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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): March 11, 2014**

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**FS Investment Corporation**  
(Exact name of Registrant as specified in its charter)

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**Maryland**  
(State or other jurisdiction  
of incorporation)

**814-00757**  
(Commission  
File Number)

**26-1630040**  
(I.R.S. Employer  
Identification No.)

**Cira Centre**  
**2929 Arch Street, Suite 675**  
**Philadelphia, Pennsylvania**  
(Address of principal executive offices)

**19104**  
(Zip Code)

**Registrant's telephone number, including area code: (215) 495-1150**

**None**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

On March 11, 2014, Walnut Street Funding LLC (“Walnut Street”), a wholly-owned financing subsidiary of FS Investment Corporation (the “Company”), Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, National Association, in its capacities as lender and collateral agent (collectively with Wells Fargo Securities, LLC, “Wells Fargo”), entered into an amendment (the “Amendment”) to Walnut Street’s revolving credit facility dated as of May 17, 2012 (as amended, the “Credit Facility”).

The Amendment increased the maximum commitments available under the Credit Facility from \$250 million to \$300 million and decreased from 2.75% to 2.50% the applicable spread above LIBOR or the base rate, as applicable, that is payable on the portion of outstanding advances under the Credit Facility attributable to “Traditional Middle Market Loans,” “Fixed Rate Loans” and “Second Lien Loans,” in each case as defined in the Credit Facility. The Company paid certain fees to Wells Fargo in connection with the Amendment.

No other material terms of the Credit Facility changed in connection with the Amendment.

The foregoing description of the Amendment as set forth in this Item 1.01 is a summary only and is qualified in all respects by the provisions of the Amendment, a copy of which is attached hereto as Exhibit 10.1 and is incorporated by reference herein.

**Item 2.02. Results of Operations and Financial Condition.**

On March 11, 2014, the board of directors (the “Board”) of the Company declared a regular monthly cash distribution of \$0.0720 per share. The regular monthly cash distribution will be paid on or about March 31, 2014 to stockholders of record on March 28, 2014.

*Certain Information About Distributions*

The determination of the tax attributes of the Company’s distributions is made annually as of the end of the Company’s fiscal year based upon its taxable income and distributions paid, in each case, for the full year. Therefore, a determination as to the tax attributes of the distributions made on a quarterly basis may not be representative of the actual tax attributes for a full year. The Company intends to update stockholders quarterly with an estimated percentage of its distributions that resulted from taxable ordinary income. The actual tax characteristics of distributions to stockholders will be reported to stockholders annually on Form 1099-DIV.

The payment of future distributions on outstanding shares of the Company’s common stock (“Shares”) is subject to the discretion of the Board and applicable legal restrictions and, therefore, there can be no assurance as to the amount or timing of any such future distributions.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

**Item 5.05. Amendments to the Registrant’s Code of Ethics, or Waiver of a Provision of the Code of Ethics.**

On March 11, 2014, the Board adopted an amended and restated Code of Business Conduct and Ethics (as amended and restated, the “Code”) that amended, restated and replaced the prior Code of Business Conduct, Ethics and Statement on the Prohibition of Insider Trading applicable to the Company. The Code (i) clarifies the applicability of certain provisions of the Code to persons associated with the Company’s investment adviser to the extent such persons are not covered by a separate code of ethics and (ii) removes the Company’s insider trading policy from the Code to a separate document administered by the Company.

The amendments reflected in the Code did not relate to or result in any waiver, explicit or implicit, of any provision of the previous Code of Business Conduct, Ethics and Statement on the Prohibition of Insider Trading.

The foregoing description of the amendments reflected in the Code is qualified in its entirety by reference to the full text of the Code, a copy of which is filed as Exhibit 14.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 5.05. A copy of the Code is also publicly available in the corporate governance section of the Company’s website at: [www.fsinvestmentcorp.com](http://www.fsinvestmentcorp.com).

**Item 8.01. Other Events.**

*Tender Offer*

The Company has previously announced that it has applied to list its Shares on the New York Stock Exchange LLC (“NYSE”), and anticipates that its Shares will, subject to NYSE approval, begin trading in April 2014 (the “Listing”). Also as previously announced, the Company anticipates that it will conduct a tender offer (the “Tender Offer”) to purchase up to \$250 million in Shares in connection with the Listing, pursuant to which the Company’s stockholders will be permitted to tender their Shares to the Company for cash, subject to the terms and conditions of the Tender Offer. On March 11, 2014, the Board authorized the Company to conduct the Tender Offer as a modified “Dutch auction,” whereby, subject to the discretion of the Board, (i) the Company’s stockholders will have the opportunity to tender some or all of their Shares at a price per Share within a set price range determined by the Company, and (ii) based on the number of Shares tendered and the prices specified by the tendering stockholders, the Company will determine the lowest per Share price within the range that will enable it to purchase the proposed \$250 million in Shares, or such lower amount depending on the number of Shares that are properly tendered and not properly withdrawn.

This Current Report on Form 8-K is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities of the Company. The Tender Offer will be made only pursuant to an offer to purchase, letter of transmittal and related materials (the “Tender Materials”) that the Company intends to distribute to its stockholders and file with the Securities and Exchange Commission (the “SEC”) upon the commencement of the Tender Offer. The full details of the Tender Offer, including complete instructions on how to tender Shares, will be included in the Tender Materials. Stockholders are urged to carefully read the Tender Materials when they become available because they will contain important information, including the terms and conditions of the Tender Offer. Stockholders may obtain free copies of the Tender Materials that the Company files with the SEC at the SEC’s website at: [www.sec.gov](http://www.sec.gov) or by calling the information agent who will be identified in the Tender Materials. In addition, stockholders may obtain free copies of the Company’s filings with the SEC from the Company’s website at: [www.fsinvestmentcorp.com](http://www.fsinvestmentcorp.com) or by contacting the Company at Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104 or by phone (877) 628-8575.

#### *Other Listing Matters*

In connection with the Listing and the Tender Offer, the Company believes that it may recognize cost savings due to reduced general and administrative expenses and accretion as a result of the reduction in the number of outstanding Shares (including as a result of not having to pay regular cash distributions on Shares that are purchased in the Tender Offer). The Company expects these savings will be partially offset by one-time Listing-related expenses and an increase in leverage expenses associated with the Tender Offer. The Company believes that net cost savings and the accretive effect of such Share repurchases may amount to approximately \$0.05 to \$0.06 per Share over the next twelve months in connection with the Listing.

#### **Forward-Looking Statements**

This Current Report on Form 8-K may contain certain forward-looking statements, including statements with regard to future events or the future performance or operation of the Company. Words such as “believes,” “expects,” “projects” and “future” or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements. Factors that could cause actual results to differ materially include changes in the economy, risks associated with possible disruption in our operations or the economy generally due to terrorism or natural disasters, future changes in laws or regulations and conditions in our operating area, the ability of the Company to complete the listing of its Shares on the NYSE, the ability to complete the Tender Offer, the price at which Shares may trade on the NYSE, which may be higher or lower than the purchase price in the Tender Offer, and some of these factors are enumerated in the filings the Company makes with the SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### **Item 9.01. Financial Statements and Exhibits.**

- (d) Exhibits.

