

BARINGS BDC, INC.
CORPORATE GOVERNANCE GUIDELINES

I. Role of the Board

1.1 General

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the “Board”) of Barings BDC, Inc. (the “Company”), to assist the Board in the exercise of its responsibilities.

1.2 Major Responsibilities

The Board of Directors, which is elected by the stockholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the stockholders. The business and affairs of the Company are managed by or under the direction of the Board in accordance with Maryland law. The Board represents the stockholders’ interest in obtaining meaningful financial returns on their investment in the Company through its management team’s investments in lower middle market companies. The Board is responsible for determining that the Company is managed in a way to accomplish this result. The Board has the responsibility to evaluate that management is capably executing its responsibilities. In performing its duties, the primary responsibility of the Board is to exercise its business judgment in the best interests of the Company’s stockholders.

The major responsibilities of the Board include:

- Reviewing and affirming general policies and goals of the Company.
- Providing general oversight of the business.
- Reviewing and approving the compensation philosophy of the Company and specific compensation of Company executive officers and managing Directors.
- Approving corporate strategy and major management initiatives.
- Providing oversight of legal, financial and ethical conduct.
- Electing and, when necessary, replacing the Chief Executive Officer and other officers of the Company as necessary.
- Evaluating Board processes and performance.

All major decisions are to be considered by the Board as a whole.

II. Selection and Composition of the Board

2.1 Membership Criteria

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required by Board members in the context of the current make-up of the Board. This assessment should include issues of diversity, contribution to the meetings, the ability to work with other Directors and skills such as operational experience, financial market knowledge, investment management experience or background, etc. - all in the context of an assessment of the perceived needs of the Board at a given point in time.

2.2 Selection of New Directors

The Nominating and Corporate Governance Committee or the Independent Directors of the Board should be responsible for selecting new members and in recommending them for election by the stockholders. The Board expects the screening process to involve the direct input from the Chairman of the Board, the Chief Executive Officer and Chief Financial Officer.

2.3 Extending the Invitation to a Potential Director to Join the Board

The invitation to join the Board should be extended by the Board itself, acting through the Chairman of the Board.

III. Board Leadership

3.1 Selection of Chairman and CEO

The Board should be free to make this choice any way that seems best for the Company at a given point in time. The Board does not have a firm policy, one way or the other, on whether or not the role of the Chief Executive and Chairman should be separate and, if it is to be separate, whether the Chairman should be selected from the non-employee Directors or be an officer of the Company.

3.2 Collective Responsibility

All outside Directors are expected to be active participants and share collective responsibility in the Board's activities. As such, the Board believes there should be a limit to the number of other Boards of which an outside Director should be a member.

That limit, in the Board's estimation, is three (3) so that no member of the Board can serve on more than a total of three (3) public boards (excluding the Company) unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the Committee. Provided however, that if a Board member is also the CEO or CFO of another company, the total number of other Boards (excluding the Company) cannot exceed two (2) public boards unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the Committee.

IV. Board Composition and Performance

4.1 Size

Consistent with the Company's Bylaws, the Board believes that the size of the Board should generally be within a range of one (1) to twelve (12).

It is the sense of the Board that the current size is ideal for the Company at this time. However, a somewhat larger or smaller size may be appropriate from time to time in order to accommodate specific circumstances.

4.2 Mix of Inside and Outside Directors

As a matter of legal regulation and policy, there should be a majority of independent Directors on the Board. The Board is willing to have members of management, in addition to the Chief Executive Officer, as Directors. On matters of corporate governance, decisions will be made by the outside Directors.

4.3 Definition of What Constitutes Independence for Outside Directors

A Director of the Company shall be considered 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 1940 Act.

The Board believes, in addition to satisfying the applicable independence standards required by the Securities Exchange Commission, the Investment Company Act of 1940, the New York Stock Exchange's listing standards, or other applicable law, there should be no current relationship between any outside Director and the Company that would be construed in any way to compromise any Board member being designated independent.

4.4 Former Chief Executive Officer's Board Membership

The Board believes this is a matter to be decided in each individual instance. It is assumed that when the Chief Executive Officer resigns from that position, he/she should submit his/her resignation from the Board at the same time.

4.5 Directors Who Change Their Present Job Responsibility

It is the sense of the Board that individual Directors who change the responsibility they held when they were elected to the Board should submit a letter of resignation to the Board.

It is not the sense of the Board that in every instance the Directors who change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances.

4.6 Term Limits

Directors are elected for one-year terms and are elected at each annual meeting of stockholders. The Board does not believe it should establish terms limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its philosophy and, therefore, provide an increasing contribution to the Board as a whole.

4.7 Retirement Age

It is the sense of the Board that the Directors should submit an offer to resign from service on the Board at the time of their 80th birthday. It is not the sense of the Board that in every instance that Directors who turn the age of 80 while serving on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, acting through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances and to allow for one or more additional terms beyond the term in which the Director turns 80 years of age. If the Nominating and Corporate Governance Committee does not accept the resignation of such Director, the Director should resubmit an offer of resignation from service on the Board prior to the end of each term thereafter which the Nominating and Corporate Governance Committee shall consider and accept or reject.

4.8 Compensation Review

It is appropriate for the senior management of the Company to report once a year to the Compensation Committee the status of the Company's Board compensation in relation to other equivalent-sized U.S. companies. As part of a Director's total compensation and to create a direct linkage with corporate performance, the Board believes that a meaningful portion of a Director's compensation should be provided and a position maintained in common stock.

All elements of Board compensation, whether cash or stock-based compensation, if any, should be determined by the Compensation Committee.

4.9 Executive Sessions of Independent Directors

The Independent Directors of the Board will meet in regularly scheduled executive sessions at which only Independent Directors are present. In addition, members of the Board who are employees are excused from Board or Committee meetings when appropriate.

