
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report: May 9, 2017
(Date of earliest event reported)

Garrison Capital Inc.
(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

814-00878
(Commission File Number)

90-0900145
(IRS Employer
Identification No.)

1290 Avenue of the Americas, Suite 914
New York, New York
(Address of Principal Executive Offices)

10104
(Zip Code)

(212) 372-9590
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if changed since last report)

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 (*see* General Instruction A.2. below):

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

At the annual meeting of stockholders (the “Annual Meeting”) held on May 3, 2017, the stockholders of Garrison Capital Inc. (the “Company”) approved a fourth amended and restated investment advisory agreement (the “Fourth Amended and Restated Investment Advisory Agreement”) by and between the Company and Garrison Capital Advisers LLC (the “Adviser”), as investment adviser. The Company and the Adviser subsequently signed the Fourth Amended and Restated Investment Advisory Agreement.

The Fourth Amended and Restated Investment Advisory Agreement, which is effective beginning as of May 3, 2017, (i) reduced the base management fee from an annual rate of 1.75% to an annual rate of 1.50% of the Company’s gross assets, excluding cash and cash equivalents but including assets purchased with borrowed funds, payable quarterly in arrears and (ii) reduced the hurdle rate (the “Hurdle Rate”) for the income component of the incentive fee from 2.00% per quarter (8.00% annualized) to 1.75% per quarter (7.00% annualized). Under the Fourth Amended and Restated Investment Advisory Agreement, the first component of the incentive fee for each quarter would be calculated as follows:

- no incentive fee will be payable to the Adviser in any calendar quarter in which the Company’s Pre-Incentive Fee Net Investment Income does not exceed the Hurdle Rate of 1.75%;
- 100% of the Company’s Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the Hurdle Rate but is less than 2.1875% in any calendar quarter (8.75% annualized) is payable to the Adviser. We refer to this portion of the Company’s Pre-Incentive Fee Net Investment Income (which exceeds the Hurdle Rate but is less than 2.1875%) as the “catch-up.” The effect of the “catch-up” provision is that, if such Pre-Incentive Fee Net Investment Income exceeds 2.1875% in any calendar quarter, the Adviser will receive 20% of such Pre-Incentive Fee Net Investment Income as if the Hurdle Rate did not apply; and
- 20% of the amount of such Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized) is payable to the Adviser (once the Hurdle Rate is reached and the catch-up is achieved).

The other commercial terms of the Company’s existing investment advisory relationship with the Adviser, including the capital gains incentive fee and the incentive fee cap and deferral mechanism, remain unchanged.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Fourth Amended and Restated Investment Advisory Agreement, attached hereto as Exhibit 10.1 and incorporated by reference herein.

Item 2.02. Results of Operations and Financial Condition.

On May 9, 2017, the Company issued a press release announcing its financial results for the first fiscal quarter ended March 31, 2017. A copy of this press release is attached hereto as Exhibit 99.1.

The information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 furnished herewith, is being furnished and shall not be deemed “filed” for any purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such Section. The information in this Current Report on Form 8-K shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Forward-Looking Statements

This Current Report on Form 8-K, including Exhibit 99.1 furnished herewith, may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this Current Report on Form 8-K may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in filings with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this Current Report on Form 8-K.

Item 5.07. Submission of Matters to a Vote of Security Holders.

On May 3, 2017, the Company's stockholders approved two proposals at the Annual Meeting. The issued and outstanding shares of stock of the Company entitled to vote at the Annual Meeting consisted of 16,049,352 shares of common stock outstanding on the record date, March 8, 2017. The final voting results from the Annual Meeting were as follows:

Proposal 1. To elect Matthew Westwood as a Class II director of the Company who will serve until the 2020 annual meeting of stockholders or until his successor is duly elected and qualifies.

Votes For	Votes Against	Abstentions
9,242,806	61,622	21,569

Proposal 2. To approve the Fourth Amended and Restated Investment Advisory Agreement.

Votes For	Votes Against	Abstentions
9,212,838	94,929	18,230

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Fourth Amended and Restated Investment Advisory Agreement dated as of May 3, 2017, by and between the Company and Garrison Capital Advisers LLC.
 - 99.1 Press release of Garrison Capital Inc., dated as of May 9, 2017.
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SIGNATURES

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

GARRISON CAPITAL INC.

By: /s/ Brian Chase
Name: Brian Chase
Title: Chief Financial Officer

Date: May 9, 2017

FOURTH AMENDED AND RESTATED INVESTMENT ADVISORY AGREEMENT

BY AND BETWEEN

GARRISON CAPITAL INC.