**EXHIBIT  
NUMBER**

**DESCRIPTION**

- |      |   |
|------|---|
| 10.1 | Amendment No. 1 to Loan and Servicing Agreement, dated as of March 11, 2014, among Walnut Street Funding LLC, Wells Fargo Securities, LLC and Wells Fargo Bank, National Association. |
| 14.1 | Code of Business Conduct and Ethics of FS Investment Corporation.   |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**FS Investment Corporation**

Date: March 12, 2014

By: /s/ Michael C. Forman

Michael C. Forman  
Chief Executive Officer

**EXHIBIT INDEX**

<b><u>EXHIBIT NUMBER</u></b>	<b><u>DESCRIPTION</u></b>
10.1	Amendment No. 1 to Loan and Servicing Agreement, dated as of March 11, 2014, among Walnut Street Funding LLC, Wells Fargo Securities, LLC and Wells Fargo Bank, National Association.
14.1	Code of Business Conduct and Ethics of FS Investment Corporation.

AMENDMENT NO. 1 TO LOAN AND SERVICING AGREEMENT, dated as of March 11, 2014 (this "Amendment"), among WALNUT STREET FUNDING LLC, a Delaware limited liability company (the "Borrower"), WELLS FARGO SECURITIES, LLC, as the administrative agent (in such capacity, the "Administrative Agent"), WELLS FARGO BANK, NATIONAL ASSOCIATION, as a lender (in such capacity, the "Institutional Lender"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as the collateral agent (in such capacity, the "Collateral Agent"), and as the collateral custodian (in such capacity, the "Collateral Custodian").

WHEREAS, the Borrower, the Administrative Agent, each of the Conduit Lenders and Institutional Lenders from time to time party thereto, each of the Lender Agents from time to time party thereto, the Collateral Agent, the Account Bank and the Collateral Custodian, are party to the Loan and Servicing Agreement, dated as of May 17, 2012 (as amended, modified, waived, supplemented, restated or replaced from time to time, the "Loan and Servicing Agreement"), providing, among other things, for the making and the administration of the Advances by the lenders to the Borrower, which Advances are evidenced by the Variable Funding Note, dated as of May 17, 2012 (the "Variable Funding Note"); and

WHEREAS, the parties hereto desire to amend the Loan and Servicing Agreement in accordance with the provisions of the Loan and Servicing Agreement and subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

## ARTICLE I

### Definitions

SECTION 1.1. Defined Terms. Terms used but not defined herein have the respective meanings given to such terms in the Loan and Servicing Agreement.

## ARTICLE II

### Amendments to Loan and Servicing Agreement

SECTION 2.1. The cover page of the Loan and Servicing Agreement shall be amended by deleting "\$250,000,000" and inserting "\$300,000,000" in lieu thereof.

SECTION 2.2. Annex B to the Loan and Servicing Agreement shall be amended by deleting "\$250,000,000" and inserting "\$300,000,000" in lieu thereof.



SECTION 2.3. Section 1.01 of the Loan and Servicing Agreement shall be amended by deleting the following definitions in their entirety and inserting the following in lieu thereof:

“Fixed Rate Loan” means a Loan that is (i) a fixed rate loan or, prior to the occurrence of the Required Sale Date, a fixed rate bond, (ii) is not (and cannot by its terms become) subordinate in right of payment to any obligation of the Obligor in any bankruptcy, reorganization, insolvency, moratorium or liquidation proceedings, (iii) is secured by a pledge of collateral, which security interest is validly perfected and first priority under Applicable Law (subject to Liens described in clause (b) (other than clause (v) thereof) of the definition of Permitted Liens), and (iv) the Borrower or the Collateral Manager determines in good faith that the value of the collateral securing the loan (or the enterprise value of the underlying business) on or about the time of origination equals or exceeds the outstanding principal balance of the loan *plus* the aggregate outstanding balances of all other loans of equal or higher seniority secured by the same collateral.

“Loan” means the portion of any commercial loan or note (or, if such asset is a Fixed Rate Loan, either (i) a commercial loan or (ii) prior to the occurrence of the Required Sale Date, note or a bond) that the Borrower Advisors direct the Borrower to fund to or acquire from the Seller or any third party seller, which loan, note or bond includes, without limitation, (i) the Required Loan Documents and Loan File, and (ii) all right, title and interest of such seller in and to such loan, note or bond and any Underlying Collateral, but excluding, in each case, the Retained Interest and Excluded Amounts, and which loan, note or bond was acquired from or funded to and owned by the Borrower on the applicable Cut-Off Date (as set forth on the Loan Tape delivered on such Cut-Off Date).

“Maximum Facility Amount”: means the aggregate Commitments as then in effect, after giving effect to any decrease pursuant to Section 2.17 or increase pursuant to Section 2.20; provided that at all times after the Reinvestment Period, the Maximum Facility Amount shall mean the aggregate Advances Outstanding at such time. As of the First Amendment Effective Date, the Maximum Facility Amount is \$300,000,000.

“Minimum Equity Amount”: means the greater of (i) the sum of the Adjusted Borrowing Value of all Eligible Loans attributable to the three Obligor collectively comprising the largest aggregate Adjusted Borrowing Value included in the Borrowing Base and (ii) \$70,000,000.

SECTION 2.4. Section 1.01 of the Loan and Servicing Agreement shall be amended by inserting the following definitions in the appropriate alphabetical order:

“First Amendment Effective Date”: March 11, 2014.

“Required Sale Assets” means all Permitted Investments that would disqualify the Borrower from using the “loan securitization exemption” under the Volcker Rule (as determined by the Administrative Agent in its reasonable discretion) and all bonds and notes.

“Required Sale Date” means the date immediately prior to July 21, 2015 (or the date immediately prior to such later date as shall be determined by written order of the Board of Governors of the Federal Reserve System with respect to the required conformance with the Volcker Rule by banking entities generally); provided that, if the Administrative Agent receives

advice of nationally recognized counsel satisfactory to it in its sole discretion that (A) the ownership of the Required Sale Assets will not cause the Borrower to be a “covered fund” under the Volcker Rule, (B) the Advances are not considered to constitute “ownership interests” under the Volcker Rule or (C) ownership of the Advances will be otherwise exempt from the Volcker Rule, then the Required Sale Date shall not occur; provided, further, that upon receipt of further official guidance from or on behalf of the Board of Governors of the Federal Reserve System with respect to compliance with the Volcker Rule, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith in respect of amendments or modifications to the Transaction Documents appropriate to assure compliance with or exemption from the Volcker Rule.

“Volcker Rule” means Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

SECTION 2.5. Section 1.01 of the Loan and Servicing Agreement shall be amended by deleting “\$15,000,000” in clause (b) of the definition of “Eligible Loan” and inserting “\$20,000,000” in lieu thereof.

SECTION 2.6. Section 1.01 of the Loan and Servicing Agreement shall be amended by deleting the paragraph at the end of the definition of “Permitted Investments” and inserting the following in lieu thereof:

“Permitted Investments may include, without limitation, those investments issued by or made with Wells Fargo or for which Wells Fargo or an Affiliate provided services and receives compensation; provided, that notwithstanding the foregoing clauses (a) through (k), after the occurrence of the Required Sale Date, Permitted Investments may only include obligations or securities that constitute cash equivalents for purposes of the rights and assets in paragraph (c) (8)(i)(B) of the exclusions from the definition of “covered fund” for purposes of the Volcker Rule.”

