

**NEW MOUNTAIN FINANCE CORPORATION**  
**CHARTER OF THE COMPENSATION COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

**I. Statement of Policy**

The Compensation Committee (the “Compensation Committee” or the “Committee”) is appointed by the Board of Directors (the “Board”) of New Mountain Finance Corporation (the “Company”) to assist the Board with matters related to director compensation and, to the extent the Company determines to directly compensate its executive officers, executive compensation. The Committee shall have the broad responsibility to review any and all personnel policies and employee relations matters and make recommendations thereon to the Board, and shall provide assistance to the Board in discharging the Board’s responsibilities relating to compensation of the Company’s directors and, to the extent directly compensated by the Company, executive officers.

**II. Composition and Organization of the Committee**

The Committee shall consist of at least three members of the Board (each, a “Committee Member”). Each Committee Member must not be an “interested person” as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, and must satisfy the independence requirements of the Nasdaq Stock Market for compensation committee members and all other applicable laws, rules or regulations, in each case, when, as and to the extent applicable to the Company. The Committee shall endeavor, in making awards, (1) to have the compensation awarded deductible under Section 162(m) of the Internal Revenue Code and (2) to obtain the benefit of the exemption from Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), provided by Exchange Act Rule 16b-3.

The Committee may elect to have specific grants and awards awarded by a subcommittee of the Committee in order to assist in achieving any purposes deemed appropriate by the Committee.

The Nominating and Corporate Governance Committee or a subcommittee thereof, shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee Members shall be appointed by the Board and shall serve for such term as the Board may determine. The Committee shall designate one Committee Member to act as its Chairperson (the “Chairperson”). The Corporate Secretary of the Company (or his or her designee) shall act as secretary to the Committee.

The Committee Members shall serve until their failure to qualify, resignation, or retirement, their removal by the Board or until their successors shall be duly appointed and qualified. A Committee Member shall be deemed to have resigned from the Committee at such time that the Committee Member shall no longer be a member of the Board of the Company.

### **III. Meetings of the Committee**

The Committee shall meet at least one time each year and at such other times as the Chairperson deems appropriate. Meetings of the Committee shall be called by the Chairperson. The Committee may invite such members of management and advisors and others to its meetings as it may deem desirable or appropriate, subject to the maintenance of confidentiality where appropriate. A majority of the Committee Members shall constitute a quorum for the transaction of business. The act of a majority of the Committee Members present at a meeting at which a quorum is present shall be the act of the Committee.

The Committee may meet in person or telephonically. Any decision or determination of the Committee in writing and signed by all of the Committee Members shall be fully effective as if it had been made at a meeting duly called and held.

### **IV. Duties and Powers of the Committee**

The following are the duties and responsibilities of the Committee:

1. in consultation with management and external independent consultants, if any, to establish the Company's general compensation philosophy and oversee the development and implementation of compensation policies and programs;
2. to review at least annually the effectiveness of the Company's overall management organization structure and any proposals for changes by the Chief Executive Officer ("CEO") or other executive officers;
3. to require that the Company has in place the proper human resource management processes to deal with the development and succession of executive officers;
4. to make recommendations to the Board on any new equity-based compensation plan, on any material change to an existing plan and/or in respect to any new or material change to any of the Company's incentive plans and to discharge any responsibilities imposed on the Committee by any of these plans;
5. to review and approve the general compensation structures of the Company, including base salary and annual incentive, the approval of special conditions applying to executive officers, if any, such as change of control agreements and supplementary executive retirement agreements, and to review and approve compensation and incentives granted under those plans in accordance with the terms thereof;
6. to review and to approve the level and/or changes in the compensation of individual executive officers in regard to all elements of their compensation (*e.g.*, cash compensation, equity compensation, pension and benefits), if any,

taking into consideration individual performance and competitive compensation practices;

7. to review and to approve annually the corporate goals and objectives related to the compensation of the CEO and other executive officers, to evaluate the performance of the CEO in light of these goals and objectives, and to recommend the level of the different components of the CEO's compensation (base salary, annual incentives and long term incentives) based on the evaluation of the CEO's performance and the competitive compensation paid to CEOs in the relevant comparator group;
8. to review and discuss with management the Company's "Compensation Discussion and Analysis" and to issue an annual compensation committee report on executive officer compensation for inclusion in the Company's annual proxy statement or annual report on Form 10-K in accordance with the applicable laws, rules and regulations of the Securities and Exchange Commission (to the extent that none of the Company's executive officers receive any direct compensation from the Company, no such report would be required);
9. to conduct a review of compensation for members of the Board at least annually (including compensation for service on the Board and Board committees, meeting fees and equity-based compensation), make recommendations concerning the compensation of members of the Board and provide oversight and administration of any plans or programs providing for the compensation of members of the Board.
10. to retain and replace any independent firm to advise on executive compensation, including fixing such firm's fees and terms of retention, to cause such firm to prepare annually summaries of all elements of the compensation of the Company's named executive officers and any other executive officer of the Company that the Committee deems appropriate, and to review such summaries;
11. to report to the Board after each of its meetings;
12. to prepare and to review with the Board an annual performance evaluation of the Committee and Committee Members, which evaluation must compare the performance of the Committee with requirements of this charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate;
13. to review this Charter at least annually and to recommend any changes to be approved by the Board; and
14. any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.

Notwithstanding the foregoing, as of the date of adoption of this charter, none of the Company's executive officers receive any direct compensation from the Company. However, the Company reimburses its administrator, New Mountain Finance Administration, L.L.C. (the "Administrator") for the allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to the Company under an administration agreement, including the costs of compensation and related expenses of the Company's Chief Financial Officer and Chief Compliance Officer, and their respective staffs. In light of the foregoing, the Committee shall also be responsible for reviewing and approving the reimbursement by the Company of the costs of compensation and related expenses of the Company's Chief Financial Officer and Chief Compliance Officer, and their respective staffs.

#### **V. Delegation to Sub-Committee**

The Committee may, in its discretion and as appropriate, delegate duties and responsibilities to a Committee Member or to a subcommittee of the Committee.

#### **VI. Resources and Authority of the Committee**

The Committee shall have the resources and authority to discharge its duties and responsibilities, including the authority to retain internal and external advisors (including compensation consultants or experts), as it deems appropriate, without seeking approval of the Board or management. The Committee shall have sole authority to approve related fees and retention terms associated with the retention of any such advisor or consultant, which fees shall be paid by the Company.