AND

GARRISON CAPITAL ADVISERS LLC

This Fourth Amended and Restated Investment Advisory Agreement made this 3rd day of May 2017 (this “**Agreement**”), by and between GARRISON CAPITAL INC., a Delaware corporation (the “**Corporation**”), and GARRISON CAPITAL ADVISERS LLC, a Delaware limited liability company (the “**Adviser**”).

WHEREAS, the Corporation operates as a closed-end, non-diversified management investment company;

WHEREAS, the Corporation has elected to be treated as a business development company under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”);

WHEREAS, the Adviser is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “**Investment Advisers Act**”);

WHEREAS, the Corporation and the Adviser are party to that certain third amended and restated investment advisory agreement dated August 5, 2016 by and between the Corporation and the Adviser (the “**Prior Agreement**”); and

WHEREAS, the Corporation and the Adviser desire to amend and restate the Prior Agreement to set forth the terms and conditions for the continued provision by the Adviser of investment advisory services to the Corporation, and the stockholders of the Corporation approved this Agreement at a meeting held on May 3, 2017.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties hereby agree as follows:

1. Duties of the Adviser.

(a) The Corporation hereby employs the Adviser to act as the investment adviser to the Corporation and to manage the investment and reinvestment of the assets of the Corporation, subject to the supervision of the board of directors of the Corporation (the “**Board of Directors**”), for the period and upon the terms herein set forth, (i) in accordance with the investment objective, policies and restrictions that are set forth in the Corporation’s filings with the Securities and Exchange Commission, as the same may be amended from time to time, (ii) in accordance with the Investment Company Act, the Investment Advisers Act and all other applicable federal and state law and (iii) in accordance with the Corporation’s certificate of incorporation and bylaws, each as amended or restated from time to time.

Without limiting the generality of the foregoing, the Adviser shall, during the term and subject to the provisions of this Agreement, (i) determine the composition of the portfolio of the Corporation, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and negotiate the structure of the investments made by the Corporation (including performing due diligence on prospective portfolio companies); (iii) execute, close, service and monitor the Corporation's investments; (iv) determine the securities and other assets that the Corporation will purchase, retain or sell; and (v) provide the Corporation with such other investment advisory, research and related services as the Corporation may, from time to time, reasonably require for the investment of its funds. The Adviser shall have the power and authority on behalf of the Corporation to effectuate its investment decisions for the Corporation, including the execution and delivery of all documents relating to the Corporation's investments and the placing of orders for other purchase or sale transactions on behalf of the Corporation.

In the event that the Corporation determines to acquire debt financing or to refinance existing debt financing, the Adviser shall arrange for such financing on the Corporation's behalf, subject to the oversight and approval of the Board of Directors.

If it is necessary or convenient for the Adviser to make investments on behalf of the Corporation through a subsidiary or special purpose vehicle or to otherwise form such subsidiary or special purpose vehicle, the Adviser shall have authority to create or arrange for the creation of such subsidiary or special purpose vehicle and to make such investments through such subsidiary or special purpose vehicle in accordance with the Investment Company Act.

(b) The Adviser hereby accepts such employment and agrees during the term hereof to render the services described herein for the amounts of compensation provided herein.

(c) Subject to the requirements of the Investment Company Act, the Adviser is hereby authorized, but not required, to enter into one or more sub-advisory agreements with other investment advisers (each, a "**Sub-Adviser**") pursuant to which the Adviser may obtain the services of the Sub-Adviser(s) to assist the Adviser in fulfilling its responsibilities hereunder. Specifically, the Adviser may retain a Sub-Adviser to recommend specific securities or other investments based upon the Corporation's investment objective and policies, and work, along with the Adviser, in structuring, negotiating, arranging or effecting the acquisition or disposition of such investments and monitoring investments on behalf of the Corporation, subject in all cases to the oversight of the Adviser and the Corporation. The Adviser, and not the Corporation, shall be responsible for any compensation payable to any Sub-Adviser. Any sub-advisory agreement entered into by the Adviser shall be in accordance with the requirements of the Investment Company Act, the Investment Advisers Act and other applicable federal and state law.

(d) For all purposes herein provided, the Adviser shall be deemed to be an independent contractor and, except as expressly provided or authorized herein, shall have no authority to act for or represent the Corporation in any way or otherwise be deemed an agent of the Corporation.

(e) The Adviser shall keep and preserve, in the manner and for the period that would be applicable to investment companies registered under the Investment Company Act, any books and records relevant to the provision of its investment advisory services to the Corporation, shall specifically maintain all books and records with respect to the Corporation's portfolio transactions and shall render to the Board of Directors such periodic and special reports as the Board of Directors may reasonably request. The Adviser agrees that all records that it maintains for the Corporation are the property of the Corporation and shall surrender promptly to the Corporation any such records upon the Corporation's request, provided that the Adviser may retain a copy of such records.