SECTION 2.7. Section 2.07 of the Loan and Servicing Agreement shall be amended by:

- (a) amending the title of Section 2.07 to “Discretionary Sale, Substitutions, Lien Release Dividends, Purchases and Required Sale Date”; and
- (b) inserting the following as a new Section 2.07(g):

“(g) Required Sale Date. Notwithstanding anything else in this Agreement to the contrary, the Borrower shall divest itself of all Required Sale Assets on or prior to the Required Sale Date.”

**ARTICLE III**

Consent to Amendment to Collateral Management Agreement

SECTION 3.1. The Administrative Agent hereby consents to that certain Amendment to Collateral Management Agreement dated as of the date hereof, as required pursuant to Section 7.01(v) of the Loan and Servicing Agreement.

**ARTICLE IV**

Representations and Warranties

SECTION 4.1. The Borrower hereby represents and warrants to the Administrative Agent that, as of the date first written above, (i) no Unmatured Event of Default, Event of Default, Unmatured Collateral Control Event or Collateral Control Event has occurred and is continuing and (ii) the representations and warranties of the Borrower contained in the Transaction Documents are true and correct in all material respects on and as of such day (other than any representation and warranty that is made as of a specific date).

**ARTICLE V**

Conditions Precedent

SECTION 5.1. This Amendment shall become effective upon the satisfaction of the following conditions (or until such conditions are waived in writing by the Administrative Agent in its sole discretion):

- (a) the execution and delivery of this Amendment by the parties hereto;
- (b) the effectiveness of Amendment No. 1 to the Fee Letter dated as of the date hereof;
- (c) the Administrative Agent shall have received satisfactory evidence that the Borrower has obtained all required consents and approvals of all Persons to the execution, delivery and performance of this Amendment and the consummation of the transactions contemplated hereby;
- (d) the Administrative Agent shall have received the executed legal opinion of Dechert LLP, counsel to the Borrower, in form and substance acceptable to the Administrative Agent in its reasonable discretion; and
- (e) each Lender shall have received a duly executed copy of its Variable Funding Note, in a principal amount equal to the Commitment of such Lender.

**ARTICLE VI**

Miscellaneous

SECTION 6.1. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6.2. Severability Clause. In case any provision in this Amendment shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 6.3. Ratification. Except as expressly amended hereby, the Transaction Documents are in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Amendment shall form a part of the Transaction Documents for all purposes.

SECTION 6.4. Counterparts. The parties hereto may sign one or more copies of this Amendment in counterparts, all of which together shall constitute one and the same agreement. Delivery of an executed signature page of this Amendment by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 6.5. Headings. The headings of the Articles and Sections in this Amendment are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first written above.

**WALNUT STREET FUNDING LLC,**  
as Borrower

By: /s/ Gerald F. Stahlecker

Name: Gerald F. Stahlecker

Title: Executive Vice PResident

[Signature Page to Amendment No. 1 to LSA]

**WELLS FARGO SECURITIES, LLC,**  
as Administrative Agent

By: /s/ Matt Jensen

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Name: Matt Jensen, CFA

Title: Vice President

[Signature Page to Amendment No. 1 to LSA]

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as Institutional Lender

By: /s/ Mike Romanzo

Name: Mike Romanzo, CFA

Title: Director

[Signature Page to Amendment No. 1 to LSA]

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as Collateral Agent

By: /s/ Tammy Blik

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Name: Tammy Blik

Title: Vice President

[Signature Page to Amendment No. 1 to LSA]



**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as Collateral Custodian

By: /s/ Tammy Blik

Name: Tammy Blik

Title: Vice President

[Signature Page to Amendment No. 1 to LSA]

**FS INVESTMENT CORPORATION**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

March 11, 2014

# CODE OF BUSINESS CONDUCT AND ETHICS

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## CODE OF BUSINESS CONDUCT AND ETHICS

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# CODE OF BUSINESS CONDUCT AND ETHICS

## INTRODUCTION

Ethics are important to FS Investment Corporation (the “**Corporation**”, “**our**”, “**us**”, or “**we**”) and to its management. The Corporation is committed to the highest ethical standards and to conducting its business with the highest level of integrity.

All officers, directors and employees of FS Investment Corporation and its investment adviser, FB Income Advisor, LLC (the “**Adviser**”), are responsible for maintaining this level of integrity and for complying with the policies contained in this Code of Business Conduct and Ethics (this “**Code**”). If you have a question or concern about what is proper conduct for you or anyone else, please raise these concerns with the Corporation’s Chief Compliance Officer or any member of the Corporation’s management, or follow the procedures outlined in the applicable sections of this Code.

This Code has been adopted by the board of directors of the Corporation (the “**Board**”) in accordance with Rule 17j-1(c) under the Investment Company Act of 1940, as amended (the “**1940 Act**”), Item 406 of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the May 9, 1994 Report of the Advisory Group on Personal Investing by the Investment Company Institute. Rule 17j-1 generally describes fraudulent or manipulative practices with respect to purchases or sales of securities held or to be acquired by business development companies if effected by access persons of such companies.

## PURPOSE OF THIS CODE

This Code is intended to:

- help you recognize ethical issues and take the appropriate steps to resolve these issues;
- deter ethical violations to avoid any abuse of a position of trust and responsibility;
- maintain the confidentiality of our business activities;
- assist you in complying with applicable securities laws;
- assist you in reporting any unethical or illegal conduct; and
- reaffirm and promote our commitment to a corporate culture that values honesty, integrity and accountability.

Further, it is the policy of the Corporation that no affiliated person of our organization shall, in connection with the purchase or sale, directly or indirectly, by such person of any security held or to be acquired by the Corporation:

- employ any device, scheme or artifice to defraud us;

- make any untrue statement of a material fact or omit to state to us a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading;
- engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon us; or
- engage in any manipulative practices with respect to our business activities.

All officers, directors and employees, as a condition of employment or service or continued employment or service to the Corporation and the Adviser, as applicable, will acknowledge annually, in writing, that they have received a copy of this Code, read it, and understand that this Code contains our expectations regarding their conduct.

## **PRINCIPLES OF BUSINESS CONDUCT**

All officers, directors and employees of the Corporation and the Adviser will be subject to the following guidelines covering business conduct, except as noted below:

### **Conflicts of Interest**

You must avoid any conflict, or the appearance of a conflict, between your personal interests and our interests. A conflict exists when your personal interests in any way interfere with our interests, or when you take any action or have any interests that may make it difficult for you to perform your job objectively and effectively. For example, a conflict of interest probably exists if:

- you cause us or the Adviser to enter into business relationships with you or a member of your family, or invest in companies affiliated with you or a member of your family;
- you use any non-public information about us or the Adviser, our customers or our other business partners for your personal gain, or the gain of a member of your family; or
- you use or communicate confidential information obtained in the course of your work for your or another's personal benefit.

