



SARATOGA INVESTMENT CORP.

Corporate Governance Guidelines

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the "Board") of Saratoga Investment Corp., a Maryland corporation (the "Company"), to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines are not intended to change or interpret any Federal or state law or regulation, including the Maryland General Corporation Law, or the charter or bylaws of the Company, and are subject to modification from time to time by the Board.

A. Board of Directors' Responsibilities

The Board represents the stockholders' interest in perpetuating a successful business and optimizing long-term financial returns consistent with legal requirements and ethical standards. The Board is responsible for general oversight of the Company, including identifying and taking reasonable actions so that the Company is managed in a way designed to achieve this result. Consistent with the importance of the Board's responsibilities, each director is expected to be familiar with the Company's business and public disclosures, to review in advance of Board meetings related materials distributed to the Board and to attend and participate in meetings of the Board and meetings of committees of which such director is a member.

1. Selection, Evaluation and Retention of Chief Executive Officer and Oversight of Selection and Performance of Other Executive Officers

The Board, with assistance from the Compensation Committee of the Board, has the responsibility to select and evaluate the performance of the Chief Executive Officer, to oversee the selection and evaluation of the performance of other executive officers, and to oversee plans for management succession.

2. Understanding, Reviewing and Monitoring Implementation of Strategic Plans and Annual Operating Plans and Budgets

The Board is responsible for overseeing and understanding the Company's strategic plans and execution and should regularly monitor implementation of such plans to determine whether they are being implemented effectively and whether changes are needed. The Board also is responsible for overseeing and understanding the Company's annual operating plans and annual budgets and for regularly monitoring whether these plans are being implemented effectively and within budgetary limits.

3. Selection and Oversight of Independent Auditors; Oversight of Financial Statements; Valuation of Investments

The Audit Committee of the Board has the responsibility to recommend to the Board the appointment of and compensation of the Company's independent accounting firm that audits the Company's financial statements and to pre-approve the engagement terms and the provision of nonaudit services performed by such accounting firm for the Company. The Audit Committee will have direct responsibility, and the Board will have a corresponding oversight responsibility, for monitoring the performance of such accounting firm and its independence, and overseeing the financial statements prepared by management. The Audit Committee is also responsible for establishing guidelines and making recommendations to the Board regarding the valuation of the Company's loans and investments.

4. Advising Management on Significant Issues

The Board is responsible for utilizing the experiences and perspective of directors to advise and counsel management, both in meetings and in informal consultations, on significant issues facing the Company.

5. Review and Approval of Significant Company Actions and Certain Other Matters

The Board is responsible for reviewing and approving significant actions by the Company, including declarations of dividends and major transactions. In addition, the Board is responsible for approving certain actions by the Company as set forth in this policy, and other policies that may be adopted from time to time by the Board, such as those required by applicable national

securities exchanges on which the Company's securities are traded.

6. Nominating Directors and Committee Members and Overseeing Effective Corporate Governance

The Board, with the assistance of the Nominating and Corporate Governance Committee of the Board ("Nominating and Corporate Governance Committee"), is responsible for (i) evaluating and nominating directors and members of Board committees, (ii) overseeing the structure and practices of the Board and its committees and (iii) overseeing other corporate governance matters, as more fully set forth in this policy and the charter of the Nominating and Corporate Governance Committee.

B. Composition of the Board

1. Size of the Board

Consistent with the Company's bylaws, the size of the Board generally should be within a range of 3 to 11. A somewhat larger size may be appropriate from time to time in order to accommodate the availability of one or more outstanding candidates.

2. Selection of Directors/Membership Criteria

The Board, with the assistance of the Nominating and Corporate Governance Committee, is responsible for nominating directors for election by the stockholders. The Nominating and Corporate Governance Committee is responsible for developing and reevaluating specific criteria outlining the skills, experiences, particular areas of expertise, specific backgrounds and other characteristics that should be included on the Board to enhance the effectiveness of the Board and its committees.

3. Proportion and Determination of Independent Directors

Independent directors shall comprise at least a majority of the Company's Board. This will not, however, prevent the Board from taking valid actions for 90 days if, due to a temporary vacancy or vacancies on the Board, there are fewer than the intended proportion of independent directors. Any such vacancies should be filled as soon as reasonably practicable, subject to applicable regulatory requirements.

A director of the Company shall be considered independent (an "independent director") if, in accordance with the New York Stock Exchange listing standards, the director is not an "interested person" of the Company, as defined in Section 2(a)(19) of the Investment Company Act of 1940.