2. Corporation's Responsibilities and Expenses Payable by the Corporation. All investment professionals of the Adviser and their respective staffs, when and to the extent engaged in providing investment advisory and management services hereunder, and the compensation and routine overhead expenses of such personnel allocable to such services, shall be provided and paid for by the Adviser and not by the Corporation.

The Corporation shall bear all other costs and expenses of its operations and transactions, including those relating to: (a) organization; (b) calculating the Corporation's net asset value (including the cost and expenses of any independent valuation firm); (c) fees and expenses, including travel expenses, incurred by the Adviser or payable to third parties in performing due diligence on prospective portfolio companies, monitoring the Corporation's investments and, if necessary, enforcing the Corporation's rights; (d) interest payable on debt, if any, incurred to finance the Corporation's investments; (e) costs of offerings of the Corporation's common stock and other securities; (f) the Base Management Fee (as defined below) and any Incentive Fee (as defined below); (g) distributions on the Corporation's common stock; (h) administration fees payable to the Garrison Capital Administrator LLC (the "**Administrator**") under the administration agreement dated as of October 9, 2012 (as amended from time to time, the "**Administration Agreement**"); (i) transfer agent and custody fees and expenses; (j) the allocated costs incurred by the Administrator in providing managerial assistance to those portfolio companies that request it; (k) amounts payable to third parties relating to, or associated with, evaluating, making and disposing of investments; (l) brokerage fees and commissions; (m) registration fees; (n) listing fees; (o) taxes; (p) independent director fees and expenses; (q) costs associated with the Corporation's reporting and compliance obligations under the Investment Company Act and applicable U.S. federal and state securities laws; (r) the costs of any reports, proxy statements or other notices to the Corporation's stockholders, including printing costs; (s) costs of holding stockholder meetings; (t) the Corporation's fidelity bond; (u) directors and officers/errors and omissions liability insurance, and any other insurance premiums; (v) litigation, indemnification and other non-recurring or extraordinary expenses; (w) direct costs and expenses of administration and operation, including audit and legal costs; (x) fees and expenses associated with marketing efforts; (y) dues, fees and charges of any trade association of which the Corporation is a member; and (z) all other expenses reasonably incurred by the Corporation or the Administrator in connection with administering the Corporation's business, such as the allocable portion of overhead under the Administration Agreement, including rent and the Corporation's allocable portion of the costs and expenses of its chief compliance officer, chief financial officer and their respective staffs.

3. Compensation of the Adviser. The Corporation agrees to pay, and the Adviser agrees to accept, as compensation for the investment advisory and management services provided by the Adviser hereunder, a fee consisting of two components: a base management fee (the “**Base Management Fee**”) and an incentive fee (the “**Incentive Fee**”), each as hereinafter set forth. The Corporation shall make any payments due hereunder to the Adviser or to the Adviser’s designee as the Adviser may otherwise direct. To the extent permitted by applicable law, the Adviser may elect, or adopt a deferred compensation plan pursuant to which it may elect to defer all or a portion of its fees hereunder for a specified period of time.

(a) The Base Management Fee shall be calculated at an annual rate equal to 1.50% of the gross assets of the Corporation, excluding cash and cash equivalents but including assets purchased with borrowed funds. For services rendered under this Agreement, the Base Management Fee shall be payable quarterly in arrears. The Base Management Fee shall be calculated based on the average carrying value of the gross assets of the Corporation at the end of the two most recently completed calendar quarters. Such amount shall be appropriately adjusted (based on the actual number of days elapsed relative to the total number of days in such calendar quarter) for any share issuances or repurchases during a calendar quarter. The Base Management Fee for any partial month or quarter shall be appropriately pro-rated (based on the number of days actually elapsed at the end of such partial month or quarter relative to the total number of days in such month or quarter). For purposes of this Agreement, cash equivalents shall mean U.S. government securities and commercial paper instruments maturing within 270 days of the date of purchase of such instrument by the Corporation. Notwithstanding anything herein to the contrary, to the extent that the Adviser or an affiliate of the Adviser provides investment advisory, collateral management or other similar services to a subsidiary of the Corporation, the Base Management Fee shall be reduced by an amount equal to the product of (a) the total fees paid to the Adviser by such subsidiary for such services and (b) the percentage of such subsidiary’s total equity that is owned, directly or indirectly, by the Corporation.

