

**EXHIBIT B  
TO  
GARS COMPLIANCE MANUAL**

**GARRISON CAPITAL ADVISERS LLC  
GARRISON CAPITAL INC.**

**JOINT CODE OF ETHICS UNDER RULE 204A-1 AND RULE 17J-1**

**I. CODE OF ETHICS REQUIREMENTS**

**A. Introduction**

Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”) requires each registered investment adviser to adopt and implement a written code of ethics that contains provisions regarding (i) the standard of business conduct required by the adviser, which must reflect the adviser’s fiduciary duty to its clients, (ii) compliance with all applicable U.S. federal securities laws (“*Federal Securities Laws*”), (iii) reporting and review of personal securities transactions and holdings, (iv) reporting of violations of the code of ethics and (v) provision of the code of ethics to all supervised persons.

Further, Rule 17j-1 under the Investment Company Act of 1940, as amended (the “*1940 Act*”) requires that an investment company and the investment company’s investment adviser adopt a written code of ethics that establishes standards and procedures for the detection and prevention of activities by which persons having knowledge of the investments and investment intentions of the investment company may abuse their fiduciary duty to the investment company, and otherwise to deal with the types of conflict of interest situations to which Rule 17j-1 is addressed. Moreover, under Rule 17j-1, the board of directors of the investment company must approve the code of ethics of the investment company and the code of ethics of the investment company’s investment adviser (and any material changes to these codes).

Each partner, member, director, officer and employee of Garrison Capital Advisers LLC (“*GCA*”) (including its subsidiaries, collectively referred to herein as the “*Firm*”), any other person who provides investment advice on behalf of the Firm and is subject to the supervision and control of the Firm (for purposes of this code of ethics, each, an “*Employee*”), and any director of Garrison Capital Inc. (“*Garrison BDC*”) (for purposes of this code of ethics, each, a “*Director*” and together with Employees, “*you*”), is subject to this Garrison Capital Advisers LLC and Garrison Capital Inc. Joint Code of Ethics (the “*Code of Ethics*”).<sup>1</sup>

This Code of Ethics is intended to comply with Rule 204A-1 under the Advisers Act and Rule 17j-1 under the 1940 Act.

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<sup>1</sup> Certain temporary employees of the Firm and certain independent consultants also may be subject, in certain circumstances, to some or all of the provisions of this Code of Ethics, in the discretion of and to the extent determined by the Chief Compliance Officer. Any such person is included in the terms “Employee” or “you” with respect to any applicable provisions of this Code of Ethics. Also, any natural person who controls GCA or Garrison BDC and obtains information concerning recommendations made to any Client (as defined below) of the Firm that is subject to the 1940 Act or Garrison BDC, respectively, shall be subject to the applicable provisions of this Code of Ethics to the same extent as if such person were an Employee.

## **B. General Policy**

As an investment adviser, the Firm owes a fiduciary duty to its clients, which currently is limited to Garrison BDC, a closed-end, externally managed investment company that has elected to be treated as a business development company subject to certain provisions of the 1940 Act, including Rule 17j-1, but may in the future include unregistered investment funds, co-investment vehicles, collateralized loan obligation vehicles and managed accounts (each, a “*Client*” and collectively, the “*Clients*”). Directors owe similar duties to Garrison BDC. Accordingly, the Firm and its Employees and Directors must not act or behave in any manner or engage in any activity that (i) creates even the suspicion or appearance of the misuse of material non-public information (“*MNPI*”), (ii) gives rise to, or appears to give rise to, any breach of fiduciary duty owed to any Client or Garrison BDC, as applicable, or (iii) creates any undisclosed and/or unaddressed actual or potential conflict of interest, or even the appearance of an undisclosed and/or unaddressed conflict of interest, between any Client or, with respect to the Directors, Garrison BDC, on the one hand, and the Firm, any Employee or the Directors, on the other hand, or between Clients.

We seek to foster and maintain a reputation for honesty, integrity and professionalism. That reputation is a vital business asset. The confidence and trust placed in us are highly valued and must be protected.

We will make available to each Employee and Director a copy of this Code of Ethics and all subsequent amendments. By law, all Employees must provide written acknowledgement to the Chief Compliance Officer (the “*CCO*”) of their initial receipt and review of this Code of Ethics, their annual review of this Code of Ethics and their receipt and review of any subsequent amendments to this Code of Ethics.

