

AMERICAN CAPITAL SENIOR FLOATING, LTD. COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER¹

ORGANIZATION

This charter governs the operations of the Compensation and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of American Capital Senior Floating, Ltd. (the “Company”). The Committee shall review and reassess the charter at least annually and obtain the approval of the Board for any changes to this charter. The Committee shall be appointed and its chair shall be designated by the Board and shall comprise at least three directors, each of whom is independent of management and the Company. For such purposes, independence shall be defined as set forth in the applicable rules and standards of the Securities and Exchange Commission (the “SEC”) and the Nasdaq Stock Market. In addition, no Committee member shall be an “interested person” of the Company, as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended. Committee members may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof. Compensatory fees shall not include: (i) fees received as a member of the Committee, the Board or any other Board committee; or (ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service). In determining whether a director is eligible to serve on the Committee, the Board also must consider whether the director is affiliated with the Company (other than solely as a director of the Company), a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director’s judgment as a member of the Committee. Committee members shall also meet such other eligibility requirements as may be established by the SEC and the Nasdaq Stock Market from time to time.

MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee may form subcommittees, consisting of one or more members of the Committee, for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided*, however, that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate.

¹ Adopted by Board of Directors, January 14, 2014.

STATEMENT OF POLICY

The Committee shall provide assistance to the Board in fulfilling its oversight responsibility to the stockholders, potential stockholders and the investment community, relating to the management agreement with the Company's manager and the compensation of the officers, directors and any employees of the Company and ensuring that appropriate policies and procedures are implemented and observed in the governance of the Company.

RESPONSIBILITIES AND PROCESSES

The primary responsibilities of the Committee are to (i) review and evaluate the performance of American Capital ACSF Management, LLC (the "Manager") under the management agreement between the Company and the Manager (the "Management Agreement"); (ii) review the compensation and fees paid to the Manager under the Management Agreement; (iii) to make recommendations to the Board on management succession and leadership development for management and the Board; (iv) recommend to the Board, oversee and review the compensation practices of the Company with regard to the Chief Executive Officer ("CEO") and other Executive Officers (as defined by applicable NASDAQ rules) of the Company, any employees of the Company and members of the Board and to set the terms of employment of any Executive Officers that are employees of the Company; (v) review and approve the disclosure regarding the Company's compensation and benefits matters in the Company's Proxy Statement filed prior to its meeting of stockholders, pursuant to Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Proxy Statement") and Annual Report on Form 10-K (the "Annual Report"); and (vi) to monitor the Company's litigation docket. The CEO may not be present during voting or deliberations on his or her compensation, if any. The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take the appropriate actions to establish or reinforce the overall corporate environment for responsive and fair governance.

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

- *Benefit Plans.* The Committee shall review the terms of the Company's incentive compensation plans, equity-based plans, welfare benefit plans and any other compensation plans. Unless otherwise delegated, the Committee shall administer such plans, including determining any incentive or equity-based awards to be granted to participants under any such plan.
- *Approval of Director Nominees.* The Committee shall be the Compensation and Corporate Governance Committee, as contemplated by the Company's By-Laws, and shall have the power to select and recommend director nominees for approval by the stockholders or, in the case of mid term vacancies, by the Board.
- *Director Recruitment.* The Committee shall consider and recruit candidates to fill vacant positions on the Board and shall review any candidates recommended by the stockholders of the Company in accordance with the Company's By-Laws. As part of this responsibility, the Committee shall be responsible for conducting appropriate inquiries to establish any

candidate's compliance with the independence and other qualification requirements established by applicable laws and regulations and as otherwise established by the Committee.

- *Director Criteria.* The Committee shall establish eligibility and experience criteria for use in fulfilling its obligations to recruit, review and select director nominees. These criteria shall reflect, among other factors, a candidate's integrity and business ethics, strength of character, judgment, experience and independence; the composition of the Board, including its size, structure, committee requirements, and meeting frequency; the relative strengths and experience of current Board members; and principles of diversity.
- *Consideration of Directors for Re-Nomination.* In connection with its approval of a slate of director nominees to be presented to the Stockholders, the Committee shall assess the contributions of those directors eligible for and interested in re-election, and shall at that time review its criteria for Board candidates in the context of the Board evaluation process and other perceived needs of the Board.
- *Governance Principles.* The Committee shall recommend to the Board corporate governance principles addressing, among other matters, the size, composition and responsibilities of the Board and its committees, which shall be reviewed not less frequently than annually by the Committee. The Committee shall make recommendations to the Board with respect to changes to the corporate governance principles.
- *Advice as to Committee Membership and Operations.* The Committee shall advise the Board with respect to the charters, structure and operations of the various committees of the Board and qualifications for membership thereon, including policies for rotation of members among committees of the Board.
- *Evaluation of Board, Directors and Committee.* The Committee shall evaluate the performance of the Board on an annual basis. In discharging this responsibility, the Committee shall solicit comments from all directors and report annually to the Board on its assessment of the Board's performance. The Committee shall periodically evaluate the performance of individual directors. The Committee shall also evaluate its own performance on an annual basis and establish criteria for such evaluation.
- *Director Compensation.* The Committee shall review the compensation of the directors on a regular basis, including retainer and meeting attendance fees, equity compensation plans and other director compensation programs and policies. As appropriate, the Committee shall recommend to the Board proposed changes in Board compensation.
- *Evaluation of Executive Management.* The Committee shall oversee the evaluation of executive management of the Company, including an annual meeting in which the CEO reviews the talents of senior executives and discusses management succession with the Committee.
- *Litigation Oversight.* The Committee shall receive periodic reports on and shall generally oversee management's activities with regard to pending and threatened litigation involving the Company.
- *Access to Consultants.* The Committee shall have the resources and authority to discharge its duties and responsibilities as described herein, including the authority to select, retain, obtain and terminate counsel, compensation consultants, financial consultants, search consultants for director vacancies and other experts (collectively, "Consultants"). The Committee shall have the sole authority to select, retain, obtain and terminate its Consultants, to oversee the work of its Consultants and to approve reasonable consulting

fees and other retention terms, which fees and other retention terms shall be paid by the Company. In doing so, the Committee shall have responsibility to consider the independence of its Consultants, as set forth in the below and to the extent required by applicable law, regulations and the listing standards of the Nasdaq Stock Market. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Consultants retained by the Committee. The Committee shall provide the Board with an annual summary of the activities performed by Consultants for the Committee and management.

- *Independence Considerations in the Selection of Consultants.* The Committee may select, or receive advice from, any Consultant, other than in-house legal counsel, only after taking into consideration the following factors: (i) the provision of other services to the Company by the person that employs the Consultant; (ii) the amount of fees received from the Company by the person that employs the Consultant, as a percentage of the total revenue of the person that employs the Consultant; (iii) the policies and procedures of the person that employs the Consultant that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the Consultant with a member of the Committee; (v) any stock of the Company owned by the Consultant; and (vi) any business or personal relationship of the Consultant or the person employing the Consultant with an Executive Officer (as defined by applicable Nasdaq Stock Market rules) of the Company; provided that the Committee need not consider such factors for any compensation Consultant that acts in a role limited to the following activities: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Executive Officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the Consultant, and about which the Consultant does not provide advice.
- *Delegation.* When appropriate, as permitted under the Company's By-Laws, applicable law and the listing standards of the Nasdaq Stock Market, the Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee, the Board or members of management.
- *Executive Sessions.* As necessary, the Committee shall hold executive sessions of the Committee without members of management.
- *Other Duties.* The Committee shall also carry out such other duties as may be delegated to it by the Board from time to time.