
Section 1: 8-K (8-K)

**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): **July 11, 2018 (July 5, 2018)**

New Mountain Finance Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

814-00832
(Commission
File Number)

27-2978010
(IRS Employer
Identification Number)

787 7th Avenue, 48th Floor, New York, NY 10019
(Address of principal executive offices)

Registrant's telephone number, including area code **(212) 720-0300**

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

Unsecured Notes Offering

On July 5, 2018, New Mountain Finance Corporation (the “*Company*”) entered into a third supplement (the “*Supplement*”) to its Amended and Restated Note Purchase Agreement dated September 30, 2016 (the “*Note Purchase Agreement*”). Pursuant to the Supplement, on July 5, 2018, the Company issued to an institutional investor identified therein, in a private placement, \$50,000,000 in aggregate principal amount of 5.36% Series 2018B Senior Notes due June 28, 2023 (the “*Notes*”) as an additional series of notes under the Note Purchase Agreement. Except as set forth in the Supplement, the Notes have the same terms as the \$90,000,000 in aggregate principal amount of the 5.313% Senior Notes due May 15, 2021, the \$55,000,000 in aggregate principal amount of the 4.76% Series 2017A Senior Notes due July 15, 2022, and the \$90,000,000 in aggregate principal amount of the 4.87% Series 2018A Senior Notes due January 30, 2023 (collectively, the “*Prior Notes*”) that the Company previously issued pursuant to the Note Purchase Agreement, and the first supplement and the second supplement thereto, respectively. The Supplement includes certain additional covenants and terms, including, without limitation, a requirement that the Company not exceed a debt-to-equity ratio of 1.65 to 1.00 at the time of incurring additional indebtedness and a requirement that the Company not exceed a secured debt ratio of 0.70 to 1.00 at any time.

The Notes will rank equal in priority with the Company’s other unsecured indebtedness, including the Prior Notes. Interest on the Notes will be payable semi-annually in arrears on January 15 and July 15 of each year, commencing January 15, 2019. This interest rate is subject to increase in the event that: (i) subject to certain exceptions, the Notes or the Company cease to have an investment grade rating or (ii) the aggregate amount of the Company’s unsecured debt falls below \$150,000,000. In each such event, the Company also has the option to offer to prepay the Notes at par, in which case the holders of the Notes who accept the offer would not receive the increased interest rate. In addition, the Company is obligated to offer to prepay the Notes at par if the Company’s investment adviser, New Mountain Finance Adviser BDC, L.L.C. (the “*Investment Adviser*”), or an affiliate thereof, ceases to be the Company’s investment adviser or if certain change in control events occur with respect to the Investment Adviser. The Note Purchase Agreement also contains customary terms and conditions for unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company’s status as a business development company under the Investment Company Act of 1940, as amended, and a regulated investment company under the Subchapter M of the Internal Revenue Code of 1986, as amended, minimum stockholders’ equity, minimum asset coverage ratio, and prohibitions on certain fundamental changes at the Company or any subsidiary guarantor, as well as customary events of default with customary cure and notice, including, without limitation, nonpayment, misrepresentation in a material respect, breach of covenant, cross-default under other indebtedness of the Company or certain subsidiaries, certain judgments and orders, and certain events of bankruptcy.

The description above is only a summary of the material provisions of the Supplement and is qualified in its entirety by reference to the copy of the Supplement which is filed as Exhibit 10.1 to this current report on Form 8-K and is incorporated herein by reference thereto.

NMFC Credit Facility Amendment

On July 5, 2018, the Company entered into Amendment No. 4 (the “*Amendment*”) to the Company’s existing senior secured revolving credit facility provided by Goldman Sachs Bank USA, as the administrative agent, and the lenders party thereto, including Goldman Sachs Bank USA, Morgan Stanley Bank, N.A., and Stifel Bank & Trust (the “*NMFC Credit Facility*”). The Amendment reduces the minimum asset coverage ratio that the Company must maintain at the time of any borrowing under the NMFC Credit Facility and as of each quarter end from 2.00 to 1 to 1.50 to 1. The Amendment also includes a requirement that the Company not exceed a debt-to-equity ratio of 1.65 to 1.00 at the time of incurring additional indebtedness and a requirement that the Company not exceed a secured debt ratio of 0.70 to 1.00 at any time.