(b) The Incentive Fee, which is subject to the Incentive Fee Cap and Deferral Mechanism (as defined under Section 3(c) below), shall consist of two parts, as follows:

(i) One part will be calculated and payable quarterly in arrears based on the Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter, subject to the Incentive Fee Cap and Deferral Mechanism. For this purpose, Pre-Incentive Fee Net Investment Income means interest income, distribution income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Corporation receives from portfolio companies) accrued during the calendar quarter, minus the Corporation’s operating expenses for the quarter (including the Base Management Fee, expenses payable under the Administration Agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments payment-in-kind interest and zero coupon securities), accrued income that the Corporation has not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of the Corporation's net assets at the end of the immediately preceding calendar quarter, will be compared to a "hurdle rate" of 1.75% per quarter. The Corporation will pay the Adviser an Incentive Fee with respect to the Corporation's Pre-Incentive Fee Net Investment Income in each calendar quarter as follows; (1) no Incentive Fee in any calendar quarter in which the Corporation's Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate; (2) 100% of the Corporation's Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.1875% in any calendar quarter; and (3) 20% of the amount of the Corporation's Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.1875% in any calendar quarter.

The portion of such Incentive Fee that is attributable to deferred interest (such as payment-in-kind interest or original issue discount) will be paid to the Adviser, together with any other interest accrued on the loan from the date of deferral to the date of payment, only if and to the extent the Corporation actually receives such interest in cash, and any accrual thereof will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual.

These calculations will be appropriately pro rated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

- (ii) The second part of the Incentive Fee (the "**Capital Gains Fee**") will be determined and payable in arrears as of the end of each calendar year (or upon termination of this Agreement as set forth below) and will equal 20.0% of the Corporation's cumulative aggregate realized capital gains from April 1, 2013 through the end of that calendar year, computed net of the Corporation's aggregate cumulative realized capital losses and the Corporation's aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid Capital Gains Fees and subject to the Incentive Fee Cap and Deferral Mechanism. In the event that this Agreement shall terminate as of a date that is not a calendar year end, the termination date shall be treated as though it were a calendar year end for purposes of calculating and paying a Capital Gains Fee.

The Corporation shall accrue the Capital Gains Fee if, on a cumulative basis, the sum of net realized gains/(losses) plus net unrealized appreciation/ (depreciation) is positive. The Capital Gains Fee excludes any portion of realized gains/(losses) that are associated with the reversal of any portion of unrealized appreciation/depreciation attributable to periods prior to April 1, 2013.

(c) No Incentive Fee shall be paid to the Adviser for any fiscal quarter if, after such payment, the cumulative incentive fees paid to the Adviser for the period that includes the such quarter and the 11 full preceding fiscal quarters (the “**Incentive Fee Look-back Period**”) would exceed 20.0% of the Corporation’s Cumulative Pre-Incentive Fee Net Return (as defined below) during the Incentive Fee Look-back Period. Each quarterly Incentive Fee is subject to a cap (the “**Incentive Fee Cap**”) and a deferral mechanism through which the Adviser may recoup a portion of such deferred incentive fees (collectively, the “**Incentive Fee Cap and Deferral Mechanism**”). For the avoidance of doubt, the initial Incentive Fee Look-back Period commenced on April 1, 2013. The “**Incentive Fee Cap**” is equal to (a) 20.0% of Cumulative Pre-Incentive Fee Net Return during the Incentive Fee Look-back Period less (b) cumulative incentive fees of any kind paid to the Adviser during the Incentive Fee Look-back Period. To the extent the Incentive Fee Cap is zero or a negative value in any quarter, the Corporation shall pay no Incentive Fee to the Adviser in that quarter. To the extent that the payment of Incentive Fees is limited by the Incentive Fee Cap, the payment of such fees shall be deferred and paid in subsequent quarters up to three years after their date of deferral, subject to applicable limitations included herein. The Corporation shall only pay Incentive Fees to the extent allowed by the Incentive Fee Cap and Deferral Mechanism. “**Cumulative Pre-Incentive Fee Net Return**” during any Incentive Fee Look-back Period means the sum of (a) Pre-Incentive Fee Net Investment Income for each quarter during the Incentive Fee Look-back Period and (b) the sum of cumulative realized capital gains, cumulative realized capital losses, cumulative unrealized capital depreciation and cumulative unrealized capital appreciation during the applicable Incentive Fee Look-back Period.

4. Covenants of the Adviser. The Adviser hereby covenants that it is registered as an investment adviser under the Investment Advisers Act. The Adviser hereby agrees that its activities shall at all times be in compliance in all material respects with all applicable federal and state laws governing its operations and investments.

