



CODE OF BUSINESS CONDUCT AND ETHICS

I. INTRODUCTION

Ethics are important to New Mountain Finance Corporation (the “**Fund**”)¹ and its Board of Directors (“**Board of Directors**”). The Fund is committed to the highest ethical standards and to conducting its business with the highest level of integrity. All officers, directors and employees of the Fund are responsible for maintaining this level of integrity and for complying with the policies contained in this code of business conduct and ethics (“**Code**”). For purposes of this Code, employees mean employees of New Mountain Capital, L.L.C. who spend some or all of their time assisting in the efforts of New Mountain Finance Administration, L.L.C. or New Mountain Finance Advisers BDC, L.L.C. (the “**Adviser**”) with respect to the Fund’s operations and any employees of the Fund or its subsidiaries.

This Code is adopted pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 (the “**Act**”), and applicable New York Stock Exchange (“**NYSE**”) rules to encourage the Fund’s officers, directors and employees (collectively, “**Personnel**”) to act in a manner consistent with the Act and the NYSE rules and in furtherance of the highest principles of ethical conduct. A copy of the Code will be posted on the Fund’s corporate website.

II. PURPOSES OF THE CODE

The purposes of the Code are:

- to promote honest and ethical conduct by the Fund’s Personnel, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- to assist the Fund’s Personnel in recognizing and avoiding conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- to promote full, fair, accurate, timely, and understandable disclosure in reports and documents that the Fund files with, or submits to, the Securities and Exchange Commission (the “**SEC**”) or the NYSE, and in other public communications made by the Fund;
- to promote compliance with applicable laws, rules and regulations;

¹ This Code of Business Conduct and Ethics is also applicable to the New Mountain Finance Holdings, LLC and New Mountain Finance AIV Holdings Corporation.



- to encourage prompt internal reporting to an appropriate person of violations of the Code; and
- to establish accountability for adherence to the Code.

III. QUESTIONS ABOUT THE CODE

The Fund's Chief Compliance Officer ("CCO") designated to oversee compliance with the Company's Code of Ethics adopted pursuant to Rule 17j-1(c) promulgated under the Investment Company Act of 1940 (the "1940 Act") shall serve as compliance officer for the implementation and administration of this Code. Questions about this Code should be directed to the CCO.

IV. CONDUCT GUIDELINES

The Fund has adopted the following guidelines under which the Fund's Personnel must perform their official duties and conduct the business affairs of the Fund.

A. Ethical and Honest Conduct

The Fund's Personnel must act with honesty and integrity to avoid violations of this Code and promote ethical behavior in the work environment.

B. Conflicts of Interest

The Fund will be externally managed and advised by the Adviser. Certain of the Fund's Personnel also serve as officers of the Adviser. The Adviser, either directly or through its affiliates, furnishes advisory services to clients, in addition to the Fund. The Adviser has adopted policies and procedures that address, among other things, the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest, which policies and procedures are designed to ensure that all client accounts, including the Fund, are treated equitably over time.

The Fund's Personnel ("you") must avoid any conflict, or the appearance of a conflict, between your personal interests and our interests. A conflict exists when your personal interests in any way interfere with our interests, or when you take any action or have any interest that may make it difficult for you to perform your job objectively and effectively. For example, a conflict of interest probably exists if:

- you cause us or the investment adviser to enter into business relationships with you or a member of your family, or invest in companies affiliated with you or a member of your family;
- you use any nonpublic information about us or the investment adviser, our customers or our other business partners for your personal gain, or the gain of a member of your family; or



- you use or communicate confidential information obtained in the course of your work for your or another's personal benefit.

Pursuant to the Code, the Fund's Personnel must disclose to the CCO all actual or apparent conflicts of interest that the Fund's Personnel may have with the Fund that could reasonably be expected to give rise to a violation of the Code.

If it is impractical to disclose the matter to the CCO, it should be disclosed to the Fund's Chief Executive Officer, Chairman or another member of the Board of Directors. If the Fund's Personnel are unsure of whether a particular fact pattern gives rise to a conflict of interest or whether a particular transaction or relationship is "material," the matter should be brought to the attention of the CCO.