In addition to being an independent director, each member of the Company's Audit Committee must not accept, directly or indirectly, consulting, advisory or other compensatory fees from the Company, except in his or her capacity as a member of the Audit Committee, the Board or any other Board committee of the Company or any of its consolidated subsidiaries.

4. Directors Who Change Their Corporate Affiliations

Any director who changes his or her employer or otherwise has a significant change in job responsibilities, or who accepts or intends to accept a directorship with another company that he or she did not hold when such director was most recently elected to the Board, shall advise the Board of such change as soon as feasible. The Board may then consider the appropriateness of such director's membership on the Board and each applicable Board committee under the circumstances, considering relevant factors. If the Board determines that it is no longer appropriate for the director to remain on the Board and/or any of its committees, the director shall act in accordance with the Board's determination and immediately tender his or her resignation from the Board and/or any of its committees.

C. Board Leadership

1. Selection of Chairman and Chief Executive Officer

The Board is responsible for electing a Chairman and appointing a Chief Executive Officer. The role of Chairman of the Board and Chief Executive Officer may be combined at the Board's discretion.

2. Lead Director

The leadership structure of the Board will be evaluated on a case-by-case basis to determine whether the existing leadership

structure is appropriate and meets the Company's needs. Whenever the Chairman of the Board is not an independent director, the Board may consider electing a lead director from the independent directors to preside over any meetings of the independent directors of the Board (the "Lead Director"). In such a case, following the applicable annual meeting of stockholders or a vacancy in the Lead Director position, the independent directors shall nominate an independent director who, if appointed by the full Board, shall serve as the Lead Director for a term of two years (or, in the case of a vacancy, the remainder of the vacated term) or until his/her earlier death, removal, resignation, retirement or failure to qualify as an independent director in accordance with the then applicable guidelines.

D. Board Compensation and Performance

1. Board Compensation Review

The Board, with the assistance of the Compensation Committee, shall annually review the form and amount of the Board's compensation in relation to other comparable companies.

2. Assessing the Performance of the Board

The Board (and each of its committees) shall conduct an annual self-assessment of its performance in order to help assure the effectiveness of the Board as a whole.

E. Management's Responsibilities

Management is responsible for operating the Company in an effective, ethical and legal manner designed to produce value for the Company's stockholders consistent with the Company's policies and standards.

1. Financial Statements and Disclosures

Management is responsible for producing, with the oversight of the Board and the Audit Committee, financial statements that fairly present the Company's financial condition and results of operations and for making timely and clear disclosures to investors.

2. Strategic Planning

Management is responsible for developing and presenting to the Board the Company's strategic plans and for implementing those plans as approved by the Board.

3. Annual Operating Plans and Budgets

Management is responsible for developing and presenting to the Board the Company's annual operating plans and annual budgets and for implementing those plans and budgets as approved by the Board.

4. Effective Management and Organizational Structure

The Chief Executive Officer and senior management are responsible for selecting qualified members of management and for implementing an effective organizational structure appropriate for the Company's circumstances.

5. Setting a Strong Ethical "Tone at the Top"

The Chief Executive Officer and senior management are responsible for setting a "tone at the top" of integrity, ethics and compliance with applicable legal requirements and with the Company's policies and standards.

6. Internal Controls and Procedures

Management is responsible for developing, implementing and monitoring an effective system of internal controls and procedures to provide reasonable assurance that the Company's transactions are properly authorized; the Company's assets are safeguarded against unauthorized or improper use; and the Company's transactions and material events are properly recorded and reported. Such internal controls and procedures shall be designed to permit preparation of financial statements for the Company in conformity with generally accepted accounting principles or other criteria applicable to such statements.

F. Board Relationship to Senior Management

1. Board Access to Senior Management and Attendance by Management

The Board (meeting as a whole, as well as the independent directors meeting separately) and each Board committee will have complete access to the Company's management. Directors provide direction to members of management only as part of Board or committee responsibility and accountability.

Members of management may attend meetings of the Board at the invitation of the Chairman or Board Committee meetings at the invitation of the Committee Chairmen.

2. Board's Interaction with Institutional Investors, Press and Customers

The Board believes that management speaks for the Company. In accordance with this philosophy, directors should defer to the Company's Chief Executive Officer or Chief Financial Officer when requested to make any comments regarding the Company or its business.

G. Meeting Procedures

1. Selection of Agenda Items for Board Meetings

The Chairman of the Board, in consultation with the Lead Director and appropriate members of senior management and staff, will establish the agenda for each Board meeting. Each Board member may suggest the inclusion of item(s) on the agenda.