5. Excess Brokerage Commissions. The Adviser is hereby authorized, to the fullest extent now or hereafter permitted by law, to cause the Corporation to pay a member of a national securities exchange, broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another member of such exchange, broker or dealer would have charged for effecting such transaction if the Adviser determines, in good faith and taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm’s risk and skill in positioning blocks of securities, that the amount of such commission is reasonable in relation to the value of the brokerage and/or research services provided by such member, broker or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Corporation’s portfolio, and constitutes the best net result for the Corporation.

6. Proxy Voting. The Adviser shall be responsible for voting any proxies solicited by an issuer of securities held by the Corporation in the best interest of the Corporation and in accordance with the Adviser's proxy voting policies and procedures, as any such proxy voting policies and procedures may be amended from time to time. The Corporation has been provided with a copy of the Adviser's proxy voting policies and procedures and has been informed as to how it can obtain further information from the Adviser regarding proxy voting activities undertaken on behalf of the Corporation. The Adviser shall be responsible for reporting the Corporation's proxy voting activities, as required, through periodic filings on Form N-PX.

7. Limitations on the Employment of the Adviser. The services of the Adviser to the Corporation are not, and shall not be, exclusive. The Adviser may engage in any other business or render similar or different services to others including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, however structured, having investment objectives similar to those of the Corporation; provided that its services to the Corporation hereunder are not impaired thereby. Nothing in this Agreement shall limit or restrict the right of any manager, partner, officer or employee of the Adviser to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the portfolio companies of the Corporation, subject at all times to applicable law). So long as this Agreement or any extension, renewal or amendment hereof remains in effect, the Adviser shall be the only investment adviser for the Corporation, subject to the Adviser's right to enter into sub-advisory agreements. The Adviser assumes no responsibility under this Agreement other than to render the services called for hereunder. It is understood that directors, officers, employees and stockholders of the Corporation are or may become interested in the Adviser and its affiliates, as directors, officers, employees, partners, stockholders, members, managers or otherwise, and that the Adviser and directors, officers, employees, partners, stockholders, members and managers of the Adviser and its affiliates are or may become similarly interested in the Corporation as stockholders or otherwise.

Subject to any restrictions prescribed by law, by the provisions of the Code of Ethics of the Corporation and the Adviser and by the Adviser's Allocation Policy, the Adviser and its members, officers, employees and agents shall be free from time to time to acquire, possess, manage and dispose of securities or other investment assets for their own accounts, for the accounts of their family members, for the account of any entity in which they have a beneficial interest or for the accounts of others for whom they may provide investment advisory, brokerage or other services (collectively, "**Managed Accounts**"), in transactions that may or may not correspond with transactions effected or positions held by the Corporation or to give advice and take action with respect to Managed Accounts that differs from advice given to, or action taken on behalf of, the Corporation; provided that the Adviser allocates investment opportunities to the Corporation, over a period of time on a fair and equitable basis compared to investment opportunities extended to other Managed Accounts. The Adviser is not, and shall not be, obligated to initiate the purchase or sale for the Corporation of any security that the Adviser and its members, officers, employees or agents may purchase or sell for its or their own accounts or for the account of any other client if, in the opinion of the Adviser, such transaction or investment appears unsuitable or undesirable for the Corporation. Moreover, it is understood that when the Adviser determines that it would be appropriate for the Corporation and one or more Managed Accounts to participate in the same investment opportunity, the Adviser shall seek to execute orders for the Corporation and for such Managed Account(s) on a basis that the Adviser considers to be fair and equitable over time. In such situations, the Adviser may (but is not required to) place orders for the Corporation and each Managed Account simultaneously or on an aggregated basis. If all such orders are not filled at the same price, the Adviser may cause the Corporation and each Managed Account to pay or receive the average of the prices at which the orders were filled for the Corporation and all relevant Managed Accounts on each applicable day. If all such orders cannot be fully executed under prevailing market conditions, the Adviser may allocate the investment opportunities among participating accounts in a manner that the Adviser considers equitable, taking into account, among other things, the size of each account, the size of the order placed for each account and any other factors that the Adviser deems relevant.

8. Responsibility of Dual Directors, Officers and/or Employees. If any person who is a manager, member, partner, officer or employee of the Adviser or the Administrator is or becomes a director, officer and/or employee of the Corporation and acts as such in any business of the Corporation, then such manager, member, partner, officer and/or employee of the Adviser or the Administrator shall be deemed to be acting in such capacity solely for the Corporation and not as a manager, member, partner, officer and/or employee of the Adviser or the Administrator or under the control or direction of the Adviser or the Administrator, even if paid by the Adviser or the Administrator.

