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

Form 8-K

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

Date of Report (Date of earliest event Reported): May 31, 2023

Gladstone Capital Corporation
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

814-00237
(Commission
File Number)

54-2040781
(I.R.S. Employer
Identification Number)

1521 Westbranch Drive, Suite 100
McLean, Virginia
(Address of Principal Executive Offices)

22102
(Zip Code)

(703) 287-5800
(Registrant's telephone number, including area code)

(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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	GLAD	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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.

Dealer Manager Agreement

On May 31, 2023, Gladstone Capital Corporation, a Maryland corporation (the “Company”), entered into a dealer manager agreement (the “Dealer Manager Agreement”), with Gladstone Securities, LLC, a Connecticut limited liability company and affiliate of the Company (the “Dealer Manager”), whereby the Dealer Manager will serve as the Company’s exclusive dealer manager in connection with the Company’s offering (the “Offering”) of up to 6,000,000 shares of 6.25% Series A Cumulative Redeemable Preferred Stock of the Company, par value \$0.001 per share (the “Series A Preferred Stock”), on a “reasonable best efforts” basis (the “Offering”). The Series A Preferred Stock is registered with the SEC pursuant to a registration statement on Form N-2 (File No. 333-261398), as the same may be amended and/or supplemented (the “Registration Statement”), under the Securities Act of 1933, as amended, and will be offered and sold pursuant to a prospectus supplement, dated May 31, 2023, and a base prospectus dated December 22, 2021 relating to the Registration Statement (the “Prospectus”).

Under the Dealer Manager Agreement, the Dealer Manager will provide certain sales, promotional and marketing services to the Company in connection with the Offering, and the Company will pay the Dealer Manager (i) selling commissions of 7.0% of the gross proceeds from sales of Series A Preferred Stock in the Offering, and (ii) a dealer manager fee of 3.0% of the gross proceeds from sales of Series A Preferred Stock in the Offering. The Dealer Manager may, in its sole discretion, reallocate a portion of the dealer manager fee to participating broker-dealers in support of the Offering.

The terms of the Dealer Manager Agreement were approved by the Company’s board of directors (the “Board”), including all of its independent directors.

Pursuant to the Dealer Manager Agreement, the Company has agreed to indemnify the Dealer Manager and participating broker-dealers, and the Dealer Manager has agreed to indemnify the Company, against certain losses, claims, damages and liabilities, including but not limited to those arising out of (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereto or in the Prospectus, (ii) the omission or alleged omission to state in the Registration Statement (including the Prospectus as a part thereof) or any post-effective amendment thereto a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The foregoing description of the Dealer Manager Agreement is a summary and is qualified in its entirety by the terms of the Dealer Manager Agreement, a copy of which is filed as Exhibit 1.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 3.03. Material Modification to Rights of Security Holders.

The authorization and issuance of the Series A Preferred Stock, pursuant to the Series A Articles Supplementary (as defined below) materially impacts the rights of the holders of the Company’s common stock, par value \$0.001 per share (the “Common Stock”) as follows: (i) the Series A Articles Supplementary prohibit the Company from issuing dividends or making distributions to the holders of its Common Stock while any shares of Series A Preferred Stock are outstanding, unless all accumulated and unpaid dividends on the Series A Preferred Stock are paid in their entirety; (ii) the holders of the Series A Preferred Stock, together with the holders of the any future series of preferred stock, have the right to elect two directors of the Company; (iii) in the event that the Company owes accumulated dividends, whether or not earned or declared, on its Series A Preferred Stock equal to at least two full years of dividends, the holders of the Series A Preferred Stock have the right to elect a majority of the Board; (iv) the Series A Preferred Stock have a liquidation preference equal to \$25.00 per share (“Liquidation Preference”) plus accrued but unpaid dividends in the event of an acquisition, dissolution, liquidation or winding up of the Company; and (v) the holders of Series A Preferred Stock generally vote together with the holders of the Common Stock.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On May 31, 2023, the Company filed Articles Supplementary with the State Department of Assessments and Taxation of Maryland, pursuant to which the Board reclassified and designated 930,000 authorized but unissued Term Preferred Shares, 6.00% Series 2024, 4,510,000 authorized but unissued Term Preferred Shares without designation as to series and 560,000 authorized but unissued shares of Common Stock as 6,000,000 shares of Series A Preferred Stock with the preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of repurchase set forth therein (the “Series A Articles Supplementary”). The Series A Articles Supplementary did not increase the Company’s authorized capitalization. The foregoing description of the Series A Articles Supplementary is a summary and is qualified in its entirety by the terms of the Series A Articles Supplementary, a copy of which is filed as Exhibit 3.1 to this Current Report on Form 8-K and incorporated by reference herein. The following is a summary of the material terms of the Series A Articles Supplementary:

Dividends

Investors will be entitled to receive preferential cumulative cash dividends on the Series A Preferred Stock at a rate of 6.25% per annum of the Liquidation Preference (equivalent to \$1.5625 per annum per share). Except as provided below, beginning on the date of issuance, dividends on the Series A Preferred Stock will be payable monthly in arrears. Dividends on the Series A Preferred Stock will be cumulative from the end of the most recent dividend period for which dividends have been paid or, if no dividends have been paid,

from the date of issuance and shall be payable monthly in arrears on or about the fifth day of the subsequent month or such later date as designated by the Board. If a share of Series A Preferred Stock is issued after the record date for the dividend period in which such share is issued, dividends on such share will accrue and be cumulative from the beginning of the first dividend period commencing after its issuance.

Repurchase at Option of the Company

Except in limited circumstances, including those related to the Company maintaining the “Asset Coverage” required by Sections 18 and 61 of the 1940 Act, the Company may not redeem the Series A Preferred Stock prior to the earlier of (1) the one-year anniversary of the Termination Date and (2) January 1, 2027. On or after such earlier date, the Company may, at its option, redeem the Series A Preferred Stock, in whole or in part, at any time or from time to time, by cash payment of \$25.00 per share, plus an amount equal to any accumulated and unpaid dividends to but excluding the date of redemption.

Repurchase at Option of Stockholders

Subject to certain limitations, at the request of holders of the Series A Preferred Stock, the Company will repurchase, in each quarter, up to 5% of the then outstanding Series A Preferred Stock (by number of shares outstanding), calculated as of the end of the previous calendar quarter. Repurchases will be at a price per Share equal to the Liquidation Preference plus accrued and unpaid dividends, except that shares that have been outstanding for less than one year will be subject to an early repurchase discount of 10% (or at a price of \$22.50 per Share), shares that have been outstanding for at least one year but less than two years will be subject to an early repurchase discount of 6% (or at a price of \$23.50 per Share), and shares that have been outstanding for at least two years but less than three years will be subject to an early repurchase discount of 3% (or at a price of \$24.25 per Share).

Liquidation Preference

In the event of any liquidation, dissolution or winding up of the Company’s affairs, holders of the Series A Preferred Stock will have the right to receive the Liquidation Preference, plus any accumulated and unpaid dividends up to but excluding the date of payment, but without interest, before any payment is made to the holders of Common Stock or any other class or series of capital stock ranking junior to the Series A Preferred Stock.

Voting Rights

Except as otherwise provided in the Company’s charter, (1) each holder of Series A Preferred Stock will be entitled to one vote for each Share held by such holder on each matter submitted to a vote of our stockholders and (2) the holders of all outstanding series of our Preferred Stock, including the Series A Preferred Stock, and common stock will vote together as a single class; provided that holders of Preferred Stock, voting separately as a class, will elect at least two of our directors and will be entitled to elect a majority of our directors if we fail to pay dividends on any outstanding shares of Preferred Stock in an amount equal to two full years of dividends and continuing until we correct that failure. Holders of Series A Preferred Stock will also vote separately as a class on any matter that materially and adversely affects any privilege, preference, right or power of the Series A Preferred Stock or the holders thereof. The Series A Preferred Stock will have no conversion rights.

The foregoing description of the Series A Articles Supplementary is a summary and is qualified in its entirety by the terms of the Series A Articles Supplementary, a copy of which is filed as Exhibit 3.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.

