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

FORM 8-K

CURRENT REPORT
Pursuant to section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 9, 2015 (March 6, 2015)

BLACKROCK CAPITAL INVESTMENT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

814-00712
(Commission
File Number)

20-2725151
(IRS Employer
Identification Number)

40 East 52nd Street
New York, NY 10022
(Address of principal executive offices)

(212) 810-5800
(Registrant's telephone number, including area code)

BlackRock Kelso Capital Corporation
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On November 6, 2014, the Registrant announced that BlackRock Advisors, LLC (the "New Advisor") had entered into a definitive agreement with BlackRock Kelso Capital Advisors LLC, the previous investment adviser to the Registrant (the "Prior Advisor"), to acquire substantially all of the business of the Prior Advisor (the "Transaction").

In connection with the Transaction, the Registrant entered into a new investment management agreement with the New Advisor, effective as of March 6, 2015 (the "New Agreement"), to allow the New Advisor to serve as investment adviser to the Registrant following the closing of the Transaction, which occurred on March 6, 2015. The New Agreement was approved by stockholders of the Registrant on February 18, 2015.

The New Agreement may be terminated by either party on 60 days' written notice. The New Agreement will continue in effect for an initial period of two years and thereafter will continue in effect from year to year if such continuance is approved for the Registrant at least annually by both (a) the vote of a majority of the Registrant's board of directors (the "Board") or the vote of a majority of the Registrant's outstanding voting securities and (b) the vote of a majority of the Board who are not interested persons (as defined in the Investment Company Act of 1940).

The material terms of the New Agreement, including the fees payable by the Registrant thereunder, are substantially identical to those of the Prior Agreement, except that, following the second anniversary of the effective date of the New Agreement, (a) the base management fee will be reduced from 2.00% of the Registrant's total assets to 1.75% of the Registrant's total assets, excluding cash, and (b) the incentive fee will be changed in a manner that would (i) reduce the "hurdle rate" required for the New Advisor to earn, and be paid, the incentive fee, (ii) adjust the related "catch-up" provision, (iii) adjust the period over which the incentive fee based on income is based, (iv) eliminate the off-set of any net unrealized capital depreciation during such period in respect of the incentive fee based on income and (v) introduce a deferral feature on the income portion of the incentive fee during periods when our total return does not equal or exceed the hurdle rate.

A more detailed description of the terms of the New Agreement, including the changes to the fee structure that will become effective following the second anniversary of the effective date, was previously reported on the Registrant's Definitive Proxy Statement filed with the Securities Exchange Commission on December 23, 2014. A copy of the New Agreement is filed with this Current Report on Form 8-K as Exhibit 99.1 hereto.

ITEM 1.02. TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT.

As disclosed in Item 1.01 above, as a result of the closing of the Transaction, the prior investment management agreement between the Registrant and the Prior Advisor (the "Prior Agreement") automatically terminated as of March 6, 2015 pursuant to its terms. The description of the Transaction and the Prior Agreement set forth in Item 1.01 is hereby incorporated by reference. No material termination penalties were incurred by the Registrant in connection with the automatic termination of the Prior Agreement.

ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

In connection with the Transaction disclosed in Item 1.01 above, two executive officers of the Registrant have stepped down from their positions, effective as of March 6, 2015.

James R. Maher, Chief Executive Officer and Chairman of the Board of Directors of the Registrant, resigned from his positions as Chief Executive Officer and Chairman of the Board. Mr. Maher will continue to serve on the Registrant's Board of Directors and will provide services to the Registrant pursuant to a transition consulting agreement with the New Advisor for one year following the closing date of the Transaction.

Michael B. Lazar, the Chief Operating Officer and a director of the Registrant, resigned from both of his positions with the Registrant. Mr. Lazar has agreed to provide services to the Registrant pursuant to a transition consulting agreement with the New Advisor for up to three months following the closing date of the Transaction.

In addition, in connection with the Transaction, Steven Sterling, a Managing Director of BlackRock, Inc. and the New Advisor, has been appointed by the Board as Chief Executive Officer and Chairman of the Board of Directors of the Registrant, also effective as of March 6, 2015, the closing date of the Transaction. Mr. Sterling was appointed as a Class I Director of the Registrant by the Board and will serve until the Registrant's 2017 Annual Meeting of Stockholders and until his successor is duly elected and qualifies or until his earlier resignation, removal from office, death or incapacity.

Biographical information for Messrs. Sterling, Maher and Lazar may be found in the Registrant's Definitive Proxy Statement filed with the Securities Exchange Commission on December 23, 2014.

ITEM 5.03. AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR.

In connection with the Transaction described in Item 1.01 above, the Registrant changed its name from BlackRock Kelso Capital Corporation to BlackRock Capital Investment Corporation. The Registrant amended its certificate of incorporation and its bylaws, both effective as of March 6, 2015, for the sole purpose of effectuating the name change. The amended certificate of incorporation and bylaws are filed with this Current Report on Form 8-K as Exhibits 99.2 and 99.3 hereto, respectively.

ITEM 8.01. REGULATION FD DISCLOSURE.

The Registrant issued a press release, filed herewith as Exhibit 99.4, and by this reference incorporated herein, on March 6, 2015 announcing the completion of the Transaction pursuant to which the New Advisor acquired substantially all of the business of the Prior Advisor and following the completion of which the New Advisor will serve as investment adviser to the Registrant.

The information disclosed under this Item 7.01, including Exhibit 99.4 hereto, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|---|
| 99.1 | Investment Management Agreement, by and between BlackRock Capital Investment Corporation and BlackRock Advisors, LLC, dated as of March 6, 2015 |
| 99.2 | Certificate of Incorporation of BlackRock Capital Investment Corporation, as amended |
| 99.3 | Amended and Restated Bylaws of BlackRock Capital Investment Corporation |
| 99.4 | Press Release, dated as of March 6, 2015 |

SIGNATURE

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

BLACKROCK KELSO CAPITAL CORPORATION

Date: March 9, 2015

By: /s/ Corinne Pankovcin

Name: Corinne Pankovcin

Title: Chief Financial Officer

EXHIBIT INDEX

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INVESTMENT MANAGEMENT AGREEMENT

INVESTMENT MANAGEMENT AGREEMENT (this “Agreement”), dated as of March 6, 2015, between BlackRock Capital Investment Corporation, a Delaware corporation (the “BDC”), and BlackRock Advisors, LLC, a Delaware limited liability company (the “Advisor”).

WHEREAS, Advisor has agreed to furnish investment advisory services to the BDC, a closed-end management company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the “1940 Act”);

WHEREAS, this Agreement has been approved in accordance with the provisions of the 1940 Act, and the Advisor is willing to furnish such services upon the terms and conditions herein set forth;

NOW, THEREFORE, in consideration of the mutual premises and covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, it is agreed by and between the parties hereto as follows:

1. In General. The Advisor agrees, all as more fully set forth herein, to act as investment advisor to the BDC with respect to the investment of the BDC’s assets and to supervise and arrange for the day-to-day operations of the BDC and the purchase of securities for and the sale of securities held in the investment portfolio of the BDC.

2. Duties and Obligations of the Advisor with Respect to Investment of Assets of the BDC.

(a) Subject to the succeeding provisions of this paragraph and subject to the direction and control of the BDC’s Board of Directors, the Advisor shall (i) act as investment advisor for and supervise and manage the investment and reinvestment of the BDC’s assets and in connection therewith have complete discretion in purchasing and selling securities and other assets for the BDC and in voting, exercising consents and exercising all other rights appertaining to such securities and other assets on behalf of the BDC; (ii) supervise continuously the investment program of the BDC and the composition of its investment portfolio; (iii) arrange, subject to the provisions of Section 3(b) hereof, for the purchase and sale of securities and other assets held in the investment portfolio of the BDC; and (iv) oversee the administration of all aspects of the BDC’s business and affairs and provide, or arrange for others whom it believes to be competent to provide, certain services as specified in paragraph (b) below. Nothing contained herein shall be construed to restrict the BDC’s right to hire its own employees or to contract for administrative services to be performed by third parties, including but not limited to, the calculation of the net asset value of the BDC’s shares.

(b) Except to the extent provided for directly by the BDC, the specific services to be provided or arranged for by the Advisor for the BDC pursuant to paragraph (a)(iv) above are (i) maintaining the BDC's books and records, to the extent not maintained by the BDC's custodian, transfer agent and dividend disbursing agent in accordance with applicable laws and regulations; (ii) initiating all money transfers to the BDC's custodian and from the BDC's custodian for the payment of the BDC's expenses, investments and dividends; (iii) reconciling account information and balances among the BDC's custodian, transfer agent and dividend disbursing agent; (iv) preparing all governmental filings by the BDC and all reports by the BDC to its shareholders; (v) supervising the calculation of the net asset value of the BDC's shares; and (vi) preparing notices and agendas for meetings of the BDC's shareholders and the BDC's Board of Directors as well as minutes of such meetings in all matters required by applicable law to be acted upon by the Board of Directors.

(c) In the performance of its duties under this Agreement, the Advisor shall at all times use all reasonable efforts to conform to, and act in accordance with, any requirements imposed by (i) the provisions of the 1940 Act, and of any rules or regulations in force thereunder; (ii) any other applicable provision of law; (iii) the provisions of the Certificate of Incorporation and the By-Laws of the BDC, as such documents are amended from time to time; (iv) the investment objectives, policies and restrictions applicable to the BDC as set forth in the BDC's Registration Statement on Form N-2 (the "Registration Statement"); and (v) any policies and determinations of the Board of Directors of the BDC.

(d) The Advisor will seek to provide qualified personnel to fulfill its duties hereunder and, except as set forth in the following sentence, will bear all costs and expenses incurred in connection with its investment advisory duties thereunder. The BDC shall reimburse the Advisor for all direct and indirect cost and expenses incurred by the Advisor (i) for office space rental, office equipment and utilities allocable to performance of investment advisory and non investment advisory administrative or operating services hereunder by the Advisor and (ii) allocable to any non-investment advisory administrative or operating services provided by the Advisor hereunder, including salaries, bonuses, health insurance, retirement benefits and all similar employment costs, such as office equipment and other overhead items. All allocations made pursuant to this paragraph (d) shall be made pursuant to allocation guidelines approved from time to time by the Board of Directors. The BDC shall also be responsible for the payment of all the BDC's other expenses, including (i) payment of the fees payable to the Advisor under Section 8 and Section 9 hereof; (ii) organizational expenses; (iii) brokerage fees and commissions; (iv) taxes; (v) interest charges on borrowings; (vi) the cost of liability insurance or fidelity bond coverage for the BDC's officers and employees, and directors' and officers' errors and omissions insurance coverage; (vii) legal, auditing and accounting fees and expenses; (viii) charges of the BDC's administrator (if any), custodian, transfer agent and dividend disbursing agent and any other service providers; (ix) the BDC's dues, fees and charges of any trade association of which the BDC is a member; (x) the expenses of printing, preparing and mailing proxies, stock certificates, reports, prospectuses, registration statements and other documents used by the BDC; (xi) expenses of registering and offering securities of the BDC under

applicable law; (xii) the expenses of holding shareholder meetings; (xiii) the compensation, including fees, of any of the BDC's directors, officers or employees who are not affiliated persons of the Advisor; (xiv) all expenses of computing the BDC's net asset value per share; (xv) litigation and indemnification and other extraordinary or non recurring expenses; and (xvi) all other non investment advisory expenses of the BDC.

(e) The Advisor shall give the BDC the benefit of its professional judgment and effort in rendering services hereunder, but neither the Advisor nor any of its officers, directors, employees, agents or controlling persons shall be liable for any act or omission or for any loss sustained by the BDC in connection with the matters to which this Agreement relates, except a loss resulting from willful misfeasance, bad faith or gross negligence in the performance of its duties, or by reason of its reckless disregard of its obligations and duties under this Agreement; provided, however, that the foregoing shall not constitute a waiver of any rights which the BDC may have which may not be waived under applicable law.

3. Covenants. (a) In the performance of its duties under this Agreement, the Advisor shall at all times conform to, and act in accordance with, any requirements imposed by: (i) the provisions of the 1940 Act and the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and all applicable Rules and Regulations of the Securities and Exchange Commission (the "SEC"); (ii) any other applicable provision of law; (iii) the provisions of the Certificate of Incorporation and By-Laws of the BDC, as such documents are amended from time to time; (iv) the investment objectives and policies of the BDC as set forth in its Registration Statement; and (v) any policies and determinations of the Board of Directors of the BDC.

(b) In addition, the Advisor will:

(i) place orders either directly with the issuer or with any broker or dealer. Subject to the other provisions of this paragraph, in placing orders with brokers and dealers, the Advisor will attempt to obtain the best price and the most favorable execution of its orders. In placing orders, the Advisor will consider the experience and skill of the firm's securities traders as well as the firm's financial responsibility and administrative efficiency. Consistent with this obligation, the Advisor may select brokers on the basis of the research, statistical and pricing services they provide to the BDC and other clients of the Advisor. Information and research received from such brokers will be in addition to, and not in lieu of, the services required to be performed by the Advisor hereunder. A commission paid to such brokers may be higher than that which another qualified broker would have charged for effecting the same transaction, provided that the Advisor determines in good faith that such commission is reasonable in terms either of the transaction or the overall responsibility of the Advisor to the BDC and its other clients and that the total commissions paid by the BDC will be reasonable in relation to the benefits to the BDC over the long term. In addition, the Advisor is authorized to take into account the sale of shares of the BDC in allocating purchase and sale orders for portfolio securities to brokers or dealers (including brokers and dealers that are affiliated with the Advisor), provided that

the Advisor believes that the quality of the transaction and the commission are comparable to what they would be with other qualified firms. In no instance, however, will the BDC's securities be purchased from or sold to the Advisor, or any affiliated person thereof, except to the extent permitted by the SEC or by applicable law;

(ii) maintain a policy and practice of conducting its investment advisory services hereunder independently of the commercial banking operations of its affiliates. When the Advisor makes investment recommendations for the BDC, its investment advisory personnel will not inquire or take into consideration whether the issuer of securities proposed for purchase or sale for the BDC's account are customers of the commercial department of its affiliates; and

(iii) treat confidentially and as proprietary information of the BDC all records and other information relative to the BDC, and the BDC's prior, current or potential shareholders, and will not use such records and information for any purpose other than performance of its responsibilities and duties hereunder, except after prior notification to and approval in writing by the BDC, which approval shall not be unreasonably withheld and may not be withheld where the Advisor may be exposed to civil or criminal contempt proceedings for failure to comply, when requested to divulge such information by duly constituted authorities, or when so requested by the BDC.