9. Limitation of Liability of the Adviser: Indemnification. The Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including its managing member and the Administrator) shall not be liable to the Corporation for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of the Corporation, except to the extent specified in Section 36(b) of the Investment Company Act concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services, and the Corporation shall indemnify, defend and protect the Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation its managing member and the Administrator, each of whom shall be deemed a third party beneficiary hereof) (collectively, the “**Indemnified Parties**”) and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys’ fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Corporation or its security holders) arising out of or otherwise based upon the performance of any of the Adviser’s duties or obligations under this Agreement or otherwise as an investment adviser of the Corporation. Notwithstanding the preceding sentence of this Section 9 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Corporation or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Adviser’s duties or by reason of the reckless disregard of the Adviser’s duties and obligations under this Agreement (as the same shall be determined in accordance with the Investment Company Act and any interpretations or guidance by the Securities and Exchange Commission or its staff thereunder).

10. Effectiveness, Duration and Termination of Agreement. This Agreement shall become effective as of the first date above written. This Agreement shall continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (a) the vote of the Corporation's Board of Directors, or by the vote of a majority of the outstanding voting securities of the Corporation and (b) the vote of a majority of the Corporation's Directors who are not parties to this Agreement or "interested persons" (as such term is defined in Section 2(a)(19) of the Investment Company Act) of any such party, in accordance with the requirements of the Investment Company Act.

This Agreement may be terminated at any time, without the payment of any penalty, upon not less than 60 days' written notice, by the vote of a majority of the outstanding voting securities of the Corporation, or by the vote of the Corporation's Directors or by the Adviser.

This Agreement shall automatically terminate in the event of its "assignment" (as such term is defined for purposes of Section 15(a)(4) of the Investment Company Act). The provisions of Section 9 of this Agreement shall remain in full force and effect, and the Adviser shall remain entitled to the benefits thereof, notwithstanding any termination of this Agreement. Further, notwithstanding the termination or expiration of this Agreement as aforesaid, the Adviser shall be entitled to any amounts owed under Section 3 through the date of termination or expiration and Section 9 shall continue in force and effect and apply to the Adviser and its representatives as and to the extent applicable.

11. Notices. Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

12. Amendments. This Agreement may be amended by mutual consent, but the consent of the Corporation must be obtained in conformity with the requirements of the Investment Company Act.

13. Entire Agreement; Governing Law. This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof. This Agreement shall be construed in accordance with the laws of the State of New York and the applicable provisions of the Investment Company Act. To the extent the applicable laws of the State of New York, or any of the provisions herein, conflict with the provisions of the Investment Company Act, the latter shall control.

* * * *

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date above written.

GARRISON CAPITAL INC.

By: /s/ Joseph Tansey
Name: Joseph Tansey
Title: Chief Executive Officer

GARRISON CAPITAL ADVISERS LLC

By: Garrison Capital Advisers MM LLC,
its managing member

By: /s/ Michael Butler
Name: Michael Butler
Title: Authorized Signatory

[Signature Page to Fourth Amended and Restated Investment Advisory Agreement]

Garrison Capital Inc. Declares Second Quarter 2017 Distribution of \$0.28 Per Share and Announces First Quarter 2017 Financial Results and Earnings Call

NEW YORK, May 09, 2017 (GLOBE NEWSWIRE) -- Garrison Capital Inc., a business development company (NASDAQ:GARS), today announced its financial results for the first fiscal quarter ended March 31, 2017.

References to "we," "us," "our," the "Company" and "Garrison Capital" refer to Garrison Capital Inc. and its consolidated subsidiaries.

First Quarter 2017 Highlights

- Net investment income for the quarter ended March 31, 2017 was \$4.2 million, or \$0.26 per share;
- Net realized gain on investments for the quarter ended March 31, 2017 was \$0.2 million, or \$0.01 per share;
- Net change in unrealized loss from investments for the quarter ended March 31, 2017 was \$8.4 million, or \$0.51 per share;
- Net decrease in net assets resulting from operations for the quarter ended March 31, 2017 was \$4.0 million, or \$0.24 per share; and
- Our board of directors declared a second quarter 2017 distribution of \$0.28 per share, payable on June 23, 2017 to stockholders of record as of June 9, 2017.