On May 31, 2023, the Company issued a press release (the “Press Release”) announcing the Offering of the Series A Preferred Stock. A copy of the Press Release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Pursuant to the rules and regulations of the SEC, the information in this Item 7.01 disclosure, including Exhibit 99.1 and information set forth therein, is deemed to have been furnished and shall not be deemed to be “filed” under the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
1.1	Dealer Manager Agreement, dated as of May 31, 2023, by and between Gladstone Capital Corporation and Gladstone Securities, LLC.
3.1	Articles Supplementary for 6.25% Series A Cumulative Redeemable Preferred Stock.
4.1	Form of Certificate for 6.25% Series A Cumulative Redeemable Preferred Stock.
5.1	Opinion of Venable LLP.
23.1	Consent of Venable LLP (included in Exhibit 5.1).
99.1	Press Release, dated May 31, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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.

Gladstone Capital Corporation

Date: June 1, 2023

By: /s/ Nicole Schaltenbrand
Nicole Schaltenbrand
Chief Financial Officer & Treasurer



DEALER MANAGER
AGREEMENT

6,000,000 Shares of 6.25% Series A Cumulative Redeemable Preferred Stock — \$25.00

May 31, 2023

Gladstone Securities, LLC
1521 Westbranch Drive, Suite 100
McLean, Virginia 22102
Attn: John Kent

Ladies and Gentlemen:

Gladstone Capital Corporation, a Maryland corporation (the “*Company*”), is offering up to an aggregate of 6,000,000 shares of its 6.25% Series A Cumulative Redeemable Preferred Stock, par value \$0.001 per share (the “*Shares*”), for sale to the public (the “*Offering*”). Except as described in the Prospectus (as defined below) or in Section 5 hereof, the Shares are to be sold at a price of \$25.00 per Share.

The redemption price per Share will be subject to the following limitations: (1) Shares that have not been outstanding for at least one year will be subject to an early repurchase discount of 10% (or at a price of \$22.50 per Share); (2) Shares that have been outstanding for at least one year but not more than two years will be subject to an early repurchase discount of 6% (or at a price of \$23.50 per Share); and (3) Shares that have been outstanding for at least two years but not more than three years will be subject to an early repurchase discount of 3% (or at a price of \$24.25 per Share), other than in a redemption in connection with the death of an investor who held Shares. The maximum dollar amount that the Company will make available each calendar year to redeem shares of Series A Preferred Stock will not be subject to an annual limit; provided, that its obligation to redeem shares of Series A Preferred Stock is limited to the extent that the Board of Directors determines, in its sole and absolute discretion, that the Company does not have sufficient funds available to fund any such redemption or the Company is restricted by applicable law from making such redemption; and is also limited to the extent the Board of Directors suspends or terminates the optional redemption right at any time or for any reason, including after delivery of notice by a stockholder to cause the Company to redeem the Shares. The right of redemption will also cease on the date on which the Shares are listed on Nasdaq Global Select Market (“*Nasdaq*”) or another national securities exchange.

The Company hereby appoints Gladstone Securities, LLC, a Connecticut limited liability company (the “*Dealer Manager*”), as its agent and principal distributor during the Offering Period (as defined below) for the purpose of selling for cash, on a “reasonable best efforts” basis, the Shares through such wholesalers and securities dealers that the Dealer Manager may retain (individually, a “*Dealer*” and collectively, the “*Dealers*”), all of whom shall be members of the Financial Industry Regulatory Authority, Inc. (“*FINRA*”), pursuant to a Participating Broker-Dealer Agreement in the form attached to this Agreement as Exhibit A (the “*Participating Broker-Dealer Agreement*”). The Dealer Manager may also sell Shares for cash directly to its own clients and customers subject to the terms and conditions stated in the Prospectus. The Dealer Manager hereby accepts such agency and distributorship and agrees to use its reasonable best efforts to sell the Shares on said terms and conditions.

The minimum initial purchase by any one person shall be \$5,000, or 200 Shares, except as otherwise indicated in the Prospectus or determined by the Company in its sole discretion in consultation with the Dealer Manager. The Company shall have the right to approve any material modifications or addenda to the form of the Participating Dealer Agreement. Terms not defined herein shall have the same meaning as in the Prospectus.

The term “*Offering Period*” shall mean that period during which Shares may be offered for sale, commencing on the date the Prospectus Supplement (as defined below) was filed with the Securities and Exchange Commission (the “*SEC*”), during which period offers and sales of the Shares shall occur continuously unless and until the Offering is terminated, except that the Dealer Manager and the Dealers shall immediately suspend or

terminate the offering of the Shares upon request of the Company at any time and shall resume offering the Shares upon subsequent request of the Company. The Offering Period shall in all events terminate on the earlier of December 31, 2026 (unless earlier terminated or extended by the board of directors of the Company) or the date on which all 6,000,000 Shares offered in the Offering are sold. Upon termination of the Offering Period, the Dealer Manager's agency and this Agreement shall terminate without obligation on the part of the Dealer Manager or the Company except as set forth in this Agreement.

The Company has prepared and filed with the SEC a shelf registration statement on Form N-2 (File No. 333-261398) that contains a base prospectus (the "**Base Prospectus**"). Such registration statement registers the issuance and sale by the Company of certain securities under the Securities Act of 1933, as amended, and the rules and regulations thereunder (the "**Securities Act**"). Such registration statement, including any information deemed to be a part thereof pursuant to Rule 430B or Rule 430C under the Securities Act, or any new registration statement or statements (including a registration statement filed pursuant to Rule 462(b) under the 1933 Act) relating to the Series A Preferred Stock, is herein referred to as the "**Registration Statement**," and the prospectus constituting a part of such registration statement (or any new registration statement relating to the Series A Preferred Stock), together with any prospectus supplement filed with the SEC pursuant to Rule 424(b) under the Securities Act relating to the Shares (as amended and supplemented, the "**Prospectus Supplement**"), including all documents incorporated or deemed to be incorporated therein by reference, in each case, as from time to time amended or supplemented, is referred to herein as the "**Prospectus**," except that if any revised prospectus is provided to the Dealer Manager by the Company for use in connection with the Offering of the Shares that is not required to be filed by the Company pursuant to Rule 424(b) under the Securities Act, the term "**Prospectus**" shall refer to such revised prospectus from and after the time it is first provided to the Dealer Manager for such use. The Registration Statement at the time it originally became effective is herein called the "**Original Registration Statement**."

All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the Registration Statement or the Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is or is deemed to be incorporated by reference in or otherwise deemed under the Securities Act to be a part of or included in the Registration Statement or the Prospectus, as the case may be, as of any specified date; and all references in this Agreement to amendments or supplements to the Registration Statement or the Prospectus shall be deemed to mean and include, without limitation, the filing of any documents under the Securities Exchange Act of 1934, as amended, including the rules and regulations thereunder (the "**Exchange Act**") which is or is deemed to be incorporated by reference in or otherwise deemed under the Securities Act to be a part of or included in the Registration Statement or the Prospectus, as the case may be, as of any specified date.

In connection therewith, the Company hereby agrees with the Dealer Manager, as follows:

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

As an inducement to the Dealer Manager to enter into this Agreement, the Company represents and warrants to the Dealer Manager that:

- 1.1 The Original Registration Statement has been declared effective by the SEC under the Securities Act. The Company has complied to the SEC's satisfaction with all requests of the SEC for additional or supplemental information, if any. No stop order suspending the effectiveness of the Registration Statement is in effect and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated or threatened by the SEC.
- 1.2 The Prospectus, when filed, complied in all material respects with the Securities Act and, if filed by electronic transmission pursuant to Electronic Data Gathering, Analysis and Retrieval System ("**EDGAR**") (except as may be permitted by Regulation S-T under the Securities Act), was identical to the copy thereof delivered to the Dealer Manager for use in connection with the issuance and sale of the Shares. Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective and at all subsequent times, complied and will comply in all material respects with the Securities Act and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. On the date of the Prospectus, as

amended or supplemented, as applicable, the Prospectus did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the immediately preceding sentences do not apply to statements in or omissions from the Registration Statement or any post-effective amendment thereto, or the Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with information relating to the Dealer Manager or any of the Dealers, either furnished by a Dealer in writing to the Dealer Manager or the Company, or furnished by the Dealer Manager in writing to the Company specifically for inclusion therein.