C. Internal Controls and Disclosure of Information

The Fund's Personnel must at all times endeavor to ensure full, fair, timely, accurate, and understandable disclosure in the reports that the Fund files with the SEC. To that end, the Fund's Personnel must provide information to the Fund's service providers (Adviser, administrator, outside auditor, outside counsel, custodian, etc.) that is accurate, complete, objective, relevant, timely and comprehensible. Further, the Fund's Personnel must report to the CCO any untrue statement of material fact and any omission of material fact that affect the disclosures made by the Fund in its periodic reports, and must report any information concerning (a) significant deficiencies in the design or operation of disclosure and internal controls which could adversely affect the Fund's ability to record, process, summarize, and report financial data, or (b) any fraud, material or not, that involves the Fund's internal controls.

D. Compliance with Laws

The Fund's Personnel must comply with all state and federal securities laws, and other laws and rules applicable to the Fund, such as the Internal Revenue Code. The Fund has a separate insider trading policy with which the Fund's Personnel must comply.

E. Confidentiality of Information

The Fund's Personnel must respect and protect the confidentiality of information acquired in the course of their professional duties, except when authorized by the Fund to disclose such information or where disclosure is otherwise legally mandated. Confidential information acquired in the course of work may not be used by the Fund's Personnel for personal advantage.

F. Standards for Recordkeeping

The Fund's Personnel must at all times endeavor to ensure that the Fund's financial books and records are thoroughly and accurately maintained to the best of their knowledge in a manner consistent with applicable laws and this Code.



G. Corporate Opportunities

All Personnel have a duty to advance the legitimate interests of the Fund when the opportunity to do so presents itself. Therefore, they may not:

- take personally opportunities, including investment opportunities, discovered through the use of their position with the Fund or through the use of any of the Fund's property or information;
- use any Fund property, information, or position for personal gain or the gain of a family member; or
- compete, or prepare to compete, with the Fund.

H. Fair Dealing

All Personnel have a duty to deal fairly with the Fund's clients, suppliers, business partners, or any other companies or individuals with whom the Fund does business or comes into contact with, including fellow directors, officers, and employees of affiliated entities, and our competitors. Personnel may not take advantage of these or any other parties by means of:

- manipulation;
- concealment;
- abuse of privileged information;
- misrepresentation of material facts; or
- any other unfair-dealing practice.

I. Protection and Proper Use of Fund Assets

The Fund assets are to be used only for legitimate business purposes. You should protect our assets and ensure that they are used efficiently. Incidental personal use of telephones, fax machines, copy machines, personal computers, and similar equipment is generally allowed if there is no significant added cost to us, it does not interfere with your work duties, and it is not related to an illegal activity or any outside business.

V. WAIVERS OF THIS CODE

Any amendment or waiver of the Code for an executive officer or member of the Board of Directors of the Fund must be made by the Board of Directors of the Fund and disclosed within four (4) business days following such amendment or waiver by distributing a press release, providing website disclosure, or by filing a current report on Form 8-K with the U.S. Securities and Exchange Commission.



All other Personnel may request a waiver of a provision of the Code by submitting a request in writing to the CCO for review. An executive officer of the Fund, or another appropriate person (such as a designated Board or Audit Committee member), will decide whether to grant a waiver and such decision, when subject to the Securities Exchange Act of 1934, must be disclosed. A log of all waivers to the Code made pursuant to this section shall be maintained by the CCO.

VI. AFFIRMATION OF THE CODE

Upon adoption of the Code, the Fund's Personnel must certify through the execution of an acknowledgement and certification form (in the form attached as **Exhibit A** to this policy), that they have received, read, and understood the Code, and annually thereafter must affirm that they have complied with the requirements of the Code. To the extent necessary, the CCO will provide guidance on the conduct required by the Code and the manner in which violations or suspected violations must be reported and waivers must be requested.

VII. REPORTING VIOLATIONS

In the event that the Fund's Personnel discover or, in good faith, suspect a violation of the Code, the Fund's Personnel is obligated to immediately report the suspected violation to the CCO. The Fund's Personnel who report violations or suspected violations in good faith will not be subject to retaliation of any kind. Reported violations will be investigated and addressed promptly and will be treated as confidential to the extent possible. The CCO shall maintain a log of suspected violations and the results of any investigations resulting therefrom.

VIII. VIOLATIONS OF THE CODE

Dishonest or unethical conduct, or conduct that is illegal, constitutes a violation of this Code. A violation of this Code may result in disciplinary action, including termination of employment and/or removal as an officer of the Fund and/or referral to appropriate regulatory authorities.

Adopted: May 18, 2011