Consolidated Results of Operations

Consolidated operating results for the three months ended March 31, 2017 and December 31, 2016 are as follows:

(\$ in thousands, except per share data)	Three Months Ended	
	March 31, 2017	December 31, 2016
	(Unaudited)	(Unaudited)
Net investment income	\$ 4,187	\$ 4,933
Total investment income	8,994	9,653
Total net expenses	4,807	4,721
Net realized gain/(loss) on investments	204	(999)
Net change in unrealized loss on investments	(8,379)	(1,080)
Net decrease in net assets resulting from operations	(3,988)	2,853
Net investment income per share	0.26	0.31
Net realized/unrealized loss from investments per share	(0.50)	(0.13)
Net loss per share	(0.24)	(0.18)
Net asset value per share	11.90	12.42

Total investment income for the three months ended March 31, 2017 was \$9.0 million and net investment income was \$4.2 million. Total net expenses for the three months ended March 31, 2017 were \$4.8 million.

The net realized gain on investments for the three months ended March 31, 2017 was primarily driven by \$0.4 million of gains from the partial and full repayments of portfolio investments. This was offset by \$0.2 million in realized losses in the GLC Trust 2013-2's consumer loan portfolio.

The net change in unrealized loss for the three months ended March 31, 2017 was driven primarily by \$9.0 million of negative credit related adjustments from Walnut Hill Physicians Hospital, Speed Commerce Operating Company, Forest Park Medical Center at San Antonio and Badlands Production Company investments in the amounts of \$3.4 million, \$3.3 million, \$1.2 million and \$1.1 million, respectively. This was offset by an aggregate \$0.6 million of positive fair value adjustments across various portfolio investments.

Portfolio and Investment Activities

For the three months ended March 31, 2017, we purchased eight investments and closed add-on investments for a total increase to par in our portfolio of \$28.6 million with a weighted average yield of 7.1%. For the three months ended March 31, 2017, repayments in our portfolio consisted of the paydowns of three investments, and other partial repayments for a total of \$38.6 million of par with a weighted average yield of 10.6%.

See below for portfolio activity table.

Par (\$ in millions)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Average
Originated	\$ 8.2	\$ 16.6	\$ 18.5	\$ -	\$ -	\$ 8.7
Club	6.8	-	12.9	-	-	3.9
Purchased	17.6	-	5.0	15.7	25.7	12.8
Total add-on investments	3.4	5.1	2.6	2.9	2.9	3.4
Total Additions	36.0	21.7	39.0	18.6	28.6	28.8
Less: Total Repayments/Sales⁽¹⁾⁽²⁾	(36.3)	(21.2)	(38.8)	(42.8)	(38.6)	(35.5)

Net Repayments/Additions	\$	(0.3)	\$	0.5	\$	0.2	\$	(24.2)	\$	(10.0)	\$	(6.7)
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Summary	Q1 2016⁽³⁾	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Average
Number of new investments	3	2	5	2	8	4
Weighted average yield of additions⁽³⁾	10.5%	9.6%	10.8%	8.0%	7.1%	9.2%
Number of repayments/sales⁽¹⁾⁽²⁾	5	2	3	7	3	4
Weighted average yield of repayments/sales⁽⁴⁾	8.1%	9.0%	10.2%	11.5%	10.6%	9.9%

(1) There was one position restructure in Q2 2016 resulting in a reduction in par of \$11.6 million.

(2) Excludes the Q3 2016 BFN Operations LLC realization event and reduction of par of \$11.8 million.

(3) Q1 2016 activity excludes \$16.0 million of transitory loans across five portfolio companies that were both purchased and sold during the quarter. Excludes non-accrual portfolio companies.

(4) Weighted average yield excludes non-accrual portfolio companies.

The following table shows select information of our portfolio as of March 31, 2017 and December 31, 2016.

Summary of Portfolio characteristics (\$ in millions)*	March 31, 2017	December 31, 2016
Total market value	\$ 358.7	\$ 376.7
Number of portfolio companies	61	57
Average investment size ⁽¹⁾	\$ 5.7	\$ 6.2
Weighted average yield ⁽²⁾	10.8%	10.9%
Weighted average price ⁽¹⁾	92.9	95.0
First lien	97.1%	96.6%
Second lien & Mezzanine	-%	-%
Consumer loans	1.3%	1.8%
Equity & other	1.6%	1.6%
Core	93.5%	97.3%
Transitory	6.5%	2.7%
Originated ⁽³⁾	52.6%	53.0%
Club ⁽⁴⁾	18.8%	27.0%
Purchased	28.6%	20.0%
Floating ⁽¹⁾	98.9%	96.8%
Fixed ⁽¹⁾	1.1%	3.2%
Performing ⁽¹⁾	97.1%	97.5%
Non-accrual ⁽¹⁾	2.9%	2.5%
Weighted average debt/EBITDA ⁽¹⁾⁽²⁾⁽⁵⁾	3.7x	3.6x
Weighted average risk rating ⁽¹⁾	2.60	2.49

(1) Excludes consumer loans and equity investments.