- 1.3 The Company has been duly incorporated and validly exists as a corporation under the laws of the State of Maryland and has the power and authority to conduct its business as described in the Prospectus. The Company is in good standing with the State Department of Assessments and Taxation of Maryland, with full power and authority to conduct its business as described in the Prospectus. The Company has qualified to do business and is in good standing in every jurisdiction in which the ownership or leasing of its properties or the nature or conduct of its business, as described in the Prospectus, requires such qualification, except where the failure to do so would not have a material adverse effect on the condition, financial or otherwise, results of operations or cash flows of the Company and its subsidiaries taken as a whole (a "**Material Adverse Effect**").
- 1.4 The Company intends to use the funds received from the sale of the Shares as set forth in the Prospectus.
- 1.5 As of the date hereof, no filing with, or consent, approval, authorization, license, registration, qualification, order or decree of any court, governmental authority or agency is required for the performance by the Company of its obligations under this Agreement or in connection with the issuance and sale by the Company of the Shares, except such as may be required under the Securities Act, the Exchange Act, Nasdaq, the rules of FINRA or applicable state securities laws or where the failure to obtain such consent, approval, authorization, license, registration, qualification, order or decree of any court, governmental authority or agency would not have a Material Adverse Effect.
- 1.6 There are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened against the Company at law or in equity or before or by any federal or state commission, regulatory body or administrative agency or other governmental body, domestic or foreign, which would reasonably be expected to have a Material Adverse Effect.
- 1.7 The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and compliance with the terms of this Agreement by the Company will not conflict with or constitute a default under any charter, bylaw, indenture, mortgage, deed of trust, lease, rule, regulation, writ, injunction or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Company, except (a) to the extent that the enforceability of the indemnity and/or contribution provisions contained in Section 6 of this Agreement may be limited under applicable securities laws; and (b) for such conflicts or defaults that would not reasonably be expected to have a Material Adverse Effect.
- 1.8 The Company has full legal right, power and authority to enter into this Agreement and to perform the transactions contemplated hereby, except to the extent that the enforceability of the indemnity and/or contribution provisions contained in Section 6 of this Agreement may be limited under applicable securities laws.
- 1.9 The Shares, when subscribed for, paid for and issued, will be duly and validly issued, fully paid and non-assessable and will conform to the description thereof contained in the Prospectus; no holder thereof will be subject to personal liability for the obligations of the Company solely by reason of being such a holder; such Shares are not subject to the preemptive rights of any stockholder of the Company; and all corporate action required to be taken for the authorization, issuance and sale of such Shares shall have been validly and sufficiently taken.

2. REPRESENTATIONS AND WARRANTIES OF THE DEALER MANAGER

As an inducement to the Company to enter into this Agreement, the Dealer Manager represents and warrants to the Company that:

- 2.1 The Dealer Manager is, and during the term of this Agreement will be, a member of FINRA in good standing and a broker-dealer registered as such under the Exchange Act and under the securities laws of the states in which the Shares are to be offered and sold. The Dealer Manager and its employees and representatives possess all required licenses and registrations to act under this Agreement. The Dealer Manager will comply with all applicable laws, rules, regulations and requirements of the Securities Act, the Exchange Act, other federal securities laws, Nasdaq, state securities laws and the rules of FINRA, specifically including, but not in any way limited to, the Conduct Rules. Each Dealer and each salesperson acting on behalf of the Dealer Manager or a Dealer will be registered with FINRA and duly licensed by each state regulatory authority in each jurisdiction in which they will offer and sell Shares.
- 2.2 The Dealer Manager was duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Connecticut, and has full legal right, power and authority to enter into this Agreement and to perform the transactions contemplated hereby, and the Dealer Manager has duly authorized, executed and delivered this Agreement.
- 2.3 This Agreement is a valid and binding agreement of the Dealer Manager, enforceable in accordance with its terms, except to the extent that the enforceability of the indemnity and contribution provisions contained in Section 6 of this Agreement may be limited under applicable securities laws.
- 2.4 The Dealer Manager represents and warrants to the Company that the information under the caption “Plan of Distribution” in the Prospectus and all other information furnished to the Company by the Dealer Manager in writing expressly for use in the Registration Statement, any Prospectus Supplement, or the Prospectus, does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.
- 2.5 The Dealer Manager has reasonable grounds to believe, based on information made available to it by the Company, that the Prospectus discloses all material facts adequately and accurately and provides an adequate basis for evaluating an investment in the Shares.
- 2.6 No consent, approval, authorization or other order of any governmental authority is required in connection with the execution or delivery by the Dealer Manager of this Agreement, except such as may be required under the Securities Act or applicable state securities laws.
- 2.7 There are no actions, suits or proceedings pending or, to the knowledge of the Dealer Manager, threatened against the Dealer Manager at law or in equity or before or by any federal or state commission, regulatory body or administrative agency or other governmental body, domestic or foreign, which could reasonably be expected to have a material adverse effect on the Dealer Manager or the ability of the Dealer Manager to perform its obligations under this Agreement or to participate in the Offering as contemplated by the Prospectus.
- 2.8 The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and compliance with the terms of this Agreement by the Dealer Manager will not conflict with or constitute a default under its organizational documents, operating agreement or other similar agreement, indenture, mortgage, deed of trust, lease, rule, regulation, writ, injunction or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Dealer Manager, except to the extent that the enforceability of the indemnity and/or contribution provisions contained in Section 6 of this Agreement may be limited under applicable securities laws.
- 2.9 The Dealer Manager represents to the Company that it has established and implemented anti-money laundering compliance programs in accordance with applicable law, including applicable FINRA Conduct

Rules, the Exchange Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “*USA Patriot Act*”), specifically including, but not limited to, Section 352 of the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001 (the “*Money Laundering Abatement Act*,” and together with the USA Patriot Act, the “*AML Rules*”) reasonably expected to detect and cause the reporting of suspicious transactions in connection with the offering and sale of the Shares. The Dealer Manager further represents that it is currently in compliance with all AML Rules and will require each Dealer to comply with all AML Rules, specifically including, but not limited to, the Customer Identification Program requirements under Section 326 of the Money Laundering Abatement Act, and the Dealer Manager hereby covenants to remain in compliance with such requirements, and to require each Dealer to remain in compliance with such requirements, and shall, upon request by the Company, provide a certification to the Company that, as of the date of such certification (i) each of the Dealer Manager’s and each Dealer’s AML Program is consistent with the AML Rules and (ii) each of the Dealer Manager and each Dealer is currently in compliance with all AML Rules, specifically including, but not limited to, the Customer Identification Program requirements under Section 326 of the Money Laundering Abatement Act.

- 2.10 The Dealer Manager represents that it has (a) abided by and complied with (i) the privacy standards and requirements of the Gramm-Leach-Bliley Act of 1999 (“*GLB Act*”); (ii) the privacy standards and requirements of any other applicable federal or state law; and (iii) its own internal privacy policies and procedures, each as may be amended from time to time; (b) refrained from the use or disclosure of nonpublic personal information (as defined under the GLB Act) of all customers who have opted out of such disclosures except as necessary to service the customers or as otherwise necessary or required by applicable law; and (c) determined which customers have opted out of the disclosure of nonpublic personal information by periodically reviewing and, if necessary, retrieving an aggregated list of such customers from the Dealers (the “*List*”) to identify customers that have exercised their opt-out rights. In the event either party uses or discloses nonpublic personal information of any customer for purposes other than servicing the customer, or as otherwise required by applicable law, that party will consult the List to determine whether the affected customer has exercised their opt-out rights. Each party understands that it is prohibited from using or disclosing any nonpublic personal information of any customer that is identified on the List as having opted out of such disclosures.

