

APOLLO INVESTMENT CORP  
Form DEF 14A  
June 19, 2009

## SCHEDULE 14A

(RULE 14a-101)

### Information Required in Proxy Statement

#### Schedule 14A Information

#### Proxy Statement Pursuant to Section 14(a) of the Securities

#### Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

## Apollo Investment Corporation

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

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(2) Form, schedule or registration statement no.:

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(3) Filing party:

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(4) Date filed:



**9 West 57<sup>th</sup> Street, 37th Floor**

**New York, New York 10019**

June 23, 2009

Dear Stockholder:

You are cordially invited to attend the 2009 Annual Meeting of Stockholders of Apollo Investment Corporation (the Company) to be held on August 5, 2009 at 9:30 a.m., Eastern Daylight Time, at **the Warwick New York Hotel, 65 West 54th Street, New York, New York 10019**.

The notice of annual meeting and proxy statement accompanying this letter provide an outline of the business to be conducted at the meeting. At the meeting, you will be asked: (i) to elect three Class II directors of the Company; (ii) to ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2010; (iii) to approve a proposal to authorize flexibility for the Company, with approval of its Board of Directors, to sell shares of its common stock at a price below the Company's then current net asset value per share in one or more offerings, subject to certain conditions as set forth herein (including that the number of shares sold does not exceed 25% of its then outstanding common stock immediately prior to such sale); and, (iv) to approve a proposal to authorize the Company to sell or otherwise issue warrants or securities to subscribe for or convertible into shares of its common stock subject to certain limitations as set forth herein (including that the number of shares issuable does not exceed 25% of its outstanding common stock and that the exercise or conversion price thereof is not, at the date of issuance of such warrants or securities, less than the greater of the market value per share and the net asset value per share of its common stock). I will also report on the progress of the Company during the past year and respond to stockholders' questions.

It is important that your shares be represented at the annual meeting. If you are unable to attend the meeting in person, I urge you to complete, date and sign the enclosed proxy card and promptly return it in the envelope provided. If you prefer, you can save time by voting through the Internet or by telephone as described in the proxy statement and on the enclosed proxy card. Your vote and participation in the governance of the Company is very important to us.

Sincerely yours,

John J. Hannan

Chairman of the Board of Directors

**APOLLO INVESTMENT CORPORATION**

**9 West 57th Street, 37th Floor**

**New York, New York 10019**

**(212) 515-3450**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON AUGUST 5, 2009**

To the Stockholders of Apollo Investment Corporation:

The 2009 Annual Meeting of Stockholders of Apollo Investment Corporation (the Company) will be held at **the Warwick New York Hotel, 65 West 54th Street New York, New York 10019** on Wednesday, August 5, 2009 at 9:30 a.m., Eastern Daylight Time, for the following purposes:

1. To elect three Class II directors of the Company, who will each serve for a term of three years, or until his successor is duly elected and qualified;
2. To ratify the selection of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm for the year ending March 31, 2010;
3. To consider and vote upon a proposal to authorize flexibility for the Company, with the approval of its board of directors, to sell shares of its common stock (during the next 12 months) at a price below its then current net asset value per share subject to certain limitations described herein (including that the cumulative number of shares sold pursuant to such authority does not exceed 25% of its then outstanding common stock immediately prior to such sale);
4. To consider and vote upon a proposal, which is separate from proposal 3 above, to authorize the Company to sell or otherwise issue pursuant to such authority from time to time long-term warrants or securities to subscribe for or convertible into shares of its common stock subject to certain limitations described herein (including that the number of shares issuable does not exceed 25% of the Company's outstanding common stock at the time of issuance of such warrants or other securities and that the exercise or conversion price thereof is not, at the date of issuance of such warrants or other securities, less than the greater of the market value per share and the net asset value per share of its common stock). In addition, unlike proposal 3 above, the authority gained under this proposal (proposal 4) does not expire after one year; and
5. To transact such other business as may properly come before the meeting.

You have the right to receive notice of and to vote at the meeting if you were a stockholder of record at the close of business on June 12, 2009. If you are unable to attend, please sign the enclosed proxy card and return it promptly in the self-addressed envelope provided or vote by telephone or through the Internet. Please refer to the voting instructions provided on your proxy card. In the event there are not sufficient votes for a quorum or to approve the proposals at the time of the annual meeting, the annual meeting may be adjourned in order to permit further solicitation of proxies by the Company.