### **Corporate Opportunities**

Each of us has a duty to advance the legitimate interests of the Corporation when the opportunity to do so presents itself. Therefore, you may not:

- take for yourself personally opportunities, including investment opportunities, discovered through the use of your position with us or the Adviser, or through the use of either's property or information;
- use our or the Adviser's property, information, or position for your personal gain or the gain of a family member; or
- compete, or prepare to compete, with us or the Adviser.

### **Confidentiality**

You must not disclose confidential information regarding us, the Adviser, our affiliates, our lenders, our clients, or our other business partners, unless such disclosure is authorized or required by law. Confidential information includes all non-public information that might be harmful to, or useful to the competitors of the Corporation, our affiliates, our lenders, our clients, or our other business partners. This obligation will continue until the information becomes publicly available, even after you leave the Corporation.

### **Fair Dealing**

You must endeavor to deal fairly with our customers, suppliers and business partners, and any other companies or individuals with whom we do business or come into contact, including fellow employees and our competitors. You must not take unfair advantage of these or other parties by means of:

- manipulation;

- concealment;
- abuse of privileged information;
- misrepresentation of material facts; or
- any other unfair-dealing practice.

### **Protection and Proper Use of Company Assets**

Our assets are to be used only for legitimate business purposes. You should protect our assets and ensure that they are used efficiently.

Incidental personal use of telephones, fax machines, copy machines, personal computers and similar equipment is generally allowed if there is no significant added cost to us, it does not interfere with your work duties, and is not related to an illegal activity or to any outside business.

### **Compliance with Applicable Laws, Rules and Regulations**

Each of us has a duty to comply with all laws, rules and regulations that apply to our business. The Corporation has a separate insider trading policy with which directors, managers, officers and employees of the Corporation and the Adviser must comply. Please talk to our Chief Compliance Officer if you have any questions about how to comply with the above regulations and other laws, rules and regulations.

In addition, we expect you to comply with all of our policies and procedures that apply to you. We may modify or update our policies and procedures in the future, and may adopt new company policies and procedures from time to time. You are also expected to observe the terms of any confidentiality agreement, employment agreement or other similar agreement that applies to you.

### **Equal Opportunity; Harassment**

We are committed to providing equal opportunity in all of our employment practices including selection, hiring, promotion, transfer, and compensation of all qualified applicants and employees without regard to race, color, sex or gender, sexual orientation, religion, age, national origin, disability, citizenship status, marital status or any other status protected by law. With this in mind, there are certain behaviors that will not be tolerated. These include harassment, violence, intimidation, and discrimination of any kind involving race, color, sex or gender, sexual orientation, religion, age, national origin, disability, citizenship status, marital status, or any other status protected by law.

### **Gifts**

Gifts can appear to compromise the integrity and honesty of our personnel. On the other hand, business colleagues often wish to provide small gifts to others as a way of demonstrating appreciation or interest. We have attempted to balance these considerations in the policy which follows.



No person employed by the Corporation or the Adviser shall accept a gift or other thing of more than de minimis value (\$100 or less) from any person or entity that does business with, or is soliciting business from, the Corporation. Gifts exceeding that amount per person must be returned and the gift, its approximate value and its disposition reported to the Chief Compliance Officer. Such persons of the Corporation and the Adviser may accept gifts in the form of customary business entertainment (meals, tickets to sporting or other entertainment events) so long as the giver will be present at the entertainment. Gifts to the Corporation as a whole or to an entire department (for example, accounting, analysts, etc.) may exceed the \$100 limitation, but such gifts must be approved by the Chief Compliance Officer.

All gifts shall be reflected in a gift log, containing a basic description of the gift, a good faith estimate of the value of the gift, and a description of its disposition (i.e., accepted, rejected, returned to sender, etc.).

Solicitation of gifts is strictly prohibited.

Standards for giving gifts are identical to those governing the acceptance of gifts (that is they should be restricted to items worth \$100 or less). On the whole, good taste and judgment must be exercised in both the receipt and giving of gifts. Every person subject to this Code must avoid gifts or entertainment that would compromise the Corporation's standing or reputation. If you are offered or receive any gift which is either prohibited or questionable, you must inform the Chief Compliance Officer immediately. Outside directors are not subject to these requirements.

The direct or indirect giving of, offering to give or promising to give, money or anything of value to a foreign official, a foreign political party or party official, or any candidate for foreign political office in order to corruptly obtain or retain a business benefit, is subject to additional requirements and limitations. If you intend to give, offer or promise such a gift, you must inform the Chief Compliance Officer immediately. Outside directors are not subject to these requirements.

#### **Accuracy of Company Records**

We require honest and accurate recording and reporting of information in order to make responsible business decisions. This includes such data as quality, safety, and personnel records, as well as financial records.

All financial books, records and accounts must accurately reflect transactions and events, and conform both to required accounting principles and to our system of internal controls.

#### **Retaining Business Communications**

The law requires us to maintain certain types of corporate records, usually for specified periods of time. Failure to retain those records for those minimum periods could subject us to penalties and fines, cause the loss of rights, obstruct justice, place us in contempt of court, or seriously disadvantage us in litigation.

From time to time we establish retention or destruction policies in order to ensure legal compliance. We expect you to fully comply with any published records retention or destruction policies, provided that you should note the following exception: If you believe, or we inform you, that our records are relevant to any litigation or governmental action, or any potential litigation or action, then you must preserve those records until we determine the records are no longer needed. This exception supersedes any previously or subsequently established destruction policies for those records. If you believe that this exception may apply, or have any questions regarding the possible applicability of this exception, please contact our Chief Compliance Officer. The personal records of outside directors are not subject to these requirements.

### **Outside Employment**

Without the written consent of the Chief Executive Officer of the Corporation, no person employed by the Corporation or the Adviser is permitted to:

- be engaged in any other financial services business for profit;
- be employed or compensated by any other business for work performed; or
- have a significant (more than 5% equity) interest in any other financial services business, including, but not limited to, banks, brokerages, investment advisers, insurance companies or any other similar business.

Requests for outside employment waivers should be made in writing to the Chief Executive Officer with a copy to the Chief Compliance Officer. Outside directors are not subject to these requirements, but should give notice to the Chief Compliance Officer prior to entering into any such engagement or employment.

### **Service as a Director**

No person employed by the Corporation or the Adviser shall serve as a director or officer of any organization, other than a charitable organization, without prior written authorization from the Chief Compliance Officer. Any request to serve on the board of such an organization must include the name of the entity and its business, the names of the other board members, and a general reason for the request. The Chief Compliance Officer shall consult with the Chief Executive Officer in connection with such request. Outside directors are not subject to these requirements, but should give notice to the Chief Compliance Officer prior to serving as a director or officer of any such organization.

### **Political Contributions**

Persons associated with the Corporation or any of its affiliated organizations may direct personal funds as contributions to political action committees or political candidates; however, any amount contributed in excess of \$150 (regardless of whether one may vote for the candidate) must be pre-approved by the Chief Executive Officer or Chief Compliance Officer, or their designee. Persons associated with the Corporation or the Adviser will be required to disclose any political contributions made no less frequently than annually. Outside directors are not subject to the pre-clearance or annual disclosure requirements.

