

**GOVERNANCE AND COMPENSATION COMMITTEE CHARTER  
OF THE  
BOARD OF DIRECTORS  
OF  
BLACKROCK CAPITAL INVESTMENT CORPORATION**

**AS APPROVED BY THE BOARD OF DIRECTORS  
(As amended March 2015)**

**I. PURPOSE OF THE COMMITTEE**

The purposes of the Governance and Compensation Committee (the "Committee") of the Board of Directors (the "Board") of BlackRock Capital Investment Corporation (the "BDC") are to (1) identify individuals qualified to serve on the Board as directors that are "independent" as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the "1940 Act") (the "Independent Directors"), and on committees of the Board, and to select, or to recommend that the Board select, the Board nominees for the next annual meeting of shareholders, (2) advise the Board with respect to Board composition, procedures and committees, (3) oversee periodic evaluations of the Board and any committees of the Board, (4) monitor corporate governance matters and make recommendations to the Board, and (5) act as the administrative committee with respect to Board policies and procedures, committee policies and procedures and codes of ethics, and (6) determine or recommend to the Board for determination, the compensation of the Chief Executive Officer and all other executive officers of the BDC.

**II. COMPOSITION OF THE COMMITTEE**

The Committee shall at all times be comprised of at least two members, all of which must be (i) Independent Directors of the BDC who (ii) are not "close family members" of an officer, director or employee of the BDC or the investment advisor of the BDC and (iii) are "Independent Directors" as defined in NASDAQ's listing rules. For this purpose, a "close family member" shall be a spouse, a parent, a child, a sibling, an aunt, an uncle or a first cousin, whether by blood, marriage or adoption of such director, or anyone residing in such person's home. The chairperson of the Committee will serve as the lead director of the Independent Directors. The chairperson of the Committee shall have the following responsibilities:

- (1) preside over Board meetings in the absence of the chairperson of the Board;
- (2) preside over Committee meetings and executive sessions of the Independent Directors;
- (3) serve as the principal liaison to the Independent Directors;
- (4) participate in the preparation of the Board meeting agenda; and

- (5) set meeting schedules to assure that directors have sufficient time for discussion of all agenda items.

### **III. MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall fix its own rules of procedure, which shall be consistent with the Certificate of Incorporation of the BDC (or other charter document of the BDC), the Bylaws of the BDC and this Governance and Compensation Committee Charter. The Committee shall meet as provided by its rules, which shall be at least two times annually or more frequently as circumstances require. The chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee.

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 communicate with each other shall constitute a quorum. If the BDC's Chief Executive Officer receives compensation from the BDC, he or she may not be present during voting or deliberations on his or her compensation. The Committee may also take action by written consent, if the number of Directors required for approval of such action at a meeting of Directors consent to the action in writing and the written consents are filed with the records of meetings of the Committee, unless otherwise required by applicable law.

The Committee may form subcommittees 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 no subcommittee shall consist of fewer than two members; and *provided further* 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 or the Independent Directors as a whole.

The Committee may request that any directors, officers or employees of the BDC, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.

The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the BDC and delivered to the Board, including a description of all actions taken by the Committee at the meeting.

### **IV. AUTHORITY**

The Committee shall have the authority to carry out its duties and responsibilities as set forth in this Governance and Compensation Committee Charter. The Committee shall have sole authority to retain and terminate any search firm to be used to identify Independent Director candidates, including sole authority to approve the search firm's fees and other retention terms.

## **V. DUTIES OF THE COMMITTEE**

### **A. Board Candidates and Nominees**

The Committee shall have the following goals and responsibilities with respect to Board candidates and nominees:

- (1) establish procedures and criteria for evaluating the suitability of potential director nominees, which criteria is set forth in Annex A;
- (2) select the Independent Director nominees for election by the shareholders or appointment by the Board, as the case may be, pursuant to the Bylaws of the BDC. Persons selected by the Committee shall possess such knowledge, experience, skills, expertise and diversity so as to enhance the Board's ability to manage and direct the affairs and business of the BDC, including, when applicable, to enhance the ability of committees of the Board to fulfill their duties and/or to satisfy any independence requirements imposed by law, regulation or the NASDAQ Marketplace Rules listing requirements; and
- (3) review the suitability for continued service as a director of each Independent Director when his or her term expires and at such other times as the Committee deems necessary or appropriate, and to recommend whether or not the Independent Director should be re-nominated.

### **B. Board Composition and Procedures**

The Committee shall have the following goals and responsibilities with respect to the composition and procedures of the Board as a whole:

- (1) review periodically with the Board the size and composition of the Board as a whole and recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of Independent Directors required by the 1940 Act and the NASDAQ Marketplace Rules, if applied;
- (2) make recommendations on the frequency and structure of Board meetings;
- (3) make recommendations concerning any other aspect of the procedures of the Board that the Committee considers warranted, including but not limited to procedures with respect to the waiver by the Board of any BDC rule, guideline, procedure, code of ethics or corporate governance principle;
- (4) make recommendations on the requirements for, and means of, Board orientation and training; and
- (5) act as the administrative committee under a director retirement policy, if any.