Goldman, Sachs & Co., an affiliate of Goldman Sachs Bank USA, served as the Company’s placement agent in connection with the offering of the Notes. In addition, the lenders under the NMFC Credit Facility, and their respective affiliates, may from time to time receive customary fees and expenses in the performance of investment banking, financial advisory, or other services for the Company.

The description above is only a summary of the material provisions of the Amendment and is qualified in its entirety by reference to the copy of the Amendment which is filed as Exhibit 10.2 to this current report on Form 8-K and is incorporated herein by reference thereto

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure set forth above under Item 1.01 is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

- (d) Exhibits.

Exhibit No.

10.1 [Third Supplement to Amended and Restated Note Purchase Agreement, dated July 5, 2018, by and between New Mountain Finance Corporation and the purchaser party thereto.](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

NEW MOUNTAIN FINANCE CORPORATION

Date: July 11, 2018

By: /s/ Karrie J. Jerry

Name: Karrie J. Jerry

Title: Corporate Secretary

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Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1

THIRD SUPPLEMENT TO AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

NEW MOUNTAIN FINANCE CORPORATION

Dated as of
July 5, 2018

To the Purchaser named in
Schedule A hereto

Ladies and Gentlemen:

This Third Supplement to Amended and Restated Note Purchase Agreement (the “**Supplement**”) is between New Mountain Finance Corporation, a Delaware corporation (the “**Company**”), and the institutional investor named on Schedule A attached hereto (the “**Purchaser**”).

Reference is hereby made to that certain Amended and Restated Note Purchase Agreement dated September 30, 2016 (the “**Note Purchase Agreement**”) among the Company, the First Closing Purchasers listed on Schedule B-1 thereto and the Second Closing Purchasers listed on Schedule B-2 thereto. Except as otherwise provided in sections 4 and 6 below with respect to replacements of “Second Closing Notes,” “Second Closing,” “Second Closing Purchaser,” and “Effective Date” all capitalized terms not otherwise defined herein shall have the same meaning as specified in the Note Purchase Agreement. Reference is further made to Section 4.14 of the Note Purchase Agreement which requires that, prior to the delivery of any Additional Notes, the Company and each Additional Purchaser shall execute and deliver a Supplement. The Series 2018B Notes (as defined below) constitute Additional Notes under the Note Purchase Agreement.

The Company hereby agrees with the Purchaser as follows:

1. The Company has authorized the issue and sale of \$50,000,000 aggregate principal amount of its 5.36% Series 2018B Senior Notes due June 28, 2023 (the “**Series 2018B Notes**”). The Series 2018B Notes, together with the Series 2016 Notes issued pursuant to the Note Purchase Agreement, the Series 2017A Notes issued pursuant to that certain First Supplement to Amended and Restated Note Purchase Agreement dated as of June 30, 2017, the Series 2018A Notes issued pursuant to that certain Second Supplement to Amended and Restated Note Purchase Agreement dated as of January 30, 2018, and each series of Additional Notes which may from time to time hereafter be issued pursuant to the provisions of Section 2.2 of the Note Purchase Agreement, are collectively referred to as the “**Notes**” (such term shall also include any such notes issued in substitution therefor pursuant to Section 13 of the Note Purchase Agreement). The Series 2018B Notes shall be substantially in the form set out in Exhibit 1 hereto with such changes therefrom, if any, as may be approved by the Purchaser and the Company.

2. Subject to the terms and conditions hereof and as set forth in the Note Purchase Agreement and on the basis of the representations and warranties hereinafter set forth, the Company agrees to issue and sell to the Purchaser, and the Purchaser agrees to purchase from the Company, Series 2018B Notes in the principal amount set forth opposite the Purchaser’s name on Schedule A hereto at a price of 100% of the principal amount thereof on the Closing Date.

3. The sale and purchase of the Series 2018B Notes to be purchased by the Purchaser shall occur at the offices of Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603, at 9:00 a.m. Chicago time, at a closing (the “Closing”) on July 5, 2018 (the “Closing Date”). At the Closing, the Company will deliver to the Purchaser the Series 2018B Notes to be purchased by the Purchaser in the form of a single Series 2018B Note (or such greater number of Series 2018B Notes in denominations of at least \$100,000 as the Purchaser may request) dated the date of the Closing and registered in the Purchaser’s name (or in the name of the Purchaser’s nominee), against delivery by the Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to account number XXXXXXXXXXXXX at U.S. Bank National Association, in Boston, MA, ABA No. XXXXXXXXXXX. If, at the Closing, the Company shall fail to tender such Series 2018B Notes to the Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to the Purchaser’s satisfaction, the Purchaser shall, at the Purchaser’s election, be relieved of all further obligations under this Agreement, without thereby waiving any rights the Purchaser may have by reason of such failure or such nonfulfillment.