## **C. Duty to Comply With Applicable Laws**

The Firm and its Employees must comply with all Federal Securities Laws, which term includes the Securities Act of 1933, as amended (the “*Securities Act*”), the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), the Sarbanes-Oxley Act of 2002, the 1940 Act, the Advisers Act, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the Securities and Exchange Commission (the “*SEC*”) under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers and any rules adopted thereunder by the SEC or the U.S. Department of the Treasury.

## **D. Duty to Report Violations**

Each Employee is required by law to promptly notify the CCO in the event the Employee knows or has reason to believe that he or she or any other Employee has violated any provision of this Code of Ethics. If an Employee knows or has reason to believe that the CCO has violated any provision of this Code of Ethics, the Employee must promptly notify the Chief Financial Officer, and is not required to so notify the CCO.

Any retaliatory action taken against any Employee who reports a violation or a suspected violation of this Code of Ethics is itself a violation of this Code of Ethics and cause for appropriate disciplinary action.

## **E. Personal Securities Transactions and Holdings**

All personal securities transactions by Employees and Directors must be effected in a manner consistent with any fiduciary duty owed to any Client or Garrison BDC, as applicable. The Firm

and Garrison BDC have adopted the following Personal Trading Policy that addresses personal trading by all Employees and Directors.

## II. PERSONAL TRADING POLICY

In addition to setting forth personal trading guidelines, this Personal Trading Policy requires, subject to certain exceptions, that all Employees and Directors: (i) submit to the CCO initial, quarterly, and annual reports disclosing certain personal Securities (as defined below) holdings and transactions; and (ii) obtain approval before making or disposing of any personal investments in certain Securities. The requirements and restrictions contained in this Personal Trading Policy apply to any Security of which the Employee or Director is the direct or indirect Beneficial Owner (as defined below) in any Personal Account (as defined below).

### A. Definitions Applicable to this Personal Trading Policy

#### 1. Beneficial Ownership

The concept of “*Beneficial Ownership*” has the same meaning as that set forth in Rule 16a-1(a)(2) under the Exchange Act. It refers to a direct or indirect pecuniary interest in Securities, the benefits of which are enjoyed, directly or indirectly by an Employee or Director by reason of any contract, arrangement, understanding, relationship (such as, for example, with that person’s spouse, children or other close familial relationship), agreement or any other direct or indirect pecuniary interest, and by reason of which such Employee or Director should be regarded as the true owner, although such Securities may not be registered or standing on the books of the issuer in the name of such Employee.

For example, Securities held:

- (i) for a person’s benefit in the names of others, such as nominees, trustees and other fiduciaries;
- (ii) by any partnership of which a person is a partner; and
- (iii) by any corporation which is controlled by a person (directly or through intermediaries),

would be deemed to be Beneficially Owned by said person.

Similarly, a person ordinarily obtains benefits equivalent to ownership from, and thus is generally regarded as the Beneficial Owner of, Securities:

- (i) held in the name of a spouse, a minor child, or a relative of the person or a spouse; and
- (ii) where income derived from those Securities is applied to maintain a common home or to meet expenses that the person otherwise would meet from other sources.

Interests that confer Beneficial Ownership of a Security include having or sharing with another:

- (i) voting power, including the power to vote, or to direct the voting of the Security; and/or
- (ii) investment power, including the power to dispose, or to direct the disposition, of such Security.

A person is also deemed to be the Beneficial Owner of Securities that such person has the right to acquire Beneficial Ownership of:

- (i) through the exercise of an option, warrant or right (including options traded on options exchanges) exercisable within 60 days;
- (ii) through the conversion of Securities that are immediately convertible or will become convertible within 60 days;
- (iii) pursuant to a power to revoke within 60 days; or
- (iv) pursuant to the automatic termination within 60 days, of a trust, discretionary account or similar arrangement.

In addition, Beneficial Ownership is conferred if voting or investment power is shared with one or more other persons and, therefore, the same shares of stock may be deemed Beneficially Owned by a number of persons.

The SEC regards Securities held in trust for others as Beneficially Owned by the trustee if the trustee has or shares voting or investment power with respect to such Securities.

## **2. Excluded Security**

The term “*Excluded Security*” means (i) direct obligations of the Government of the United States; (ii) bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; (iv) shares issued by open-end funds registered under the 1940 Act, except to the extent such funds are affiliated with the Firm; and (v) shares issued by unit investment trusts that are invested exclusively in one or more open-end funds, none of which are affiliated with the Firm.

