

NEW MOUNTAIN FINANCE CORPORATION
CHARTER OF THE VALUATION COMMITTEE
OF THE BOARD OF DIRECTORS

I. Statement of Policy

The Valuation Committee (the “Valuation 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 valuation of the Company’s direct and indirect investments. The purpose of the Committee is to assist the Board in satisfying its obligation to determine the fair value of the Company’s assets pursuant to the Investment Company Act of 1940, as amended (the “1940 Act”). To that end, the Committee will perform the following functions:

- to determine whether market quotations are readily available for securities held directly or indirectly, by the Company;
- to review the Company’s valuations methodologies at least annually, or more frequently, if needed;
- to test the Company’s valuation methodologies for appropriateness and accuracy using a method that the Board deems to be appropriate;
- to consider the qualifications and effectiveness of any third-party valuation firm engaged by the Company to perform valuations of its securities;
- to consider the qualifications and effectiveness of any pricing service engaged by the Company to perform valuations of its securities;
- to determine, no less frequently than annually, the material risks associated with the Board’s determination of the fair value of the Company’s investments;
- to determine in good faith the fair value of securities held directly or indirectly by the Company for which market quotations are not readily available;
- to determine the fair value for all other direct or indirect investments of the Company which are not securities; and
- to ensure that records pertaining to the Company’s Valuation Policies (as defined below) are properly maintained for six years with other records of the Company required to be maintained under the 1940 Act.

This Valuation Committee charter (the “Charter”) has been approved by the Board and may be amended by the Board from time to time in compliance with this Charter, applicable laws, rules and regulations.

II. Composition and Organization of the Committee

The Committee shall consist of not less than 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 1940 Act and must satisfy the independence requirements of the Nasdaq Stock Market for directors and all other applicable laws, rules or regulations, in each case, when,

as and to the extent applicable to the Company.

Committee Members shall be appointed by the Board, and shall serve for such term as the Board may determine. 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.

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.

III. Meetings of the Committee

The Committee will meet as required to fulfill its responsibilities set forth in the Charter or the Company’s bylaws. The Committee shall meet regularly at least four times per year, or more frequently if circumstances so dictate. 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. Make such recommendations to the Board in accordance with the valuation policies and procedures adopted by the Board, as amended from time to time (the “Valuation Policies”);
2. Review and test the Valuation Policies, and any methodologies, techniques, inputs, and assumptions contained therein, at least annually;
3. Review valuations and any reports of independent valuation firms engaged by the Company, and periodically review the qualifications and effectiveness of any such independent valuation firms;
4. Periodically review the qualifications and effectiveness of any pricing service engaged by the Company;
5. Review and recommend to the Board an appropriate method for testing, on a quarterly basis, the appropriateness of the Company’s valuation methodologies;

6. Confirm valuations are made in accordance with the Valuation Policies and report any deficiencies or violations of the Valuation Policies to the Board on at least a quarterly basis; and
7. Review such other matters as the Board or the Committee shall deem appropriate.

In exercising its duties and responsibilities, the Committee may review any information that it deems necessary, including reports of independent valuation firms or other data prepared for the Company.

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 independent valuation firms 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.

VII. Powers of the Committee

In order to fulfill its role, the Committee shall have the sole authority to retain and terminate an independent valuation firm to assist in arriving at a fair value of the Company's securities, held directly or indirectly.