4. The Company represents and warrants to the Purchaser, as of the Closing Date, (or, if any such representations and warranties expressly relate to an earlier date, then as of such earlier date), each of the matters set forth in Section 5 of the Note Purchase Agreement, as specified subsections of such Section 5 have been supplemented, amended or superseded as set forth on Exhibit A hereto. The obligation of the Purchaser to purchase and pay for the Series 2018B Notes to be sold to the Purchaser at the Closing is subject to the fulfillment to such Purchaser’s satisfaction, prior to or at the Closing, of (i) the conditions set forth in Section 4 of the Note Purchase Agreement with respect to the Series 2018B Notes to be purchased at the Closing as if each reference to “Second Closing Notes,” “Second Closing,” “Second Closing Purchaser,” “Effective Date,” “Schedule B-2,” and “Schedule 5.5” set forth therein was replaced by “Series 2018B Notes,” the “Closing,” the “Purchaser,” the “Closing Date,” “Schedule A,” and “Schedule 5.5C” (each as defined in or attached to this Supplement), respectively, and except to the extent such conditions set forth in Section 4 of the Note Purchase Agreement are supplemented, amended or superseded hereby, and (ii) the following additional conditions:

(a) Except as supplemented, amended or superseded by the representations and warranties set forth in Exhibit A hereto, each of the representations and warranties of the Company set forth in Section 5 of the Note Purchase Agreement shall be correct as of the date of Closing (except for representations and warranties which apply to a specific earlier date which shall be true as of such earlier date or as of the date specified in Exhibit A to the extent such provision is superseded in Exhibit A) and the Company shall have delivered to the Purchaser an Officer’s Certificate, dated the date of the Closing certifying that such condition has been fulfilled.

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(b) Contemporaneously with the Closing, the Company shall sell to the Purchaser, and the Purchaser shall purchase, the Series 2018B Notes to be purchased by the Purchaser at the Closing as specified in Schedule A.

5. The terms of Section 8 of the Note Purchase Agreement shall apply to the Series 2018B Notes except that the proviso in the first sentence of Section 8.2 of the Note Purchase Agreement shall be amended in its entirety to read as follows:

“*provided*, that at any time on or after February 15, 2021 the Company may, at its option, upon notice as provided below, prepay all or any part of the Series 2016 Notes at 100% of the principal amount so prepaid, together with, in each case, accrued interest to the prepayment date; *provided, further*, that at any time on or after April 15, 2022 the Company may, at its option, upon notice as provided below, prepay all or any part of the Series 2017A Notes at 100% of the principal amount so prepaid, together with, in each case, accrued interest to the prepayment date; *provided, further*, that at any time on or after October 30, 2022 the Company may, at its option, upon notice as provided below, prepay all or any part of the Series 2018A Notes at 100% of the principal amount so prepaid, together with, in each case, accrued interest to the prepayment date; *provided, further*, that at any time on or after March 28, 2023, the Company may, at its option, upon notice as provided below, prepay all or any part of the Series 2018B Notes at 100% of the principal amount so prepaid, together with, in each case, accrued interest to the prepayment date.”

For the avoidance of doubt, the definition of “*Make-Whole Amount*” set forth in Section 8.6 of the Note Purchase Agreement shall be applicable to any Series 2018B Note.

6. The Purchaser represents and warrants that the representations and warranties set forth in Section 6 of the Note Purchase Agreement are true and correct on the date hereof with respect to the purchase of the Series 2018B Notes by the Purchaser as if each reference to “Second Closing Notes,” “Second Closing” and “Second Closing Purchaser” set forth therein was replaced by “Series 2018B Notes,” the “Closing” and the “Purchaser,” respectively, and each reference to “this Agreement” therein was modified to refer to the Note Purchase Agreement as supplemented by this Supplement.