4. Services Not Exclusive. Nothing in this Agreement shall prevent the Advisor or any officer, employee or other affiliate thereof from acting as investment advisor for any other person, firm or corporation, or from engaging in any other lawful activity, and shall not in any way limit or restrict the Advisor or any of its officers, employees or agents from buying, selling or trading any securities for its or their own accounts or for the accounts of others for whom it or they may be acting; provided, however, that the Advisor will undertake, and will cause its employees to undertake, no activities which, in its judgment, will adversely affect the performance of the Advisor's obligations under this Agreement.

5. Books and Records. In compliance with the requirements of Rule 31a-3 under the 1940 Act, the Advisor hereby agrees that all records which it maintains for the BDC are the property of the BDC and further agrees to surrender promptly to the BDC any such records upon the BDC's request. The Advisor further agrees to preserve for the periods prescribed by Rule 31a-2 under the 1940 Act the records required to be maintained by Rule 31a-1 under the 1940 Act.

6. Agency Cross Transactions. From time to time, the Advisor or brokers or dealers affiliated with it may find themselves in a position to buy for certain of their brokerage clients (each an "Account") securities which the Advisor's investment advisory clients wish to sell, and to sell for certain of their brokerage clients securities which advisory clients wish to buy. Where one of the parties is an advisory client, the Advisor or the affiliated broker or dealer cannot participate in this type of transaction

(known as a cross transaction) on behalf of an advisory client and retain commissions from one or both parties to the transaction without the advisory client's consent. This is because in a situation where the Advisor is making the investment decision (as opposed to a brokerage client who makes his own investment decisions), and the Advisor or an affiliate is receiving commissions from both sides of the transaction, there is a potential conflicting division of loyalties and responsibilities on the Advisor's part regarding the advisory client. The SEC has adopted a rule under the Advisers Act, which permits the Advisor or its affiliates to participate on behalf of an Account in agency cross transactions if the advisory client has given written consent in advance. By execution of this Agreement, the BDC authorizes the Advisor or its affiliates to participate in agency cross transactions involving an Account. The BDC may revoke its consent at any time by written notice to the Advisor.

7. Expenses. During the term of this Agreement, the Advisor will bear all costs and expenses of its employees and any overhead incurred in connection with its duties hereunder and shall bear the costs of any salaries or Directors' fees of any officers or Directors of the BDC who are affiliated persons (as defined in the 1940 Act) of the Advisor; provided that the Board of Directors of the BDC may approve reimbursement to the Advisor of the pro rata portion of the salaries, bonuses, health insurance, retirement benefits and all similar employment costs for the time spent on BDC operations (other than the provision of investment advice and administrative services required to be provided hereunder) of all personnel employed by the Advisor who devote substantial time to BDC operations or the operations of other investment companies advised by the Advisor.

8. Compensation of the Advisor During the First Two Years of this Agreement.

(a) From the date of this Agreement until the second anniversary of this Agreement, the provisions of this Section 8 shall apply with respect to the compensation of the Advisor.

(b) The Advisor, for its services to the BDC, will be entitled to receive a management fee (the "Management Fee") from the BDC. The Management Fee will be calculated at an annual rate of 2.00% of total assets. The Management Fee will be paid quarterly in arrears based on the asset valuation as of the end of the prior quarter.

(c) For purposes of this Agreement, the assets and net assets of the BDC shall be calculated pursuant to the procedures adopted by resolutions of the Directors of the BDC for calculating the value of the BDC's assets or delegating such calculations to third parties.

(d) The Advisor will be entitled to receive additional compensation (the “Incentive Fee”) if performance of the BDC exceeds the Hurdle during each Trailing Four Quarter Period (which will apply only to the portion of the Incentive Fee based on income) and each Annual Period (which will apply only to the portion of the Incentive Fee based on capital gains), as follows:

(i) *Incentive Fee Based on Income.*

(A) The portion of the Incentive Fee based on income will be calculated separately for each Trailing Four Quarter Period. For each such period, the Advisor will be entitled to receive an Incentive Fee based on the amount by which (1) aggregate distributions and amounts distributable out of taxable net income (excluding any capital gain and loss) during the period less, as applicable (x) the amount, if any, by which net unrealized capital depreciation during the period exceeds net realized capital gains during the period or (y) the amount, if any, equal to the sum of net unrealized capital depreciation during the period plus net realized capital loss during the period exceeds (2) the Hurdle for the period. The amount of the excess of (1) over (2) described in this paragraph (A) for each period shall be referred to as the “Excess Income Amount”.

(B) The portion of the Incentive Fee based on income for each period will equal 50% of the period’s Excess Income Amount, until the cumulative Incentive Fee payments for the period equals 20% of the aggregate distributions and amounts distributable out of taxable net income (excluding any capital gain and loss) for the period less, as applicable (x) the amount, if any, by which net unrealized capital depreciation during the period exceeds net realized capital gains during the period or (y) the amount, if any, equal to the sum of net unrealized capital depreciation during the period plus net realized capital loss during the period. Thereafter, the portion of the Incentive Fee based on income for the period will equal an amount such that the cumulative Incentive Fee payments to the Advisor during the period based on income equals 20% of the period’s Excess Income Amount. The portion of the Incentive Fee based on income will be paid on a quarterly basis during each Trailing Four Quarter Period and will be reduced for each quarter in a period (other than the first quarter of each period) by the amount of the Incentive Fee based on income paid in respect of each earlier quarter in the respective period.

(ii) *Incentive Fee Based on Capital Gains.*

(A) The portion of the Incentive Fee based on capital gains will be calculated separately for each Annual Period. For each such period, the Advisor will be entitled to receive an Incentive Fee based on the amount by which (1) the BDC’s net realized capital gains occurring during the period, if any, exceeds (2) the sum of (x) its unrealized capital depreciation, if any, occurring during the period and (y) the amount, if any, by which the Hurdle for the period exceeds the amount of income used in determination of the portion of the Incentive Fee based on income for the period. The amount of the excess of (1) over (2) described in this paragraph (A) shall be referred to as the “Excess Gain Amount”.

(B) The portion of the Incentive Fee based on capital gains for each period will equal 50% of the period's Excess Gain Amount, until such payments equal 20% of the BDC's net realized capital gains occurring during the period, if any, less the BDC's unrealized capital depreciation, if any, occurring during the period. Thereafter, the portion of the Incentive Fee based on capital gains for the period will equal an amount such that the portion of the Incentive Fee payments to the Advisor based on capital gains for the period will equal 20% of the period's Excess Gain Amount. The portion of the Incentive Fee based on capital gains will be calculated and paid on an annual basis for each Annual Period.

(iii) In calculating the portion of the Incentive Fee based on capital gains payable for any period, the BDC's investments shall be accounted for on a security-by-security basis. In addition, the portion of the Incentive Fee based on capital gains will be determined using the "period-to-period" method pursuant to which the portion of the Incentive Fee based on capital gains for any period will be based on realized capital gains for the period reduced by realized capital losses and unrealized capital depreciation for the period.

(iv) The calculation of the Incentive Fee described above in this Section 8(d) is illustrated in the examples attached to this Agreement in Annex A. In the event of a conflict between the language above and the examples, the examples shall prevail.

(v) Notwithstanding anything else set forth herein, the Incentive Fee shall not include any amounts of capital gain that would violate Section 205(b)(3) of the Advisers Act as interpreted from time to time by the SEC or its staff.

(e) For purposes of Section 8(d), the following terms shall have the meanings ascribed to them below:

(i) "Annual Period" means the period beginning on July 1 of each calendar year and ending on June 30 of the next calendar year;

(ii) "Hurdle" for any period means the product of 2% times the sum of the net asset values of the BDC attributable to its common shares as of the beginning of each calendar quarter during the respective period calculated after giving effect to any distributions paid in respect of the BDC's common shares during that period; and

(iii) "Trailing Four Quarter Period" means the four quarter period ending on the last day of each subsequent calendar quarter.

9. Compensation of the Advisor Following the Second Anniversary of this Agreement.

(a) Following the second anniversary of this Agreement, the provisions of this Section 9 shall apply with respect to the compensation of the Advisor.

(b) The Advisor, for its services to the BDC, will be entitled to receive a Management Fee from the BDC. The Management Fee will be calculated at an annual rate of 1.75% of total assets, excluding cash. The Management Fee will be paid quarterly in arrears based on the asset valuation as of the end of the prior quarter and will be prorated for any period of less than a quarter.

(c) For purposes of this Agreement, the assets and net assets of the BDC shall be calculated pursuant to the procedures adopted by resolutions of the Directors of the BDC for calculating the value of the BDC's assets or delegating such calculations to third parties.

(d) The Advisor will be entitled to receive the Incentive Fee during each calendar quarter (which will apply only to the portion of the Incentive Fee based on income) and each Annual Period (which will apply only to the portion of the Incentive Fee based on capital gains), as follows:

(i) *Incentive Fee Based on Income.*

(A) The portion of the Incentive Fee based on income other than capital gains will be calculated separately for each calendar quarter and will be paid on a quarterly basis. The BDC will pay the Advisor the portion of the Incentive Fee based on income for each period as follows:

- (i) No Incentive Fee based on income other than capital gains for any calendar quarter in which the BDC's Pre-Incentive Fee Net Investment Income does not exceed 1.75% (7.00% annualized) of the BDC's net assets attributable to common stock at the beginning of such quarter.
- (ii) 100% of the BDC's Pre-Incentive Fee Net Investment Income in any calendar quarter with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, for such calendar quarter, that exceeds 1.75% (7.00% annualized) of the BDC's net assets attributable to common stock at the beginning of such quarter but is less than 2.1875% (8.75% annualized).
- (iii) 20% of the BDC's Pre-Incentive Fee Net Investment Income, if any, for any calendar quarter, that exceeds 2.1875% (8.75% annualized) of the BDC's net assets attributable to common stock at the beginning of such quarter.

(B) The calculations described above in sub-paragraph (A) will be appropriately pro rated for any period of less than a quarter and adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during such quarter. The payment of any such

Incentive Fee based on income otherwise earned by the Advisor shall be deferred if, for the most recent four full calendar quarter period ending on or prior to the date such payment is to be made, the Annualized Rate of Return is less than 7.0% of the BDC's net assets attributable to common stock at the beginning of such four quarter period as adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during such four full calendar quarter period, with any deferred Incentive Fees to be carried over for payment in subsequent quarterly calculation periods to the extent such payment can then be made in accordance with this Agreement.

(ii) *Incentive Fee Based on Capital Gains.*

(A) The portion of the Incentive Fee based on capital gains will be calculated separately for each Annual Period. The Advisor will be entitled to receive an Incentive Fee based on capital gains for each Annual Period in an amount equal to 20% of the amount by which (1) the BDC's net realized capital gains occurring during the period, if any, exceeds (2) its unrealized capital depreciation, if any, occurring during the period.

(B) In calculating the portion of the Incentive Fee based on capital gains payable for any period, the BDC's investments shall be accounted for on a security-by-security basis. In addition, the portion of the Incentive Fee based on capital gains will be determined using the "period-to-period" method pursuant to which the portion of the Incentive Fee based on capital gains for any period will be based on realized capital gains for the period reduced by realized capital losses for the period and unrealized capital depreciation for the period.

(iii) The calculation of the Incentive Fee described above in this Section 9(d) is illustrated in the examples attached to this Agreement in Annex B. In the event of a conflict between the language above and the examples, the examples shall prevail.

(iv) Notwithstanding anything else set forth herein, the Incentive Fee shall not include any amounts of capital gain that would violate Section 205(b)(3) of the Advisers Act as interpreted from time to time by the SEC or its staff.

(e) For purposes of Section 9(d), the following terms shall have the meanings ascribed to them below:

(i) "Annual Period" means the period beginning on July 1 of each calendar year, including the calendar year prior to the year in which this Section 9 takes effect, and ending on June 30 of the next calendar year;

(ii) "Annualized Rate of Return" is computed by reference to the sum of (i) the aggregate distributions to the BDC's common stockholders for the period in question and (ii) the change in the BDC's net assets attributable to common stock (before taking into account any Incentive Fees otherwise payable during such period);

(iii) “net assets attributable to common stock” means the BDC’s total assets less indebtedness and preferred stock; and

(iv) “Pre-Incentive Fee Net Investment Income” means net investment income (as determined in accordance with United States generally accepted accounting principles) accrued by the BDC during the calendar quarter excluding any accruals for or payments in respect of the Incentive Fee.