## **3. Personal Account**

The term “*Personal Account*” means any Securities account that is maintained with a broker, dealer or bank (i) in which an Employee or Director has any direct or indirect Beneficial Ownership and with respect to which the holder of such account may have influence or control over investment decisions; or (ii) over which the Employee or Director exercises any investment discretion.

## **4. Purchase or Sale of a Security**

“*Purchase*” or “*sale*” of a Security includes, among other things, the writing of an option to purchase or sell a Security.

## 5. Security Considered for Purchase or Sale

A Security is “being considered for purchase or sale” when a recommendation to purchase or sell a Security has been made and communicated or, with respect to the person making the recommendation, when such person seriously considers making such a recommendation.

## 6. Security

The terms “*Security*” or “*Securities*” shall have the meanings set forth in Section 2(a)(36) of the 1940 Act and Section 202(a)(18) of the Advisers Act. The following are Securities, as defined in the 1940 Act and the Advisers Act:

Any:

- note;
- stock;
- treasury stock;
- future with respect to any security or any group or index of securities;
- bond;
- debenture;
- evidence of indebtedness;
- certificate of interest or participation in any profit-sharing agreement;
- collateral trust certificate;
- preorganization certificate or subscription;
- transferable share;
- investment contract;
- voting-trust certificate;
- certificate of deposit for a security;
- fractional undivided interest in oil, gas, or other mineral rights;
- put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof);
- put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a “security”; and

- any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase any security.

For purposes of this Code of Ethics, “*Security*” also includes the following:

- any securities-based swap agreement and any other instrument that has an investment return or value that is based, in whole or in part, on a Security;
- any loan; and
- any interest in a collective investment vehicle (such as a limited partnership or limited liability company).

Commodities, futures and options traded on a commodities exchange, including currency futures, are not Securities.

Questions about whether an instrument is a Security should be directed to the General Counsel.

## **B. Prohibited Transactions**

No Employee or Director may:

- (a) purchase or sell, directly or indirectly, any Security, other than an Excluded Security, that to such Employee’s or Director’s actual knowledge at the time of such purchase or sale:
  - (i) is being, or within the most recent 15 days was, considered for purchase or sale by a Client or, with respect to Directors, Garrison BDC; or
  - (ii) is being purchased or sold by a Client or, with respect to Directors, Garrison BDC;
- (b) purchase or sell any Security, other than an Excluded Security, that is, at the time of such proposed purchase or sale, or within the most recent 15 days was, held for the account of one or more Clients or, with respect to Directors, Garrison BDC;
- (c) purchase or sell any options or futures contracts at a time when the Employee or Director could not, consistent with this Personal Trading Policy and the Federal Securities Laws, also purchase or sell the underlying Securities of the company to which the options or futures contracts relate;
- (d) engage in any transactions in the Securities of a company that appears on the Firm’s Restricted Trading List (Employees only); or
- (e) engage in “insider trading,” whether for his or her own benefit or the benefit of others. (See Chapter 3 of the Garrison Investment Group LP Compliance Manual or the Garrison BDC Manual for further discussion of insider trading.)

## **C. Exceptions to Prohibited Transactions**

The prohibitions of Section II.B. above shall not apply to:

- (a) Purchases or sales effected in any account over which the Employee or Director has no direct or indirect influence or control or in any account of the Employee or Director that is managed on a discretionary basis by a person other than such Employee or Director (and other than such Employee's or Director's spouse, domestic partner, or financial dependents) and with respect to which such Employee or Director does not in fact influence or control such transactions and does not otherwise have the ability to exercise such influence or control such transactions (notwithstanding the fact that the Employee or Director may choose not to exercise such influence or control). Before an Employee or Director can rely on this exception, he or she must inform the CCO of the account and obtain a one-time pre-approval from the CCO.
- (b) Purchases that are part of an automatic dividend reinvestment plan. Before an Employee or Director can rely on this exception, he or she must inform the CCO of the plan and obtain a one-time pre-approval from the CCO.
- (c) Purchases effected upon the exercise of rights issued by a company, pro rata to all holders of a class of its Securities, to the extent such rights were acquired from such company, and sales of such rights so acquired.
- (d) Other purchases or sales for which the CCO, upon request by the Employee or Director, has determined would not conflict with the best interests of any Client or the Firm and is not in violation of applicable law.