3. COVENANTS OF THE COMPANY.

The Company covenants and agrees with the Dealer Manager that:

- 3.1 It will deliver to the Dealer Manager such numbers of copies of the Registration Statement, including all amendments and exhibits thereto, and the Prospectus, and any amendment or supplement thereto, as the Dealer Manager may reasonably request for the purposes contemplated by this Agreement and the federal and state securities laws. It will similarly furnish to the Dealer Manager and others designated by the Dealer Manager as many copies as the Dealer Manager may reasonably request in connection with the offering of the Shares of any other printed sales literature or other materials; provided that the use of said sales literature and other materials have been first approved for use by the Company and all appropriate regulatory agencies. It also will furnish to the Dealer Manager and its designees copies of any material deemed necessary by the Dealer Manager and commercially reasonable for the Company to furnish, for due diligence purposes in connection with the Offering.
- 3.2 It will comply with all requirements imposed upon it by the rules and regulations of the SEC and by all applicable state securities laws and regulations to permit the continuance of offers and sales of the Shares in accordance with the provisions hereof and as set forth in the Prospectus, and will amend or supplement the Prospectus in order to make the Prospectus comply with the requirements of federal and other state securities laws and regulations, as may be necessary for the Offering.
- 3.3 It will: (a) file every amendment or supplement to the Registration Statement or the Prospectus that may be required by the SEC and (b) if at any time the SEC shall issue any stop order suspending the effectiveness of the Registration Statement or any state securities administration shall issue any order or take other action to suspend or enjoin the sale of the Shares, it will promptly notify the Dealer Manager and will use its best efforts to obtain the lifting of such order or to prevent such other action at the earliest possible time.

- 3.4 If at any time during the Offering Period any event occurs as a result of which, in the opinion of either the Company or the Dealer Manager, the Prospectus or any supplement then in effect would include an untrue statement of a material fact or, in view of the circumstances under which they were made, omit to state any material fact necessary to make the statements therein not misleading, the Company will promptly notify the Dealer Manager thereof (unless the information shall have been received from the Dealer Manager) and will effect the preparation of a supplement or amendment to the Prospectus which will correct such statement or omission.
- 3.5 The Company will be responsible for all expenses incident to the performance of the Company's obligations under this Agreement, including: (a) the preparation, filing and printing of the Registration Statement as originally filed and of each amendment thereto, (b) the preparation, printing and delivery to the Dealer Manager of this Agreement, the Participating Broker-Dealer Agreement and such other documents as may be required in connection with the offering, sale, issuance and delivery of the Shares, (c) the fees and disbursements of the Company's legal counsel, independent public or certified public accountants and other advisers, (d) the filing fees and expenses related to the review of the terms and fairness of the Offering by FINRA, if applicable, (e) the fees and expenses related to the qualification of the Shares under the securities laws, including the fees and disbursements of counsel in connection with the preparation of any "blue sky" survey and any supplement thereto, if any, (f) the printing and delivery to the Dealer Manager of copies of the Prospectus, (g) the fees and expenses of any registrar, transfer agent or paying agent in connection with the Shares, (h) the preparation, issuance and delivery of certificates, if any, for the Shares, including any stock or other transfer taxes or duties payable upon the sale of the Shares, and (i) the costs and expenses of the Company relating to investor presentations undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the production of slides and graphics, fees and expenses of any consultants engaged in connection with presentations with the prior approval of the Company, and travel and lodging expenses of the representatives of the Company and any such consultants. Notwithstanding the foregoing, the Company shall not directly pay, or reimburse the Dealer Manager for, the costs and expenses described in this Section 3.5 if the payment or reimbursement of such expenses would cause the aggregate of the Company's "organization and offering expenses" as defined by FINRA Rule 2310 (including the Company expenses paid or reimbursed pursuant to this Section 3.5 and all items of underwriting compensation including Dealer Manager expenses described in Section 5.1) to exceed 15.0% of the gross proceeds from the sale of the Shares.

4. COVENANTS OF THE DEALER MANAGER

The Dealer Manager covenants and agrees with the Company that:

- 4.1 In connection with the offer and sale of the Shares, the Dealer Manager will comply with all requirements imposed upon it by the Securities Act, the Exchange Act, or other federal regulations applicable to the Offering, the sale of Shares or its activities and by all applicable state securities laws and regulations and the rules of FINRA, as from time to time in effect, and by this Agreement, including the obligation to deliver a copy of the Prospectus as required by the Securities Act or the Exchange Act. The Dealer Manager will not make any sales of the Shares in any jurisdiction unless and until it has been advised that the Shares are either registered in accordance with, or exempt from, the securities and other laws applicable thereto. The Dealer Manager shall, and each Dealer shall agree to, solicit purchases of the Shares only in the jurisdictions in which the Dealer Manager and such Dealer are legally qualified to so act and in which solicitations can be made.
- 4.2 The Dealer Manager will make no representations concerning the Offering except as set forth in the Prospectus.

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- 4.3 The Dealer Manager will provide the Company with such information relating to the offer and sale of the Shares by it as may be requested to enable the Company to prepare such reports of sale as may be required to be filed under applicable federal or state securities laws.
 - 4.4 All engagements of the Dealers will be evidenced by a Participating Broker-Dealer Agreement, except when the Dealer Manager obtains the prior written consent of the Company. When Dealers are used in this Offering, the Dealer Manager will use commercially reasonable efforts to cause such Dealers to comply with all their respective obligations pursuant to the Participating Broker-Dealer Agreement.
 - 4.5 The Dealer Manager will comply in all material respects with the subscription procedures and “Plan of Distribution” set forth in the Prospectus. Subscriptions using DRS Settlement will be submitted by the Dealer Manager and each Dealer to the Company only on the subscription agreement. The Dealer Manager understands and acknowledges, and each Dealer shall acknowledge if using DRS Settlement, that such subscription agreement must be executed and initialed by the subscriber as provided for by such subscription agreement.
 - 4.6 The Company may also provide the Dealer Manager with certain supplemental sales material to be used by the Dealer Manager and the Dealers in connection with the solicitation of purchasers of the Shares. In the event the Dealer Manager elects to use such supplemental sales material, the Dealer Manager agrees that such material shall not be used in connection with the solicitation of purchasers of the Shares unless accompanied or preceded by the Prospectus, as then currently in effect, and as it may be amended or supplemented in the future. The Dealer Manager agrees that it will not use any sales materials in conjunction with the offer and sale of the Shares other than those either provided to the Dealer Manager by the Company or approved by the Company for use in the Offering. The use of any other sales material is expressly prohibited.
 - 4.7 The Dealer Manager is, and during the term of this Agreement will be, (a) duly registered as a broker-dealer pursuant to the provisions of the Exchange Act, (b) prior to selling in any state or jurisdiction, a broker or dealer duly registered as such if the Dealer Manager’s activities in such state or jurisdiction require such registration or licensing, (c) a member of FINRA in good standing, and (d) otherwise duly registered or qualified as required by any applicable law in any and all other states where solicitation of offers to purchase the Shares are made by the Dealer Manager. The Dealer Manager agrees to notify the Company immediately in writing if it ceases to be a member in good standing with FINRA or it is notified by FINRA that it is being investigated for any impropriety, it is subject to a FINRA suspension, (iii) any state investigates it for any impropriety, or (iv) its registration as a broker-dealer under the Exchange Act is terminated or suspended.

5. COMPENSATION OF DEALER MANAGER AND COMPANY EXPENSES.

- 5.1 Except as otherwise provided in the “Plan of Distribution” section of the Prospectus, as compensation for the services rendered by the Dealer Manager, the Company agrees that it will pay to the Dealer Manager sales commissions in the amount of 7.0% of the \$25.00 per share cash price for Shares sold in the Offering, plus a dealer manager fee in the amount of 3.0% of the \$25.00 per share cash price for Shares sold in the Offering, and the Company will pay reduced selling commissions or may eliminate commissions on certain sales of Shares, including the reduction or elimination of selling commissions in accordance with, and on the terms set forth in, the Prospectus.
- 5.2 The Company will not be liable or responsible to any Dealer for direct payment of commissions to any Dealer, it being the sole and exclusive responsibility of the Dealer Manager for payment of commissions to Dealers. Notwithstanding the above, at the discretion of the Company, the Company may act as agent of the Dealer Manager by making direct payment of commissions to Dealers on behalf of the Dealer Manager without incurring any liability.
- 5.3 Notwithstanding anything to the contrary herein, in the event the Offering terminates prior to completion, the Company will not pay any compensation to the Dealer Manager or any Dealer in connection with the Offering, except for shares actually sold and issued to investors; provided, however, that the Company may reimburse the Dealer Manager and/or a Dealer for out-of-pocket accountable expenses actually incurred by the Dealer Manager and/or a Dealer in accordance with this Agreement.