The Purchaser further represents and warrants that such Purchaser:

(a) is an “accredited investor” within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act;

(b) has reviewed the Disclosure Documents and has been furnished with all other materials that it considers relevant to a purchase of the Series 2018B Notes, has had

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a full opportunity to ask questions of and receive answers from the Company or any person or persons acting on behalf of the Company

concerning the terms and conditions of a purchase of the Series 2018B Notes and no statement or printed material which is contrary to the Disclosure Documents has been made or given to the purchaser by or on behalf of the Company; and

(c) is not relying upon, and has not relied upon, any statement, representation or warranty made by any person, including, without limitation, Goldman Sachs & Co. LLC, any of its affiliates or any of its or their control persons, officers, directors or employees, except for the statements, representations and warranties contained in the Note Purchase Agreement (as supplemented, amended or superseded hereby) and the other Disclosure Documents, in making its decision to purchase the Series 2018B Notes.

7. The Company and the Purchaser agree to be bound by and comply with the terms and provisions of the Note Purchase Agreement (except as supplemented, amended or superseded hereby) as fully and completely as if the Purchaser were an original signatory to the Note Purchase Agreement.

8. *Covenants of the Company.* In addition to the covenants and agreements set forth in the Agreement, the Company covenants and agrees, which covenants and agreements shall have the benefit of Section 11(c) of the Note Purchase Agreement, for the benefit of the Purchaser and each other holder of a Note that:

(a) *Debt to Equity Ratio.* Immediately after the issuance of any senior security representing indebtedness (as determined pursuant to the Investment Company Act), and after giving pro forma effect thereto and the application of the proceeds thereof, the Company will not permit the Debt to Equity Ratio, to be greater than 1.65 to 1.00.

“Debt to Equity Ratio” means the ratio of (a) the aggregate amount of senior securities representing indebtedness of the Company and its Subsidiaries (including under the Notes), in each case as determined pursuant to the Investment Company Act, and any orders of the SEC issued to or with respect to Company thereunder, including any exemptive relief granted by the SEC with respect to the indebtedness of any SBIC Subsidiary to (b) Shareholders’ Equity at the last day of the immediately preceding fiscal quarter of the Company.

(b) *Maximum Secured Debt.* The Company will not permit the Secured Debt Ratio at any time to exceed 0.70 to 1.00.

“Secured Debt” means Indebtedness of the Company and its Subsidiaries that are consolidated with the Company for purposes of GAAP (excluding any Indebtedness of any of the Company’s Subsidiaries which are SBIC Subsidiaries) outstanding at any time that is secured in any manner by any Lien on assets of the Company or any such Subsidiaries.

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“Secured Debt Ratio” means the ratio of (a) Secured Debt to (b) the aggregate amount of Indebtedness of the Company and its Subsidiaries that are consolidated with the Company for purposes of GAAP (including Indebtedness under the Notes and excluding any Indebtedness of any of the Company’s Subsidiaries which are SBIC Subsidiaries).

9. *Ratings Covenant of the Company.* In addition to the covenants and agreements set forth in the Note Purchase Agreement and this Supplement, the Company covenants and agrees for the benefit of the Purchaser and each other holder of a Note that, to the extent the Company shall maintain or deliver, in accordance with the Note Purchase Agreement, a Rating, such Rating shall be a public rating, issued by a NRSRO, of the Notes and, with respect to the Series 2018B Notes, shall specifically describe the Series 2018B Notes, including their interest rate, maturity and Private Placement Number.

10. *Events of Default of the Company.* In addition to the covenants, agreements and Events of Default set forth in the Note Purchase Agreement and this Supplement, the Company covenants and agrees for the benefit of the Purchaser and each other holder of a Note that, in addition to the defaults or conditions under any Material Indebtedness of the Company and its Significant Subsidiaries that constitute an Event of Default under Section 11(f) of the Note Purchase Agreement, any such defaults or conditions, as specified in Section 11(f) of the Note Purchase Agreement, under any Material Indebtedness of the Company’s Subsidiaries that are consolidated with the Company for purposes of GAAP (excluding any Indebtedness of any of the Company’s Subsidiaries which are SBIC Subsidiaries) shall also constitute an Event of Default under Section 11(f) of the Note Purchase Agreement.

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The execution hereof shall constitute a contract between the Company and the Purchaser for the uses and purposes hereinabove set forth, and this agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one agreement.

