

**STONECASTLE FINANCIAL CORP.**  
**CODE OF ETHICS**  
**pursuant to**  
**Section 406 of the Sarbanes-Oxley Act of 2002**

The Board of Directors (the “Board”) of StoneCastle Financial Corp. (the “Company”), which is a closed-end management investment company registered as such under the provisions of the Investment Company Act of 1940, as amended (the “1940 Act”), has adopted this code of ethics (the “Code of Ethics”) pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 and the rules and forms of the Securities and Exchange Commission (“SEC”) thereunder.

**1. Persons to Whom this Code of Ethics Applies**

This Code of Ethics is applicable to each person who occupies the position of Chief Executive Officer, President, Chief Financial Officer and any other senior financial officer of the Company appointed by the Board, including the Controller (“Covered Officers”).

**2. Relationship to Code of Ethics Under Rule 17j-1**

The Company is subject to, and has adopted a code of ethics pursuant to, Rule 17j-1 under the 1940 Act (the “17j-1 Code”), applicable to directors, officers and employees of the Company and the Company’s investment adviser.

The 17j-1 Code imposes reporting and disclosure requirements on covered persons relating to their personal investment transactions in securities, as well as substantively regulate such transactions, as the Board has determined to be reasonably necessary in order to prevent fraud, deceit or manipulative practices by such persons in connection with the purchase or sale, directly or indirectly, by the person of a security held or to be acquired by the Company.

The requirements of this Code of Ethics are in addition to, not in substitution for, the provisions of the 17j-1 Code that are applicable to Covered Officers to whom this Code of Ethics applies.

**3. Substantive Requirements**

*a. Honest and ethical conduct, including ethical handling of conflicts of interest between personal and professional relationships.*

It shall be the responsibility of each Covered Officer to comply with the reporting, disclosure and pre-approval requirements of the 17j-1 Code as applicable to personal securities investments of such Covered Officer. No personal securities investment transaction by a Covered Officer that complies with the procedural, reporting, disclosure and other provisions of such 17j-1 Code as may be applicable to such transaction, shall be deemed to be a violation or constitute a waiver of any requirement of this Code of Ethics.

No Covered Officer shall derive any personal financial or other benefit of a substantial nature as a result of his or her position as the Chief Executive Officer, President, Chief Financial Officer or other senior financial officer of the Company appointed by the Board, as the case may be, through or from the Company, or through or from any person or entity doing business or seeking to do business with the Company, including, without limitation, gifts or gratuities (other than customary business gifts, meals or business entertainment that are not extravagant), preferred investment opportunities, or cash payments of any amount.

The employment of a member of the immediate family of a Covered Officer by an entity doing business, or seeking to do business, with the Company shall not be deemed a violation of this Code of Ethics if the Covered Officer shall have disclosed such employment to the Board.

For the purpose of this Code of Ethics, a "personal" benefit includes a benefit offered to or received by: a Covered Officer; a partnership in which the Covered Officer is a partner; a trust of which the Covered Officer is the grantor or beneficiary; a member of such Covered Officer's "immediate family," which includes the Covered Officer's spouse, a child residing in the Covered Officer's household (including a step or adoptive child), and any dependent of the Covered Officer as defined in section 152 of the Internal Revenue Code; a partnership in which any member of the Covered Officer's immediate family is a partner; or a trust for the benefit of any member of the Covered Officer's immediate family.

Any Covered Officer who shall, in his or her capacity as Chief Executive Officer, President, Chief Financial Officer or other senior financial officer of the Company appointed by the Board, receive or be offered any personal financial or other benefit that is or may be proscribed by this Code of Ethics promptly shall report same to the Chief Compliance Officer of the Company (the "CCO"). The CCO shall be, and hereby is, authorized to determine whether the receipt of such financial or other benefit is or would be proscribed by this Code of Ethics. If the CCO shall determine the receipt of any such personal financial or other benefit is or would be proscribed by this Code of Ethics, then the CCO may direct that such benefit be refused or, if already received, that such benefit be anonymously donated to a charitable organization. Upon such donation, no violation of this Code of Ethics shall be deemed to have occurred by reason of the Covered Officer having received such personal financial or other benefit. The CCO's determination that the offer to or receipt by a Covered Officer of a benefit is not a violation of this Code of Ethics shall not be deemed a waiver of any provision of this Code of Ethics.