## **Media Relations**

We must speak with a unified voice in all dealings with the press and other media. As a result, our Chief Executive Officer, or his or her designee, is the sole contact for media seeking information about the Corporation. Any requests from the media must be referred to our Chief Executive Officer, or his or her designee.

## **Intellectual Property Information**

Information generated in our business is a valuable asset. Protecting this information plays an important role in our growth and ability to compete. Such information includes: business and research plans; objectives and strategies; trade secrets; unpublished financial information; salary and benefits data; and lender and other business partner lists. Employees who have access to our intellectual property information are obligated to safeguard it from unauthorized access and:

- not disclose this information to persons outside of the Corporation;
- not use this information for personal benefit or the benefit of persons outside of the Corporation; and
- not share this information with other employees except on a legitimate “need to know” basis.

## **Internet and E-Mail Policy**

We provide an e-mail system and Internet access to certain employees to help them do their work. You may use the e-mail system and the Internet only for legitimate business purposes in the course of your duties. Incidental and occasional personal use is permitted, but never for personal gain or any improper or illegal use. Further, you are permitted to post information on public forums, such as blogs or social networking sites (e.g., Facebook®, Twitter® or LinkedIn®) outside of work, but you should consider how the use of social media can reflect upon us. LinkedIn® postings should be limited to your title and general role within the Corporation. You may not, however, indicate that you work for us in a public forum if other information posted on that site could cause harm to our reputation. Moreover, information about us (or any interaction with another person) that is posted in a public forum might be construed by the U.S. Securities and Exchange Commission (the “SEC”) or its staff as an advertisement that is subject to strict regulations. Consequently, you are prohibited from posting information about us or your specific activities within the Corporation (other than your title and general role within the Corporation) in any public forum without the explicit pre-approval of the management team and the Chief Compliance Officer (or his or her designee). You must also consult with the management team and the Chief Compliance Officer (or his or her designee) prior to posting any information in any public forum, where you could be viewed as acting in your capacity as an associated person of the Corporation. You are prohibited from sharing proprietary information about our operations or investment decisions, or posting any non-public information, in any public forum.

## **Reporting Violations and Complaint Handling**

You are responsible for compliance with the rules, standards and principles described in this Code. In addition, you should be alert to possible violations of this Code by the Corporation’s or the Adviser’s employees, officers and directors, and you are expected to report any violation

promptly. Normally, reports should be made to your immediate supervisor. Under some circumstances, it may be impractical or you may feel uncomfortable raising a matter with your supervisor. In those instances, you are encouraged to contact our Chief Compliance Officer who will investigate and report the matter to our Chief Executive Officer and/or the Board, as the circumstance dictates. You will also be expected to cooperate in any investigation of a violation.

Anyone who has a concern about our conduct, the conduct of an officer, director or employee of the Corporation or the Adviser or our accounting, internal accounting controls or auditing matters, may communicate that concern to the Audit Committee of the Board by direct communication with our Chief Compliance Officer or by e-mail or in writing. All reported concerns shall be forwarded to the Audit Committee and will be simultaneously addressed by our Chief Compliance Officer in the same way that other concerns are addressed by us. The status of all outstanding concerns forwarded to the Audit Committee will be reported on a quarterly basis by our Chief Compliance Officer. The Audit Committee may direct that certain matters be presented to the full Board and may also direct special treatment, including the retention of outside advisors or counsel, for any concern reported to it.

All reports will be investigated and whenever possible, requests for confidentiality shall be honored. While anonymous reports will be accepted, please understand that anonymity may hinder or impede the investigation of a report. All cases of questionable activity or improper actions will be reviewed for appropriate action, discipline or corrective actions. Whenever possible, we will keep confidential the identity of employees, officers or directors who are accused of violations, unless or until it has been determined that a violation has occurred.

**There will be no reprisal, retaliation or adverse action taken against any officer, director or employee who, in good faith, reports or assists in the investigation of, a violation or suspected violation, or who makes an inquiry about the appropriateness of an anticipated or actual course of action.**

**For reporting concerns about the Corporation's or the Adviser's conduct, the conduct of an officer, director or employee of the Corporation or the Adviser, or about the Corporation's or the Adviser's accounting, internal accounting controls or auditing matters, you may contact the Corporation at the address set forth below:**

**ADDRESS: FS Investment Corporation  
Cira Centre  
2929 Arch Street, Suite 675  
Philadelphia, PA 19104**

In the case of a confidential, anonymous submission, employees should set forth their concerns in writing and forward them in a sealed envelope to the Chairperson of the Audit Committee, in care of our Chief Compliance Officer, such envelope to be labeled with a legend such as: "To be opened by the Audit Committee only."

## CODE OF ETHICS

The persons specified in the following discussion will be subject to the provisions of this Code of Ethics (this “*Code of Ethics*”).

### Scope of this Code of Ethics

In order to prevent the Corporation’s Access Persons, as defined below, from engaging in any of these prohibited acts, practices or courses of business, the Board has adopted this Code of Ethics.

### Definitions

**Access Person.** “Access Person” means: (i) any director, officer, partner, employee or Advisory Person (as defined below) of the Corporation or the Adviser (or any sub-adviser of the Corporation) and (ii) any director, officer or general partner of a principal underwriter of the Corporation who, in the ordinary course of business, makes, participates in or obtains information regarding an actual or potential purchase or sale of Covered Securities by the Corporation or whose functions or duties in the ordinary course of business relate to the making of any recommendations to the Company with respect to such transactions; *provided*, however, that the term “Access Person” shall not include a Disinterested Director (as defined below) or any person who is subject to a separate code of ethics, provided that such code of ethics is compliant with Rule 17j-1.

**Advisory Person.** “Advisory Person” of the Corporation means: (i) any director, trustee, officer or employee of the Corporation or the Adviser (or any sub-adviser of the Corporation) or of any company in a control relationship to the Corporation or such investment adviser, who, in connection with his or her regular duties, makes, participates in, or obtains information regarding the purchase or sale of a Covered Security (as defined below) by the Corporation, or whose functions relate to the making of any recommendations with respect to such purchases or sales; and (ii) any natural person in a control relationship to the Corporation or adviser who obtains information concerning recommendations made to the Corporation with regard to the purchase or sale of a Covered Security. An “Advisory Person” shall not include a Disinterested Director.

**Automatic Investment Plan.** “Automatic Investment Plan” refers to any program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation, including a dividend reinvestment plan.

**Beneficial Interest.** “Beneficial Interest” includes any entity, person, trust, or account with respect to which an Access Person exercises investment discretion or provides investment advice. A beneficial interest shall be presumed to include all accounts in the name of or for the benefit of the Access Person, his or her spouse, dependent children, or any person living with him or her or to whom he or she contributes economic support.

**Beneficial Ownership.** “Beneficial Ownership” shall be determined in accordance with Rule 16a-1(a)(2) under the Exchange Act, except that the determination of direct or indirect Beneficial Ownership shall apply to all securities, and not just equity securities, that an Access Person has or acquires. Rule 16a-1(a)(2) provides that the term “beneficial owner” means any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares a direct or indirect pecuniary interest in any equity security. Therefore, an Access Person may

be deemed to have Beneficial Ownership of securities held by members of his or her immediate family sharing the same household, or by certain partnerships, trusts, corporations, or other arrangements.