NEW MOUNTAIN FINANCE CORPORATION

By: /s/ Shiraz Y. Kajee

Name: Shiraz Y. Kajee

Title: Chief Financial Officer and Treasurer

This Agreement is hereby
accepted and agreed to as
of the date hereof.

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By: Nuveen Alternatives Advisors LLC,
its investment manager

By: /s/ Chris Miller
Name: Chris Miller
Title: Director

NEW MOUNTAIN FINANCE CORPORATION
THIRD SUPPLEMENT TO AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

SUPPLEMENTAL REPRESENTATIONS

The Company represents and warrants to the Purchaser that except as hereinafter set forth in this Exhibit A, each of the representations and warranties set forth in Section 5 of the Note Purchase Agreement (other than representations and warranties that apply solely to a specific earlier date which shall be true as of such earlier date) is true and correct in all material respects as of the date hereof with respect to the Series 2018B Notes with the same force and effect as if each reference to “the Second Closing Notes” set forth therein was modified to refer to the “Series 2018B Notes” and each reference to “this Agreement” therein was modified to refer to the Note Purchase Agreement as supplemented by the Third Supplement. The Section references hereinafter set forth correspond to the similar sections of the Note Purchase Agreement which are supplemented hereby:

Section 5.3. Disclosure. (a) The Company, through its agent, Goldman Sachs & Co. LLC, has delivered to each Purchaser a copy of the documents, certificates or other writings identified in Schedule 5.3C and has made publicly available via the SEC’s EDGAR filing system its quarterly and annual reports on Form 10-Q and Form 10-K, respectively, including the Company’s annual report on Form 10-K for the fiscal year ended December 31, 2017 and its quarterly report on Form 10-Q for the quarter ended March 31, 2018 (the “**Initial Disclosure Materials**”), relating to the transactions contemplated hereby. The Initial Disclosure Materials fairly describe, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. This Agreement, the Initial Disclosure Materials, the financial statements listed in Schedule 5.5C and the documents, certificates or other writings delivered to the Purchaser by or on behalf of the Company (other than financial projections, pro forma financial information, and other forward-looking information referenced in Section 5.3(b)) on or prior to June 28, 2018 in connection with the transactions contemplated hereby and identified in Schedule 5.3C (this Agreement, the Initial Disclosure Materials and such documents, certificates or other writings, including, without limitation, valuations of Investments of the Company, and such financial statements delivered to each Purchaser (other than financial projections, pro forma financial information, and other forward-looking information referenced in Section 5.3(b)) being referred to, collectively, as the “**Disclosure Documents**”), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, since December 31, 2017, there has been no change in the financial condition, operations, business, properties or prospects of the Company or any Subsidiary except changes that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

(b) All financial projections, pro forma financial information and other forward-looking information which has been delivered to the Purchaser by or on behalf of the Company in connection with the transactions contemplated by this Agreement are based upon good faith assumptions and, in the case of financial projections and pro forma financial information, good faith estimates, in each case, believed to be reasonable at the time made, it being recognized that (i) such financial information as it relates to future events is subject to significant uncertainty and

SCHEDULE 5.15C
(to Third Supplement)

contingencies (many of which are beyond the control of the Company) and are therefore not to be viewed as fact, and (ii) actual results during the period or periods covered by such financial information may materially differ from the results set forth therein.

Section 5.4. Organization and Ownership of Shares of Subsidiaries; Affiliates. (a) Schedule 5.4C contains (except as noted therein) complete and correct lists of (i) the Company’s Subsidiaries, showing, as to each Subsidiary, the name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other

Subsidiary, (ii) the Company's Affiliates, other than Subsidiaries, and (iii) the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4C as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and non-assessable and are owned by the Company or another Subsidiary free and clear of any Lien that is prohibited by this Agreement.

(d) No Subsidiary is subject to any legal, regulatory, contractual or other restriction (other than the agreements listed on Schedule 5.4C and customary limitations imposed by corporate law or similar statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or to any other Subsidiary of the Company that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

Section 5.5. Financial Statements; Material Liabilities. The Company has delivered to each Purchaser or made publicly available via the SEC's EDGAR filing system copies of the financial statements of the Company and its Subsidiaries listed on Schedule 5.5C. All of such financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Company and its Subsidiaries do not have any Material liabilities that are not disclosed in the Disclosure Documents.