10. **Indemnity.** (a) The BDC may, in the discretion of the Board of Directors of the BDC, indemnify the Advisor, and each of the Advisor’s directors, officers, employees, agents, associates and controlling persons and the directors, partners, members, officers, employees and agents thereof (including any individual who serves at the Advisor’s request as director, officer, partner, member or the like of another entity) (each such person being an “Indemnitee”) against any liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees (all as provided in accordance with applicable state law) reasonably incurred by such Indemnitee in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, before any court or administrative or investigative body in which such Indemnitee may be or may have been involved as a party or otherwise or with which such Indemnitee may be or may have been threatened, while acting in any capacity set forth herein or thereafter by reason of such Indemnitee having acted in any such capacity, except with respect to any matter as to which such Indemnitee shall have been adjudicated not to have acted in good faith in the reasonable belief that such Indemnitee’s action was in the best interest of the BDC and furthermore, in the case of any criminal proceeding, so long as such Indemnitee had no reasonable cause to believe that the conduct was unlawful; provided, however, that (1) no Indemnitee shall be indemnified hereunder against any liability to the BDC or its shareholders or any expense of such Indemnitee arising by reason of (i) willful misfeasance, (ii) bad faith, (iii) gross negligence or (iv) reckless disregard of the duties involved in the conduct of such Indemnitee’s position (the conduct referred to in such clauses (i) through (iv) being sometimes referred to herein as “disabling conduct”), (2) as to any matter disposed of by settlement or a compromise payment by such Indemnitee, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless there has been a determination that such settlement or compromise is in the best interests of the BDC and that such Indemnitee appears to have acted in good faith in the reasonable belief that such Indemnitee’s action was in the best interest of the BDC and did not involve disabling conduct by such Indemnitee and (3) with respect to any action, suit or other proceeding voluntarily prosecuted by any Indemnitee as plaintiff, indemnification shall be mandatory only if the prosecution of such action, suit or other proceeding by such Indemnitee was authorized by a majority of the full Board of Directors of the BDC.

(b) The BDC may make advance payments in connection with the expenses of defending any action with respect to which indemnification might be

sought hereunder if the BDC receives a written affirmation of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to reimburse the BDC unless it is subsequently determined that such Indemnitee is entitled to such indemnification and if the Directors of the BDC determine that the facts then known to them would not preclude indemnification. In addition, at least one of the following conditions must be met: (A) the Indemnitee shall provide security for such Indemnitee-undertaking, (B) the BDC shall be insured against losses arising by reason of any unlawful advance, or (C) a majority of a quorum consisting of Directors of the BDC who are neither "interested persons" of the BDC (as defined in Section 2(a)(19) of the 1940 Act) nor parties to the proceeding ("Disinterested Non-Party Directors") or an independent legal counsel in a written opinion, shall determine, based on a review of readily available facts (as opposed to a full trial-type inquiry), that there is reason to believe that the Indemnitee ultimately will be found entitled to indemnification.

(c) All determinations with respect to the standards for indemnification hereunder shall be made (1) by a final decision on the merits by a court or other body before whom the proceeding was brought that such Indemnitee is not liable or is not liable by reason of disabling conduct, or (2) in the absence of such a decision, by (i) a majority vote of a quorum of the Disinterested Non-Party Directors of the BDC, or (ii) if such a quorum is not obtainable or, even if obtainable, if a majority vote of such quorum so directs, independent legal counsel in a written opinion. All determinations that advance payments in connection with the expense of defending any proceeding shall be authorized and shall be made in accordance with the immediately preceding clause (2) above.

The rights accruing to any Indemnitee under these provisions shall not exclude any other right to which such Indemnitee may be lawfully entitled.

11. Limitation on Liability. (a) The Advisor will not be liable for any error of judgment or mistake of law or for any loss suffered by Advisor or by the BDC in connection with the performance of this Agreement, except a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services or a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or from reckless disregard by it of its duties under this Agreement.

(b) Notwithstanding anything to the contrary contained in this Agreement, the parties hereto acknowledge and agree that, as provided in the Certificate of Incorporation, this Agreement is executed by the Directors and/or officers of the BDC, not individually but as such Directors and/or officers of the BDC, and the obligations hereunder are not binding upon any of the Directors or Shareholders individually but bind only the estate of the BDC.

12. Duration and Termination. This Agreement shall become effective as of the date hereof and, unless sooner terminated with respect to the BDC as provided herein, shall continue in effect for a period of two years. Thereafter, if not terminated, this Agreement shall continue in effect with respect to the BDC for successive periods of

12 months, provided such continuance is specifically approved at least annually by both (a) the vote of a majority of the BDC's Board of Directors or the vote of a majority of the outstanding voting securities of the BDC at the time outstanding and entitled to vote, and (b) by the vote of a majority of the Directors who are not parties to this Agreement or interested persons of any party to this Agreement, cast in person at a meeting called for the purpose of voting on such approval. Notwithstanding the foregoing, this Agreement may be terminated by the BDC at any time, without the payment of any penalty, upon giving the Advisor 60 days' notice (which notice may be waived by the Advisor), provided that such termination by the BDC shall be directed or approved by the vote of a majority of the Directors of the BDC in office at the time or by the vote of the holders of a majority of the voting securities of the BDC at the time outstanding and entitled to vote, or by the Advisor on 60 days' written notice (which notice may be waived by the BDC). This Agreement will also immediately terminate in the event of its assignment. (As used in this Agreement, the terms "majority of the outstanding voting securities," "interested person" and "assignment" shall have the same meanings of such terms in the 1940 Act.) If this Agreement is terminated pursuant to this Section, the BDC shall pay the Advisor a pro rated portion of the Management Fee and the Incentive Fee. The Management Fee and the Incentive Fee due to the Adviser in the event of termination pursuant to this Section will be determined according to the method set forth in the following paragraph.

The BDC will engage at its own expense a firm acceptable to the BDC and the Advisor to determine the maximum reasonable fair value as of the termination date of the BDC's consolidated assets (assuming each asset is readily marketable among institutional investors without minority discount and with an appropriate control premium for any control positions and ascribing an appropriate net present value to unamortized organizational and offering costs and going concern value). After review of such firm's work papers by the Advisor and the BDC and resolution of any comments therefrom, such firm will render its report as to valuation, and the BDC will pay to the Advisor or its affiliates any Management Fees or Incentive Fee, as the case may be, payable pursuant to the paragraphs above as if all of the consolidated assets of the BDC had been sold at the values indicated in such report and any net income and gain distributed. Such report will be completed within 90 days after notice of termination is delivered hereto.

13. Notices. Any notice under this Agreement shall be in writing to the other party at such address as the other party may designate from time to time for the receipt of such notice and shall be deemed to be received on the earlier of the date actually received or on the fourth day after the postmark if such notice is mailed first class postage prepaid.

14. Amendment of this Agreement. No provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any amendment of this Agreement shall be subject to the 1940 Act.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York for contracts to be performed entirely therein without reference to choice of law principles thereof and in accordance with the applicable provisions of the 1940 Act.

16. Use of the Name BlackRock. The Advisor has consented to the use by the BDC of the name or identifying word “BlackRock” in the name of the BDC. Such consent is conditioned upon the employment of the Advisor as the investment advisor to the BDC. The name or identifying word “BlackRock” may be used from time to time in other connections and for other purposes by the Advisor and any of its affiliates. The Advisor may require the BDC to cease using “BlackRock” in the name of the BDC if the BDC ceases to employ, for any reason, the Advisor, any successor thereto or any affiliate thereof as investment advisor of the BDC.

17. Miscellaneous. The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding on, and shall inure to the benefit of the parties hereto and their respective successors.

18. Counterparts. This Agreement may be executed in counterparts by the parties hereto, each of which shall constitute an original counterpart, and all of which, together, shall constitute one Agreement.

IN WITNESS WHEREOF, the parties hereto have caused the foregoing instrument to be executed by their duly authorized officers, all as of the day and the year first above written.

BLACKROCK CAPITAL INVESTMENT CORPORATION

By: /s/ Corinne Pankovcin
Name: Corinne Pankovcin
Title: Chief Financial Officer

BLACKROCK ADVISORS, LLC

By: /s/ James Keenan
Name: James Keenan
Title: Managing Director

Calculation of the Incentive Fee

Example of Calculation of Income Portion of Incentive Fee Under Section 8 of the Agreement For each trailing four quarters' period

Formula

The formula for the income portion of the Incentive Fee for any trailing four quarters' period can be expressed as follows:

Incentive Fee with respect to income —

- When the annualized rate of return to shareholders exceeds the hurdle but does not exceed $13.33\% = 50\% \times (\text{trailing four quarters' net investment income less the excess (if any) of trailing four quarters' net unrealized capital depreciation over trailing four quarters' net realized capital gains} - \text{hurdle amount})$ – Incentive Fees with respect to income paid in the prior three quarters
- When the annualized rate of return to shareholders exceeds $13.33\% = 50\% \times (13.33\% \times \text{net asset value} - \text{hurdle amount}) + 20\% \times (\text{the excess (if any) of trailing four quarters' net investment income less the excess (if any) of trailing four quarters' net unrealized capital depreciation over trailing four quarters' net realized capital gains} - 13.33\% \times \text{net asset value})$ – Incentive Fees with respect to income paid in the prior three quarters

Annualized rate of return in this context is computed by reference to our net asset value and does not take into account changes in the market price of our common stock.

Assumptions

- Number of full calendar quarters in period = 4
- Net Asset Value = \$500.0 million
- Total Assets = \$500.0 million
- Quarter 1 net investment income(1) = \$15.0 million
- Quarter 1 Incentive Fee paid = \$0.0 million
- Quarter 2 net investment income = \$10.0 million
- Quarter 2 Incentive Fee paid = \$0.0 million
- Quarter 3 net investment income = \$37.5 million
- Quarter 3 Incentive Fee paid with respect to income = \$13.5 million
- Quarter 3 Incentive Fee paid with respect to net realized capital gains = \$0.15 million
- Net realized capital gains, Quarters 1 through 3 = \$1.5 million
- Net unrealized capital appreciation, Quarters 1 through 3 = \$0.5 million
- Hurdle(2) = 8.00%
- Base management fee(3) = 0.50%
- Other expenses (legal, accounting, custodian, transfer agent, etc.)(4) = 0.25%

Alternative 1

Additional Assumptions

- Quarter 4 net investment income
 - = Quarter 4 income – base management fee – other expenses
 - = \$20.75 million – 0.50% x \$500.0 million – 0.25% x \$500.0 million

- = \$20.75 million – \$3.75 million
- = \$17.0 million
- Quarter 4 net realized capital gain = \$0.5 million
- Quarter 4 net unrealized capital appreciation = \$1.0 million
- Trailing four quarters’ net investment income less the excess (if any) of trailing four quarters’ net unrealized capital depreciation over trailing four quarters’ net realized capital gains
 - = Quarter 1 + Quarter 2 + Quarter 3 + Quarter 4 quarterly net investment income – (excess, if any, of trailing four quarters’ net unrealized capital depreciation from beginning of Quarter 1 to end of Quarter 4 over trailing four quarters’ net realized capital gains from beginning of Quarter 1 to end of Quarter 4)
 - = \$15.0 million + \$10.0 million + \$37.5 million + \$17.0 million – \$0.0 million (as there was no trailing four quarters’ net unrealized capital depreciation from beginning of Quarter 1 to end of Quarter 4)
 - = \$79.5 million
- Hurdle amount = 8.00% x \$500.0 million = \$40.0 million

Determination of Incentive Fee

Trailing four quarters’ net investment income less the excess (if any) of trailing four quarters’ net unrealized capital depreciation over trailing four quarters’ net realized capital gains equals \$79.5 million, which exceeds the Hurdle amount. Therefore there may be an Incentive Fee payable with respect to income in Quarter 4. The income portion of the Incentive Fee for this quarter equals 50% of the amount by which the trailing four quarters’ net investment income less the excess (if any) of trailing four quarters’ net unrealized capital depreciation over trailing four quarters’ net realized capital gains exceeds the Hurdle amount, until the cumulative Incentive Fee payments with respect to income equal 20% of the trailing four quarters’ net investment income less the excess (if any) of trailing four quarters’ net unrealized capital depreciation over trailing four quarters’ net realized capital gains (would occur if such amount for the trailing four quarters represented an annualized return on net assets of 13.33% or higher, which is the case in this example), less any Incentive Fees paid with respect to income in the prior three quarters.

Incentive Fee with respect to income

- = 50% x (13.33%/4 x \$500.0 million – Hurdle amount) + 20% x (trailing four quarters’ net investment income less the excess (if any) of trailing four quarters’ net unrealized capital depreciation over trailing four quarters’ net realized capital gains – 13.33%/4 x \$500.0 million) – Incentive Fees with respect to income paid in the prior three quarters
- = 50% x (\$66.66 million – \$40.0 million) + 20% x (\$79.5 million – \$66.66 million) – \$13.5 million
- = 50% x \$26.66 million + 20% x \$12.84 million – \$13.5 million
- = \$2.4 million

Conclusion

The Incentive Fee payable with respect to income for this trailing four quarters’ period equals \$2.4 million.

- (1) Net income refers to taxable net income, excluding any realized capital gain and loss and unrealized capital appreciation and depreciation.
- (2) Represents an annual hurdle of 8.00% of the value of net assets.
- (3) Represents quarterly portion of an annual base management fee of 2.00% of the value of total assets.
- (4) Excludes offering expenses and is expressed as a percentage of the value of net assets.

Examples of Calculation of Capital Gains Portion of Incentive Fee

For each Annual Period beginning on the first day of the calendar quarter in which this Agreement is in place and ending on the day prior to the first anniversary of such date

Formula

The formula for the capital gains portion of the Incentive Fee for each Annual Period can be expressed as follows:

Incentive Fee with respect to capital gains = $50\% \times$ (net realized capital gains to the extent in excess of gross unrealized capital depreciation, but only to the extent that such net realized capital gains, when added to net investment income, exceed the Hurdle amount), up to a limit of $20\% \times$ net realized capital gains to the extent in excess of gross unrealized capital depreciation

The following Alternative 1 and Alternative 2 assume that with respect to each year, the trailing four quarters' net investment income less the excess (if any) of trailing four quarters' net unrealized capital depreciation over trailing four quarters' net realized capital gains exceeds the hurdle amount.

