



CORPORATE GOVERNANCE PROCEDURES

I. POLICY

GSC Investment Corp. (the “**Fund**”) has established these corporate governance procedures to guard against, among other things, an improperly constituted board.

II. REVIEW TO CONFIRM DIRECTOR AND OFFICER STATUS

The Fund shall periodically review (at least annually) the status of each director and officer of the Fund. Such review shall be performed through the distribution and receipt of a Directors’ and Officers’ Questionnaire (the “**D&O Questionnaire**”) to be sent to each director (and officer) annually in January or February of each calendar year by GSCP (NJ), L.P., the Fund’s investment adviser (the “**Adviser**”). The Legal/Compliance Department of the Adviser shall review (consulting Fund Legal Counsel as needed) all D&O Questionnaires to confirm, among other matters, the continued independence of each director. Counsel to the independent directors will be advised of any material disclosure relating to any director’s independence.

New directors or officers to the Fund shall complete a D&O Questionnaire prior to serving as a Fund director or officer. The Legal/Compliance Department’s review of the completed D&O Questionnaire shall consider, among other things, the director’s or officer’s outside business dealings, percentage ownership of the Adviser and any relationship he/she may have with the Fund or Advisers or affiliates, outside of serving as a director or officer of the Fund.

III. INDEPENDENT CHAIRMAN

The Chairman of the Audit Committee and the Nominating Committee shall not be “interested persons” of the Fund, as defined under Section 2(a)(19) of the Investment Company Act of 1940 (the “**1940 Act**”) (hereinafter “**Disinterested**”).¹ If any such Chairman believes he might be interested, he shall contact legal counsel to review his status prior to the next board or committee meeting.

IV. PERCENTAGE OF DIRECTORS ELECTED BY SHAREHOLDERS

The Board may fill vacancies occurring on the Board at any time, provided that immediately after filling any such vacancy, at least two-thirds of the directors then holding office shall have been elected by shareholders.

If at any time less than a majority of the directors of the Fund were elected by shareholders due to attrition, the directors of the Fund shall within 60 days of such time, call a meeting of the shareholders for the purpose of electing directors to fill any existing vacancies in the board of directors.

¹ The Securities and Exchange Commission (the “**SEC**”) has recently proposed a rule which if adopted would require the Chairman of the Board of Directors also be Disinterested.

The Adviser shall monitor to ensure that the foregoing percentages are met. Upon the resignation of a director, the Adviser shall calculate the percentage of shareholder-elected directors and determine whether a shareholder meeting is required. If a meeting is required, the Fund's directors, in concert with the Fund's legal counsel and Adviser, shall convene a Nominating Committee meeting and arrange for a shareholder meeting to be called.

V. ANNUAL EVALUATION

The Fund's directors shall perform an evaluation, at least annually, of the effectiveness of the Board and its committees. This evaluation shall be conducted in the form of an annual questionnaire.

VI. INDEPENDENT DIRECTORS

The Fund's board shall be comprised of directors, at least a majority² of whom shall not be interested persons of the Fund as defined under the 1940 Act. The Adviser shall monitor the percentage of interested directors to the board. If there is an increase in the number of interested directors (due to resignations of disinterested directors, change in status of a director to an interested director, etc.), the Adviser shall notify the directors, including the Fund's Nominating Committee. The Nominating Committee shall promptly convene to consider new candidates who would not be interested persons of the Fund to serve on the board of the directors.

The independent directors of the Fund shall meet in a separate session, at least quarterly. No interested person of the Fund, as defined under the 1940 Act may be present in such sessions. Such sessions are anticipated to include discussions of the directors views on the performance of the Adviser and other service providers.

The independent directors of the Fund continue to be authorized to hire such employees, experts, counsel and other assistance as they deem necessary to assist them in carrying out their duties.

VII. FINANCIAL EXPERT STATUS

The Fund's Audit Committee shall choose a "financial expert" based on the following definition:

- an understanding of generally accepted accounting principles and financial statements;
- the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the public company's financial statements, or experience actively supervising one or more persons engaged in such activities;
- an understanding of internal controls and procedures for financial reporting; and
- an understanding of audit committee functions.

² The SEC has proposed a rule that would require at least seventy-five percent of the Board of Directors be comprised of persons who are Disinterested.

The audit committee shall consider whether the proposed financial expert has acquired such attributes through:

- education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;
- experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
- experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
- other relevant experience.

Annually the audit committee shall review the status of the financial expert.

Adopted: March 21, 2007