Section 5.13. Private Offering by the Company. Neither the Company nor anyone acting on its behalf has offered the Series 2018B Notes or any similar Securities (other than any Notes previously issued pursuant to the Note Purchase Agreement and identified on Schedule 5.15C) for sale to, or solicited any offer to buy the Series 2018B Notes or any similar Securities (other than any Notes previously issued pursuant to the Note Purchase Agreement and identified on Schedule 5.15C) from, or otherwise approached or negotiated in respect thereof with, any Person other than not more than 30 Institutional Investors (including the Purchaser), each of which has been offered the Series 2018B Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Series 2018B Notes to the registration requirements of

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section 5 of the Securities Act or to the registration requirements of any Securities or blue sky laws of any applicable jurisdiction.

Section 5.14. Use of Proceeds; Margin Regulations. The Company will apply the proceeds of the sale of the Series 2018B Notes to repay outstanding Indebtedness of the Company and its Subsidiaries and/or for other general corporate purposes of the Company, including the acquisition and funding (either directly or through one or more wholly-owned Subsidiaries) of leveraged loans, mezzanine loans, high-yield securities, convertible securities, preferred stock, common stock, and other Portfolio Investments. No part of the proceeds from the sale of the Series 2018B Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any Securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 10% of the value of the consolidated assets of the Company and the Company does not have any present intention that margin stock will constitute more than 10% of the value of such assets. As used in this Section, the terms "**margin stock**" and "**purpose of buying or carrying**" shall have the meanings assigned to them in said Regulation U.

Section 5.15. Existing Indebtedness; Future Liens. (a) Except as described therein, Schedule 5.15C sets forth a complete and correct list of all outstanding Indebtedness of the Company and its Subsidiaries as of March 31, 2018 (including descriptions of the obligors and obligees, principal amounts outstanding, any collateral therefor and any Guaranties thereof), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of the Company or such Subsidiary and no event or condition exists with respect to any Indebtedness of the Company or any Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15C, neither the Company nor any Subsidiary has agreed or consented to cause or permit any of its property, whether now owned or hereafter acquired, to be subject to a Lien that secures Indebtedness or to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien that secures Indebtedness.

(c) Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or any other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Company, except as disclosed in Schedule 5.15C.

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[FORM OF SERIES 2018B NOTE]

NEW MOUNTAIN FINANCE CORPORATION

5.36% SERIES 2018B SENIOR NOTE DUE JUNE 28, 2023

No. []]
\$[]]

[Date]
PPN 647551 B@8

FOR VALUE RECEIVED, the undersigned, NEW MOUNTAIN FINANCE CORPORATION (herein called the “**Company**”), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [], or registered assigns, the principal sum of [] DOLLARS (or so much thereof as shall not have been prepaid) on June 28, 2023 (the “**Maturity Date**”), with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of (a) subject to adjustment pursuant to Section 1.2 of the hereinafter defined Note Purchase Agreement, 5.36% per annum from the date hereof, payable semiannually, on the 15th day of January and July in each year, commencing January 15, 2019, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, (x) on any overdue payment of interest and (y) during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the Default Rate (as defined in the hereinafter defined Note Purchase Agreement).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at Wells Fargo Bank, National Association at its offices in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (the “**Notes**”) issued pursuant to a Supplement to the Amended and Restated Note Purchase Agreement dated September 30, 2016 (as from time to time amended, supplemented or modified, the “**Note Purchase Agreement**”), among the Company, the First Closing Purchasers and the Second Closing Purchasers named therein and Additional Purchasers of Notes from time to time issued pursuant to any Supplement to the Note Purchase Agreement. This Note and the holder hereof are entitled equally and ratably with the holders of all other Notes of all series from time to time outstanding under the Note Purchase Agreement to all the benefits provided for thereby or referred to therein. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note with the Company and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder’s attorney

EXHIBIT 1
(to Third Supplement)

duly authorized in writing, a new Note of the same series for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

NEW MOUNTAIN FINANCE CORPORATION

By _____
Name: Shiraz Y. Kajee
Title: Chief Financial Officer and Treasurer

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Section 3: EX-10.2 (EX-10.2)

AMENDMENT NO. 4

AMENDMENT NO. 4 (this "Amendment") dated as of July 5, 2018, among NEW MOUNTAIN FINANCE CORPORATION (the "Borrower"), the Lenders party hereto and GOLDMAN SACHS BANK USA, in its capacity as Administrative Agent (the "Agent") under the Credit Agreement referred to below.

