in a financial reporting oversight role (as defined in the SEC's Regulation S-X) for a period of 1 year following the completion of the audit for which that individual was a member of the audit team.
2. The Corporation's Chief Financial Officer shall report annually to the Audit Committee the profile of the preceding year's hires from the independent registered public accounting firm.

Annex B

Audit Committee Pre-Approval Policy

Statement of Principles

The Audit Committee of the Board of Directors of the Corporation is required to pre-approve all Covered Services (as defined in this Charter) in order to assure that the provision of the Covered Services does not impair the auditors' independence. Unless a type of service to be provided by the independent accountant is pre-approved in accordance with the terms of this Audit Committee Pre-Approval Policy (the "Policy"), it will require specific pre-approval by the Audit Committee or by any member of the Audit Committee to which pre-approval authority has been delegated.

This Policy and the appendices to this Policy describe the Audit, Audit-Related, Tax and All Other services that are Covered Services and that have been pre-approved under this Policy. The appendices hereto sometimes are referred to herein as the "Service Pre-Approval Documents". The term of any such pre-approval is 12 months from the date of pre-approval, unless the Audit Committee specifically provides for a different period. Each calendar year, at a meeting of the Board, the Audit Committee will review and re-approve this Policy and approve or re-approve the Service Pre-Approval Documents for that year, together with any changes deemed necessary or desirable by the Audit Committee. The Audit Committee may, from time to time, modify the nature of the services pre-approved, the aggregate level of fees pre-approved or both. The Audit Committee hereby directs that each version of this Policy and the Service Pre-Approval Documents approved, re-approved or amended from time to time be maintained with the books and records of the Corporation.

Delegation

In the intervals between the scheduled meetings of the Audit Committee, the Audit Committee delegates pre-approval authority under this Policy to the Chairman of the Audit Committee (the "Chairman"). The Chairman shall report any pre-approval decisions under this Policy to the Audit Committee at its next scheduled meeting. At each scheduled meeting, the Audit Committee will review with the independent accountant the Covered Services pre-approved by the Chairman pursuant to delegated authority, if any, and the fees related thereto. Based on these reviews, the Audit Committee can modify, at its discretion, the pre-approval originally granted by the Chairman pursuant to delegated authority. This modification can be to the nature of services pre-approved, the aggregate level of fees approved, or both. The Audit Committee expects pre-approval of Covered Services by the Chairman pursuant to this delegated authority to be the exception rather than the rule and may modify or withdraw this delegated authority at any time the Audit Committee determines that it is appropriate to do so.

Pre-Approved Fee Levels

Fee levels for all Covered Services to be provided by the independent accountant and pre-approved under this Policy will be established annually by the Audit Committee and set forth in the Service Pre-Approval Documents. Any increase in pre-approved fee levels will require specific pre-approval by the Audit Committee (or the Chairman pursuant to delegated authority).

Audit Services

The terms and fees of the annual Audit services engagement for the Corporation are subject to the specific pre-approval of the Audit Committee. The Audit Committee will approve, if necessary, any changes in terms, conditions or fees resulting from changes in audit scope, Corporation structure or other matters.

In addition to the annual Audit services engagement specifically approved by the Audit Committee, any other Audit services for the Corporation not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

Audit-Related Services

Audit-Related services are assurance and related services that are not required for the audit, but are reasonably related to the performance of the audit or review of the financial statements of the Corporation or that are traditionally performed by the independent accountant. Audit-Related services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

Tax Services

The Audit Committee believes that the independent accountant can provide Tax services to the Corporation such as tax compliance, tax planning and tax advice without impairing the auditor's independence. However, the Audit Committee will not permit the retention of the independent accountant in connection with a transaction initially recommended by the independent accountant, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code of 1986 and related regulations. Tax services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

All Other Services

All Other services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

Procedures

Requests or applications to provide Covered Services that require approval by the Audit Committee (or the Chairman pursuant to delegated authority) must be submitted to the Audit Committee or the Chairman, as the case may be, by both the independent accountant and the Chief Financial Officer of the respective Covered Entity, and must include a joint statement as to whether, in their view, (a) the request or application is consistent with the SEC's rules on auditor independence and (b) the requested service is or is not a non-audit service prohibited by the SEC. A request or application submitted to the Chairman between scheduled meetings of the Audit

Committee should include a discussion as to why approval is being sought prior to the next regularly scheduled meeting of the Audit Committee.

Appendix B

Dated: April 2015

Pre-Approved Audit-Related Services for the Period from [] 2015 through [] 2016

<u>Service</u>	<u>Range of Fees</u>
[Attest services not required by statute or regulation]	[\$[]]
[Overhead and out of pocket.]	[\$[]]

Appendix C

Dated: April 2015

Pre-Approved Tax Services for the Period from [] 2015 through [] 2016

<u>Service</u>	<u>Range of Fees</u>
[Federal, state and local income and excise tax return preparation and related advice and planning.]	[\$[]]
[Misc tax advice (e.g. providing tax treatment on securities, registration statement review)]	[\$[]]
	[\$[]]
	[\$[]]
.	[\$[]]

Appendix D

Dated: April 2015

Pre-Approved All Other Services for Fiscal Year []

<u>Service</u>	<u>Range of Fees</u>
[None.]	

Annex C

Procedures for the Submission of Complaints or Concerns Regarding Financial Statement Disclosures, Accounting, Internal Accounting Controls or Auditing Matters

1. The Corporation shall forward to the Audit Committee of the Board of Directors any complaints or concerns that it has received regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
2. The Corporation shall establish and publish on its website an e-mail address for receiving complaints or concerns related to financial statement disclosures, accounting, internal accounting controls or auditing matters.
3. Any employee of the Corporation or any other provider of accounting related services may submit, on a confidential, anonymous basis if the employee so desires, any concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters by setting forth such concerns in writing and forwarding them in a sealed envelope to the Chairperson of the Audit Committee, in care of the Corporate Secretary, such envelope to be labeled with a legend such as: "To be opened by the Audit Committee only." Employees may deposit such envelope in the Corporation's internal mail system or deliver it by hand to the Corporate Secretary. If an employee would like to discuss any matter with the Audit Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate.
4. The Audit Committee shall review and consider any such complaints and concerns that it has received and take any action that it deems appropriate in order to respond thereto.
5. The Audit Committee may request special treatment for any complaint or concern, including the retention of outside counsel or other advisors.
6. The Audit Committee shall retain any such complaints or concerns for a period of no less than 5 years.
7. The Corporation's Code of Business Conduct and Ethics prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve business conduct or ethical concerns.