2. Board Materials Distributed in Advance

Management shall be responsible for assuring that, as a general rule, matters expected to be considered and acted upon by the Board should be distributed in writing to the Board sufficiently in advance of each Board meeting and each action to be taken by written consent to provide the directors time to review and evaluate such information and data. Management will provide information to permit the Board to be appropriately informed of material matters to be considered at each Board meeting or other Board action.

It is recognized that circumstances exist when it is not feasible to provide information relating to certain agenda items in advance of a Board meeting or an action to be taken by written consent. In such event, reasonable steps shall be taken (which may include extending the length of the Board meeting to allow more discussion, adjourning the meeting for a brief period to allow directors time to review such information, deferring a vote until a follow-up telephonic meeting, or other measures as appropriate) to permit the directors to become reasonably informed as to the matter before voting on it.

As a general rule, presentations on specific subjects also should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. With respect to matters involving sensitive subjects not appropriate to distribute in written form, there will be an opportunity for full discussion of the presentation at the meeting.

3. Separate Meetings of Independent Directors

The independent directors of the Board shall meet separately, without the presence of management directors or executive officers of the Company (except to the extent the independent directors request the attendance of any executive officers). Such executive sessions shall be held at the close of or during regularly scheduled meetings of the Board and the chairman of the Audit Committee or his designee shall preside over such executive sessions.

Committee Matters

1. Number and Structure of Committees

The Board shall have as standing committees an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee, which shall have the respective responsibilities described in each respective committee's charter, and shall each consist solely of independent directors. Should the Board appoint an additional committee, the Board shall, by resolution or otherwise, define in writing the responsibilities of such committee.

2. Assignment of Committee Members

The Nominating and Corporate Governance Committee is responsible for making recommendations for the nomination of Board members to the various committees, and the Board is responsible for appointing such committee members.

3. Frequency of Committee Meetings

Subject to the requirements in the applicable committee charter regarding the frequency of committee meetings, each committee chairman, in consultation with committee members, will determine the frequency and length of the meetings of the committee.

4. Committee Agenda, Background Materials and Reports

The chairman of each Board committee, in consultation with the members of such committee and the appropriate members of senior management and staff, will develop the committee's agenda. Management will be responsible for assuring that, as a general rule, information and data that are important to the committee's understanding of the matters within the committee's authority and the matters to be considered and acted upon by a committee are distributed to each member of such committee sufficiently in advance of each such meeting or action taken by written consent to provide a reasonable time for review and evaluation of such information and data. The other provisions applicable under Section G.2 of this policy regarding distribution of Board materials in advance shall apply equally to distribution of committee materials in advance.

At each Board meeting, the chairman of each committee or his or her delegate shall report the matters considered and actions taken by such committee, and shall be available to answer questions the other directors may have regarding the matters considered and actions taken by such committee.

H. Miscellaneous

1. Resources

The Board (and Board committees to the extent so provided in the applicable committee charters or otherwise authorized by the Board) may use reasonable amounts of time of the Company's internal and external personnel and also shall have the authority to hire independent advisers and consultants to assist and advise the Board (and any of its committees that are authorized to seek such advice and assistance) in connection with its responsibilities. The Board (and any such committees) shall keep the Company's Chief Financial Officer advised as to the general range of anticipated expenses for outside consultants hired by the Board (or such committees).

2. Director Orientation and Continuing Education

Each new director will receive orientation with respect to his or her duties as a director, including (a) background material with respect to the Company, its business and issues of particular significance to the Company and meetings with senior management (except to the extent unnecessary for any director who is an executive officer of the Company); (b) copies of this policy and other appropriate materials; and (c) meetings with the Board and Nominating and Corporate Governance Committee, as necessary. New directors and new members of Board committees may receive such additional orientation they may request or may be recommended by the Nominating and Corporate Governance Committee. To help assure that directors have the necessary information to perform their responsibilities, the Nominating and Corporate Governance Committee or any director may recommend further presentations, meetings or seminars on topics of relevance to the business of the Company and the duties of the Board.

3. Code of Business Conduct and Ethics

The Company will maintain a Code of Business Conduct and Ethics. Such code may be modified and replaced from time to time by the Board.

4. Disclosure of these Guidelines

These guidelines, the committee charters and the Code of Business Conduct and Ethics will be posted on the Company's website. Such availability on the Company's website will be noted in the Company's proxy statement to stockholders.

APPROVED: April, 2014