**Blackout Period.** “Blackout Period” shall mean that timeframe in which the Corporation, an Access Person or a Disinterested Director with knowledge of the Corporation’s trading activity, may not engage in trading in an issue, or its related securities, appearing on the Corporation Restricted List (as defined below).

**Control.** “Control” shall have the same meaning as that set forth in Section 2(a)(9) of the 1940 Act.

**Covered Security.** “Covered Security” means a security as defined in Section 2(a)(36) of the 1940 Act, except that it does not include: (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; and (iii) shares issued by registered open-end investment companies (i.e., mutual funds); however, exchange traded funds structured as unit investment trusts or open-end funds are considered “Covered Securities.”

**Disinterested Director.** “Disinterested Director” means a director of the Corporation who is not an “interested person” of the Corporation within the meaning of Section 2(a)(19) of the 1940 Act. The Chief Compliance Officer shall have discretion to determine whether a director should be treated as a “Disinterested Director” for purposes of this Code of Ethics.

**Initial Public Offering.** “Initial Public Offering” means an offering of securities registered under the Securities Act of 1933, as amended (the “*Securities Act*”), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act.

**Limited Offering.** “Limited Offering” means an offering that is exempt from registration under the Securities Act pursuant to Section 4(a)(2) or Section 4(a)(6) or pursuant to Rules 504, 505 or 506 under the Securities Act.

**Purchase or Sale of a Covered Security.** “Purchase or Sale of a Covered Security” is broad and includes, among other things, the writing of an option to purchase or sell a Covered Security, or the use of a derivative product to take a position in a Covered Security.

**Restricted List.** The “Restricted List” identifies those securities which the Corporation or its Access Persons may not trade due to some restriction under the securities laws whereby the Corporation or its Access Persons may be deemed to possess material non-public information about the issuer of such securities.

**Supervised Person.** A “Supervised Person” means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of any entity that provides investment advice on behalf of the Corporation and is subject to the supervision and control of the Corporation; *provided*, however, that the term “Supervised Person” shall not include a Disinterested Director.

## Standards of Conduct

1. No Access Person, Supervised Person or Disinterested Director shall engage, directly or indirectly, in any business transaction or arrangement for personal profit that is not in the best interests of the Corporation or its stockholders; nor shall he or she make use of any confidential information gained by reason of his or her employment by or affiliation with the Corporation, or any of its affiliates, in order to derive a personal profit for himself or herself or for any Beneficial Interest, in violation of the fiduciary duty owed to the Corporation and its stockholders.

2. Any Access Person recommending or authorizing the purchase or sale of a Covered Security by the Corporation shall, at the time of such recommendation or authorization, disclose any Beneficial Interest in, or Beneficial Ownership of, such Covered Security or the issuer thereof.

3. No Access Person, Supervised Person or Disinterested Director shall dispense any information concerning securities holdings or securities transactions of the Corporation to anyone outside the Corporation without obtaining prior written approval from our Chief Compliance Officer, or such person or persons as our Chief Compliance Officer may designate to act on his or her behalf. Notwithstanding the preceding sentence, such Access Person may dispense such information without obtaining prior written approval:

- when there is a public report containing the same information;
- when such information is dispensed in accordance with compliance procedures established to prevent conflicts of interest between the Corporation and its affiliates;
- when such information is reported to the Board; or
- in the ordinary course of his or her duties on behalf of the Corporation.

4. All personal securities transactions should be conducted consistent with this Code of Ethics and in such manner as to avoid actual or potential conflicts of interest, the appearance of a conflict of interest, or any abuse of an individual's position of trust and responsibility within the Corporation.

## Prohibited Transactions

1. **General Prohibition.** No Access Person shall purchase or sell, directly or indirectly, any Covered Security (including any security issued by the issuer of such Covered Security) in which he or she has, or by reason of such transaction acquires, any direct or indirect Beneficial Ownership and which such Access Person knows or should have known at the time of such purchase or sale that such Covered Security is being considered for purchase or sale by the Corporation, or is held in the Corporation portfolio unless such Access Person shall have obtained prior written approval for such purpose from our Chief Compliance Officer.

- An Access Person who becomes aware that the Corporation is considering the purchase or sale of any Covered Security must immediately notify our Chief Compliance Officer of any interest that such Access Person may have in any outstanding Covered Security (including any security issued by the issuer of such Covered Security).

- An Access Person shall similarly notify our Chief Compliance Officer of any other interest or connection that such Access Person might have in or with such issuer.
- Once an Access Person becomes aware that the Corporation is considering the purchase or sale of a Covered Security in its portfolio, such Access Person may not engage in any transaction in such Covered Security (including any security issued by the issuer of such Covered Security).
- The foregoing notifications or permission may be provided verbally, but should be confirmed in writing as soon and with as much detail as possible.

**2. Securities Appearing on the Portfolio and Pipeline Reports and Restricted List.** The holdings of the Corporation portfolio are detailed in the Portfolio Report that will be distributed daily to all Access Persons. Access Persons will also receive, as frequently as necessary, the names of those entities that are being considered for investment by the Corporation portfolio in the Pipeline Report. Access Persons are required to review these reports and the Restricted List prior to engaging in any securities transactions.

**3. Initial Public Offerings and Limited Offerings.** Access Persons of the Corporation must obtain approval from our Chief Compliance Officer before, directly or indirectly, acquiring Beneficial Ownership in any securities in an Initial Public Offering or in a Limited Offering.

**4. Securities under Review.** No Access Persons shall execute a securities transaction in any security issued by an entity that the Corporation owns in its portfolio or is considering for purchase or sale unless such Access Person shall have obtained prior written approval for such purpose from our Chief Compliance Officer.

**5. Blackout Period.** No Access Person may trade in the securities of any issuer appearing on the Restricted List until notified that the entity name no longer appears on the Restricted List. Access Persons are also prohibited from trading in the names appearing on the Pipeline and Portfolio Reports (as discussed above).

**6. Acquisition of Shares in Companies that Access Persons Hold Through Limited Offerings.** Access Persons who have been authorized to acquire securities in a Limited Offering must disclose that investment to our Chief Compliance Officer when they are involved in the Corporation's subsequent consideration of an investment in the issuer, and the Corporation's decision to purchase such securities must be independently reviewed by Advisory Persons with no personal interest in that issuer.

#### **Management of the Restricted List**

Our Chief Compliance Officer will manage placing and removing names from the Restricted List. Should an Access Person learn of material non-public information concerning the issuer of any security, that information must be provided to our Chief Compliance Officer so that the issuer can be included on the Restricted List. The Chief Compliance Officer will note the nature of the information learned, the time the information was learned and the other persons in possession of this information. The Chief Compliance Officer will maintain this information in a log. Upon the receipt of such information, our Chief Compliance Officer will revise and circulate the Restricted List to all Access Persons.



Any sub-advisers to the Corporation or the Adviser, or affiliated investment advisers, will be directed to advise the Corporation when they have obtained information that causes them to be restricted from trading in the securities of any of the names appearing in the Corporation portfolio. This information will be provided to our Chief Compliance Officer who will add the name(s) to the Restricted List and electronically circulate the revised list to Access Persons. Sub-advisers, or affiliated investment advisers, will also be required to notify the Corporation's Chief Compliance Officer if they are restricted from trading in the securities of any of the issuers discussed with the Corporation for possible inclusion in the Corporation portfolio.