Alternative 1

Assumptions

- Year 1: \$20.0 million investment made in Company A ("Investment A"), and \$30.0 million investment made in Company B ("Investment B")
- Year 2: Investment A is sold for \$50.0 million and fair value of Investment B determined to be \$32.0 million
- Year 3: fair value of Investment B determined to be \$25.0 million
- Year 4: Investment B sold for \$31.0 million

The capital gains portion of the Incentive Fee, if any, would be:

- Year 1: None
- Year 2: \$6.0 million (20% multiplied by \$30.0 million realized capital gains on sale of Investment A)
- Year 3: None
- Year 4: \$1.2 million (20% multiplied by \$6.0 million realized capital gains on sale of Investment B)

Alternative 2

Assumptions

- Year 1: \$20.0 million investment made in Company A ("Investment A"), \$30.0 million investment made in Company B ("Investment B") and \$25.0 million investment made in Company C ("Investment C")
- Year 2: Investment A sold for \$50.0 million, fair value of Investment B determined to be \$25.0 million and fair value of Investment C determined to be \$25.0 million
- Year 3: fair value of Investment B determined to be \$27.0 million and Investment C sold for \$30.0 million
- Year 4: fair value of Investment B determined to be \$35.0 million

The capital gains portion of the Incentive Fee, if any, would be:

- Year 1: None
- Year 2: \$5.0 million (20% multiplied by \$25.0 million (\$30.0 million realized capital gains on Investment A less \$5.0 million unrealized capital depreciation on Investment B))
- Year 3: \$1.0 million (20% multiplied by \$5.0 million realized capital gains on Investment C)
- Year 4: None

With respect to each year, if the trailing four quarters' net investment income less the excess (if any) of trailing four quarters' net unrealized capital depreciation over trailing four quarters' net realized capital gains did not exceed the hurdle amount, the capital gains portion of the Incentive Fee could be reduced because no Incentive Fee is payable unless the sum of (1) the amount of net investment income used in the determination of the Incentive Fee, if any, based on income and (2) the amount of net realized capital gains in excess of unrealized capital depreciation used in the determination of the Incentive Fee, if any, based on capital gains exceeds the hurdle amount. The following Alternative 3 and Alternative 4 illustrate the calculation of the capital gains portion of the Incentive Fee when the hurdle amount is exceeded only after capital gains are taken into account.

Alternative 3

Assumptions

- Year 1: Net investment income less the excess (if any) of trailing four quarters' net unrealized capital depreciation over trailing four quarters' net realized capital gains = \$38.0 million
- Year 1: Net realized capital gains to the extent in excess of gross unrealized capital depreciation = \$8.0 million

Determination of Incentive Fee

Net investment income less the excess (if any) of trailing four quarters' net unrealized capital depreciation over trailing four quarters' net realized capital gains equals \$38.0 million, which does not exceed the Hurdle amount. Therefore there is no Incentive Fee payable with respect to income.

However, Year 1 net realized capital gains to the extent in excess of gross unrealized capital depreciation of \$8.0 million, when added to net income of \$38.0 million, results in a total of \$46.0 million, which exceeds the Hurdle amount. Therefore there is an Incentive Fee payable with respect to capital gains in Year 1.

Incentive Fee with respect to capital gains = 50% x (net realized capital gains to the extent in excess of gross unrealized capital depreciation, but only to the extent that such net realized capital gains, when added to net investment income, exceed the Hurdle amount), up to a limit of 20% x net realized capital gains to the extent in excess of gross unrealized capital depreciation

= 50% x (\$46.0 million – \$40.0 million), up to a limit of 20% x \$8.0 million

= 50% x \$6.0 million, up to a limit of \$1.6 million

= \$1.6 million

Conclusion

The Incentive Fee payable with respect to capital gains for Year 1 equals \$1.6 million.

Alternative 4

Assumptions

- Year 1: Net investment income less the excess (if any) of trailing four quarters' net unrealized capital depreciation over trailing four quarters' net realized capital gains = \$38.0 million
- Year 1: Net realized capital gains to the extent in excess of gross unrealized capital depreciation = \$3.0 million

Determination of Incentive Fee

Net investment income less the excess (if any) of trailing four quarters' net unrealized capital depreciation over trailing four quarters' net realized capital gains equals \$38.0 million, which does not exceed the Hurdle amount. Therefore there is no Incentive Fee payable with respect to income.

However, Year 1 net realized capital gains to the extent in excess of gross unrealized capital depreciation of \$3.0 million, when added to net investment income of \$38.0 million, results in a total of \$41.0 million, which exceeds the Hurdle amount. Therefore there is an Incentive Fee payable with respect to capital gains in Year 1.

Incentive Fee with respect to capital gains = 50% x (net realized capital gains to the extent in excess of gross unrealized capital depreciation, but only to the extent that such net realized capital gains, when added to net investment income, exceed the Hurdle amount), up to a limit of 20% x net realized capital gains to the extent in excess of gross unrealized capital depreciation

= 50% x (\$41.0 million – \$40.0 million), up to a limit of 20% x \$3.0 million

= 50% x \$1.0 million, up to a limit of \$0.6 million

= \$0.5 million

Conclusion

The Incentive Fee payable with respect to capital gains for Year 1 equals \$0.5 million.

Examples of Fee Calculation Under Section 9 of the Agreement

Example 1—Incentive Fee Based on Income(1)

Formula

The formula for the portion of the Incentive Fee based on income for any quarter can be expressed as follows:

Incentive Fee with respect to Pre-Incentive Fee Net Investment Income —

- When the Pre-Incentive Fee Net Investment Income for such quarter exceeds 1.75%(2) but does not exceed 2.1875% = 100% x (Pre-Incentive Fee Net Investment Income – 1.75%)
- When the Pre-Incentive Fee Net Investment Income for such quarter exceeds 2.1875% = 100% x (2.1875% – 1.75%) + 20% x (Pre-Incentive Fee Net Investment Income – 2.1875%)

Notwithstanding the foregoing, if the Annualized Rate of Return for the most recent four full calendar quarter period ending on or prior to the date such payment is to be made is less than 7.0% of the BDC's net assets attributable to common stock at the beginning of such four quarter period, adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during the period, the payment of such Incentive Fee will be deferred until the earliest quarter such four full calendar quarter Annualized Rate of Return requirement is satisfied. "Annualized Rate of Return" in this context is computed by reference to the sum of (i) the aggregate distributions the BDC's common stockholders during the period and (ii) the change in the BDC's net asset value attributable to common stock prior to calculation of any income or capital gain Incentive Fees during the period and does not take into account changes in the market price of the BDC's common stock.

Assumptions

- Management fee(3) = 0.4375%
- Other expenses (legal, accounting, custodian, transfer agent, etc.)(4) = 0.0625%
- After accounting for the distribution of income during each period, there is no change in the Company's net assets

-
- (1) The hypothetical amount of Pre-Incentive Fee Net Investment Income shown is based on a percentage of net assets attributable to common stock (defined as total assets less indebtedness and preferred stock). The example assumes that during the most recent four full calendar quarter period ending on or prior to the date the payment set forth in the example is to be made, the sum of (a) the BDC's aggregate distributions to stockholders and (b) the BDC's change in net assets attributable to common stock (defined as total assets less indebtedness and preferred stock) before taking into account any Incentive Fees accrued during the period, is at least 7.0% of the BDC's net assets attributable to common stock (defined as total assets less indebtedness and preferred stock) at the beginning of such four quarter period (as adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during such four full calendar period). See Alternative 4 for an example of a failure to satisfy this assumption and Alternative 5 for an example of subsequent satisfaction of this assumption.
 - (2) Represents quarterly percentage of the value of net assets attributable to common stock at the beginning of the quarter, adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during the quarter.
 - (3) Represents quarterly portion of an annual base management fee of 1.75% of the value of total assets.
 - (4) Expressed as a percentage of the value of net assets attributable to common stock at the beginning of the quarter, adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during the period.

Alternative 1

Additional Assumptions

- Investment Income (including interest, dividends, fees, etc.) = 1.25%
- Pre-Incentive Fee Net Investment Income
 - = (investment income - (management fee + other expenses))
 - = (1.25% - (0.4375% + 0.0625%))
 - = 0.75%

Conclusion

Pre-Incentive Fee Net Investment Income does not exceed the Hurdle rate, therefore there is no Incentive Fee based on income.

Alternative 2

Additional Assumptions

- Investment Income (including interest, dividends, fees, etc.) = 2.40%
- Pre-Incentive Fee Net Investment Income
 - = (investment income - (management fee + other expenses))
 - = (2.40% - (0.4375% + 0.0625%))
 - = 1.90%

Determination of Incentive Fee

Pre-Incentive Fee Net Investment Income for the quarter exceeds the Hurdle rate, therefore there is an Incentive Fee payable with respect to net income for the quarter.

- Incentive Fee Based on Income
 - = 100% x the lesser of (2.1875% - 1.75%) **AND** (Pre-Incentive Fee Net Investment Income - 1.75%) + the greater of 0% and 20% x (Pre-Incentive Fee Net Investment Income - 2.1875%)
 - = 100% x (1.90% - 1.75%) + 0%
 - = 100% x 0.15%
 - = 0.15%

Alternative 3

Additional Assumptions

- Investment Income (including interest, dividends, fees, etc.) = 3.50%
- Pre-Incentive Fee Net Investment Income
 - = (investment income - (management fee + other expenses))
 - = (3.50% - (0.4375% + 0.075%))
 - = 3.00%

Determination of Incentive Fee

Pre-Incentive Fee Net Investment Income for the quarter exceeds the Hurdle rate, therefore there is an Incentive Fee payable with respect to net income for the quarter.

- Income Based Incentive Fee
 - = 100% x the lesser of (2.1875% - 1.75%) **AND** (Pre-Incentive Fee Net Investment Income - 1.75%) + the greater of 0% **AND** 20% x (Pre-Incentive Fee Net Investment Income - 2.1875%)
 - = 100% x (2.1875% - 1.75%) + 20% x (3.00% - 2.1875%)
 - = 0.4375% + (20% x 0.1825%)
 - = 0.4375% + 0.1625%
 - = 0.60%

Alternative 4

Additional Assumptions

During most recently completed quarter (Q4):

- Investment Income = 3.50%
- Pre-Incentive Fee Net Investment Income
 - = (investment income – (management fee + other expenses))
 - = (3.50% - (0.4375% + 0.0625%))
 - = 3.00%

During four quarter period ending with most recently completed quarter:

- Q1 Pre-Incentive Fee Net Investment Income = 1.00%
- Q2 Pre-Incentive Fee Net Investment Income = 1.00%
- Q3 Pre-Incentive Fee Net Investment Income = 1.50%
- All Pre-Incentive Fee Net Investment Income is distributed during the period.
- After accounting for the distribution of the net investment income during the period, there is no change in the BDC's net assets during the period.

Determination of Incentive Fee

During most recently completed quarter:

Pre-Incentive Fee Net Investment Income for the quarter exceeds the Hurdle rate, therefore there is an Incentive Fee based on income payable for the quarter.

- Incentive Fee Based on Income
 - = 100% x the lesser of (2.1875% – 1.75%) **AND** (Pre-Incentive Fee Net Investment Income – 1.75%) + the greater of 0% **AND** 20% x (Pre-Incentive Fee Net Investment Income – 2.1875%)
 - = 100% x (2.1875% – 1.75%) + 20% x (3.00% – 2.1875%)
 - = 0.4375% + 0.1625%
 - = 0.60%

During four quarter period ending with most recently completed quarter:

- Annualized Rate of Return (5)
 - = (Q1 Pre-Incentive Fee Net Investment Income + Q2 Pre-Incentive Fee Net Investment Income + Q3 Pre-Incentive Fee Net Investment Income + Q4 Pre-Incentive Fee Net Investment Income) + (BDC's change in net assets attributable to common stock)
 - = (1.00% + 1.00% + 1.50% + 3.00%) + (0)
 - = 6.50%

(5) Annualized Rate of Return is measured before any calculation of Incentive Fees for income or capital gains.

Conclusion

Although an Incentive Fee is payable for such quarter, because the Annualized Rate of Return over the four quarter period is less than 7.00%, the payment is deferred until the first quarter for which the Annualized Rate of Return over the four quarter period including such subsequent quarter equals or exceeds 7.00%.

Alternative 5

Additional Assumptions

During most recently completed quarter (Q4):

- Investment Income = 4.00%
- Pre-Incentive Fee Net Investment Income
 - = (investment income – (management fee + other expenses))
 - = (4.00% - (0.4375% + 0.0625%))
 - = 3.50%

During four quarter period ending with most recently completed quarter:

- Q1 Pre-Incentive Fee Net Investment Income = 1.00%
- Q2 Pre-Incentive Fee Net Investment Income = 1.50%
- Q3 Pre-Incentive Fee Net Investment Income = 3.00%
- All Pre-Incentive Fee Net Investment Income is distributed during the period.
- After accounting for the distribution of the Pre-Incentive Fee Net Investment Income during the period, there is no change in the BDC's net assets attributable to common stock during the period.
- Deferred income based Incentive Fee during the period = 0.60%

Determination of Incentive Fee

During most recently completed quarter:

Pre-Incentive Fee Net Investment Income for the quarter exceeds the Hurdle rate, therefore there is an Incentive Fee based on income payable for the quarter.