(2) Excludes investments with a risk rating of 4, unfunded revolvers and equity investments.

(3) Originated positions include investments where we have sourced and led the execution of the deal.

(4) Club positions include investments where we provide direct lending to a borrower with one or two other lenders but did not lead the deal.

(5) Excludes non-operating portfolio companies, which we define as those investments collateralized by real estate, proved developed producing value ("PDP") or other hard assets. PDPs are proven revenues that can be produced with existing wells. As of March 31, 2017, \$47.7 million of par value and \$28.5 million of market value related to non-operating portfolio companies was excluded. As of December 31, 2016, \$49.6 million of par value and \$36.0 million of market value related to non-operating portfolio companies was excluded.

* Table excludes positions with a fair value of zero.

Liquidity and Capital Resources

As of March 31, 2017, we had cash of \$19.6 million and restricted cash of \$14.6 million.

In addition to proceeds from public and private offerings of our debt and equity securities and the proceeds from portfolio repayments, we have

identified eight portfolio companies with a total par value of \$23.2 million and a fair value of \$22.9 million which we view as transitory investments. Transitory investments are generally those investments that we view as an additional source of liquidity that we are able to sell in order to fund investments that fit our core investment strategy. These transitory investments are generally at the lower end of our target portfolio yield range.

Subject to leverage and borrowing base restrictions, as of March 31, 2017, we had \$20.8 million available for additional borrowings under our senior secured revolving notes, \$33.0 million of available SBIC leverage and no available borrowings under the GLC Trust 2013-2 Revolver.

Distributions

On May 2, 2017, our board of directors approved a distribution in the amount of \$4.5 million, or \$0.28 a share, which will be paid on June 23, 2017 to stockholders of record as of June 9, 2017.

Distributions are paid from taxable earnings and may include return of capital and/or capital gains. The specific tax characteristics of the distributions will be reported to stockholders on Form 1099-DIV after the end of the calendar year and in our periodic reports filed with the Securities and Exchange Commission.

Management and Incentive Fees

On May 3, 2017, the Company entered into the fourth amended and restated investment advisory agreement (the "Fourth Amended and Restated Investment Advisory Agreement") with the Investment Adviser following approval of the agreement by the Company's stockholders at the annual meeting of stockholders. The Fourth Amended and Restated Investment Advisory Agreement, which is effective beginning as of May 3, 2017, (i) reduced the base management fee from an annual rate of 1.75% to an annual rate of 1.50% of the Company's gross assets, excluding cash and cash equivalents but including assets purchased with borrowed funds, payable quarterly in arrears and (ii) reduced the hurdle rate for the income component of the incentive fee from 2.00% per quarter (8.00% annualized) to 1.75% per quarter (7.00% annualized).

Earnings Conference Call

We will host an earnings conference call at 10:00 a.m. (Eastern Time) on Thursday, May 11, 2017 to discuss our first quarter financial results. All interested parties are welcome to participate. The conference call can be accessed at the following dial-in number: (888) 588-0798. International callers can access the conference call by dialing (706) 634-6548. All participants will need to enter the Conference ID 12913911. All participants are asked to dial-in to the conference call 10-15 minutes prior to the call so that name and company information can be collected.

During the earnings conference call, the Company intends to refer to the Q1 2017 Garrison Capital Inc. Earnings Presentation, which will be available prior to the conference call on the Investor Relations section of the Company's website (www.garrisoncapitalbdc.com) under Webcasts & Presentations.

An archived replay of the call will be available within two hours after the call until 11:59 p.m. (Eastern Time) on June 11, 2017. To hear the replay, please dial (855) 859-2056. International callers, please dial (404) 537-3406. For all replays, please enter the Conference ID 12913911.

ABOUT GARRISON CAPITAL INC.

Garrison Capital Inc. is a business development company that primarily invests in loans to U.S. based middle-market companies. The Company's investment activities are managed by its investment adviser, Garrison Capital Advisers LLC, an affiliate of Garrison Investment Group LP ("Garrison Investment Group"). For more information, go to <http://www.garrisoncapitalbdc.com>.

ABOUT GARRISON INVESTMENT GROUP

Garrison Investment Group is an alternative investment and asset management firm founded in March 2007. Garrison Investment Group invests opportunistically in the debt of middle-market companies, primarily in the areas of corporate finance, real estate finance and structured finance. For more information, go to <http://www.garrisoninv.com>.

FORWARD-LOOKING STATEMENTS

This press release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those expressed or implied in the forward-looking statements as a result of a number of factors, including those described from time to time in filings with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.

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