The contents of the Restricted List are highly confidential and must not be disclosed to any person or entity outside of the Corporation absent approval of our Chief Compliance Officer or the Chief Executive Officer.

### **Procedures to Implement this Code of Ethics**

The following reporting procedures have been established to assist Access Persons in avoiding a violation of this Code of Ethics, and to assist the Corporation in preventing, detecting and imposing sanctions for violations of this Code of Ethics. Every Access Person must follow these procedures. Questions regarding these procedures should be directed to our Chief Compliance Officer.

All Access Persons are subject to the reporting requirements set forth in the next section, except as follows:

- with respect to transactions effected for, and Covered Securities (including any security issued by the issuer of such Covered Security) held in, any account over which the Access Person has no direct or indirect influence or control; and
- those transactions effected pursuant to an Automatic Investment Plan.

### **Reporting Requirements**

The Corporation shall appoint a Chief Compliance Officer who shall furnish each director, officer and employee with a copy of this Code of Ethics along with the other sections of this Code, and any amendments, upon commencement of employment by or affiliation with the Corporation and annually thereafter.

Each Supervised Person is required to certify, through a written acknowledgment, within 10 days of commencement of employment, that he or she has received, read and understands all aspects of this Code of Ethics and recognizes that he or she is subject to the provisions and principles detailed herein. In addition, our Chief Compliance Officer shall notify each Access Person of his or her obligation to file an initial holdings report, quarterly transaction reports, and annual holdings reports, as described below.

### **Pre-Clearance Reports**

Access Persons of the Corporation must obtain approval from our Chief Compliance Officer prior to entering into a transaction in a Limited Offering or an Initial Public Offering. Pre-clearance of trades in securities issued by companies whose names appear on the Pipeline and Portfolio Reports is also required of Access Persons. The pre-clearance form shall include the name

of the Access Person, the date, the name of the broker who will execute the transaction, the name of the security, quantity, whether the transaction is a purchase or sale, total anticipated dollar value and any pertinent instructions (e.g., GTC, limit, etc.). There will also be a line for approval or disapproval along with space for comments and the date.

If our Chief Compliance Officer does not approve the transaction, the reason for denial must be provided on the pre-clearance form.

### **Initial Holdings Reports**

Each Access Person must, no later than 10 days after the person becomes an Access Person, submit to our Chief Compliance Officer or other designated person a report of the Access Person's current securities holdings. The information provided must be current as of a date no more than 45 days prior to the date the person becomes an Access Person. The report must include the following:

- the title and type of the security and, as applicable, the exchange ticker symbol or CUSIP number, the number of shares held for each security, and the principal amount;
- the name of any broker, dealer or bank with which the Access Person maintains an account in which any securities are held for the Access Person's direct or indirect benefit; and
- the date the Access Person submits the report.

### **Quarterly Transaction Reports**

Each Access Person must, no later than 30 days after the end of each calendar quarter, submit to our Chief Compliance Officer or other designated person a report of the Access Person's transactions involving a Covered Security (including any security issued by the issuer of such Covered Security) in which the Access Person had, or as a result of the transaction acquired, any direct or indirect Beneficial Ownership. Disinterested Directors must file such a report if such director knew or, in the ordinary course of fulfilling his or her official duties as a director of the Corporation, should have known that during the 15-day period immediately preceding or after the date of the transaction in a Covered Security by the director, such Covered Security is or was purchased or sold by the Corporation or the Adviser or the Corporation or the Adviser considered purchasing or selling such Covered Security. The report must cover all transactions occurring during the calendar quarter most recently ending. The report must contain the following information:

- the date of the transaction;
- the title and, as applicable, the exchange ticker symbol or CUSIP number, of each reportable security involved, the interest rate and maturity date of each reportable security involved, the number of shares of each reportable security involved, and the principal amount of each reportable security involved;
- the nature of the transaction (i.e., purchase, sale or other type of acquisition or disposition);
- the price of the security at which the transaction was effected;

- the name of the broker, dealer or bank with or through which the transaction was effected, and the date the account(s) were established; and
- the date the Access Person submits the report.

### **Annual Holdings Reports**

Each Access Person must submit to our Chief Compliance Officer or other designated person an annual holdings report reflecting holdings as of a date no more than 45 days before the report is submitted. The Annual Holdings Report must be submitted at least once every 12 months, on a date to be designated by the Corporation. Our Chief Compliance Officer will notify every Access Person of the date. Each report must include:

- the title and, as applicable, the exchange ticker symbol or CUSIP number, of each reportable security involved, the interest rate and maturity date of each reportable security involved, the number of shares of each reportable security involved, and the principal amount of each reportable security involved;
- the name of any broker, dealer or bank with which the Access Person maintains an account in which any securities are held for the Access Person's direct or indirect benefit; and
- the date the Access Person submits the report.

### **Annual Certification of Compliance**

All Access Persons and Disinterested Directors must annually certify, through a written acknowledgment, to our Chief Compliance Officer that: (1) they have read, understood and agree to abide by this Code of Ethics; (2) they have complied with all applicable requirements of this Code of Ethics; and (3) if required, they have reported all transactions and holdings that they are required to report under this Code of Ethics.

## **ADMINISTRATION OF THIS CODE**

Our Chief Compliance Officer has overall responsibility for administering this Code and reporting on the administration of and compliance with this Code and related matters to our Board.

Our Chief Compliance Officer shall review all reports to determine whether any transactions recorded therein constitute violations of this Code. Before making any determination that a violation has been committed by a person subject to this Code, such person shall be given an opportunity to supply additional explanatory material. Our Chief Compliance Officer shall maintain copies of the reports as required by Rule 17j-1(f) under the 1940 Act.

No less frequently than annually, our Chief Compliance Officer must furnish to the Board, and the Board must consider, a written report that describes any issues arising under this Code or its procedures since the last report to the Board, including, but not limited to, information about material violations of this Code or its procedures and any sanctions imposed in response to material violations. This report should also certify that the Corporation has adopted procedures reasonably designed to prevent persons subject to this Code from violating this Code.

## **SANCTIONS FOR CODE VIOLATIONS**

All violations of this Code will result in appropriate corrective action, up to and including dismissal. If the violation involves potentially criminal activity, the individual or individuals in question will be reported, as warranted, to the appropriate authorities.

## **APPLICATION/WAIVERS**

All the directors, officers and employees of the Corporation and the Adviser are subject to this Code.

Insofar as other policies or procedures of the Corporation or the Adviser govern or purport to govern the behavior or activities of all persons who are subject to this Code, they are superseded by this Code to the extent that they overlap or conflict with the provisions of this Code.

Any amendment or waiver of this Code for an executive officer or member of the Board must be made by the Board and disclosed on a Form 8-K.