- Incentive Fee Based on Income
 - = 100% x the lesser of (2.1875% – 1.75%) **AND** (Pre-Incentive Fee Net Investment Income – 1.75%) + the greater of 0% **AND** 20% x (Pre-Incentive Fee Net Investment Income – 2.1875%)
 - = 100% x (2.1875% – 1.75%) + 20% x (3.50% – 2.1875%)
 - = 0.4375% + 0.2625%
 - = 0.70%

During four quarter period ending with most recently completed quarter:

- Annualized Rate of Return (5)
 - = (Q1 Pre-Incentive Fee Net Investment Income + Q2 Pre-Incentive Fee Net Investment Income + Q3 Pre-Incentive Fee Net Investment Income + Q4 Pre-Incentive Fee Net Investment Income) + (BDC's change in net assets attributable to common stock)
 - = (1.00% + 1.50% + 3.00% + 3.50%) + (0)
 - = 9.00%

(5) Annualized rate of return is measured before any calculation of Incentive Fees for income or capital gains.

Conclusion

Both the current quarter income based Incentive Fee of 0.70% and the earlier deferred income based Incentive Fee of 0.60% are paid.

Example 1—Incentive Fee Based on Capital Gains

Formula

The formula for the capital gains portion of the Incentive Fee for each July 1 through June 30 “Annual Period” can be expressed as follows:

Incentive Fee with respect to capital gains = 20% x (net realized capital gains to the extent in excess of gross unrealized capital depreciation)

Alternative 1

Assumptions

- Year 1: \$20.0 million investment made in Company A (“Investment A”), and \$30.0 million investment made in Company B (“Investment B”)
- Year 2: Investment A is sold for \$50.0 million and fair value of Investment B determined to be \$32.0 million
- Year 3: fair value of Investment B determined to be \$25.0 million
- Year 4: Investment B sold for \$31.0 million

Determination of Incentive Fee

The capital gains portion of the Incentive Fee, if any, would be:

- Year 1: None (No sales transactions)
- Year 2: \$6.0 million (20% multiplied by \$30.0 million realized capital gains on sale of Investment A)
- Year 3: None
- Year 4: \$1.2 million (20% multiplied by \$6.0 million realized capital gains on sale of Investment B)

Alternative 2

Assumptions

- Year 1: \$20.0 million investment made in Company A (“Investment A”), \$30.0 million investment made in Company B (“Investment B”) and \$25.0 million investment made in Company C (“Investment C”)
- Year 2: Investment A sold for \$50.0 million, fair value of Investment B determined to be \$25.0 million and fair value of Investment C determined to be \$25.0 million
- Year 3: fair value of Investment B determined to be \$27.0 million and Investment C sold for \$30.0 million
- Year 4: fair value of Investment B determined to be \$35.0 million
- Year 5: Investment B sold for \$20.0 million

Determination of Incentive Fee

The capital gains portion of the Incentive Fee, if any, would be:

- Year 1: None (No sales transactions)
- Year 2: \$5.0 million (20% multiplied by \$25.0 million (\$30.0 million realized capital gains on Investment A less \$5.0 million unrealized capital depreciation on Investment B))
- Year 3: \$1.0 million (20% multiplied by \$5.0 million realized capital gains on Investment C)
- Year 4: None (No sales transactions)
- Year 5: None

CERTIFICATE OF INCORPORATION
OF
BLACKROCK KELSO CAPITAL CORPORATION

ARTICLE I

Section 1.1 The name of the Corporation is BlackRock Kelso Capital Corporation (hereinafter the "Corporation").

ARTICLE II

Section 2.1 The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at that address is The Corporation Trust Company.

ARTICLE III

Section 3.1 The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "GCL").

ARTICLE IV

Section 4.1 The total number of shares of stock which the Corporation shall have authority to issue is one hundred million and five hundred (100,000,500) shares of which the Corporation shall have authority to issue one hundred million (100,000,000) shares of common stock (the "Common Shares"), each having a par value of one one-thousandth of a dollar (\$0.001), and five hundred (500) shares of preferred stock (the "Preferred Shares"), each having a par value of one one-thousandth of a dollar (\$0.001).

Section 4.2 Common Shares.

(a) Voting Rights. Except as otherwise required by law or this Certificate of Incorporation, holders of record of Common Shares shall have one vote in respect of each share of stock held by such holder of record on the books of the Corporation for the election of directors and on all other matters submitted to a vote of stockholders of the Corporation.

(b) Dividends. Holders of Common Shares shall be entitled to receive, when, as and if declared by the Board of Directors, out of the assets of the Corporation legally available therefor, dividends payable either in cash, in property or in shares of capital stock.

(c) Liquidation, Dissolution, or Winding Up. In the event of a dissolution, liquidation or winding up of the affairs of the Corporation ("Liquidation"), holders

of Common Shares shall be entitled, unless otherwise provided by law or this Certificate of Incorporation, to receive all of the remaining assets of the Corporation of whatever kind available for distribution to stockholders ratably in proportion to the number of Common Shares held by them respectively.

Section 4.3 Preferred Shares.

(a) The Preferred Shares may be issued in one or more series as shall from time to time be created and authorized to be issued by the Board of Directors as hereinafter provided.

(b) The Board of Directors is expressly authorized to provide for the issuance of all or any of the Preferred Shares in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such distinctive designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series and as may be permitted by the GCL, including, without limitation, the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, of the Corporation at such price or prices or at such rates of exchange and with such adjustments; all as may be stated in such resolution or resolutions. Any of the foregoing provisions shall be consistent with the requirements of the Investment Company Act of 1940 (the "1940 Act") to the extent applicable.

(c) Each share of each series of the Preferred Shares shall have the same relative rights and be identical in all respects with all the other shares of the same series, except that shares of any one series issued at different times may differ as to the dates, if any, from which dividends thereon shall be cumulative. Except as otherwise provided by law or specified in this Article IV, any series of the Preferred Shares may differ from any other series with respect to any one or more of the voting powers, designations, powers, preferences and relative, participating, optional and other special rights, if any, and the qualifications, limitations and restrictions thereof.

(d) Before any dividends on any class of stock of the Corporation ranking junior to the Preferred Shares (other than dividends payable in shares of any class of stock of the Corporation ranking junior to the Preferred Shares) shall be declared or paid or set apart for payment, the holders of shares of each series of the Preferred Shares shall be entitled to such cash dividends, but only if, when and as declared by the Board of Directors out of funds legally available therefor, as they may be entitled to in accordance with the resolution or resolutions adopted by the Board of Directors providing for the issuance of such series, payable on such dates as may be fixed in such resolution or resolutions.

(e) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation shall be made to or set apart for the holders of shares of any class of stock of the Corporation ranking junior to the Preferred Shares, the holders of the shares of each series of the Preferred Shares shall be entitled to receive payment of the amount per share fixed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of the shares of such series, plus an amount equal to all dividends accrued thereon to the date of final distribution to such holders. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the shares of the Preferred Shares shall be insufficient to pay in full the preferential amount aforesaid, then such assets, or the proceeds thereof, shall be distributed among such holders ratably in accordance with the respective amounts which would be payable on such shares if all amounts payable thereon were paid in full. For the purposes of this paragraph (d), the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation or a consolidation or merger of the Corporation with one or more corporations shall not be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary.

(f) The term "junior stock," as used in relation to the Preferred Shares, shall mean the Common Shares and any other class of stock of the Corporation hereafter authorized which by its terms shall rank junior to the Preferred Shares as to dividend rights and as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation.

(g) Before the Corporation shall issue any Preferred Shares of any series authorized as hereinbefore provided, a certificate setting forth a copy of the resolution or resolutions with respect to such series adopted by the Board of Directors of the Corporation pursuant to the foregoing authority vested in said Board of Directors shall be made, filed and recorded in accordance with the then applicable requirements, if any, of the laws of the State of Delaware, or, if no certificate is then so required, such certificate shall be signed and acknowledged on behalf of the Corporation by its president or a vice-president and its corporate seal shall be affixed thereto and attested by its secretary or an assistant secretary and such certificate shall be filed and kept on file at the registered office of the Corporation in the State of Delaware and in such other place or places as the Board of Directors shall designate.

(h) Shares of any series of the Preferred Shares which shall be issued and thereafter acquired by the Corporation through purchase, redemption, conversion or otherwise, shall return to the status of authorized but unissued shares of the Preferred Shares of the same series unless otherwise provided in the resolution or resolutions of the Board of Directors. Unless otherwise provided in the resolution or resolutions of the Board of Directors providing for the issuance thereof, the number of authorized shares of stock of any such series may be increased or decreased (but not below the number of shares thereof then outstanding) by resolution or resolutions of the Board of Directors and the filing of a certificate complying with the requirements referred to in subparagraph (g) above. In case the number of shares of any such series of the Preferred Shares shall be decreased, the shares representing such decrease shall, unless otherwise provided in the resolution or resolutions of the Board of Directors providing for the issuance thereof, resume the status of authorized but unissued shares of the Preferred Shares, undesignated as to series.

ARTICLE V

Section 5.1 In-Kind Distributions. Section 4.2(c) notwithstanding, the Corporation shall not make a distribution in kind of any securities to any holder of the shares of the Corporation in connection with a Liquidation, if such distribution would in the reasonable judgment of such holder cause such holder to be in violation of any law applicable to such holder (“ERISA Shareholder”); provided that the ERISA Shareholder shall notify the Corporation to such effect not less than five days prior to such distribution. In the event an ERISA Shareholder notifies the Corporation as provided in the immediately preceding sentence, the Corporation shall use its reasonable best efforts to cause the securities or other assets otherwise distributable to the ERISA Shareholder (the “Subject Securities”) to be sold to a third party, who may be another holder of shares in the Corporation, for the best consideration available under the circumstances, as determined by the Board of Directors in its reasonable discretion, and, upon consummation of any such sale, the cash proceeds from such sale shall be distributed to the ERISA Shareholder. In the event such a sale cannot be consummated for the best consideration available under the circumstances and within a reasonable period of time following the time of the proposed distribution (in no case to exceed two years), the obligation of the Corporation to the ERISA Shareholder shall be extinguished by establishing, with an escrow agent designated by the ERISA Shareholder, an escrow account for the benefit of the ERISA Shareholder into which the Subject Securities shall be deposited, which account shall be liquidated at such time as a sale can be accomplished on the terms set forth above; provided that from and after the time of such deposit such Subject Securities shall be deemed for all purposes of this Certificate of Incorporation to have been distributed to the ERISA Shareholder and any income arising from the Subject Securities shall be deposited in such account for the benefit of the ERISA Shareholder.

ARTICLE VI

Section 6.1 Classified Board. At such time that the Public Market Event occurs, the Board of Directors shall be divided into three classes, designated Class I, Class II and Class III, as nearly equal in number as possible, and the term of office of directors of one class shall expire at each annual meeting of stockholders, and in all cases as to each director when such director’s successor shall be elected and shall qualify or upon such director’s earlier resignation, removal from office, death or incapacity. Additional directorships resulting from an increase in number of directors shall be apportioned among the classes as equally as possible. If required by law, the initial term of office of directors of Class I shall expire at the annual meeting of stockholders in the first year after the Public Market Event; that of Class II shall expire at the annual meeting in the second year after the Public Market Event; and that of Class III shall expire at the annual meeting in the third year after the Public Market Event; and in all cases as to each director when such director’s successor shall be elected and shall qualify or upon such director’s earlier resignation, removal from office, death or incapacity. Beginning at the first annual meeting after the Public Market Event and thereafter at each annual meeting, the number of directors equal to the number of directors of the class whose term expires at the time of such meeting (or, if less, the number of directors properly nominated and qualified for election) shall be elected to hold office until the third succeeding annual meeting of stockholders after their election.

Section 6.2 Changes. The Board of Directors, by amendment to the Corporation's Bylaws, is expressly authorized to change the number of directors without the consent of the stockholders to any number between two or nine and to allocate such number of directors among the classes as evenly as practicable.

Section 6.3 Elections. Elections of directors need not be by written ballot unless otherwise provided in the Corporation's Bylaws.

Section 6.4 Removal of Directors. Any director may be removed for cause from office by the action of the holders of at least seventy-five percent (75%) of the then outstanding shares of the Corporation's capital stock entitled to vote for the election of the respective director.

Section 6.5 Vote Required to Amend or Repeal. The affirmative vote of the holders of at least seventy-five percent (75%) of the then outstanding shares of the Corporation's capital stock entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend in any respect or repeal this ARTICLE VI.

Section 6.6 Vacancies. Subject to the rights of the holders of any series of Preferred Shares, and unless the Board of Directors otherwise determines, all vacancies on the Board of Directors and newly created directorships resulting from any increase in the authorized number of directors shall be filled exclusively by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and shall not be filled by the stockholders.

ARTICLE VII

Section 7.1 The name and mailing address of the Sole Incorporator is as follows:

| <u>Name</u> | <u>Address</u> |
|----------------|--------------------------------------|
| Deborah Reusch | P.O. Box 636 Wilmington, DE 19899 |

ARTICLE VIII

Section 8.1 The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 8.2 No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Section 8.2 by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

Section 8.3 In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation, and any By-Laws adopted by the stockholders.

ARTICLE IX

Section 9.1 Special Meetings of Stockholders. Special meetings of the stockholders may be called for any purpose or purposes, unless otherwise prescribed by statute or this Certificate of Incorporation, only by the chairman, vice-chairman, chief executive officer or president or by a resolution duly adopted by a majority of the members of the Board of Directors.

Section 9.2 Vote Required to Amend or Repeal. The affirmative vote of the holders of at least seventy-five percent (75%) of the then outstanding shares of the Corporation's capital stock entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend in any respect or repeal this ARTICLE IX.

ARTICLE X

Section 10.1 Amend or Repeal By-Laws. The Board of Directors is expressly empowered to adopt, amend or repeal the By-laws of the Corporation; provided, however, that any adoption, amendment or repeal of the By-laws by the Board of Directors shall require the approval of at least sixty-six and two-thirds percent (66 2/3%) of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any resolution providing for adoption, amendment or repeal is presented to the Board of Directors).