- 5.4 Notwithstanding anything to the contrary contained herein, in the event that the Company pays any commission to the Dealer Manager for sale by a Dealer of one or more Shares and the subscription is rescinded as to one or more of the Shares covered by such subscription, the Company shall decrease the next payment of commissions or other compensation otherwise payable to the Dealer Manager by the Company under this Agreement by an amount equal to the commission rate established in Section 5.1 of this Agreement, multiplied by the number of Shares as to which the subscription is rescinded. In the event that no payment of commissions or other compensation is due to the Dealer Manager after such withdrawal occurs, the Dealer Manager shall pay the amount specified in the preceding sentence to the Company within ten (10) days following receipt of notice by the Dealer Manager from the Company stating the amount owed as a result of rescinded subscriptions.
- 5.5 In no event shall the total aggregate underwriting compensation payable to the Dealer Manager and any Dealers participating in the Offering, including, but not limited to, selling commissions and the dealer manager fees exceed 10.0% of the gross proceeds from the Offering in the aggregate. In connection with the amount offered by the Company pursuant to the Prospectus and FINRA's 10.0% underwriting compensation limitation under FINRA Rule 2310 ("*FINRA's 10% cap*"), the Dealer Manager shall advance all the fixed expenses (including, but not limited to, the Dealer Manager's legal expenses associated with filing the Offering with FINRA if required) that are required to be included within FINRA's 10% cap to ensure that the aggregate underwriting compensation paid in connection with the Offering does not exceed FINRA's 10% cap. The Dealer Manager shall repay to the Company any excess amounts received over FINRA's 10% cap if the Offering is terminated by the Company pursuant to the Prospectus and before reaching the maximum amount of Shares offered by the Company pursuant to the Prospectus.
- 5.6 The parties hereto acknowledge that the Dealer Manager shall be responsible for (a) all due diligence expenses incurred by the Dealer Manager or any Dealer and (b) all expenses incurred by the Dealer Manager in contracting with a third party to provide clearing services in connection with DTC Settlements (as defined below), and that such expenses shall not be reimbursed by the Company.
- 5.7 The parties hereto acknowledge that prior to the effective date of this Agreement, the Company may have paid to the Dealer Manager advances of monies against out-of-pocket accountable expenses actually anticipated to be incurred by the Dealer Manager in connection with the Offering. Such advances, if any, shall be credited against the amount of the Dealer Manager Fee payable pursuant to Section 5.1 that is retained by the Dealer Manager and not re-allowed until the full amount of such advances is offset. Such advances are not intended to be in addition to the compensation set forth Section 5.1, and any and all monies advanced that are not utilized for out-of-pocket accountable expenses actually incurred by the Dealer Manager in connection with the Offering shall be reimbursed by the Dealer Manager to the Company.

6. INDEMNIFICATION.

- 6.1 The Company will indemnify and hold harmless the Dealers and the Dealer Manager, their officers, directors and managers, and each person, if any, who controls such Dealer or the Dealer Manager within the meaning of Section 15 of the Securities Act (the "*Indemnified Persons*") from and against any losses, claims, damages or liabilities (the "*Losses*"), joint or several, to which such Indemnified Persons may become subject, insofar as such Losses (or actions in respect thereof) arise out of or are based upon (a) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereto or in the Prospectus, or (b) the omission or alleged omission to state in the Registration Statement (including the Prospectus as a part thereof) or any post-effective amendment thereto a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus or the omission or alleged omission to state therein a material act required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were

made, not misleading. The Company will reimburse the Indemnified Person, as appropriate, for any reasonable legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such Loss. Notwithstanding the foregoing provisions of this Section 6.1, the Company will not be liable in any such case to the extent that any such Loss or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished (x) to the Company by the Dealer Manager or (y) to the Company or the Dealer Manager by or on behalf of any Dealer specifically for use in the preparation of the Registration Statement or any such post-effective amendment thereto, or the Prospectus, and, further, the Company will not be liable in any such case if it is determined that such Dealer or the Dealer Manager was at fault in connection with the Loss, expense or action. Notwithstanding the foregoing, the Company shall not indemnify or hold harmless an Indemnified Person for any Losses or expenses arising from or out of an alleged violation of federal or state securities laws by such party unless one or more of the following conditions are met: (a) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular Indemnified Person, (b) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular Indemnified Person and (c) a court of competent jurisdiction approves a settlement of the claims against a particular Indemnified Person and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the SEC and of the published position of any state securities regulatory authority in which securities of the Company were offered or sold as to indemnification for violations of securities laws.

- 6.2 The Dealer Manager will indemnify and hold harmless the Company, its officers and directors, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, from and against any Losses to which any of the aforesaid parties may become subject, insofar as such Losses (or actions in respect thereof) arise out of or are based upon (a) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereto or in the Prospectus, (b) the omission or alleged omission to state in the Registration Statement (including the Prospectus as a part thereof) or any post-effective amendment thereto a material fact required to be stated therein or necessary to make the statements therein not misleading, (c) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in the case of clauses (a)-(c) to the extent, but only to the extent, that such untrue statement or omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Dealer Manager specifically for use with reference to the Dealer Manager in the preparation of the Registration Statement or any such post-effective amendments thereof or any such preliminary prospectus or the Prospectus or any such amendment thereof or supplement thereto, (d) any use of sales literature not authorized or approved by the Company or any use of "broker-dealer use only" materials with potential investors or unauthorized verbal representations concerning the Shares by the Dealer Manager, (e) any untrue statement made by the Dealer Manager or its representatives or agents or omission to state a fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in connection with the offer and sale of the Shares or (f) any failure to comply with applicable laws governing money laundry abatement and anti-terrorist financing efforts, including applicable FINRA Rules, SEC rules and the USA Patriot Act. The Dealer Manager will reimburse the aforesaid parties in connection with investigation or defending such Loss or action. This indemnity agreement will be in addition to any liability which the Dealer Manager may otherwise have.
- 6.3 Each Dealer severally will indemnify and hold harmless the Company, the Dealer Manager and each of their officers, directors, and managers, and each person, if any, who controls the Company and the Dealer Manager within the meaning of Section 15 of the Securities Act (each, a "**Dealer Indemnified Person**"), from and against any Losses to which the Dealer Indemnified Person may become subject, insofar as such Losses (or actions in respect thereof) arise out of or are based upon (a) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereto or in the Prospectus, (b) the omission or alleged omission to state in the Registration Statement (including the Prospectus as a part thereof) or any post-effective amendment thereto a material fact required to be stated therein or necessary to make the statements therein not misleading, (c) any untrue statement or

alleged untrue statement of a material fact contained in the Prospectus or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in the case of clauses (a)-(c) to the extent, but only to the extent, that such untrue statement or omission was made in reliance upon and in conformity with written information furnished to the Company or the Dealer Manager by or on behalf of such Dealer specifically for use with reference to such Dealer in the preparation of the Registration Statement or any such post-effective amendments thereof or the Prospectus or any such amendment thereof or supplement thereto, (d) any use of sales literature not authorized or approved by the Company or any use of "broker-dealer use only" materials with potential investors or unauthorized verbal representations concerning the Shares by such Dealer or Dealer's representatives or agents, (e) any untrue statement made by such Dealer or its representatives or agents or omission to state a fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in connection with the offer and sale of the Shares, (f) any failure to comply with Section IX or Section XII of the Participating Dealer Agreement or any other material violation of the Participating Dealer Agreement or (g) any failure to comply with applicable laws governing money laundry abatement and anti-terrorist financing efforts, including applicable FINRA Rules, SEC Rules and the USA Patriot Act. Each such Dealer will reimburse the Dealer Indemnified Person in connection with investigating or defending any such Loss or action. This indemnity agreement will be in addition to any liability which such Dealer may otherwise have.