### **C. Corporate Governance**

The following shall be the goals and responsibilities of the Committee with respect to corporate governance:

- (1) consider any corporate governance issues that arise from time to time, and to develop appropriate recommendations for the Board;
- (2) monitor compliance with, and act as the administrative committee with respect to, the provisions of (i) the Code of Ethics pursuant to Rule 17j-1(c) under the 1940 Act and (ii) the Code of Ethics and Business Conduct applicable to the BDC's Chief Executive Officer, Chief Financial Officer, and persons performing similar functions, as well as the BDC's directors, officers, and employees, including the granting of any waivers thereunder, as appropriate; and
- (3) supervise counsel for the Independent Directors.

### **D. Executive Compensation**

To the extent that the BDC pays compensation to its Chief Executive Officer or its other executive officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934)(the "Executive Officers"), the Committee shall have the additional responsibility of determining or recommending to the Board for determination, the compensation of the Chief Executive Officer and all other Executive Officers of the BDC.

### **E. Board Committees**

The following shall be the goals and responsibilities of the Committee with respect to the committee structure of the Board:

- (1) appoint the members and the chairperson of the Audit Committee and the chairperson of the Committee, make recommendations to the Board regarding the size and composition of any other committee of the Board, including the identification of individuals qualified to serve as members of a committee, and recommend individual directors to fill any vacancy that might occur on a committee;
- (2) monitor the functioning of the committees of the Board and to make recommendations for any changes, including the creation or elimination of committees, the orientation of committee members, the annual review performed, if any, by each committee and the independence and qualifications of the members of the audit committee; and
- (3) recommend that the Board establish such special committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise. The Committee's power to make such a recommendation under this Governance and Compensation Committee Charter shall be without prejudice to the right of any other committee of the Board, or any individual director, to make such a recommendation at any time.

## **F. Evaluation of the Board**

The Committee shall be responsible for overseeing the evaluation of the Board as a whole. The Committee shall establish procedures to allow it to exercise this oversight function.

In conducting this review, the Committee shall evaluate whether the Board appropriately addresses the matters that are or should be within its scope pursuant to the set of corporate governance principles adopted by the Committee. The Committee shall address all matters that the Committee considers relevant to the Board's performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the investment advisor of the BDC and management of the BDC to the Board, the manner in which they were discussed or debated and whether the number and length of meetings of the Board were adequate for the Board to complete its work in a thorough and thoughtful manner.

The Committee shall report to the Board on the results of its evaluation, including any recommended amendments to the principles of corporate governance, and any recommended changes to the BDC's or the Board's policies or procedures. This report may be written or oral.

## **VI. EVALUATION OF THE COMMITTEE**

The Governance Committee shall, on an annual basis, evaluate its performance under this Governance and Compensation Committee Charter. In conducting this review, the Committee shall evaluate whether this Governance and Compensation Committee Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall report to the Board on the results of its evaluation, including any recommended amendments to this Governance and Compensation Committee Charter, and any recommended changes to the BDC's or the Board's policies or procedures. This report may be written or oral.

## **VII. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the BDC's expense, such independent counsel or other advisers as it deems necessary.

In furtherance of its authority under Section III.D. of this Governance and Compensation Committee Charter, the Committee shall have the additional power to retain or obtain (in its sole discretion) the non-binding advice of a compensation consultant, legal counsel, or other adviser. The Committee shall have direct responsibility for the appointment, compensation and oversight of any such consultant, legal counsel or adviser, and the BDC will provide appropriate funding,

as determined by the Committee, to compensate any such person. In selecting any such consultant, legal counsel or adviser, the Committee will take into account the considerations required by NSADAQ listing rule 5605(d)(3)(D).

Amended March 2015

## **Statement of Policy on Criteria for Selecting Independent Directors**

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The Governance and Compensation Committee has adopted this Statement of Policy to memorialize its views as to the appropriate criteria for selecting Independent Directors of the BDC.

A. The Governance and Compensation Committee expects that all candidates will have the following characteristics:

- Unquestioned personal integrity.
- The candidate may not be an “interested person” of the BDC or its affiliates within the meaning of the Investment Company Act of 1940.
- The candidate should have no material relationship that could create an appearance of lack of independence in respect of the BDC and its affiliates. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships (among others).
- The candidate needs the disposition to act independently in fact in respect of BDC and its affiliates. It is expected that Independent Directors will play an active and, if necessary, an adversarial role in pursuing the best interests of the BDC and shareholders.
- The candidate needs to have demonstrated sound business judgment gained through broad experience in significant positions where the candidate has dealt with management, technical, financial or regulatory issues.
- Candidates should have experience on corporate and other boards. This helps assure that they have other exposure to current governance issues and business practices. Candidates should not, however, have board memberships or other relationships that could result in business or regulatory conflicts with the BDC.
- The candidate needs the capacity for the hard work and attention to detail that is required in light of the BDC’s complex regulatory, operational and marketing setting.

B. The following characteristics are desirable, but not mandatory:

- The candidate should have diversity of interests evidenced by participation in community, charitable or other similar activities.

C. The following are desirable characteristics of the Independent Directors as a group:

- The Independent Directors will generally be drawn from the ranks of respected and accomplished senior business, government, professional and academic leaders.
- The Independent Directors as a whole should reflect a diversity of experience. At least one Independent Director will be a “financial expert,” as such term is defined by the SEC. The Governance and Compensation Committee will strive to achieve a balance of experience of Independent Directors in respect of industries, management roles and other experience.