Section 10.2 Vote Required to Amend or Repeal. The affirmative vote of the holders of at least seventy-five percent (75%) of the then outstanding shares of the Corporation's capital stock entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend in any respect or repeal this ARTICLE X.

ARTICLE XI

Section 11.1 The conversion of the Corporation from a business development company to an open-end investment company, the liquidation and dissolution of the Corporation (if there has been a Public Market Event, as defined below), the merger or consolidation of the Corporation with any entity in a transaction as a result of which the governing documents of the surviving entity do not contain substantially the same anti-takeover provisions as described in this Certificate of Incorporation or the amendment of any of the provisions discussed herein shall require the approval of (i) the holders of at least eighty percent (80%) of the then outstanding Shares of the Corporation's capital stock, voting together as a single class, or (ii) at least (A) a majority of the "continuing directors" and (B) the holders of at least seventy-five percent (75%)

of the then outstanding Shares of the Corporation's capital stock entitled to vote generally in the election of directors, voting together as a single class. For purposes of this ARTICLE XI, a "continuing director" is a director who (i) (A) has been a director of the corporation for at least twelve months and (B) is not a person or an affiliate of a person who enters into, or proposes to enter into, a business combination with the Corporation or (ii) (A) is a successor to a continuing director, (B) who was appointed to the Board of Directors by at least a majority of the continuing directors and (C) is not a person or an affiliate of a person who enters into, or proposes to enter into, a business combination with the Corporation.

ARTICLE XII

Section 12.1 Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

ARTICLE XIII

Section 13.1 Certain Transactions.

(a) Notwithstanding any other provision of this Certificate of Incorporation and subject to the exceptions provided in paragraph (d) of this Section, the types of transactions described in paragraph (c) of this Section shall require the affirmative vote or consent of a majority of the Directors then in office followed by the affirmative vote of the holders of not less than seventy-five percent (75%) of the Shares of each affected class or series outstanding, voting as separate classes or series, when a Principal Shareholder (as defined in paragraph (b) of this Section) is a party to the transaction. Such affirmative vote or consent shall be in addition to the vote or consent of the holders of Shares otherwise required by law or by the terms of any class or series of Preferred Shares, whether now or hereafter authorized, or any agreement between the Corporation and any national securities exchange.

(b) The term "Principal Shareholder" shall mean any corporation, Person (which shall mean and include individuals, partnerships, trusts, limited liability companies, associations, joint ventures and other entities, whether or not legal entities, and governments and agencies and political subdivisions thereof) or other entity which is the beneficial owner, directly or indirectly, of twenty percent (20%) (or ten percent (10%) if there has been a Public Market Event, as defined below) or more of the outstanding Shares of all outstanding classes or series and shall include any affiliate or associate, as such terms are defined in clause (ii) below, of a Principal Shareholder. For the purposes of this Section, in addition to the Shares which a corporation, Person or other entity beneficially owns directly, (a) any corporation, Person or other entity shall be deemed to be the beneficial owner of any Shares (i) which it has the right to acquire pursuant to any agreement or upon exercise of conversion rights or warrants, or otherwise (but excluding share options granted by the Corporation) or (ii) which are beneficially owned, directly or indirectly (including Shares deemed owned through application of clause (i) above), by any other corporation, Person or entity with which its "affiliate" or "associate" (as defined below) has any agreement, arrangement or understanding for

the purpose of acquiring, holding, voting or disposing of Shares, or which is its “affiliate” or “associate” as those terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, and (b) the outstanding Shares shall include Shares deemed owned through application of clauses (i) and (ii) above but shall not include any other Shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights or warrants, or otherwise.

(c) This Section shall apply to the following transactions:

(i) The merger or consolidation of the Corporation or any subsidiary of the Corporation with or into any Principal Shareholder.

(ii) The issuance of any securities of the Corporation to any Principal Shareholder for cash (other than pursuant to any automatic dividend reinvestment plan).

(iii) The sale, lease or exchange of all or any substantial part of the assets of the Corporation to any Principal Shareholder (except assets having an aggregate fair market value of less than five percent (5%) of the total assets of the Corporation, aggregating for the purpose of such computation all assets sold, leased or exchanged in any series of similar transactions within a twelve-month period).

(iv) The sale, lease or exchange to the Corporation or any subsidiary thereof, in exchange for securities of the Corporation, of any assets of any Principal Shareholder (except assets having an aggregate fair market value of less than five percent (5%) of the total assets of the Corporation, aggregating for the purposes of such computation all assets sold, leased or exchanged in any series of similar transactions within a twelve-month period).

(d) The provisions of this Section shall not be applicable to (i) any of the transactions described in paragraph (c) of this Section if 80% of the Directors shall by resolution have approved a memorandum of understanding with such Principal Shareholder with respect to and substantially consistent with such transaction, in which case approval by a “majority of the outstanding voting securities,” as such term is defined in the 1940 Act, of the Corporation with each class and series of Shares voting together as a single class, except to the extent otherwise required by law, the 1940 Act or this Certificate of Incorporation with respect to any one or more classes or series of Shares, in which case the applicable proportion of such classes or series of Shares voting as a separate class or series, as case may be, also will be required, shall be the only vote of Shareholders required by this Section, or (ii) any such transaction with any entity of which a majority of the outstanding shares of all classes and series of a stock normally entitled to vote in elections of directors is owned of record or beneficially by the Corporation and its subsidiaries.

(e) The Board of Directors shall have the power and duty to determine for the purposes of this Section on the basis of information known to the Corporation whether (i) a corporation, person or entity beneficially owns any particular percentage of the outstanding

Shares of any class or series, (ii) a corporation, person or entity is an “affiliate” or “associate” (as defined above) of another, (iii) the assets being acquired or leased to or by the Corporation or any subsidiary thereof constitute a substantial part of the assets of the Corporation and have an aggregate fair market value of less than five percent (5%) of the total assets of the Corporation, and (iv) the memorandum of understanding referred to in paragraph (d) hereof is substantially consistent with the transaction covered thereby. Any such determination shall be conclusive and binding for all purposes of this Section.

(f) “Public Market Event” shall mean an initial public offering of the Corporation’s Common Shares registered under the Securities Act and the listing of such Common Shares on a national securities exchange.

ARTICLE XIV

Section 14.1 The Corporation is to have perpetual existence; PROVIDED, HOWEVER, that the Board of Directors shall liquidate and dissolve the Corporation as promptly as practicable after the tenth anniversary of the Corporation’s existence, provided that (i) there has not been a Public Market Event and (ii) at least a majority of the directors, including at least a majority of the “disinterested directors,” as defined in the 1940 Act, determine such act to be in the best interests of the Corporation’s stockholders.

ARTICLE XV

Section 15.1 The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute or by this Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE XVI

Section 16.1 The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article XVI shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition.

Section 16.2 The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article XVI to directors and officers of the Corporation.

Section 16.3 The rights to indemnification and to the advance of expenses conferred in this Article XVI shall not be exclusive of any other right which any person may have or hereafter acquire under this Certificate of Incorporation, the By-Laws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

Section 16.4 The rights to indemnification and to the advance of expenses conferred in this Article XVI shall be subject to the requirements of the 1940 Act to the extent applicable.

Section 16.5 Any repeal or modification of this Article XVI by the stockholders of the Corporation shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

I, THE UNDERSIGNED, being the Sole Incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the GCL, do make this Certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 13th day of April, 2005.

/s/ Deborah Reusch

Deborah Reusch
Sole Incorporator

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
BLACKROCK KELSO CAPITAL CORPORATION

Pursuant to Section 228 and Section 242 of the General
Corporation Law of the State of Delaware

BlackRock Kelso Capital Corporation, a Delaware corporation (hereinafter called the "Corporation"), does hereby certify as follows:

FIRST: Section 4.1 of Article IV of the Corporation's Certificate of Incorporation is hereby amended to read in its entirety as set forth below:

Section 4.1 The total number of shares of stock which the Corporation shall have authority to issue is forty million and five hundred (40,000,500) shares of which the Corporation shall have authority to issue forty million (40,000,000) shares of common stock (the "Common Shares"), each having a par value of one one-thousandth of a dollar (\$0.001), and five hundred (500) shares of preferred stock (the "Preferred Shares"), each having a par value of one one-thousandth of a dollar (\$0.001).

SECOND: The foregoing amendment was duly adopted in accordance with Section 228 and Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, BlackRock Kelso Capital Corporation has caused this Certificate to be duly executed in its corporate name this 24th day of May, 2005.

BlackRock Kelso Capital Corporation

By: /s/ Michael B. Lazar

Name: Michael B. Lazar

Title: Chief Operating Officer

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
BLACKROCK KELSO CAPITAL CORPORATION

Pursuant to Section 242 of the General
Corporation Law of the State of Delaware

BlackRock Kelso Capital Corporation, a Delaware corporation (hereinafter called the "Corporation"), does hereby certify as follows:

FIRST: Section 4.1 of Article IV of the Corporation's Certificate of Incorporation is hereby amended to read in its entirety as set forth below:

Section 4.1 The total number of shares of stock which the Corporation shall have authority to issue is one hundred million and five hundred (100,000,500) shares of which the Corporation shall have authority to issue one hundred million (100,000,000) shares of common stock (the "Common Shares"), each having a par value of one one-thousandth of a dollar (\$0.001), and five hundred (500) shares of preferred stock (the "Preferred Shares"), each having a par value of one one-thousandth of a dollar (\$0.001).

SECOND: The foregoing amendment was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, BlackRock Kelso Capital Corporation has caused this Certificate to be duly executed in its corporate name this 28th day of March, 2007.

BlackRock Kelso Capital Corporation

By: /s/ Frank D. Gordon

Name: Frank D. Gordon

Title: Chief Financial Officer

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
BLACKROCK KELSO CAPITAL CORPORATION

Pursuant to Section 242 of the General
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BlackRock Kelso Capital Corporation, a Delaware corporation (hereinafter called the "Corporation"), does hereby certify as follows:

FIRST: Section 4.1 of Article IV of the Corporation's Certificate of Incorporation is hereby amended to read in its entirety as set forth below:

Section 4.1 The total number of shares of stock which the Corporation shall have authority to issue is two hundred million and five hundred (200,000,500) shares of which the Corporation shall have authority to issue two hundred million (200,000,000) shares of common stock (the "Common Shares"), each having a par value of one one-thousandth of a dollar (\$0.001), and five hundred (500) shares of preferred stock (the "Preferred Shares"), each having a par value of one one-thousandth of a dollar (\$0.001).

SECOND: The foregoing amendment was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, BlackRock Kelso Capital Corporation has caused this Certificate to be duly executed in its corporate name this 7th day of June, 2010.

BlackRock Kelso Capital Corporation

By: /s/ Frank D. Gordon

Name: Frank D. Gordon

Title: Chief Financial Officer

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
BLACKROCK KELSO CAPITAL CORPORATION

Pursuant to Section 242 of the
General Corporation Law of the State of Delaware (“DGCL”)

BlackRock Kelso Capital Corporation, a Delaware corporation (hereinafter called the “Corporation”), does hereby certify as follows:

FIRST: Article I of the Corporation’s Amended and Restated Certificate of Incorporation is hereby amended to read in its entirety as set forth below:

Section 1.1: The name of the Corporation is BlackRock Capital Investment Corporation (hereinafter the “Corporation”).

SECOND: The foregoing amendment was duly adopted in accordance with Section 242 of the DGCL.

IN WITNESS WHEREOF, BlackRock Kelso Capital Corporation has caused this Certificate of Amendment to be duly executed in its corporate name this 6th day of March, 2015.

BlackRock Kelso Capital Corporation

By: /s/ Corinne Pankovcin

Name: Corinne Pankovcin

Title: Chief Financial Officer

AMENDED AND RESTATED
BY-LAWS
OF
BLACKROCK CAPITAL INVESTMENT CORPORATION

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BLACKROCK CAPITAL INVESTMENT CORPORATION
BY-LAWS

These By-Laws, amended and restated as of March 6, 2015, are made and adopted pursuant to the Certificate of Incorporation establishing BlackRock Capital Investment Corporation (hereinafter the "BDC"), dated as of April 13, 2005, as from time to time amended (hereinafter the "Certificate"). All words and terms capitalized in these By-Laws shall have the meaning or meanings set forth for such words or terms in the Certificate.

ARTICLE I

STOCKHOLDER MEETINGS

1.1 Place. All meetings of stockholders shall be held at the principal executive office of the BDC or at such other place as shall be set by the Board of Directors and stated in the notice of the meeting.

1.2 Annual Meeting. An annual meeting of the stockholders for the election of directors and the transaction of any business within the powers of the BDC shall be held on a date and at the time set by the Board of Directors.

1.3 Notice. Written notice of all meetings of stockholders, stating the time and place of the meeting, shall be given by the corporate secretary of the BDC (hereinafter the "Secretary") by mail to each stockholder of record entitled to vote thereat at its registered address, mailed at least ten (10) days and not more than sixty (60) days before the meeting or otherwise in compliance with applicable law. Such notice will also specify the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting. No business (including without limitation nominations for the election of directors) may be transacted at an annual or special meeting of stockholders, other than business that is either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (iii) in the case of an annual meeting, otherwise properly brought before the meeting by any stockholder of the BDC, whether such proposal is included in the BDC's proxy statement or a proxy statement prepared by one or more stockholders, (A) who is a stockholder of record on the date notice is given as provided for in this Article I Section 1.3 and on the record date for the determination of stockholders entitled to notice of and to vote at such annual meeting and (B) who complies with the notice procedures set forth in this Article I Section 1.3 or, with respect to the election of Directors, set forth in Section 2.2 of Article II.

(a) In addition to any other applicable requirements, for business to be properly brought before a meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the BDC.

