



Nominating and Corporate Governance Committee Charter

Purpose

The Nominating and Corporate Governance Committee (the “Committee”) is created by the Board of Directors of the Company (the “Board”) to:

- Establish procedures and criteria for evaluating the suitability of potential director nominees;
- Identify individuals qualified to serve as directors as consistent with the criteria approved by the Board and recommend for appointment to the Board or for election at the next annual or special meeting of shareholders at which directors are to be elected or to fill any vacancies or newly created directorships that may occur between such meetings;
- Recommend directors for appointment to Board committees;
- Make recommendations to the Board as to determinations of independence;
- Advise the Board as to the Board’s organization, membership, function;
- Oversee the evaluation of the Board and management;
- Oversee and set compensation for the Company’s directors; and
- Monitor corporate governance matters and develop and recommend to the Board the Corporate Governance Guidelines and the Code of Business Conduct and Ethics.

Appointment, Membership, and Organization

The Committee shall consist of at least three members, comprised solely of independent directors meeting the independence requirements of the New York Stock Exchange (the “NYSE”) as well as the applicable laws, regulations, rules, and orders of the Securities and Exchange Commission (the “SEC”). A director of a business development company shall be considered to be independent if he or she is not an "interested person" of the company, as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended.

The independent members of the Board 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 the Board may remove Committee members at any time with or without cause, fill vacancies, and designate alternate members to replace any absent or

disqualified members so long as the Committee shall at all times have at one or more members who are all independent directors. The Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Committee.

Goals and Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters.

Board/Committee Nominees

- The Committee shall identify qualified individuals for membership on the Company's Board, consistent with criteria to be approved by the Board.
- The Committee shall recommend to the Board individuals for membership on the Company's Board and its committees. In making its recommendations for Board and committee membership, the Committee shall:
 - review candidates' qualifications for membership on the Board or a committee of the Board (including making a specific determination as to the independence of each candidate) based on the criteria approved by the Board (and taking into account the enhanced independence, financial literacy and financial expertise standards that may be required the laws, regulations, and rules of the federal securities laws or the New York Stock Exchange rules for Audit Committee membership purposes);
 - periodically review the composition of the Board and its committees in light of the current challenges and needs of the Board, the Company and each committee, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, knowledge, skills, expertise, background and experience;
 - consider rotation of committee members and committee Chairmen; and
 - consider any other factors that are set forth in the Company's Corporate Governance Guidelines or are deemed appropriate by the Committee or the Board.

Evaluating the Board and Its Committees

- As appropriate, the Committee shall lead the Board in self evaluations to determine whether it is functioning effectively. The Committee shall oversee the evaluation process and report on such process and the results of the evaluations, including any recommendations to the Board for proposed changes. The Committee will report to the Board changes in corporate governance, amendments to the Company's or the Board's policies and procedures, changes to the size or composition of the Board, or changes to a committee's authority, operations, charter, or number or membership.

- At least annually, the Committee shall review the evaluations prepared by each Board committee of such committee's performance and consider any recommendations for proposed changes to the Board.
- The Committee shall periodically review the size and responsibilities of the Board and its committees and recommend any proposed changes to the Board.

Director Compensation

- The Committee shall review and approve compensation (including stock option grants and other equity-based compensation) for the Company's directors.

Corporate Governance Matters

- The Committee shall develop and recommend to the Board the Corporate Governance Guidelines for the Company.
- The Committee shall be responsible for any tasks assigned to it in the Company's Corporate Governance Guidelines as well as the consideration and resolution of any corporate governance issues that may arise from time to time.

Reporting to the Board

- The Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to Board or committee nominees or membership, Board performance, corporate governance or any other matters that the Committee deems appropriate or is requested to be included by the Board.
- The Committee shall supervise counsel for the Independent Directors.
- At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluations.
- The Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.

Authority

- The Committee has the sole authority to retain and terminate any search firm assisting the Committee in identifying director candidates, including sole authority to approve all such search firm's fees and other retention terms.
- The Committee has the sole authority to retain and terminate any compensation consultant assisting the Committee in the evaluation of director compensation, including sole authority to approve all such compensation consultant's fees and other retention terms.

- The Committee has the authority to select, retain, and terminate consultants, legal counsel or other advisors, including director search firms, to advise the Committee, at the expense of Saratoga Investment Corp., and to approve the terms of any such engagement and the fees of any such consultants, legal counsel or advisors. In selecting a consultant or other advisor, the Committee will take into account factors that may be required by applicable law or NYSE listing standards or that the Committee otherwise considers appropriate.

Delegation of Authority

The Committee may form and delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate and in the best interests of the Company.

Meeting and Minutes

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter.

Disclosure

This charter will be made available on the Company's website at <http://ir.saratogainvestmentcorp.com/governance.cfm>.

Adopted July 27, 2011