By Order of the Board of Directors,

Gordon E. Swartz,

Corporate Secretary

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New York, New York

June 23, 2009

This is an important meeting. To ensure proper representation at the meeting, please complete, sign, date and return the proxy card in the enclosed self-addressed envelope or vote by telephone or through the Internet. Even if you vote your shares prior to the meeting, you still may attend the meeting and vote your shares in person if you wish to change your vote.

**APOLLO INVESTMENT CORPORATION**

**9 West 57th Street, 37th Floor**

**New York, New York 10019**

**(212) 515-3450**

**PROXY STATEMENT**

**2009 Annual Meeting of Stockholders**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Apollo Investment Corporation (the Company, we, us or our ) for use at the Company's 2009 Annual Meeting of Stockholders (the Meeting ) to be held on Wednesday, August 5, 2009 at 9:30 a.m., Eastern Daylight Time, at **the Warwick New York Hotel, 65 West 54th Street New York, New York 10019** and at any postponements or adjournments thereof. This Proxy Statement, the accompanying proxy card and the Company's Annual Report for the fiscal year ended March 31, 2009, are first being sent to stockholders on or about June 23, 2009.

We encourage you to vote your shares, either by voting in person at the Meeting or by granting a proxy (i.e., authorizing someone to vote your shares). If you properly sign and date the accompanying proxy card or vote by telephone or through the Internet, and the Company receives it in time for voting at the Meeting, the persons named as proxies will vote your shares in the manner that you specify. **If you give no instructions on the proxy card, the shares covered by the proxy card will be voted FOR the election of the nominees as directors and FOR the other matters listed in the accompanying Notice of Annual Meeting of Stockholders.**

You may revoke a proxy at any time before it is exercised by notifying the Company's Secretary in writing, by submitting a properly executed later-dated proxy, or by voting in person at the Meeting. Any stockholder of record attending the Meeting may vote in person whether or not he or she has previously voted his or her shares or if he or she wishes to change a previous vote.

If your shares are registered in the name of a bank or brokerage firm, you may be eligible to vote your shares electronically via the Internet or by telephone.

***Purpose of Meeting***

At the Meeting, you will be asked to vote on the following proposals:

1. To elect three Class II directors of the Company, who will each serve for a term of three years, or until his successor is duly elected and qualified;
2. To ratify the selection of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm for the year ending March 31, 2010;
3. To consider and vote upon a proposal to authorize flexibility for the Company, with the approval of its board of directors, to sell shares of its common stock (during the next 12 months) at a price below its then current net asset value per share subject to certain limitations described herein (including that the cumulative number of shares sold pursuant to such authority does not exceed 25% of its then outstanding common stock immediately prior to each such sale);
4. To consider and vote upon a proposal, which is separate from proposal 3 above, to authorize the Company to sell or otherwise issue pursuant to such authority from time to time long-term warrants or securities to subscribe for or convertible into shares of its common stock subject to certain limitations described herein (including that the number of shares issuable does not exceed 25% of the Company's outstanding common stock at the time of issuance of such warrants or other securities and that the exercise or conversion price thereof is not, at the date of issuance of such warrants or other securities,

less than the greater of the market value per share and the net asset value per share of its common stock); In addition, unlike proposal 3 above, the authority granted under this proposal (proposal 4) does not expire after one year; and

5. To transact such other business as may properly come before the meeting.

***Voting Securities***

You may vote your shares at the Meeting only if you were a stockholder of record at the close of business on June 12, 2009 (the Record Date ). There were 142,221,335 shares of the Company s common stock outstanding on the Record Date. Each share of the common stock is entitled to one vote.

***Quorum Required***

A quorum must be present at the Meeting for any business to be conducted. The presence at the Meeting, in person or by proxy, of the holders of a majority of the shares of stock outstanding on the Record Date will constitute a quorum. Shares held by a broker or other nominee for which the nominee has not received voting instructions from the record holder and does not have discretionary authority to vote the shares on certain proposals (which are considered broker non-votes with respect to such proposals), will be treated as shares present for quorum purposes.

***Vote Required***

*Election of Directors.* The election of a director requires the vote of a majority of the shares of stock outstanding. Stockholders may not cumulate their votes. If you vote Withhold Authority with respect to a nominee, your shares will not be voted with respect to the person indicated. Because directors are elected by the vote of a majority of the outstanding shares, votes to withhold authority and broker non-votes will have the effect of a vote against a nominee.