(i) To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the BDC (A) in the case of an annual meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the meeting was mailed or such public disclosure of the date of the meeting was made, whichever first occurs; and (B) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the fifth (5th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

(ii) Except for notices regarding nominations for the election of directors, which notices shall be prepared in accordance with Article II Section 2.2(c)(ii), to be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the meeting (A) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (B) the name and record address of such stockholder, (C) the class or series and number of shares of the BDC which are owned beneficially or of record by such stockholder, (D) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (E) a representation that such stockholder intends to appear in person or by proxy at the meeting to bring such business before the meeting.

(b) No business shall be conducted at a meeting of stockholders except business brought before the meeting in accordance with the procedures set forth in this Article I Section 1.3 or Article II Section 2.2, as the case may be; provided, however, that, once business has been properly brought before the meeting in accordance with such procedures, nothing in this Article I Section 1.3 shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of a meeting determines that business was not properly brought before the meeting in accordance with the foregoing procedures, the chairman of the meeting shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

1.4 Chairman. The Chairman shall act as chairman at all meetings of the stockholders; in the Chairman's absence, the Director or Directors present at each meeting may elect a temporary chairman for the meeting, who may be one of themselves.

1.5 Proxies; Voting. Stockholders may vote either in person or by duly executed proxy and each full share represented at the meeting shall have one vote, all as provided in Article IV of the Certificate.

1.6 Inspectors of Election. In advance of any meeting of stockholders, the Directors may appoint Inspectors of Election to act at the meeting or any adjournment thereof. If Inspectors of Election are not so appointed, the Chairman of any meeting of stockholders may, and on the request of any stockholder or stockholder proxy shall, appoint Inspectors of Election of the meeting. The number of Inspectors of Election shall be one unless the Directors shall determine to appoint three. In case any person appointed as Inspector of Election fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the Directors in advance of the convening of the meeting or at the meeting by the person acting as chairman. The Inspectors of Election shall determine the number of shares of stock of the BDC (the "Shares") outstanding, the Shares represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, shall receive votes, ballots or consents, shall hear and determine all challenges and questions in any way arising in connection with the right to vote, shall count and tabulate all votes or consents, determine the results, and do such other acts as may be proper to conduct the election or vote with fairness to all stockholders. If there are three Inspectors of Election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. On request of the Chairman of the meeting, or of any stockholder or stockholder proxy, the Inspectors of Election shall make a report in writing of any challenge or question or matter determined by them and shall execute a certificate of any facts found by them.

1.7 Records at Stockholder Meetings. At each meeting of the stockholders, there shall be made available for inspection at a convenient time and place during normal business hours, if requested by stockholders, the minutes of the last previous Annual or Special Meeting of stockholders of the BDC and a list of the stockholders of the BDC, as of the record date of the meeting or the date of closing of transfer books, as the case may be. Such list of stockholders shall contain the name and the address of each stockholder in alphabetical order and the number of Shares owned by such stockholder. Stockholders shall have such other rights and procedures of inspection of the books and records of the BDC as are granted to stockholders of a Delaware business corporation.

1.8 Quorum at Stockholder Meetings. The holders of a majority of the outstanding shares of capital stock entitled to vote at the meeting of stockholders, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, except as otherwise provided by the Delaware General Corporation Law or the Certificate. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If a quorum is not present, the chairman of the meeting or the holders of a majority of the shares present in person or represented by proxy at the meeting, and entitled to vote at the meeting, may adjourn the meeting to another time and/or place. When a specified item of business requires a vote by the holders of a class or series of shares of capital stock (if the BDC shall then have outstanding shares of more than one class or series) voting as a class or series, the holders of a majority of the shares of such class or series shall constitute a quorum (as to such class or series) for the transaction of such item of business, except as otherwise provided by the Delaware General Corporation Law or by the Certificate. Notwithstanding the foregoing, if there is no election contest and a majority of the outstanding shares of capital stock entitled to

vote at the meeting are not present in person or by proxy, the holders of one-third of such shares (and one-third of the shares of any class or series) shall constitute a quorum to the extent permitted by applicable law.

ARTICLE II

DIRECTORS

2.1 General Powers. The business and affairs of the BDC shall be managed under the direction of its Board of Directors.

2.2 Number, Tenure and Qualifications.

(a) At any regular meeting or at any special meeting called for that purpose, a majority of the entire Board of Directors may establish, increase or decrease the number of directors, provided that the number thereof shall never be less than two, nor more than nine, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors. The term of office of a Director shall be as provided in the Certificate.

(b) The Directors shall be elected at an annual meeting of the stockholders or special meeting in lieu thereof called for that purpose, except as provided in the Certificate or in Section 2.6 of this Article II. Each Director elected shall hold office until his or her successor shall have been elected and shall have qualified. The term of office of a Director shall terminate and a vacancy shall occur in the event of the death, resignation, removal, bankruptcy, adjudicated incompetence or other incapacity to perform the duties of the office of the Director.

(c) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the BDC, whether such person is submitted to stockholders in the BDC's proxy statement or a proxy statement prepared by one or more stockholders, except as may be otherwise provided in the Certificate with respect to the right of holders of preferred stock of the BDC to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, may be made (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the BDC (A) who is a stockholder of record on the date of the giving of the notice provided for in this Article II Section 2.2 and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting and (B) who complies with the notice procedures set forth in this Article II Section 2.2.

(d) In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the BDC.

(i) To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the BDC in accordance with Article I Section 1.3(a)(i).

(ii) To be in proper written form, a stockholder's notice to the Secretary must set forth (A) as to each person whom the stockholder proposes to nominate for election as a director (1) the name, age, business address and residence address of the person, (2) the principal occupation or employment of the person, (3) the class or series and number of Shares of the BDC which are owned beneficially or of record by the person, if any, and (4) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934 (the "Exchange Act"); and (B) as to the stockholder giving the notice (1) the name and record address of such stockholder, (2) the class or series and number of Shares of the BDC which are owned beneficially or of record by such stockholder, (3) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) in connection with which the nomination(s) are made by such stockholder, (4) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (5) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(e) No person shall be eligible for election as a director of the BDC unless nominated in accordance with the procedures set forth in this Article II Section 2.2. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

2.3 Regular and Special Meetings. Regular meetings of the Directors may be held without call or notice and regular meetings shall generally be held quarterly. Special meetings of the Directors may be called by the Chairman, the Chief Executive Officer, the Secretary or at the request in writing of a majority of the Directors then in office. Notice of the date, time and place of each special meeting shall be (i) mailed by regular mail to each Director at the Director's designated address at least six days before the special meeting, (ii) sent by overnight courier to the Director's designated address at least two days before the special meeting (with delivery scheduled to occur no later than the day before the meeting), or (iii) given orally by telephone or other means, or by email, telegraph or teletype, or by any other means comparable to any of the foregoing, to each Director at the Director's designated address at least twenty-four hours before the meeting.

Except to the extent required by law, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be stated in any notice or waiver of notice of such meeting, and no notice need be given of action proposed to be taken by unanimous written consent.

2.4 Chairman; Records. The Chairman shall act as chairman at all meetings of the Directors; in absence of a chairman, the Directors present shall elect one of their number to act as temporary chairman. The results of all actions taken at a meeting of the Directors, or by unanimous written consent of the Directors, shall be recorded by the person appointed by the Board of Directors as the meeting secretary.

2.5 Resignation and Removal. Any of the Directors may resign (without need for prior or subsequent accounting) by an instrument in writing signed by such Director and delivered or mailed to the Directors, the Chairman, the Chief Executive Officer, or the Secretary and such resignation shall be effective upon such delivery, or at a later date according to the terms of the instrument. Any of the Directors may be removed, provided the aggregate number of Directors after such removal shall not be less than the minimum number set forth in the Certificate, only by the proportion of votes of the stockholders that are set forth in the Certificate as the required proportion of votes for removal of Director, and with or without cause as may be permitted by the Certificate or as required by applicable law. Upon the resignation or removal of a Director, each such resigning or removed Director shall execute and deliver to the BDC such documents as may be required by applicable law or the Certificate or as may be requested by the remaining Directors as being in the best interests of the BDC and its stockholders. Upon the incapacity or death of any Director, such Director's legal representative shall execute and deliver to the BDC on such Director's behalf such documents as the remaining Directors shall require as provided in the preceding sentence.

2.6 Vacancies. Whenever a vacancy in the Board of Directors shall occur, the remaining Directors may fill such vacancy by appointing an individual by a written instrument signed by a majority of the Directors, whether or not sufficient to constitute a quorum, then in office or may leave such vacancy unfilled or may reduce the number of Directors, so long as at all times the composition of the Board of Directors complies with the requirements of Sections 56(a) and 15(f)(1) of the Investment Company Act of 1940. The aggregate number of Directors after such reduction shall not be less than the minimum number required by the Certificate. If the stockholders of any class or series of Shares are entitled separately to elect one or more Directors, a majority of the remaining Directors elected by that class or series or the sole remaining Director elected by that class or series may fill any vacancy among the number of Directors elected by that class or series. Any vacancy created by an increase in Directors may be filled by the appointment of an individual made by a written instrument signed by a majority of the Directors then in office. Whenever a vacancy in the number of Directors shall occur, until such vacancy is filled as provided herein, the Directors in office, regardless of their number, shall have all the powers granted to the Directors and shall discharge all the duties imposed upon the Directors.

ARTICLE III

OFFICERS

3.1 Officers of the BDC. The officers of the BDC shall consist of a Chairman, a Chief Executive Officer, a Secretary, a Treasurer and such other officers or assistant officers as may be elected or authorized by the Directors. Any two or more of the offices may be held by the same person, except that the same person may not be both Chief Executive Officer and Secretary. The Chairman shall be a Director, but no other officer of the BDC need be a Director.

3.2 Election and Tenure. At the initial organization meeting, the Directors shall elect the Chairman, Chief Executive Officer, Secretary, Treasurer and such other officers as the Directors shall deem necessary or appropriate in order to carry out the business of the BDC. Such officers shall serve at the pleasure of the Directors or until their successors have been duly elected and qualified. The Directors may fill any vacancy in office or add any additional officers at any time.

3.3 Removal of Officers. Any officer may be removed at any time, with or without cause, by action of a majority of the Directors. This provision shall not prevent the making of a contract of employment for a definite term with any officer and shall have no effect upon any cause of action which any officer may have as a result of removal in breach of a contract of employment. Any officer may resign at any time by notice in writing signed by such officer and delivered or mailed to the Chairman, Chief Executive Officer, or Secretary, and such resignation shall take effect immediately upon receipt by the Chairman, Chief Executive Officer, or Secretary, or at a later date according to the terms of such notice in writing.

3.4 Vacancies. A vacancy in any office may be filled by the Board of Directors for the balance of the term.

3.5 Bonds and Surety. Any officer may be required by the Directors to be bonded for the faithful performance of such officer's duties in such amount and with such sureties as the Directors may determine.

3.6 Chairman, Chief Executive Officer, and Vice Presidents. The Chairman shall, if present, preside at all meetings of the stockholders and of the Directors and shall exercise and perform such other powers and duties as may be from time to time assigned to such person by the Directors. Subject to such supervisory powers, if any, as may be given by the Directors to the Chairman, the Chief Executive Officer shall be the chief executive officer of the BDC and, subject to the control of the Directors, shall have general supervision, direction and control of the business of the BDC and of its employees and shall exercise such general powers of management as are usually vested in the office of Chief Executive Officer of a corporation. Subject to direction of the Directors, the Chairman and the Chief Executive Officer shall each have power in the name and on behalf of the BDC to execute any and all loans, documents, contracts, agreements, deeds, mortgages, registration statements, applications, requests, filings and other instruments in writing, and to employ and discharge employees and agents of the BDC. Unless otherwise directed by the Directors, the Chairman and the Chief Executive Officer shall each have full authority and power, on behalf of all of the Directors, to attend and to act and to

vote, on behalf of the BDC at any meetings of business organizations in which the BDC holds an interest, or to confer such powers upon any other persons, by executing any proxies duly authorizing such persons. The Chairman and the Chief Executive Officer shall have such further authorities and duties as the Directors shall from time to time determine. In the absence or disability of the Chief Executive Officer, the Vice–Presidents in order of their rank as fixed by the Directors or, if more than one and not ranked, the Vice–President designated by the Directors, shall perform all of the duties of the Chief Executive Officer, and when so acting shall have all the powers of and be subject to all of the restrictions upon the Chief Executive Officer. Subject to the direction of the Directors, and of the Chief Executive Officer, each Vice–President shall have the power in the name and on behalf of the BDC to execute any and all instruments in writing, and, in addition, shall have such other duties and powers as shall be designated from time to time by the Directors or by the Chief Executive Officer.

3.7 Secretary. The Secretary shall maintain the minutes of all meetings of, and record all votes of, stockholders, Directors and the Executive Committee, if any. The Secretary shall be custodian of the seal of the BDC, if any, and the Secretary (and any other person so authorized by the Directors) shall affix the seal, or if permitted, facsimile thereof, to any instrument executed by the BDC which would be sealed by a Delaware business corporation and shall attest the seal and the signature or signatures of the officer or officers executing such instrument on behalf of the BDC. The Secretary shall also perform any other duties commonly incident to such office in a Delaware business corporation, and shall have such other authorities and duties as the Directors shall from time to time determine.

3.8 Treasurer. Except as otherwise directed by the Directors, the Treasurer shall have the general supervision of the monies, funds, securities, notes receivable and other valuable papers and documents of the BDC, and shall have and exercise under the supervision of the Directors and of the Chief Executive Officer all powers and duties normally incident to the office. The Treasurer may endorse for deposit or collection all notes, checks and other instruments payable to the BDC or to its order. The Treasurer shall deposit all funds of the BDC in such depositories as the Directors shall designate. The Treasurer shall be responsible for such disbursement of the funds of the BDC as may be ordered by the Directors or the Chief Executive Officer. The Treasurer shall keep accurate account of the books of the BDC’s transactions which shall be the property of the BDC, and which together with all other property of the BDC in the Treasurer’s possession, shall be subject at all times to the inspection and control of the Directors. Unless the Directors shall otherwise determine, the Treasurer shall be the principal accounting officer of the BDC and shall also be the principal financial officer of the BDC. The Treasurer shall have such other duties and authorities as the Directors shall from time to time determine. Notwithstanding anything to the contrary herein contained, the Directors may authorize any adviser, administrator, manager or transfer agent to maintain bank accounts and deposit and disburse funds.