- 6.4 Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 6, notify in writing the indemnifying party of the commencement thereof and the omission so to notify the indemnifying party will relieve it from any liability under this Section 6 as to the particular item for which indemnification is then being sought, but not from any other liability which it may have to any indemnified party. In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled, to the extent it may wish, jointly with any other indemnifying party similarly notified, to participate in the defense thereof, with separate counsel. Such participation shall not relieve such indemnifying party of the obligation to reimburse the indemnified party for reasonable legal and other expenses (subject to Section 6.5) incurred by such indemnified party in defending itself, except for such expenses incurred after the indemnifying party has deposited funds sufficient to effect the settlement, with prejudice, of the claim in respect of which indemnity is sought. Any such indemnifying party shall not be liable to any such indemnified party on account of any settlement of any claim or action effected without the consent of such indemnifying party.
- 6.5 The indemnifying party shall pay all reasonable legal fees and expenses of the indemnified party in the defense of such claims or actions; provided, however, that the indemnifying party shall not be obliged to pay legal expenses and fees to more than one law firm in connection with the defense of similar claims arising out of the same alleged acts or omissions giving rise to such claims notwithstanding that such actions or claims are alleged or brought by one or more parties against more than one indemnified party. If such claims or actions are alleged or brought against more than one indemnified party, then the indemnifying party shall only be obliged to reimburse the expenses and fees of the one law firm that has been selected by a majority of the indemnified parties against which such action is finally brought; and in the event a majority of such indemnified parties is unable to agree on which law firm for which expenses or fees will be reimbursable by the indemnifying party, then payment shall be made to the first law firm of record representing an indemnified party against the action or claim. Such law firm shall be paid only to the extent of services performed by such law firm and no reimbursement shall be payable to such law firm on account of legal services performed by another law firm.

7. **SURVIVAL OF PROVISIONS.**

- 7.1 The respective agreements, representations and warranties of the Company and the Dealer Manager set forth in this Agreement shall remain operative and in full force and effect regardless of (a) any investigation made by or on behalf of the Dealer Manager or any Dealer or any person controlling the Dealer Manager or any Dealer or by or on behalf of the Company or any person controlling the Company, and (b) the acceptance of any payment for the Shares.

7.2 The obligations of the Company to pay the Dealer Manager pursuant to Section 5.1 of this Agreement, and the provisions of Section 5.3, Section 5.4, Sections 6 through 8 and Sections 11 and 15 of this Agreement shall survive the termination of this Agreement.

8. APPLICABLE LAW AND VENUE.

This Agreement and its validity, interpretation and construction shall be governed by the laws of the State of New York. The Company, the Dealer Manager and each Dealer hereby agree that venue for any action brought in connection with this Agreement shall lie exclusively in Fairfax County, Virginia.

9. COUNTERPARTS.

This Agreement may be executed in any number of counterparts. Each counterpart, when executed and delivered, shall be an original contract, but all counterparts, when taken together, shall constitute one and the same agreement.

10. SUCCESSORS AND AMENDMENT.

10.1 This Agreement shall inure to the benefit of and be binding upon the Dealer Manager and the Company and their respective successors. Nothing in this Agreement is intended or shall be construed to give to any other person any right, remedy or claim, except as otherwise specifically provided herein.

10.2 This Agreement may be amended by the mutual written agreement of the Dealer Manager and the Company.

11. TERM.

11.1 This Agreement may be terminated by either party on sixty (60) days' written notice, with or without cause.

11.2 In any case, this Agreement shall terminate at the close of business on the effective date that the Offering is terminated. Upon expiration or termination of this Agreement, the Company shall pay to the Dealer Manager all commissions to which the Dealer Manager is or becomes entitled under Section 5 at such time as such commissions become payable.

11.3 In addition, the Dealer Manager, upon the expiration or termination of this Agreement, shall (a) promptly deposit any and all funds in its possession which were received from investors for the sale of Shares into such account as the Company may designate; and (b) promptly deliver to the Company all records and documents in its possession which relate to the Offering which are not designated as dealer copies. The Dealer Manager, at its sole expense, may make and retain copies of all such records and documents, but shall keep all such information confidential.

11.4 The Dealer Manager shall use its best efforts to cooperate with the Company to accomplish any orderly transfer of management of the Offering to a party designated by the Company.

12. CONFIRMATIONS.

The Company hereby agrees to prepare and send confirmations to all purchasers of Shares whose subscriptions for the purchase of Shares are accepted by the Company.

13. SUITABILITY OF INVESTORS: COMPLIANCE WITH PRIVACY AND ANTI-MONEY LAUNDERING REGULATIONS

- 13.1 The Dealer Manager will offer Shares, and in its agreements with Dealers will require that the Dealers offer Shares, only to persons who meet the financial qualifications set forth in the Prospectus, if any, or in any suitability letter or memorandum sent to it by the Company and will only make offers to persons in the states in which it is advised in writing that the Shares are qualified for sale or that such qualification is not required. In offering Shares, the Dealer Manager will comply, and in its agreements with Dealers, the Dealer Manager will require that the Dealers comply, with the provisions of all applicable rules and regulations relating to suitability of investors, if any.
- 13.2 The Company, the Dealer Manager and each Dealer shall: (a) abide by and comply with (i) the privacy standards and requirements of the GLB Act; (ii) the privacy standards and requirements of any other applicable federal or state law, and (iii) its own internal privacy policies and procedures, each as may be amended from time to time; and (b) refrain from the use or disclosure of nonpublic personal information (as defined under the GLB Act) of all customers.
- 13.3 The Company, the Dealer Manager and each Dealer agree to comply with the USA Patriot Act and any applicable U.S. Department of Treasury regulations issued thereunder that require reasonable efforts to verify the identity of new customers, maintain customer records, and check the names of new customers against the list of Specially Designated Nationals and Blocked Persons. In addition, the Company, the Dealer Manager, and each Dealer agree to comply with all Executive Orders and federal regulations administered by the U.S. Department of Treasury Department's Office of Foreign Asset Control. Further, the Dealer Manager agrees, upon receipt of an "information request" issued under Section 314(a) of the USA Patriot Act, to provide the Financial Crimes Enforcement Network with information regarding: (i) the identity of a specified individual or organization; (ii) account number; (iii) all identifying information provided by the account holder; and (iv) the date and type of transaction. The Dealer Manager from time to time will monitor account activity to identify patterns of unusual size or volume, geographic factors, and any other potential signals of suspicious activity, including possible money laundering or terrorist financing. The Company reserves the right to reject account applications from new customers who fail to provide necessary account information or who intentionally provide misleading information.

14. SUBMISSION OF ORDERS.

- 14.1 The Dealer Manager may authorize certain Dealers that have "net capital," as defined in the applicable federal securities regulations, of \$250,000 or more, to instruct their customers to make their checks for Shares subscribed for payable directly to the Dealer. In such case, the Dealer will collect the proceeds of the subscribers' checks and issue a check made payable to the order of the Company, as described above, for the aggregate amount of the subscription proceeds or wire such funds to the Company. The Dealer Manager and any Dealer receiving a check that does not conform to the foregoing instructions shall promptly return such check directly to such subscriber. Checks received by the Dealer Manager or Dealer that conform to the foregoing instructions shall be transmitted for deposit pursuant to one of the methods described in this Section 14 and in accordance with the requirements set forth in Rule 15c2-4 promulgated under the Exchange Act.
- 14.2 It is understood and agreed that the Company reserves the right in its sole discretion to refuse to sell any of the Shares to any person.
- 14.3 In connection with DRS Settlement (as defined below), those persons who purchase Shares will be instructed by the Dealer Manager or the Dealer to make their checks payable to "UMB Bank, National Association, as escrow agent for Gladstone Capital Corporation" (the "*Escrow Agent*"). Each person desiring to purchase Shares through the Dealer Manager, or any other Dealer participating in the Offering, will be required to complete and execute the subscription documents described in the Prospectus, if any. In connection with DRS Settlement, when a Dealer's internal supervisory procedures are conducted at the site at which the subscription agreement and check were initially received by such Dealer from the subscriber, the Dealer shall transmit the subscription agreement and check to the Escrow Agent by the end of the next

business day following receipt of the check and subscription agreement. When, pursuant to a Dealer's internal supervisory procedures, such Dealer's final internal supervisory procedures are conducted at a different location (the "**Final Review Office**"), such Dealer shall transmit the check and subscription agreement to the Final Review Office by the end of the next business day following such Dealer's receipt of the subscription agreement and check. The Final Review Office will, by the end of the next business day following its receipt of the subscription agreement and check, forward both the subscription agreement and check to the Escrow Agent. If any subscription agreement solicited by a Dealer participating in this Offering is rejected by the Dealer Manager or the Company, then the subscription agreement and check will be returned to the rejected subscriber within thirty (30) days from the date of rejection.