There may be instances when an issuer appears on the Firm's Restricted Trading List for reasons other than the Firm's potential or actual consumption of MNPI. In such instances, the CCO may, in his discretion and if otherwise permitted by law, grant approval for an Employee to trade in Securities of or relating to that company.

## **D. Reports by Employees and Directors**

### **1. Holdings Reports and Quarterly New Account Identification and Securities Transactions Reports**

Subject to the exceptions discussed below, an Employee or Director is required to make a report with respect to (i) any account (or any holdings in or transactions effected in such account) over which the Employee or Director has any direct or indirect influence or control or (ii) any account of the Employee or Director (or any holdings in or transactions effected in such account) that is managed on a discretionary basis by a person other than such Employee or Director (and other than such Employee's or Director's spouse, domestic partner, or financial dependents) and with respect to which such Employee or Director may in fact influence or control such transactions (notwithstanding the fact that the Employee or Director may choose not to exercise such influence or control).

Subject to the exceptions discussed below, every Employee or Director shall report to the CCO the information described in Section II.D.2. below:

- (a) on an initial and annual basis (respectively the “*Initial Securities Holdings and Account Identification Report*” and the “*Annual Securities Holdings and Account Identification Report*”) (i) holdings of all Securities, other than Excluded Securities, in which such Employee or Director has direct or indirect Beneficial Ownership and (ii) any Personal Account; and
- (b) on a quarterly basis, any Personal Account not yet previously reported to the CCO and all transactions during each fiscal quarter in any Security, other than an Excluded Security, in which such Employee or Director has, or by reason of such transaction acquires, any direct or indirect Beneficial Ownership in the Security (the “*Quarterly New Account Identification and Securities Transactions Report*”).

## **2. Content and Timing**

Every report shall be in writing and shall be delivered not later than:

- (a) in the case of the Initial Securities Holdings and Account Identification Report, seven days after the individual becomes an Employee or Director;
- (b) in the case of the Quarterly New Account Identification and Securities Transactions Report, 30 days after the end of each fiscal quarter; and
- (c) in the case of the Annual Securities Holdings and Account Identification Report, no later than 45 days after the completion of each calendar year (by a date to be specified by the CCO).

Certain of the information required for each report will be satisfied by the Employee or Director causing his or her brokerage firm(s) to deliver account statements to the Firm as described in Section II.E. below. Until such time as the Employee’s or Director’s brokerage firm(s) begins sending such account statements to the CCO, it is the Employee’s or Director’s responsibility to provide the CCO with such account statements.

With respect to Securities, other than Excluded Securities, in which the Employee or Director has a Beneficial Ownership interest that are not held in a Personal Account, the Employee or Director must list such Securities on the Initial Securities Holdings and Account Identification Report and/or the Annual Securities Holdings and Account Identification Report, as pertinent. Transactions effected in such Securities must be listed on the Quarterly New Account Identification and Securities Transactions Report.

Any such report may contain a statement that the report shall not be construed as an admission by the Employee or Director making such report that such Employee has any direct or indirect Beneficial Ownership in the Security to which the report relates.

## **3. Exception for Independent Directors of Garrison BDC**

Directors that are not “interested persons” of Garrison BDC within the meaning of the 1940 Act, and who would be required to make a report under this Personal Trading Policy solely by reason of being a director to Garrison BDC, shall not be required to (i) file any Initial Securities Holdings and Account Identification Reports or Annual Securities Holdings and Account Identification Reports; or (ii) file any Quarterly New Account Identification and Securities Transactions Reports (unless the

Director knew or, in the ordinary course of fulfilling his or her official duties to Garrison BDC, should have known that during the 15-day period immediately before or after the Director's transaction in a Security (other than an Excluded Security), Garrison BDC purchased or sold such Security, or Garrison BDC or the Firm considered purchasing or selling such Security).

#### **4. Review by the Firm**

Reports furnished pursuant to this Personal Trading Policy will be reviewed by the CCO or his designee to determine that Employees' or Directors' trades are consistent with the requirements and restrictions set forth in this Personal Trading Policy and with an aim to detect any improper trading activities.

Reports furnished by the CCO with respect to his own personal trading will be reviewed by the Chief Financial Officer or his designee.

Reports will be kept confidential, subject to the right of inspection by the senior management of the Firm, the SEC staff or other governmental agencies.