The Borrower is party to the Senior Secured Revolving Credit Agreement, dated as of June 4, 2014, among the Borrower, the Lenders party thereto, the Agent, and Goldman Sachs Bank USA, as Syndication Agent (as amended, amended and restated, modified or otherwise supplemented prior to the date hereof, the "Credit Agreement").

The Borrower and the Lenders wish now to amend the Credit Agreement in certain respects, and accordingly, the parties hereto hereby agree as follows:

Section 1. Definitions. Except as otherwise defined in this Amendment, terms defined in the Credit Agreement as amended hereby and together with all amended exhibits and updated schedules and appendices thereto are used herein as defined therein.

Section 2. Amendment. Subject to the satisfaction of the conditions precedent specified in Section 5 below, and effective as of the Fourth Amendment Effective Date, the Credit Agreement is hereby amended as follows:

(a) The following definitions are hereby added to Section 1.01 in the correct alphabetical order:

"Debt to Equity Ratio" means the ratio of (a) the aggregate amount of senior securities representing indebtedness of the Borrower and its Subsidiaries (including under this Agreement), in each case as determined pursuant to the Investment Company Act, and any orders of the Securities and Exchange Commission issued to or with respect to the Borrower thereunder, including any exemptive relief granted by the Securities and Exchange Commission with respect to the indebtedness of any SBIC Subsidiary to (b) Shareholders' Equity at the last day of the immediately preceding fiscal quarter of the Borrower.

"Secured Debt" means Indebtedness of the Borrower and its Subsidiaries that are consolidated with the Borrower for purposes of GAAP (including under this Agreement and, for the avoidance of doubt, the Secured Debt Amount, but excluding any Indebtedness of any of the Borrower's Subsidiaries that are SBIC Subsidiaries) outstanding at any time that is secured in any manner by any Lien on assets of the Borrower or any such Subsidiaries.

"Secured Debt Ratio" means the ratio of (a) Secured Debt to (b) the aggregate amount of Indebtedness of the Borrower and its Subsidiaries that are consolidated with the Borrower for purposes of GAAP (including under this Agreement and, for

the avoidance of doubt, the Secured Debt Amount, but excluding any Indebtedness of any of the Borrower's Subsidiaries that are SBIC Subsidiaries).

(b) The following clause is hereby added to the end of Section 6.01 of the Credit Agreement immediately following clause (k) as follows:

"*provided*, that, in each case, the Borrower shall not be permitted to incur any Indebtedness otherwise permitted under this Section 6.01, if, immediately after the incurrence of such Indebtedness and after giving pro forma effect thereto, the Debt to Equity Ratio exceeds 1.65 to 1.00."

(c) Section 6.07(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(b) Asset Coverage Ratio. The Borrower will not permit the Asset Coverage Ratio (i) immediately after any Borrowing hereunder, or (ii) on the last day of any fiscal quarter of the Borrower, to be less than 1.50 to 1."

(d) A new clause (d) is hereby added to Section 6.07 of the Credit Agreement as follows in its appropriate order:

"(d) Maximum Secured Debt Ratio. The Borrower will not permit the Secured Debt Ratio at any time to exceed 0.70 to 1.00."

(e) Schedule 3.11 to the Credit Agreement is amended by replacing it with Annex I hereto.

Section 3. Representations and Warranties. The Borrower represents and warrants to each Lender, the Agent, the Swingline Lender and the Issuing Bank that on the Fourth Amendment Effective Date (a) the representations and warranties of the Borrower set forth in Article III of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (or, in the case of any portion of the representations and warranties already subject to a materiality qualifier, true and correct in all respects) on and as of the Fourth Amendment Effective Date, or as to any such representation or warranty that refers to a specific date, as of such specific date and (b) no Default or Event of Default has occurred and is continuing on the Fourth Amendment Effective Date.

Section 4. Conditions Precedent. The amendments to the Credit Agreement set forth in Section 2 of this Amendment shall not become effective until the date (the "Fourth Amendment Effective Date") on which the conditions below are satisfied, each of which shall be reasonably satisfactory to the Agent:

(a) Execution. The receipt by the Agent of counterparts of this Amendment executed by the Borrower and the Required Lenders.

(b) Fees and Expenses. The payment by the Borrower, to the extent invoiced at least two Business Days prior to the required payment date, of the reasonable fees and

expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Agent, in connection with the negotiation, preparation, execution and delivery of this Amendment.