*Ratification of Independent Registered Public Accounting Firm.* The affirmative vote of a majority of the votes cast at the Meeting in person or by proxy is required to ratify the appointment of PricewaterhouseCoopers LLP ( PricewaterhouseCoopers ) to serve as the Company s independent registered public accounting firm. Abstentions and broker non-votes will not be included in determining the number of votes cast and, as a result, will have no effect on this proposal.

*Approval of Proposal to Authorize the Company to Sell Shares of its Common Stock at a Price Below the Company s Then Current Net Asset Value Per Share in One or More Offerings, Subject to Certain Conditions Described Herein (Including, That the Cumulative Number of Shares Sold Does Not Exceed 25% of its Then Outstanding Common Stock Immediately Prior to Each Such Sale).* The affirmative vote of (1) a majority of the outstanding shares of common stock entitled to vote at the meeting; and (2) a majority of the outstanding shares of common stock entitled to vote at the meeting that are not held by affiliated persons of the Company is required to approve this proposal. For purposes of this proposal, the Investment Company Act of 1940, as amended ( 1940 Act ), defines a majority of the outstanding shares as: (1) 67% or more of the voting securities present at the Meeting if the holders of more than 50% of the outstanding voting securities of such company are present or represented by proxy; or (2) more than 50% of the outstanding voting securities of the Company, whichever is the less. Abstentions and broker non-votes will have the effect of a vote against this proposal.

*Approval of Proposal to Authorize the Company to Have the Ability to Sell or Otherwise Issue Warrants or Securities to Subscribe for or Convertible into Shares of its Common Stock, not Exceeding 25% of its Then Outstanding Common Stock at the Time of Such Issuance, at an Exercise or Conversion Price that, at the Date of*



*Issuance, will not be Less than the Greater of the Market Value per Share of its Common Stock and the Net Asset Value per Share of its Common Stock.* The affirmative vote of at least a majority of all of the votes cast at a meeting at which quorum is present is required for approval of this proposal. For purposes of the vote on this proposal, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.

*Additional Solicitation.* If there are not enough votes for a quorum or to approve a proposal at the Meeting, the stockholders who are represented in person or by proxy may adjourn the Meeting to permit the further solicitation of proxies. The persons named as proxies will vote proxies held by them for such adjournment, unless marked to be voted against any proposal for which an adjournment is sought, to permit the further solicitation of proxies.

A stockholder vote may be taken on any proposal in this Proxy Statement prior to any such adjournment if there are sufficient votes for approval of such proposal.

### ***Information Regarding This Solicitation***

The Company will bear the expense of the solicitation of proxies for the Meeting, including the cost of preparing, printing and mailing this Proxy Statement, the accompanying Notice of Annual Meeting of Stockholders, and proxy card. If brokers, trustees, or fiduciaries and other institutions or nominees holding shares in their names, or in the name of their nominees, which are beneficially owned by others, forward the proxy materials to, and obtain proxies from, such beneficial owners, we will reimburse such persons for their reasonable expenses in so doing.

In addition to the solicitation of proxies by the use of the mail, proxies may be solicited in person and/or by telephone or facsimile transmission by directors, officers or employees of the Company and/or officers or employees of Apollo Investment Management, L.P. ( AIM ), the Company's investment adviser. AIM is located at 9 West 57<sup>th</sup> Street, New York, New York 10019. No additional compensation will be paid to directors, officers or regular employees of the Company or AIM for such services.

The Company has retained Georgeson Inc. ( Georgeson ) to assist in the solicitation of proxies for a fee of approximately \$10,000, plus out-of-pocket expenses. As the Meeting date approaches, certain stockholders of the Company may receive a telephone call from a representative of Georgeson if their votes have not yet been received. Authorization to permit Georgeson to execute proxies may be obtained by telephonic or electronically transmitted instructions from stockholders of the Company. Proxies that are obtained telephonically will be recorded in accordance with the procedures described below. The Company believes that these procedures are reasonably designed to ensure that both the identity of the stockholder casting the vote and the voting instructions of the stockholder are accurately determined.

In all cases where a telephonic proxy is solicited, the Georgeson representative is required to ask for each stockholder's full name and complete address and to confirm that the stockholder has either received the proxy materials in the mail or provided a notice and access notification. If the stockholder is a corporation or entity, the Georgeson representative is required to ask for the person's title and confirmation that the person is authorized to direct the voting of the shares. If the information solicited agrees with the information provided to Georgeson, then the Georgeson representative has the responsibility to explain the process, read the proposals listed on the proxy card and ask for the stockholder's instructions on the proposals. Although the Georgeson representative is permitted to answer questions about the process, he or she is not permitted to recommend to the stockholder how to vote, other than to read any recommendation set forth in this Proxy Statement. Georgeson will record the stockholder's instructions on the card. Within 72 hours, the stockholder will be sent a letter or mailgram to confirm his or her vote and asking the stockholder to call Georgeson immediately if his or her instructions are not correctly reflected in the confirmation.