## **RECORDS**

The Corporation shall maintain records with respect to this Code in the manner and to the extent set forth below, which records may be maintained on microfilm or electronic storage media under the conditions described in Rule 31a-2(f) under the 1940 Act and shall be available for examination by representatives of the SEC:

1. A copy of this Code and any other code of ethics of the Corporation that is, or at any time within the past five years has been, in effect shall be maintained in an easily accessible place;
2. A record of any violation of this Code and of any action taken as a result of such violation shall be maintained in an easily accessible place for a period of not less than five years following the end of the fiscal year in which the violation occurs;
3. A copy of each report made by an Access Person or duplicate account statement received pursuant to this Code, shall be maintained for a period of not less than five years from the end of the fiscal year in which it is made or the information is provided, the first two years in an easily accessible place;
4. A record of all persons who are, or within the past five years have been, required to make reports pursuant to this Code, or who are or were responsible for reviewing these reports, shall be maintained in an easily accessible place;
5. A copy of each report made to the Board shall be maintained for at least five years after the end of the fiscal year in which it is made, the first two years in an easily accessible place; and
6. A record of any decision, and the reasons supporting the decision, to approve the direct or indirect acquisition by an Access Person of Beneficial Ownership in any securities in an Initial Public Offering or a Limited Offering shall be maintained for at least five years after the end of the fiscal year in which the approval is granted.

## **REVISIONS AND AMENDMENTS**

This Code may be revised, changed or amended at any time by the Board. Following any material revisions or updates, an updated version of this Code will be distributed to you, and will supersede the prior version of this Code effective upon distribution. We may ask you to sign an acknowledgement confirming that you have read and understood any revised version of this Code, and that you agree to comply with the provisions thereof.

**APPENDIX A**

**FS Investment Corporation (the "Corporation")**

**Acknowledgment Regarding  
Code of Business Conduct and Ethics**

*This acknowledgment is to be signed and returned to our Chief Compliance Officer and will be retained as part of your permanent personnel file.*

I have received a copy of the Corporation's Code of Business Conduct and Ethics (the "Code"), read it, and understand that the Code contains the expectations of the Corporation regarding employee conduct, ethical behavior and the prohibition of trading on insider information. I agree to observe the policies and procedures contained in the Code and have been advised that, if I have any questions or concerns relating to such policies or procedures, I understand that I have an obligation to report to the Audit Committee, the Chief Compliance Officer or other such designated officer, any suspected violations of the Code of which I am aware. I also understand that the Code is issued for informational purposes and that it is not intended to create, nor does it represent, a contract of employment.

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

*The failure to read and/or sign this acknowledgment in no way relieves you of your responsibility to comply with the Corporation's Code of Business Conduct and Ethics.*

**APPENDIX B**

**FS Investment Corporation**

**PRE-CLEARANCE FORM**

Use this form to request pre-clearance of a transaction to purchase a Limited Offering, Initial Public Offering or to purchase or sell a security issued by an issuer appearing on the Portfolio or Pipeline Reports. Please submit this form, together with a copy of the Limited Offering documentation to the Chief Compliance Officer at least five (5) business days before the planned investment.

**Employee Name:**

**Date:**

**Name of Broker Executing Transaction:**

**Issuer/Security Name:**

**Terms of Transaction (purchase or sale, price, quantity, purchaser – individual, joint, entity, etc.):**

**Proposed Transaction Date:**

**How did you learn about this opportunity?**

**Related to a Portfolio or Pipeline security?**

**Approved:**

**Date:**

**Not Approved:**

**Date:**

**Comments:**

**APPENDIX C**

**FS Investment Corporation (the "Corporation")**

**INITIAL HOLDINGS REPORT**

**As of**

To: Chief Compliance Officer

A. Securities Holdings. I have listed below (or attached hereto a listing) all of my Securities Holdings held by me or Beneficial Owners as defined in the Corporation's Code of Business Conduct and Ethics.

<u>Title of Security</u>	<u>Ticker Symbol/ CUSIP Number</u>	<u>Interest Rate and Maturity Date (If Applicable)</u>	<u>Date of Transaction</u>	<u>Number of Shares or Principal Amount</u>	<u>Dollar Amount of Transaction</u>	<u>Nature of Transaction (Purchase, Sale, Other)</u>	<u>Price</u>	<u>Broker/Dealer or Bank Through Whom Effected</u>
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B. Brokerage Accounts. I, or a Beneficial Owner, have established the following accounts in which securities are held for my direct or indirect benefit:

Name of Broker, Dealer or Bank

- 1.
- 2.
- 3.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_



**APPENDIX D**

**FS Investment Corporation (the "Corporation")**

**QUARTERLY TRANSACTION REPORT**

For the Calendar Quarter Ended:

To: Chief Compliance Officer

A. Securities Transactions. During the quarter referred to above, the following transactions were effected in securities of which I had, or by reason of such transactions acquired, direct or indirect beneficial ownership, and which are required to be reported pursuant to the Corporation's Code of Business Conduct and Ethics:

<u>Title of Security</u>	<u>Ticker Symbol/ CUSIP Number</u>	<u>Interest Rate and Maturity Date (If Applicable)</u>	<u>Date of Transaction</u>	<u>Number of Shares or Principal Amount</u>	<u>Dollar Amount of Transaction</u>	<u>Nature of Transaction (Purchase, Sale, Other)</u>	<u>Price</u>	<u>Broker/Dealer or Bank Through Whom Effected</u>
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B. New Brokerage Accounts. During the quarter referred to above, I established the following accounts in which securities were held during the quarter for my direct or indirect benefit:

Name of Broker, Dealer or Bank

Date Account Was Established

C. Other Matters. This report (i) excludes transactions with respect to which I had no direct or indirect influence or control, (ii) excludes other transactions not required to be reported, and (iii) is not an admission that I have or had any direct or indirect beneficial ownership in the securities listed above.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

APPENDIX E

**FS Investment Corporation (the "Corporation")**

**ANNUAL HOLDINGS REPORT  
As of December 31, 20**

To: Chief Compliance Officer

As of December 31, 20 , I had direct or beneficial ownership interest in the securities listed below which are required to be reported pursuant to Rule 17j-1 under the Investment Company Act of 1940:

A. Securities Holdings. I have listed below (or attached hereto a listing) all of my Securities Holdings held by me or Beneficial Owners as defined in the Corporation's Code of Business Conduct and Ethics.

<u>Title of Security</u>	<u>Ticker Symbol/ CUSIP Number</u>	<u>Interest Rate and Maturity Date (If Applicable)</u>	<u>Date of Transaction</u>	<u>Number of Shares or Principal Amount</u>	<u>Dollar Amount of Transaction</u>	<u>Nature of Transaction (Purchase, Sale, Other)</u>	<u>Price</u>	<u>Broker/Dealer or Bank Through Whom Effected</u>
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B. Brokerage Accounts. As of December 31, 20 , I or a Beneficial Owner maintained accounts with brokers, dealers, and banks listed below in which securities were held for my direct or indirect benefit:

<u>Name of Broker, Dealer or Bank</u>	<u>Date Account was Established*</u>
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- 1.
- 2.
- 3.

This report (i) excludes securities and accounts over which I had no direct or indirect influence or control; (ii) excludes securities not required to be reported (for example, direct obligations of the U.S. Government, shares of registered investment companies etc.); and (iii) is not an admission that I have or had any direct or indirect beneficial ownership in the securities accounts listed above.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

\* **Note: If account was established before 20 , you can state that it was established before 20\_\_.**