The CCO shall maintain a record of reports, if any, by Covered Officers of the receipt or offer of personal financial or other benefits, and the CCO's determinations and directions with respect to such reports.

***b. Full, fair, accurate, timely and understandable disclosure in reports and documents the Company files with, or submits to, the SEC and in other public communications made by the Company.***

Each Covered Officer is responsible for the full, fair, accurate, timely and understandable disclosure in reports and documents the Company files submits to the SEC and in other public communications made by the Company, insofar as such disclosure or communication relates to

matters within the scope of such Covered Officer's responsibilities of office. Without limiting the generality of the foregoing, no Covered Officer willfully shall cause or permit any such disclosure or communication regarding a matter within the scope of his or her responsibility to: misstate a material fact; or omit to state a material fact necessary to make any statement made in any such disclosure or communication, in light of the circumstances in which such statement is made, not misleading.

***c. Compliance with applicable governmental laws, rules and regulations.***

A Covered Officer promptly shall report to the CCO any violation by the Company of applicable governmental laws, rules and regulations including, without limitation, federal securities laws, regarding any matter that is within the scope of office of such Covered Officer, and shall take such action, if any, as may be directed by the CCO with respect to the investigation or cure of such violation.

The responsibility of a Covered Officer pursuant to this Code of Ethics with respect to a violation by the Company of applicable governmental laws, rules or regulations shall be fully discharged upon such report to the CCO, unless such Covered Officer shall refuse or willfully fail to act as shall have been directed by the CCO in response to such report. The fact that a violation of applicable governmental laws, rules or regulations has, or may have, occurred shall not itself be deemed violation of this Code of Ethics. A determination by the CCO that a violation of applicable governmental laws, rules or regulations has, or has not, occurred shall not be deemed a waiver of any provision of this Code of Ethics.

***d. Prompt internal reporting of violations of this Code of Ethics.***

It is the responsibility of each Covered Person promptly to report to the CCO any violation of this Code of Ethics by any Covered Person. The CCO shall maintain a record of the reports, if any, of violations of this Code of Ethics by any Covered Person.

The CCO shall determine, in response to any such report, whether or not a violation of this Code of Ethics has occurred and, in the event the CCO shall determine that a violation has occurred, shall report such violation to the Board.

***e. Accountability for adherence to this Code of Ethics.***

Compliance with the requirements of this Code of Ethics is a condition of office of each Covered Officer. In the event of violation of the requirements of this Code of Ethics by a Covered Officer, the Board may take such action as it deems appropriate, including but not limited to removal from office with the Company of the Covered Officer.

Each Covered Officer shall acknowledge in writing his or her receipt of a copy of this Code of Ethics, and his or her agreement that adherence to this Code of Ethics is a condition of office.

Adopted as of: November 19, 2014.

ACKNOWLEDGEMENT

For Joshua Siegel, Chief Executive Officer

I have received a copy of the StoneCastle Financial Corp. CODE OF ETHICS (the “Code”) pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 and I agree that adherence to the Code is a condition of my office.

\_\_\_\_\_  
Name: Joshua Siegel  
Title: Chief Executive Officer

\_\_\_\_\_  
Date

For Patrick Farrell, Chief Financial Officer

I have received a copy of the StoneCastle Financial Corp. CODE OF ETHICS (the “Code”) pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 and I agree that adherence to the Code is a condition of my office.

\_\_\_\_\_  
Name: Patrick Farrell  
Title: Chief Financial Officer

\_\_\_\_\_  
Date

ACKNOWLEDGEMENT

For David Lentinello, Controller

I have received a copy of the StoneCastle Financial Corp. CODE OF ETHICS (the “Code”) pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 and I agree that adherence to the Code is a condition of my office.

\_\_\_\_\_  
Name: David Lentinello  
Title: Controller

\_\_\_\_\_  
Date