4.10 Access to Outside Advisors

The Board has the authority to hire outside advisors should members feel that this is advisable.

4.11 Assessing the Board's Performance

The Board collectively should review its performance at the end of each fiscal year. This assessment should specifically review areas in which the Board and/or management believe a better contribution could be made.

4.12 Election of Directors

In accordance with the Company's Bylaws, unless the Secretary of the Company determines that the number of nominees exceeds the number of Directors to be elected as of the record date for any meeting of the stockholders, a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board. The Board expects a Director to tender his or her resignation if he or she fails to receive the required number of votes for election or re-election. The Board shall nominate for election or re-election as Director only candidates who agree to tender, promptly following such person's failure to receive the required vote for election or re-election at the next meeting at which such person would face election or re-election, an irrevocable resignation that will be effective upon Board acceptance of such resignation. In addition, the Board shall fill Director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other Directors in accordance with this governance principle.

If an incumbent Director fails to receive the required vote for re-election, then, within 90 days following certification of the shareholder vote, the Board will act to determine whether to accept the Director's resignation. The Board may consider any factors it deems relevant in deciding whether to accept a Director's resignation. Thereafter, the Board will promptly disclose its decision-making process and decision regarding whether to accept the Director's resignation offer (or the reason(s) for rejecting the resignation offer, if applicable) in a Current Report on Form 8-K furnished to the Securities and Exchange Commission. No Director who, in accordance with this Policy, is required to tender his or her resignation, shall participate in the Board's deliberations or determination with respect to accepting or rejecting his or her own resignation as a Director.

V. Board Relationship to Senior Management

5.1 Regular Attendance of Non-Directors at Board Meetings

The Board welcomes the regular attendance at each Board meeting of non-Board members who are members of senior management.

5.2 Access to Management

Board members have complete access to the Company's management. Furthermore, the Board encourages the senior management to, from time to time, bring individuals into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) represent individuals with future potential that the senior management believes should be given exposure to the Board.

VI. Board Meetings

6.1 Selection of Agenda Items

The Chairman of the Board and the Chief Executive Officer (if the Chairman is not the Chief Executive Officer) will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of item(s) on the agenda.

6.2 Materials Distributed in Advance

Information and data that is important to the Board's understanding of the business should be distributed in writing to the Board before the Board meets. Management will make every attempt to see that this material is as brief as possible while still providing the desired information.

6.3 Presentations

As a general rule, presentations on specific subjects 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. On those occasions in which the subject matter is too sensitive to put on paper, the presentation will be discussed at the meeting, with sufficient time for discussion.

6.4 Board Member Expectations

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.

The proceedings and deliberations of the Board and its committees are confidential. Each Director will maintain the confidentiality of the information received in connection with his or her service as a Director.

VII. Committee Matters

7.1 Committee Charters

Each committee will have a written charter outlining its responsibilities. Amendments to Charters will be adopted by the Board based on the recommendation of the applicable committee.

7.2 Number, Structure and Independence

The current Committee structure: Audit, Nominating and Corporate Governance and Compensation of the Company seem appropriate. The Board shall select the chairperson of each committee.

The Board believes, consistent with applicable New York Stock Exchange listing standards, that committee membership for the Audit, Nominating and Corporate Governance and Compensation Committees should consist only of Independent Directors.

There will, from time to time, be occasions in which the Board may want to form a new Committee or disband a current Committee depending upon the circumstances.

7.3 Assignment and Rotation of Members

The Nominating and Corporate Governance Committee is responsible, after consultation with the Chief Executive Officer and with consideration of the desires of individual Board members, for the recommendation for assignment of Board members to various Committees.

7.4 Frequency and Length of Meetings

Each Committee's Chairman, in consultation with each Committee's members, will determine the frequency and length of the meetings of his or her Committee.

7.5 Agendas

The Chairman of each Committee, in consultation with the appropriate members of senior management and staff, will develop each Committee's agenda.

VIII. Leadership Development

8.1 Evaluation of the Chief Executive Officer

The full Board (outside Directors) should make this evaluation annually, and it should be communicated to the Chief Executive Officer by the Chairman of the Compensation Committee.

The evaluation should include an assessment based on objective criteria including performance of the Company, accomplishment of long-term strategic objectives, development of management, etc.

The evaluation will be used by the Compensation Committee in the course of its deliberations when considering the compensation of the Chief Executive Officer.

8.2 Succession Planning

The Chairman of the Compensation Committee and the Chief Executive Officer should establish a mechanism so that, on a continuing basis, the Chief Executive Officer's recommendation of a successor should he/she retire or be unexpectedly disabled can be made available to the Board.

8.3 Management Development

There should be an annual report to the Board by the Chief Executive Officer on the Company's program for management development. This report should be given to the Board at the same time as the succession planning report.

IX. Miscellaneous

9.1 Director Orientation and Continuing Education

Each new Director shall be given a thorough orientation with respect to his or her duties as a Director. The orientation of new Directors will include background material, meetings with senior management and visits to the Company office. Each new Director and each new member of any Board committee also shall cooperate in fulfilling any additional orientation guidelines that may be recommended generally or on an ad hoc basis by the Nominating and Corporate Governance Committee to help assure that such Director has the necessary skills to perform his or her responsibilities as a Director and/or new member of any Board committee.

Each Director also shall cooperate in fulfilling all applicable continuing education guidelines established and periodically updated by the Nominating and Corporate Governance Committee.

9.2 Disclosure of this Policy

This policy and the committee charters will be posted on the Company's website and also will be available in print to shareholders requesting them. Such availability on the Company's website and in print will be noted in the Company's annual report to shareholders and/or the annual proxy statement.

APPROVED: August 2, 2018