- 14.4 The Company will sell the Shares using two closing services provided by the Depository Trust Company ("**DTC**"). The first service is DTC closing ("**DTC Settlement**"), and the second service is Direct Registration Service ("**DRS Settlement**"). A sale of Shares shall be deemed by the Company to be completed if and only if (i) the Company has received payment of the full purchase price of purchased Shares, from an investor who satisfies the minimum purchase requirements set forth in the Prospectus as determined by the Dealer Manager or other Dealer participating in this Offering, as applicable, in accordance with the provisions of this Agreement, (ii) the Company has accepted such subscription, and, if using DRS Settlement, a properly completed and executed subscription agreement, and (iii) such investor has been admitted as a stockholder of the Company. In addition, no sale of Shares shall be completed until after the date on which the subscriber receives a copy of the Prospectus. The Dealer Manager hereby acknowledges and agrees that the Company, in its sole and absolute discretion, may accept or reject any subscription, in whole or in part, for any reason whatsoever or no reason, and no dealer manager fee in the amount of up to 3.0% (as described in Section 5.1) will be paid to the Dealer Manager with respect to that portion of any subscription which is rejected.

15. NOTICE.

Any notice in this Agreement permitted to be given, made or accepted by either party to the other, must be in writing and may be given or served by (i) overnight courier, (ii) depositing the same in the United States mail, postpaid, certified, return receipt requested or (iii) electronic delivery. Notice deposited in the United States mail shall be deemed given when mailed. Notice given in any other manner shall be effective when received at the address of the addressee. For purposes hereof the addresses of the parties, until changed as hereafter provided, shall be as follows:

To Company: Gladstone Capital Corporation
1521 Westbranch Drive, Suite 100
McLean, Virginia 22102
Attention: David Gladstone, Chairman and Chief Executive Officer
Attention: Nicole Schaltenbrand, Chief Financial Officer and Treasurer

To Dealer Manager: Gladstone Securities, LLC
1521 Westbranch Drive, Suite 100
McLean, Virginia 22102
Attention: John Kent

With a copy to: The Gladstone Companies
1521 Westbranch Drive, Suite 100
McLean, Virginia 22102
Attention: Michael B. LiCalsi, General Counsel and Secretary

16. SEVERABILITY.

In the event that any court of competent jurisdiction declares any provision of this Agreement invalid, such invalidity shall have no effect on the other provisions hereof, which shall remain valid and binding and in full force and effect, and to that end the provisions of this Agreement shall be considered severable.

17. **NO WAIVER**

Failure by either party to promptly insist upon strict compliance with any of the obligations of the other party under this Agreement shall not be deemed to constitute a waiver of the right to enforce strict compliance with respect to any obligation hereunder.

18. **ASSIGNMENT**

This Agreement may not be assigned by either party, except with the prior written consent of the other party. This Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors and permitted assigns.

19. **ENTIRE AGREEMENT**

This Agreement constitutes the complete and exclusive statement of the agreement between the parties relating to the subject matter hereof and supersedes all prior written and oral statements or agreements with respect to such subject matter.

[SIGNATURE PAGE FOLLOWS]

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us as of the date first above written.

Very truly yours,

/s/ David Gladstone

Name: David Gladstone

Title: Chairman and Chief Executive Officer

Accepted and agreed as of the date first above written.

GLADSTONE SECURITIES, LLC

/s/ John Kent

Name: John Kent

Title: Managing Principal

Signature Page to Dealer Manager Agreement



PARTICIPATING DEALER AGREEMENT

6,000,000 Shares of 6.25% Series A Cumulative Redeemable Preferred Stock — \$25.00

Ladies and Gentlemen:

Gladstone Securities, LLC, as the dealer manager ("**Dealer Manager**") for Gladstone Capital Corporation, a Maryland corporation (the "**Company**"), invites you (the "**Dealer**") to participate in the distribution of shares of 6.25% Series A Cumulative Redeemable Preferred Stock, par value \$0.001 per share ("**Shares**"), of the Company subject to the following terms:

I. Dealer Manager Agreement

The Dealer Manager and the Company have entered into that certain Dealer Manager Agreement, dated May 31, 2023 (the "**Dealer Manager Agreement**"), in the form attached hereto as Exhibit A. By your acceptance of this Participating Dealer Agreement, you will become one of the Dealers referred to in such Dealer Manager Agreement between the Company and the Dealer Manager and will be entitled and subject to the indemnification provisions contained in such Dealer Manager Agreement, including specifically the provisions of Section 6.3 of such Dealer Manager Agreement wherein each Dealer severally agrees to indemnify and hold harmless the Company, the Dealer Manager and each officer, director, member and manager thereof, and each person, if any, who controls the Company and the Dealer Manager for the matters set forth in Section 6.3 of the Dealer Manager Agreement. Such indemnification obligations shall survive the termination of this Participating Dealer Agreement. Except as otherwise specifically stated herein, all terms used in this Participating Dealer Agreement have the meanings provided in the Dealer Manager Agreement. The Shares are offered solely through broker-dealers which are members of the Financial Industry Regulatory Authority, Inc. ("**FINRA**").

Dealer hereby agrees to use its reasonable best efforts to sell the Shares for cash on the terms and conditions stated in the Prospectus. Nothing in this Participating Dealer Agreement shall be deemed or construed to make Dealer an employee, agent, representative or partner of the Dealer Manager or of the Company, and Dealer is not authorized to act for the Dealer Manager or the Company or to make any representations on their behalf except as set forth in the Prospectus and such other printed information furnished to Dealer by the Dealer Manager, and authorized by the Company in writing, to supplement the Prospectus ("**Supplemental Information**").

II. Submission of Orders

Dealer hereby agrees to solicit, as an independent contractor and not as the agent of the Dealer Manager or of the Company (or their affiliates), persons acceptable to the Company to purchase the Shares pursuant to the subscription agreement in the form attached to the Prospectus and in accordance with the terms of the Prospectus. Dealer hereby agrees to diligently make inquiries as required by this Agreement, as set forth in the Prospectus, and as required by all applicable laws of all prospective investors in order to ascertain whether a purchase of the Shares is suitable for each such investor.

If persons purchase Shares via check and subscription agreement, they will be instructed by the Dealer to make their checks payable to "UMB Bank, National Association, as escrow agent for Gladstone Capital Corporation." Any Dealer receiving a check not conforming to the foregoing instructions shall return such check directly to such subscriber. Checks received by the Dealer which conform to the foregoing instructions shall be transmitted for deposit pursuant to one of the methods:

1. Where, pursuant to the Dealer's internal supervisory procedures, internal supervisory review is conducted at the same location at which subscription documents and checks are received from subscribers, checks will be transmitted by the end of the next business day following receipt by the Dealer for deposit directly with the Company in accordance with the procedures set forth in the Prospectus.

2. Where, pursuant to the Dealer's internal supervisory procedures, final and internal supervisory review is conducted at a different location, checks will be transmitted by the end of the next business day following receipt by the Dealer to the office of the Dealer conducting such final internal supervisory review (the "**Final Review Office**"). The Final Review Office will in turn transmit, by the end of the next business day following receipt by the Final Review Office, such checks to the Company for deposit with the Company in accordance with the procedures set forth in the Prospectus.