Stockholders may also provide their voting instructions by telephone or through the Internet. These options require stockholders to input the Control Number which is located on each proxy card. After inputting this number, stockholders will be prompted to provide their voting instructions. Stockholders will have an opportunity to review their voting instructions and make any necessary changes before submitting their voting instructions and terminating their telephone call or Internet link. Stockholders who vote via the Internet, in addition to confirming their voting instructions prior to submission, will also receive an e-mail confirming their instructions upon request.

If a stockholder wishes to participate in the Meeting, but does not wish to give a proxy by telephone or electronically, the stockholder may still submit the proxy card originally sent with this Proxy Statement or attend in person.

Any proxy given pursuant to this solicitation may be revoked by notice from the person giving the proxy at any time before it is exercised. Any such notice of revocation should be provided in writing and signed by the stockholder in the same manner as the proxy being revoked and delivered to the Company's proxy tabulator.

***Security Ownership of Certain Beneficial Owners and Management***

As of the Record Date, to our knowledge, no person would be deemed to control us, as such term is defined in the 1940 Act.

Our directors consist of interested directors and independent directors. Interested directors are interested persons of the Company, as defined in the 1940 Act.

The following table sets forth, as of June 12, 2009, certain ownership information with respect to our common stock for those persons whom we believe, based on public filings and/or information provided by such persons, directly or indirectly owned, controlled or held, with the power to vote, 5% or more of our outstanding common stock as of that date, and for all officers and directors as a group. Unless otherwise indicated, we believe that each beneficial owner set forth in the table has sole voting and investment power over such securities.

<b>Name and address</b>	<b>Type of ownership(1)</b>	<b>Shares owned</b>	<b>Percentage of common stock outstanding</b>
AIC Co-Investors LLC (2)	Beneficial	1,009,216	*%
Bay Pond Partners, L.P. and Wellington Hedge Management, LLC (3)	Beneficial	7,420,900	5.22%
All officers and directors as a group (12 persons) (4)	Beneficial	194,985.95	*%

\* Represents less than 1%.

- (1) Over 99% of our common stock is owned of record by Cede & Co., as nominee of The Depository Trust Company.
- (2) AIC Co-Investors LLC is a special purpose entity related to AIM and has the same address as AIM.
- (3) Based on regulatory filings, Bay Pond Partners, L.P. and Wellington Hedge Management, LLC, each with address c/o Wellington Management Company, LLP, 75 State Street, Boston, Massachusetts 02109, each retains (a) shared power to vote or to direct the vote as to 7,420,900 shares and (b) shared power to dispose or to direct the disposition of 7,420,900 shares.
- (4) The address for all officers and directors is c/o Apollo Investment Corporation, 9 West 57<sup>th</sup> Street, New York, New York 10019.

The following table sets forth, as of June 12, 2009, the number of shares of the Company's common stock beneficially owned by each of our current directors and executive officers.

	Amount and Nature of Beneficial Ownership	Percent of Class(1)
<b>Directors and Executive Officers</b>		
<b>Independent Directors</b>		
Ashok Bakhru	20,000	*
Claudine B. Malone	10,000	*
Frank C. Puleo	8,770.96	*
Carl Spielvogel	5,000	*
Elliot Stein, Jr.	15,274	*
Bradley J. Wechsler	45,000	*
<b>Interested Directors</b>		
John J. Hannan (2)	None	
James C. Zelter	64,728.53	*
<b>Executive Officers</b>		
Patrick J. Dalton	15,700	*
Richard L. Peteka	None	
John J. Suydam	10,000	*
Gordon E. Swartz	512.46	*

\* Represents less than 1% of the outstanding shares.

(1) Based on 142,221,335 shares of common stock outstanding as of June 12, 2009.

(2) Mr. Hannan disclaims beneficial ownership of shares held by AIC Co-Investors LLC (less than 1% of common stock outstanding as of June 12, 2009) except to the extent of his pecuniary interest in AIC Co-Investors LLC.

***Dollar Range of Securities Beneficially Owned by Directors***

The following table sets forth the dollar range of our equity securities beneficially owned by the director nominees and each of our other directors as of June 12, 2009. Information as to the beneficial ownership is based on information furnished to the Company by such persons. (We are not part of a family of investment companies as that term is defined in the 1940 Act).