The Agent shall notify the Borrower and the Lenders of the Fourth Amendment Effective Date promptly upon its occurrence, and such notice shall be conclusive and binding.

Section 5. Reference to and Effect on the Credit Agreement. On and after the Fourth Amendment Effective Date, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement and each of the other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. This Amendment shall be deemed to be a “Loan Document” for all purposes of the Credit Agreement (as amended hereby) and the other Loan Documents. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as an amendment or waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute an amendment or waiver of any provision of any of the Loan Documents.

Section 6. Miscellaneous. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of an executed counterpart of a signature page to this Amendment by electronic transmission shall be effective as delivery of a manually executed counterpart to this Amendment. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

NEW MOUNTAIN FINANCE CORPORATION

By: /s/ Shiraz Y. Kajee
Name: Shiraz Y. Kajee
Title: Chief Financial Officer and Treasurer

[Fourth Amendment — NMFC]

GOLDMAN SACHS BANK USA,
as Agent and a Lender

By: /s/ Ryan Durkin
Name: Ryan Durkin
Title: Authorized Signatory

MORGAN STANLEY BANK, N.A.,
as a Lender

By: /s/ Chris Winthrop
Name: Chris Winthrop
Title: Authorized Signatory

Material Agreements

1. Third Amended and Restated Loan and Security Agreement (as amended, modified, waived, supplemented, restated or replaced from time to time), dated as of October 24, 2017, by and among New Mountain Finance Holdings, L.L.C., as borrower, New Mountain Finance Corporation, as collateral manager, each of the lenders from time to time party thereto and Wells Fargo Bank, National Association, as the swingline lender, administrative agent and collateral custodian.
2. Loan and Security Agreement, dated as of June 17, 2014, by and among New Mountain Finance Corporation, as collateral manager, NMFC Senior Loan Program I LLC, as borrower, each of the lenders from time to time party thereto, Wells Fargo Bank, National Association, as administrative agent and Wells Fargo Bank, National Association, as collateral custodian.
3. Loan and Security Agreement, dated as of April 12, 2016, by and among New Mountain Finance Corporation, as collateral manager, NMFC Senior Loan Program II LLC, as borrower, each of the lenders from time to time party thereto, Wells Fargo Bank, National Association, as administrative agent and Wells Fargo Bank, National Association, as collateral custodian.
4. Indenture, dated as of June 3, 2014, between New Mountain Finance Corporation, as Issuer, and U.S. Bank National Association, as Trustee, relating to New Mountain Finance Corporation's 5.00% Senior Convertible Notes due 2019.
5. Purchase Agreement, dated as of May 28, 2014, by and among New Mountain Finance Corporation, as Issuer, New Mountain Finance Advisors BDC, L.L.C., as Adviser, New Mountain Finance Administration, L.L.C., as Administrator, and Goldman Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. LLC, as Initial Purchasers.
6. Note Purchase Agreement dated May 4, 2016, as amended and restated by the Amended and Restated Note Purchase Agreement dated September 30, 2016 (the "Amended and Restated Note Purchase Agreement"), by and between New Mountain Finance Corporation and the purchasers party thereto, relating to New Mountain Finance Corporation's 5.313% Senior Notes due May 15, 2021.
7. Amended and Restated Note Purchase Agreement, as supplemented by the First Supplement to Amended and Restated Note Purchase Agreement dated June 30, 2017, by and between New Mountain Finance Corporation and the purchasers party thereto,

relating to New Mountain Finance Corporation's 4.760% Series 2017A Senior Notes due July 15, 2022.

8. Amended and Restated Note Purchase Agreement, as supplemented by the Second Supplement to Amended and Restated Note Purchase Agreement dated January 30, 2018, by and between New Mountain Finance Corporation and the purchasers party thereto, relating to New Mountain Finance Corporation's 4.87% Series 2018A Senior Notes due January 30, 2023.
9. Amended and Restated Note Purchase Agreement, as supplemented by the Third Supplement to Amended and Restated Note Purchase Agreement dated July 5, 2018, by and between New Mountain Finance Corporation and the purchasers party thereto, relating to New Mountain Finance Corporation's 5.36% Series 2018B Senior Notes due June 28, 2023.

Liens

Liens created pursuant to this Agreement or any of the Security Documents.

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