3.9 Other Officers and Duties. The Directors may elect such other officers and assistant officers as they shall from time to time determine to be necessary or desirable in order to conduct the business of the BDC. Assistant officers shall act generally in the absence of the officer whom they assist and shall assist that officer in the duties of the office. Each officer, employee and agent of the BDC shall have such other duties and authority as may be conferred upon such person by the Directors or delegated to such person by the Chief Executive Officer.

3.10 Salaries. The salaries and other compensation of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary or other compensation by reason of the fact that he is also a director.

ARTICLE IV

COMMITTEES

4.1 Number, Tenure and Qualifications. The Board of Directors may appoint from among its members an Executive Committee, an Audit Committee, a Compensation Committee and other committees, composed of one or more directors, to serve at the pleasure of the Board of Directors.

4.2 Powers. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The By-laws may provide that in the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, or in the By-laws of the Corporation, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by law to be submitted to stockholders for approval or (ii) adopting, amending or repealing any By-law of the Corporation.

4.3 Meetings. Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Directors may designate a chairman of any committee, and such chairman or, in the absence of a chairman, any two members of any committee (if there are at least two members of the Committee) may fix the time and place of its meeting unless the Board shall otherwise provide. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another director to act in the place of such absent member. Each committee shall keep minutes of its proceedings.

4.4 Telephone Meetings. Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

4.5 Written Consent By Committees. Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if a consent in writing to such action is signed by each member of the committee and such written consent is filed with the minutes of proceedings of such committee.

4.6 Vacancies. Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership of any committee, to fill all vacancies, to designate alternate members to replace any absent or disqualified member or to dissolve any such committee.

ARTICLE V

MISCELLANEOUS

5.1 Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the BDC and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the BDC when authorized or ratified by action of the Board of Directors and executed by an authorized person.

5.2 Checks and Drafts. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the BDC shall be signed by such officer or agent of the BDC in such manner as shall from time to time be determined by the Board of Directors.

5.3 Deposits. All funds of the BDC not otherwise employed shall be deposited from time to time to the credit of the BDC in such banks, trust companies or other depositories as the Board of Directors may designate.

5.4 Signatures. All contracts and other instruments shall be executed on behalf of the BDC by its properly authorized officers, agent or agents, as provided in the Certificate or By-laws or as the Directors may from time to time by resolution provide.

5.5 Seal. The Board of Directors may authorize the adoption of a seal by the BDC. The seal shall contain the name of the BDC and the year of its incorporation and the words "Incorporated Delaware." The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

5.6 Affixing Seal. Whenever the BDC is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the BDC.

5.7 Accounting Year. The Board of Directors shall have the power, from time to time, to fix the fiscal year of the BDC by a duly adopted resolution.

5.8 Authorization of Distributions. Dividends and other distributions upon the stock of the BDC may be authorized by the Board of Directors, subject to the provisions of law

and the Certificate of Incorporation. Dividends and other distributions may be paid in cash, property or stock of the BDC, subject to the provisions of law and the Certificate of Incorporation.

5.9 Contingencies. Before payment of any dividends or other distributions, there may be set aside out of any assets of the BDC available for dividends or other distributions such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve fund for contingencies, for equalizing dividends or other distributions, for repairing or maintaining any property of the BDC or for such other purpose as the Board of Directors shall determine to be in the best interest of the BDC, and the Board of Directors may modify or abolish any such reserve.

5.10 Investment Policy. Subject to applicable law and the provisions of the Certificate of Incorporation, the Board of Directors may from time to time adopt, amend, revise or terminate any policy or policies with respect to investments by the BDC as it shall deem appropriate in its sole discretion.

ARTICLE VI

STOCK TRANSFERS

6.1 Certificates. The shares of stock of the BDC shall be represented by a certificate, unless and until the Board of Directors adopts a resolution permitting shares to be uncertificated. Notwithstanding the adoption of any such resolution providing for uncertificated shares, every holder of stock of the BDC theretofore represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to a certificate or certificates which shall represent and certify the number of shares of each class of stock held by him, her or it in the BDC. Each certificate shall be signed by the Chairman or a vice president and countersigned by the secretary or an assistant secretary or the treasurer or an assistant treasurer and may be sealed with the seal, if any, of the BDC. The signatures may be either manual or facsimile. Certificates shall be consecutively numbered; and if the BDC shall, from time to time, issue several classes of shares, each class may have its own number series. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued. Each certificate representing shares which are restricted as to their transferability or voting powers, which are preferred or limited as to their dividends or as to their allocable portion of the assets upon liquidation or which are redeemable at the option of the BDC, shall have a statement of such restriction, limitation, preference or redemption provision, or a summary thereof, plainly stated on the certificate. In lieu of such statement or summary, the BDC may set forth upon the face or back of the certificate a statement that the BDC will furnish to any stockholder, upon request and without charge, a full statement of such information.

6.2 Transfer Agents, Registrars and the Like. The Directors shall have authority to employ and compensate such transfer agents and registrars with respect to the Shares of the BDC as the Directors shall deem necessary or desirable. In addition, the Directors shall have power to employ and compensate such dividend disbursing agents, warrant agents and agents for the reinvestment of dividends as they shall deem necessary or desirable. Any of such agents shall have such power and authority as is delegated to any of them by the Directors.

6.3 Transfer of Shares. Stock of the BDC shall be transferable in the manner prescribed by applicable law and in these By-Laws. Transfers of stock shall be made on the books of the BDC, and in the case of certificated shares of stock, only by the person named in the certificate or by such person's attorney lawfully constituted in writing and upon the surrender of the certificate therefor, properly endorsed for transfer and payment of all necessary transfer taxes; or, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney lawfully constituted in writing, and upon payment of all necessary transfer taxes and compliance with appropriate procedures for transferring shares in uncertificated form; provided, however, that such surrender and endorsement, compliance or payment of taxes shall not be required in any case in which the officers of the BDC shall determine to waive such requirement. With respect to certificated shares of stock, every certificate exchanged, returned or surrendered to the BDC shall be marked "Cancelled," with the date of cancellation, by the Secretary of the BDC or the transfer agent thereof. No transfer of stock shall be valid as against the BDC for any purpose until it shall have been entered in the stock records of the BDC by an entry showing from and to whom transferred.

6.4 Replacement Certificate. Any officer designated by the Board of Directors may direct a new certificate to be issued in place of any certificate previously issued by the BDC alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing the issuance of a new certificate, an officer designated by the Board of Directors may, in his or her discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or the owner's legal representative to advertise the same in such manner as he shall require and/or to give bond, with sufficient surety, to the BDC to indemnify it against any loss or claim which may arise as a result of the issuance of a new certificate.

6.5 Closing of Transfer Books or Fixing of Record Date. The Board of Directors may set, in advance, a record date for the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or determining stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of stockholders, not less than ten days, before the date on which the meeting or particular action requiring such determination of stockholders of record is to be held or taken.

In lieu of fixing a record date, the Board of Directors may provide that the stock transfer books shall be closed for a stated period but not longer than 20 days. If the stock transfer books are closed for the purpose of determining stockholders entitled to notice of or to vote at a meeting of stockholders, such books shall be closed for at least ten days before the date of such meeting.

If no record date is fixed and the stock transfer books are not closed for the determination of stockholders, (a) the record date for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day on which the notice of meeting is mailed or the 30th day before the meeting, whichever is the closer date to the meeting; and (b) the record date for the determination of stockholders entitled to receive

payment of a dividend or an allotment of any other rights shall be the close of business on the day on which the resolution of the directors, declaring the dividend or allotment of rights, is adopted.

When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof, except when (i) the determination has been made through the closing of the transfer books and the stated period of closing has expired or (ii) the meeting is adjourned to a date more than 120 days after the record date fixed for the original meeting, in either of which case a new record date shall be determined as set forth herein.

6.6 Stock Ledger. The BDC shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate share ledger containing the name and address of each stockholder and the number of shares of each class held by such stockholder.

6.7 Fractional Stock; Issuance of Units. The Board of Directors may issue fractional stock or provide for the issuance of scrip, all on such terms and under such conditions as they may determine. Notwithstanding any other provision of the Certificate of Incorporation or these By-laws, the Board of Directors may issue units consisting of different securities of the BDC. Any security issued in a unit shall have the same characteristics as any identical securities issued by the BDC, except that the Board of Directors may provide that for a specified period securities of the BDC issued in such unit may be transferred on the books of the BDC only in such unit.

6.8 Registered Stockholders. The BDC may deem and treat the holder of record of any Shares as the absolute owner thereof for all purposes and shall not be required to take any notice of any right or claim of right of any other person.

ARTICLE VII

AMENDMENT OF BY-LAWS

7.1 Amendment and Repeal of By-Laws. In accordance with Section 10.1 of the Certificate of Incorporation, the Directors shall have the power to amend or repeal the By-Laws or adopt new By-Laws at any time. Action by the Directors with respect to the By-Laws shall be taken by an affirmative vote of a majority of the Directors. The Directors shall in no event adopt By-Laws which are in conflict with the Certificate, and any apparent inconsistency shall be construed in favor of the related provisions in the Certificate. Stockholders shall have no authority to adopt, amend or repeal By-Laws except to the extent required by law.

ARTICLE VIII

NOTICE

8.1 Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws (except as set forth in Sections 1.3 and 2.2 herein or as

otherwise stated therein or herein), to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at such person's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by telegram, telex, cable, facsimile, transmission, email or other electronic means to any address provided to the BDC by the person being notified.

8.2 Waiver of Notices. Whenever any notice is required by applicable law, the Certificate of Incorporation or these By-Laws (except as stated therein or herein), to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting, present in person or represented by proxy, shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of stockholders or any regular or special meeting of the directors or members of a committee of directors need be specified in any written waiver of notice unless so required by law, the Certificate of Incorporation or these By-Laws.

BlackRock Advisors, LLC Acquires Certain Assets of BlackRock Kelso Capital Advisors LLC

New York, New York, March 6, 2015 – BlackRock Capital Investment Corporation (formerly BlackRock Kelso Capital Corporation) (NASDAQ: BKCC) (“BKCC” or the “Company,” “we,” “us” or “our”) announced today that BlackRock Advisors, LLC (the “New Advisor”), an indirect, wholly-owned subsidiary of BlackRock, Inc. (“BlackRock”), has consummated a transaction pursuant to which it acquired substantially all of the business of the Company’s previous investment adviser, BlackRock Kelso Capital Advisors LLC (such transaction, the “Transaction”).

Effective as of the closing date of the Transaction, March 6, 2015, James R. Maher and Michael B. Lazar stepped down from their roles with the Company. Mr. Maher, who served as the Company’s Chairman and Chief Executive Officer, will remain on the Board of Directors (the “Board”) and serve as a senior advisor to the New Advisor to assist in the transition of the business. Mr. Lazar, who served as the Chief Operating Officer of the Company and on the Board, has also agreed to serve as an advisor to the New Advisor in transitioning the business, including portfolio responsibility and business operations. Mr. Lazar stepped down from the Board effective today.

Effective as of the closing date, the Board appointed Steven Sterling, Managing Director and head of BlackRock’s Global Capital Markets Group, as Chief Executive Officer and Chairman of the Board.

In connection with the Transaction, the Company has entered into a new investment management agreement with the New Advisor that will allow the New Advisor to serve as investment adviser to the Company effective as of the closing of the Transaction (the “New Agreement”). The New Agreement was approved by the Company’s stockholders at a special meeting held on February 18, 2015.

About BlackRock Capital Investment Corporation

BlackRock Capital Investment Corporation is a business development company that provides debt and equity capital to middle-market companies.

The Company’s investment objective is to generate both current income and capital appreciation through debt and equity investments. The Company invests primarily in middle-market companies in the form of senior and junior secured and unsecured debt securities and loans, each of which may include an equity component, and by making direct preferred, common and other equity investments in such companies.

Forward Looking Statements

This press release, and other statements that BKCC may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to BKCC’s future financial or business performance, strategies or expectations, including, without

limitation, the statements made concerning BKCC's intent to consummate the Transaction. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" or similar expressions.

The Company cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and the Company assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to factors previously disclosed in the Company's Securities and Exchange Commission ("SEC") reports and those identified elsewhere in this press release, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (1) our future operating results; (2) our business prospects and the prospects of our portfolio companies; (3) the impact of investments that we expect to make; (4) our contractual arrangements and relationships with third parties; (5) the dependence of our future success on the general economy and its impact on the industries in which we invest; (6) the ability of our portfolio companies to achieve their objectives; (7) our expected financings and investments; (8) the adequacy of our cash resources and working capital, including our ability to obtain continued financing on favorable terms; (9) the timing of cash flows, if any, from the operations of our portfolio companies; (10) the impact of increased competition; (11) the ability of our investment advisor to locate suitable investments for us and to monitor and administer our investments; (12) potential conflicts of interest in the allocation of opportunities between us and other investment funds managed by our investment advisor or its affiliates; (13) the ability of our investment advisor to attract and retain highly talented professionals; (14) fluctuations in foreign currency exchange rates; and (15) the impact of changes to tax legislation and, generally, our tax position.

Available Information

The Company's filings with the SEC, press releases, earnings releases and other financial information are available on its website at www.BlackRockBKCC.com. The information contained on our website is not a part of this press release.