	Dollar Range of Equity Securities in the Company(1)	
<b>Directors and Executive Officers</b>		
<b>Independent Directors</b>		
Ashok Bakhru	\$100,001	\$500,000
Claudine B. Malone	\$ 50,001	\$100,000
Frank C. Puleo	\$ 50,001	\$100,000
Carl Spielvogel	\$ 10,001	\$ 50,000
Elliot Stein, Jr.	\$100,001	\$500,000
Bradley J. Wechsler	\$100,001	\$500,000
<b>Interested Directors</b>		
John J. Hannan	\$100,001	\$500,000(2)
James C. Zelter	\$100,001	\$500,000

(1) Dollar ranges are as follows: None, \$1 - \$10,000, \$10,001 - \$50,000, \$50,001 - \$100,000, \$100,001 - \$500,000, \$500,001 - \$1,000,000 or over \$1,000,000.

(2) Reflects pecuniary interests in AIC Co-Investors LLC. Mr. Hannan disclaims beneficial ownership of shares held by AIC Co-Investors LLC except to the extent of his pecuniary interest in AIC Co-Investors LLC.



***PROPOSAL I: ELECTION OF DIRECTORS***

Pursuant to the Company's bylaws, the Board of Directors may modify the number of members of the Board of Directors provided that the number thereof shall never be less than four nor more than eight. In accordance with the bylaws, the Company currently has eight members of the Board of Directors. Directors are divided into three classes and are elected for staggered terms of three years each, with a term of office of one of the three classes of directors expiring each year. Each director will hold office for the term to which he or she is elected or until his or her successor is duly elected and qualifies.

A stockholder can vote for, or withhold his or her vote from, any nominee. In the absence of instructions to the contrary, it is the intention of the persons named as proxies to vote such proxy FOR the election of the nominees named below. If a nominee should decline or be unable to serve as a director, it is intended that the proxy will be voted for the election of such person as is nominated by the Board of Directors as a replacement. The Board of Directors has no reason to believe that any of the persons named below will be unable or unwilling to serve.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE NOMINEES NAMED IN THIS PROXY STATEMENT.**

**Information about the Nominees and Directors**

Certain information with respect to the Class II nominees for election at the Meeting, as well as each of the other directors, is set forth below, including their names, ages, a brief description of their recent business experience, including present occupations and employment, certain directorships that each person holds, and the year in which each person became a director of the Company. All of the nominees for Class II directors currently serve as directors of the Company.

Mr. Ashok Bakhru, Mr. John J. Hannan and Mr. James C. Zelter each has been nominated for election for a three year term expiring in 2012. Neither Mr. Bakhru, Mr. Hannan nor Mr. Zelter is being proposed for election pursuant to any agreement or understanding between Mr. Bakhru, Mr. Hannan or Mr. Zelter and the Company.

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**Nominees for Class II Directors Term Expiring 2012**

Name, Address and Age(1) <b>Interested Directors</b>	Position(s) Held with Company	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorships Held by
				Director or Nominee for Director(2)
John J. Hannan, 56 (3)	Chairman of the Board and Director	Class II Director since March 2004; Term expires 2009	Co-founded Apollo Management, L.P. in 1990 and Apollo Real Estate Advisors, L. P. in 1993.	
James C. Zelter, 46 (3)	Chief Executive Officer and Director	Class II Director since November 2008; Term expires 2009	Joined Apollo Management L.P. in May 2006 and is the managing partner of Apollo Capital Management; before this Mr. Zelter was Chief Investment Officer of Citigroup Alternative Investments and prior to that he was responsible for the firm's Global High Yield Franchise.	
<b>Independent Director</b> Ashok Bakhru, 67	Director	Class II Director since October 2008; Term expires 2009	Chief Financial Officer and Chief Administrative Officer of Coty Inc. from 1996 to 1998.	Chairman of the Board of the Goldman Sachs Group of Mutual Funds. Serves on the Governing Council of the Independent Directors Council and the Advisory Board of Board IQ, an investment publication.