Employees who fail to complete the required reports in a timely fashion will be prohibited from engaging in any personal trading until such time as their reports are completed and submitted to the CCO or his designee and may be subject to disciplinary action, including termination.

#### **E. Duplicate Account Statements**

In order to ensure that all information required in the reports referred to in Section II.D. above is received by the Firm, all Employees are required to cause the brokers, dealers or banks where any Personal Accounts are maintained to send duplicate monthly or quarterly account statements to the CCO, addressed as follows: "Chief Compliance Officer F/A/O [name of the person listed on the account], Garrison Capital Advisers LLC, 1290 Avenue of the Americas, 9th Floor, New York, New York 10104."

#### **F. Personal Investing: Pre-Approval of Certain Transactions**

Every Employee or Director, as applicable, must obtain written approval from the CCO before engaging in the following Securities transactions (to the extent such transactions are not otherwise prohibited by the prohibitions in Section II.B. above):

- (a) Any transaction by an Employee in a Security issued by any company that is a significant competitor with the Firm or that does significant amounts of business with the Firm.
- (b) Any transaction resulting in the Employee's acquisition of Beneficial Ownership of any Securities in an initial public offering.
- (c) Any transaction resulting in the Employee's acquisition of Beneficial Ownership of any Securities in a limited offering (*i.e.*, an offering that is exempt from registration under the Securities Act pursuant to Section 4(2) or Section 4(5) thereof or pursuant to Rule 504, Rule 505 or Rule 506 thereunder) (a "**Limited Offering**"), commonly referred to as a "private placement."
- (d) Any purchase or sale of shares of Garrison BDC by an Employee or Director.

Requests for pre-approval must be made on the “*Securities Transaction Pre-Approval Request*,” the form of which is attached to this Code of Ethics as Attachment F-4.<sup>2</sup>

The Securities Transaction Pre-Approval Request must be submitted to Julian Weldon, and approval must be obtained from Mr. Weldon, before the Employee or Director may engage in any such transaction. Any request by the CCO for pre-approval of such transactions for his own personal account will be reviewed, and a determination made, by the Chief Financial Officer.

Approvals for personal transactions expire 24 hours after they are sent.

## **G. Maintenance of Records**

The CCO shall maintain, in an easily accessible place, the following records:

- (a) A copy of this Code of Ethics which is or has been in effect during the past five years.
- (b) A list of all persons who are, or within the preceding five years have been, required to make (or review) reports pursuant to this Code of Ethics and the Federal Securities Laws.
- (c) A copy of each report (or any information provided in lieu of these reports) made pursuant to this Code of Ethics within the preceding five years.
- (d) A copy of any decision and reasons supporting such decision to approve Securities transactions pursuant to Section F of this Personal Trading Policy, made within the past five years after the end of the fiscal year in which such approval is granted.
- (e) A copy of any record or report of violation of this Code of Ethics and any action taken as a result of such violation, which must be maintained for at least five years after the end of the fiscal year in which the violation occurred.

## **H. Administration of Code of Ethics**

### **1. Annual Board Reporting**

No less frequently than annually, the board of directors of any Client that is subject to the 1940 Act and the Board of Directors of Garrison BDC must be provided with, and such boards must consider, a written report that: (a) describes any issues arising under this Code of Ethics or procedures since the last report to the applicable board, including, but not limited to, information about material violations of this Code of Ethics or procedures and sanctions imposed in response to material violations; and (b) certifies that the Firm or Garrison BDC, as applicable, has adopted procedures reasonably necessary to prevent Employees and Directors from violating this Code of Ethics.

### **2. Material Amendments**

The board of directors of any Client that is subject to the 1940 Act and the Board of Directors of Garrison BDC must approve any material changes to this Code of Ethics no later than six

<sup>2</sup> Purchases of shares of Garrison BDC are subject to the procedures set forth in the BDC Compliance Manual.

months after the adoption of such changes. Such approval shall be based on a determination that this Code of Ethics contains provisions reasonably necessary to prevent Employees and Directors from engaging in certain conduct prohibited by Rule 17j-1.

**I. Sanctions**

Upon discovering a violation of this Personal Trading Policy, the Firm or Garrison BDC may impose such sanctions as it deems appropriate, including, among other things, a letter of censure or suspension or termination of the employment of the violator.

Approved: May 9, 2013