

CAPITALA FINANCE CORP.

PROXY VOTING POLICY

Capitala Finance Corp. has delegated its proxy voting responsibility to its investment adviser, Capitala Investment Advisors, LLC (the “**Adviser**”). The Proxy Voting Policies and Procedures of the Adviser are set forth below. (The guidelines are reviewed periodically by the Adviser and our non-interested directors, and, accordingly, are subject to change. For purposes of these Proxy Voting Policies and Procedures described below, “**we**” “**our**” and “**us**” refers to the Adviser).

INTRODUCTION

As an investment adviser registered under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), we have a fiduciary duty to act solely in the best interests of our clients. As part of this duty, we recognize that we must vote client securities in a timely manner free of conflicts of interest and in the best interests of our clients.

These policies and procedures for voting proxies for our investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

PROXY POLICIES

We vote proxies relating to our portfolio securities in the best interest of our clients’ stockholders. We review on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by our clients. Although we generally vote against proposals that may have a negative impact on our clients’ portfolio securities, we may vote for such a proposal if there exists compelling long-term reasons to do so.

Our proxy voting decisions are made by the senior officers who are responsible for monitoring each of our clients’ investments. To ensure that our vote is not the product of a conflict of interest, we require that: (i) anyone involved in the decision making process disclose to our Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

PROXY VOTING RECORDS

You may obtain information, without charge, regarding how we voted proxies with respect to the Company’s portfolio securities by making a written request for proxy voting information to: Capitala Finance Corp., 4201 Congress Street, Suite 360, Charlotte, NC 28209 ATTN: Chief Compliance Officer

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Adopted: June 10, 2013