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**CONTINUING DIRECTORS (not up for election at the Meeting)**
**Class III Directors Term Expiring 2010**

<b>Name, Address and Age(1) Independent Directors</b>	<b>Position(s) Held with Company</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Other Directorships Held by Director or Nominee for Director(2)</b>
Elliot Stein, Jr., 60	Director	Class III Director since March 2004; Term expires 2010	Chairman of Caribbean International News Corporation (newspaper) since 1985.	Managing director of Commonwealth Capital Partners (investment fund) as well as various private companies including Cloud Solutions LLC (manufacturer) and Cohere Communications (integrated IP voice and internet solutions company). Trustee of Claremont Graduate University and the New School University and a member of the Council on Foreign Relations.
Bradley J. Wechsler, 57	Director	Class III Director since April 2004; Term expires 2010	Co-Chairman and Co-Chief Executive Officer of IMAX Corporation (large-format film company) since May 1996.	Vice-Chairman of the board, a member of Executive Committee, and Chairman of Finance Committee of the NYU Hospital and Medical Center. Director of The American Museum of the Moving Image, Director of the Ethical Culture Fieldston Schools (private school) and Director of Math for America (non-profit organization).

**CONTINUING DIRECTORS (not up for election at the Meeting)****Class I Directors Term Expiring 2011**

Name, Address and Age(1) <b>Independent Directors</b>	Position(s) Held with Company	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorships Held by
				Director or Nominee for Director(2)
Claudine B. Malone, 73	Director	Class I Director since April 2007; Term expires 2011	President and Chief Executive Officer of Financial & Management Consulting Inc. of McLean, Virginia. Chairman of the Board of the Federal Reserve Bank of Richmond from 1996 to 1999. She served as a visiting professor at the Colgate-Darden Business School of the University of Virginia from 1984 to 1987, an adjunct professor of the School of Business Administration at Georgetown University from 1982 to 1984 and an assistant and associate professor at the Harvard Graduate School of Business Administration from 1972 to 1981.	Director of Novell, Inc. (software company) and Aviva Life Insurance Company (USA).



**CONTINUING DIRECTORS (not up for election at the Meeting)****Class I Directors Term Expiring 2011**

Name, Address and Age(1) <b>Independent Directors</b>	Position(s) Held with Company	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorships Held by
				Director or Nominee for Director(2)
Frank C. Puleo, 63	Director	Class I Director since February 2008; Term expires 2011	Mr. Puleo was a partner at Milbank, Tweed, Hadley & McCloy LLP where he advised clients on structured finance transactions, bank and bank holding company regulatory and securities law matters. Mr. Puleo became a partner of Milbank, Tweed, Hadley & McCloy LLP in 1978 and Co-Chair of the firm's Global Finance Group in 1995 until retiring at the end of 2006. He was a member of the firm's Executive Committee from 1982 to 1991 and from 1996 to 2002. Mr. Puleo served as a Lecturer at Columbia University School of Law from 1997 to 2001.	Director of Commercial Industrial Finance Corp. (financial services company) and SLM Corp. (education financing company), and Capital Markets Engineering and Trading Holdings LLC (financial services company).

Name, Address and Age(1)	Position(s) Held with Company	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorships Held by
				Director or Nominee for Director(2)
Carl Spielvogel, 80	Director	Class I Director since March 2004; Term expires 2011	Chairman and Chief Executive Officer of Carl Spielvogel Associates, Inc., an international management and counseling company, from 1997 to 2000 and from 2001 to present. In 2000-2001, Ambassador Spielvogel served as U.S. Ambassador to the Slovak Republic, based in Bratislava, Slovakia.	Director of Interactive Data Corporation, Inc. (financial services company). Trustee to the Metropolitan Museum of Art, Trustee and Chairman of the Business Council for the Asia Society, Trustee of Lincoln Center for the Performing Arts. Member of the Council on Foreign Relations, member of the board of trustees of the Institute for the Study of Europe, at Columbia University, and a member of the Executive Committee of the Council of American Ambassadors.

- (1) The business address of the director nominees and other directors and executive officers is c/o Apollo Investment Corporation, 9 West 57<sup>th</sup> Street, New York, New York 10019.
- (2) Other than Mr. Bakhru, no director serves as a director of an investment company, other than Apollo Investment Corporation, subject to the 1940 Act.
- (3) Mr. Hannan and Mr. Zelter are interested directors due to their affiliations with AIM and its affiliates.

***Corporate Governance***

***Director Independence***

NASDAQ rules require listed companies to have a Board of Directors with at least a majority of independent directors. Under NASDAQ rules, in order for a director to be deemed independent, our Board of Directors must determine that the individual does not have a relationship that would interfere with the director's exercise of independent judgment in carrying out his or her responsibilities. On an annual basis, each member of our Board of Directors is required to complete an independence questionnaire designed to provide information to assist the Board of Directors in determining whether the director is independent under NASDAQ rules and our corporate governance guidelines. Our Board of Directors has determined that each of our directors, other than Mr. Hannan and Mr. Zelter, is independent under the listing standards of the NASDAQ Marketplace Rule 5605 (a)(2). Our governance guidelines require any director who has previously been determined to be independent to inform the Chairman of the Board of Directors, the Chairman of the Nominating and Corporate Governance Committee and our Corporate Secretary of any change in circumstance that may cause his or her status as an independent director to change. The Board of Directors limits membership on the Audit Committee and the Nominating and Corporate Governance Committee to independent directors.

***Committees of the Board of Directors***

Our Board of Directors has established an Audit Committee and a Nominating and Corporate Governance Committee. For the fiscal year ended March 31, 2009, the Board of Directors of the Company held thirteen board meetings, four Audit Committee meetings and six Nominating and Corporate Governance Committee meetings.

All directors attended at least 75% of the aggregate number of meetings of the Board of Directors and of the respective Committees on which they served. The Company requires each director to make a diligent effort to attend all Board of Directors and Committee meetings, and encourages directors to attend the annual meeting of stockholders. At the 2008 Annual Meeting, four of the five independent directors at the time attended in person.

*The Audit Committee.* The Audit Committee operates pursuant to an Audit Committee Charter approved by the Board of Directors. The charter sets forth the responsibilities of the Audit Committee, which include selecting or retaining each year an independent registered public accounting firm (the auditors) to audit the annual financial statements of the Company; reviewing and discussing with management and the auditors the annual audited financial statements of the Company, including disclosures made in management's discussion and analysis, and recommending to the Board of Directors whether the audited financial statements should be included in the Company's annual report on Form 10-K; reviewing and discussing with management and the auditors the Company's quarterly financial statements prior to the filings of its quarterly reports on Form 10-Q; pre-approving the auditors' engagement to render audit and/or permissible non-audit services; evaluating the qualifications, performance and independence of the Independent Registered Public Accounting Firm; reviewing preliminary valuations of the investment adviser and independent valuation firms and recommending valuations to the Board of Directors; and recommending compensation of the Chief Financial Officer to the Board of Directors for determination. The Audit Committee is presently composed of six persons: Ms. Malone and Messrs. Bakhru, Puleo, Spielvogel, Stein and Wechsler, all of whom are independent directors and are otherwise considered independent under NASDAQ Marketplace Rule 5605 (a)(2). The Company's Board of Directors has determined that Ms. Malone and Mr. Bakhru each is an audit committee financial expert as that term is defined under Item 401 of Regulation S-K under the Securities Exchange Act of 1934, as amended (the Exchange Act). The Audit Committee Charter is available on the Company's website (<http://www.apolloic.com>).

*The Nominating and Corporate Governance Committee.* The Nominating and Corporate Governance Committee is responsible for selecting qualified nominees to be elected to the Board of Directors by stockholders; identifying, selecting or recommending qualified nominees to fill any vacancies on the Board of Directors or a committee thereof; developing and recommending to the Board of Directors a set of corporate governance principles applicable to the Company; overseeing the evaluation of the Board of Directors and management; and undertaking such other duties and responsibilities as may from time to time be delegated by the Board of Directors to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is presently composed of six persons: Ms. Malone and Messrs. Bakhru, Puleo, Spielvogel, Stein and Wechsler. The Nominating and Corporate Governance Committee has adopted a written Nominating and Corporate Governance Committee charter which is available on the Company's website (<http://www.apolloic.com>).

The Nominating and Corporate Governance Committee will consider stockholder recommendations for possible nominees for election as directors when such recommendations are submitted in accordance with the Company's bylaws, the Nominating and Corporate Governance Committee Charter and any applicable law, rule or regulation regarding director nominations. Nominations should be sent to Gordon E. Swartz, Corporate Secretary, Apollo Investment Corporation, 9 West 57th Street, 37th Floor, New York, New York 10019. To have a candidate considered by the Nominating and Corporate Governance Committee, a stockholder must submit the recommendation in writing and must include the following information:

The name of the stockholder and evidence of the person's ownership of Company stock, including the number of shares owned and the length of time of the ownership;

The name of the candidate, the candidate's resume or a listing of his or her qualifications to be a director of the Company and the person's consent to be named as a director if selected by the Nominating and Corporate Governance Committee and nominated to the Board of Directors; and

If requested by the Nominating and Corporate Governance Committee, a completed and signed Director's Questionnaire.

Criteria considered by the Nominating and Corporate Governance Committee in evaluating the qualifications of individuals for election as members of the Board of Directors include compliance with the independence and other applicable requirements of the federal securities laws, the listing standards of NASDAQ, and any other applicable laws, rules, or regulations, and the ability to contribute to the effective management of the Company, taking into account the needs of the Company and such factors as the individual's experience, skills, expertise and knowledge of the industry in which the Company operates, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, conflicts of interest and such other relevant factors that the Nominating and Corporate Governance Committee considers appropriate. The Board of Directors also believes it is appropriate for members of the Company's management to participate as a member of the Board of Directors.

*Compensation Committee.* The Company does not have a compensation committee because our executive officers do not receive any direct compensation from the Company.

*Communication with the Board of Directors*

Stockholders with questions about the Company are encouraged to contact Apollo Investment Corporation's Investor Relations Department. However, if stockholders believe that their questions have not been addressed, they may communicate with the Company's Board of Directors by sending their communications to Apollo Investment Corporation, c/o Gordon E. Swartz, Corporate Secretary, 9 West 57th Street, 37th Floor, New York, New York 10019. All stockholder communications received in this manner will be delivered to one or more members of the Board of Directors.

**Information about Executive Officers Who Are Not Directors**

The following information, as of the Record Date, pertains to our executive officers who are not directors of the Company

Name, Address and Age(1)	Position(s) Held with Company	Principal Occupation(s) During Past 5 Years(2)
Patrick J. Dalton, 40	President and Chief Operating Officer	Mr. Dalton joined AIM in June 2004 as a partner and a member of AIM's Investment Committee. He became an executive officer of the Corporation in November 2006. Mr. Dalton is also currently serving as Chief Investment Officer of AIM. Before joining the Corporation, Mr. Dalton was a Vice President with Goldman, Sachs & Co.'s Principal Investment Area with a focus on mezzanine investing from 2000-2004.
John J. Suydam, 49	Vice President and Chief Legal Officer	Mr. Suydam joined the Corporation in 2006. From 2002 to 2006, Mr. Suydam was a partner at O'Melveny & Myers LLP, where he served as head of Mergers & Acquisitions and co-head of the Corporate Department. Prior to that, Mr. Suydam served as Chairman of the law firm O'Sullivan, LLP, which specialized in representing private equity investors. Mr. Suydam serves on the board of directors of the Big Apple Circus.
Richard L. Peteka, 48	Chief Financial Officer and Treasurer	Mr. Peteka joined the Company in June 2004 as its Chief Financial Officer and Treasurer. Prior to joining the firm, he was Chief Financial Officer and Treasurer of various closed-end and open-end registered investment companies for Citigroup Asset Management. He joined Citigroup Asset Management as a Director in July 1999.
Gordon E. Swartz, 62	Chief Compliance Officer and Secretary	Mr. Swartz became the Chief Compliance Officer of the Company in October 2004 and Secretary of the Company in February 2006. Prior to joining the Company, Mr. Swartz was an Associate General Counsel of Citigroup Asset Management.

(1) The business address of each executive officer is c/o Apollo Investment Corporation, 9 West 57<sup>th</sup> Street, 37th Floor, New York, New York 10019.

(2) Certain executive officers serve as members of governing boards of certain of our portfolio companies.

*Code of Conduct*

The Company has adopted a code of conduct which applies to, among others, its executive officers, including its Chief Executive Officer and its Chief Financial Officer. The Company's code of conduct can be accessed via the Company's website at <http://www.apolloic.com>.

*Compensation of Directors and Executive Officers*

The following table shows information regarding the compensation received by the directors for the fiscal year ended March 31, 2009. No compensation is paid to the interested directors.

Name	Aggregate compensation from Apollo Investment Corporation	Pension or retirement benefits accrued as part of our expenses(1)	Total compensation from Apollo Investment Corporation paid to director/ officer
<b>Independent directors</b>			
Ashok Bakhru (5)	\$ 65,038	None	\$ 65,038
Claudine B. Malone	139,500	None	139,500
Frank C. Puleo	131,500	None	131,500
Carl Spielvogel	134,500	None	134,500
Elliot Stein, Jr.	137,000	None	137,000
Gerald Tsai, Jr (4)	37,186	None	37,186
Bradley J. Wechsler	124,500	None	124,500
<b>Interested directors</b>			
John J. Hannan	None	None	None
James C. Zelter (2)	None	None	None
<b>Executive Officers</b>			
Patrick J. Dalton	None	None	None
Richard L. Peteka (3)	None	None	None
John J. Suydam	None	None	None