III. Pricing

Except as described in the Prospectus, 6,000,000 Shares are intended to be offered to the public at the offering price of \$25.00 per Share, payable in cash. Except as otherwise indicated in the Prospectus, determined by the Company in its sole discretion, or in any letter or memorandum sent to the Dealer by the Company or Dealer Manager, a minimum initial purchase of \$5,000, or 200 Shares, is required. The Shares are nonassessable.

IV. Covenants of Dealer

Dealer represents and warrants to the Company and the Dealer Manager and agrees that:

Prior to participating in the Offering, Dealer will have reasonable grounds to believe, based on information made available to Dealer by the Dealer Manager and/or the Company through the Prospectus, that all material facts are adequately and accurately disclosed in the Prospectus and provide a basis for evaluating an investment in the Company and the Shares.

Dealer agrees not to rely upon the efforts of the Dealer Manager, which is affiliated with the Company, in determining whether the Company has adequately and accurately disclosed all material facts upon which to provide a basis for evaluating the Company to the extent required by federal or state laws or FINRA. Dealer further agrees to conduct its own investigation to make that determination independent of the efforts of the Dealer Manager.

Dealer agrees to retain in its records and make available to the Dealer Manager and to the Company for a period of at least six (6) years following the termination of the Offering, information establishing that each investor who purchases the Shares solicited by Dealer is suitable for such investment.

Dealer agrees that, prior to accepting a subscription for the Shares, it will inform the prospective investor of all pertinent facts relating to the illiquidity and lack of marketability of the Shares, as appropriate, during the term of the investment.

Dealer hereby undertakes and agrees to comply with all obligations applicable to Dealer under all applicable laws, rules and regulations, including those set forth by FINRA. In soliciting persons to acquire the Shares, Dealer further agrees to comply with any applicable requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), other applicable federal securities laws, applicable state securities laws, the rules and regulations promulgated thereunder and the rules of FINRA and, in particular, Dealer agrees that it will not give any information or make any representations other than those contained in the Prospectus and in any supplemental sales literature furnished to Dealer by the Dealer Manager for use in making such solicitations.

Dealer shall deliver to each prospective investor, prior to any submission by such prospective investor, a written offer to buy any Shares, a copy of the Prospectus, and shall keep record of to whom, by what manner and on what date it delivered each such copy.

Dealer will not deliver to any offeree any written documents pertaining to the Company or the Shares, other than the Prospectus, and any other materials specifically designated for distribution to prospective investors that are supplied to Dealer by the Company or its affiliates. Without intending to limit the generality of the foregoing, Dealer shall not deliver to any prospective investor any material pertaining to the Company or any of its affiliates that has been furnished as "broker/dealer information only."

In its solicitation of offers for the Shares, Dealer will comply with all applicable requirements of the Securities Act, the Exchange Act, as well as the published rules and regulations thereunder, and the rules and regulations of all state securities authorities, as applicable, to the best of its knowledge, after due inquiry and investigation and to the extent within its direct control.

Dealer is (and will continue to be) a member in good standing with FINRA, will abide by the rules and regulations of FINRA, is in full compliance with all applicable requirements under the Exchange Act, and is registered as a broker-dealer in all of the jurisdictions in which Dealer solicits offers to purchase the Shares.

V. Dealers' Commissions

Except as otherwise provided in the Prospectus and this Section V, the Dealer's sales commission applicable to the Shares sold by Dealer which it is authorized to sell hereunder is 7.0% of the gross proceeds of Shares sold by it and accepted and confirmed by the Company, which commission will be payable by the Dealer Manager. For these purposes, shares shall be deemed to be "sold" if and only if a transaction has closed with a subscriber for Shares pursuant to all applicable Offering and subscription documents, the Company has accepted the subscription agreement of such subscriber, and such Shares have been fully paid for and the Company has thereafter distributed the commission to the Dealer Manager in connection with such transaction. The Dealer affirms that the Dealer Manager's liability for commissions payable is limited solely to the proceeds of commissions receivable from the Company, and the Dealer hereby waives any and all rights to receive payment of commissions due until such time as the Dealer Manager is in receipt of the commission from the Company.

As set forth in the Prospectus, to the extent the Dealer determines to reduce its sales commission below 7.0%, the public offering price per share will be decreased by an amount equal to such reduction. Examples of such reductions are reflected in the table below:

<i>Dealer Sales Commission</i>	<i>Public Offering Price Per Note</i>
7.0%	\$ 25.00
6.5%	\$ 24.88
6.0%	\$ 24.75
5.5%	\$ 24.63
5.0%	\$ 24.50
4.5%	\$ 24.38
4.0%	\$ 24.25
3.5%	\$ 24.13
3.0%	\$ 24.00
2.5%	\$ 23.88
2.0%	\$ 23.75
1.5%	\$ 23.63
1.0%	\$ 23.50

Except as otherwise provided herein, all expenses incurred by Dealer in the performance of Dealer's obligations hereunder, including, but not limited to, expenses related to the Offering and any attorneys' fees, shall be at Dealer's sole cost and expense, and the foregoing shall apply notwithstanding the fact that the Offering is not consummated for any reason.

In addition, as set forth in the Prospectus, the Dealer Manager may, in its sole discretion, reallocate a portion of its dealer manager fee to Dealers participating in the Offering of Shares as marketing fees, reimbursement of costs and expenses of attending educational conferences or to defray other distribution-related expenses.

The parties hereby agree that the foregoing commission is not in excess of the usual and customary distributors' or sellers' commission received in the sale of securities similar to the Shares, that Dealer's interest in

the Offering is limited to such commission from the Dealer Manager and Dealer's indemnity referred to in Section 6 of the Dealer Manager Agreement, and that the Company is not liable or responsible for the direct payment of such commission to the Dealer. In addition, as set forth in the Prospectus, the Dealer Manager may reimburse Dealer for reasonable bona fide accountable due diligence expenses incurred by such Dealer. The Dealer Manager shall have the right to require the Dealer to provide a detailed and itemized invoice as a condition to the reimbursement of any such due diligence expenses. Reimbursement requests for accountable bona fide due diligence expenses must be made by Dealer within six months of the date of sale of Shares or such requests will not be honored by the Dealer Manager.

VI. Applicability of Indemnification

Each of the Dealer and Dealer Manager hereby acknowledges and agrees that it will be subject to the obligations set forth in, and entitled to the benefits of all the provisions of, the Dealer Manager Agreement, including but not limited to, the representations and warranties and the indemnification obligations contained in such Dealer Manager Agreement, including specifically the provisions of Section 6.3 of the Dealer Manager Agreement. Such indemnification obligations shall survive the termination of this Participating Dealer Agreement and the Dealer Manager Agreement.

VII. Payment

Payments of selling commissions will be made by the Dealer Manager to Dealer within 14 days of the receipt by the Dealer Manager of the gross commission payments from the Company. Dealer acknowledges that if the Company pays selling commissions to the Dealer Manager, the Company is relieved of any obligation for selling commissions to Dealer. The Company may rely on and use the preceding acknowledgment as a defense against any claim by Dealer for selling commissions the Company pays to Dealer Manager but that Dealer Manager fails to remit to Dealer.

VIII. Right to Reject Orders or Cancel Sales

All orders, whether initial or additional, are subject to acceptance by and shall only become effective upon confirmation by the Company, which reserves the right to reject any order. Orders not accompanied by a subscription agreement signature page and the required check in payment for the Shares may be rejected. Issuance of the Shares will be made only after actual receipt of payment. If any check is not paid upon presentment, or if the Company is not in actual receipt of clearinghouse funds or cash, certified or cashier's check or the equivalent in payment for the Shares within 30 days of sale, the Company reserves the right to cancel the sale without notice. In the event an order is rejected, canceled or rescinded for any reason, Dealer agrees to return to the Dealer Manager any commission theretofore paid with respect to such order and, failing to do so, the Dealer Manager shall have the right to offset amounts owed against future commissions due and otherwise payable to Dealer.

IX. Prospectus and Supplemental Information

Dealer is not authorized or permitted to give, and will not give, any information or make any representation concerning the Shares except as set forth in the Prospectus and any Supplemental Information. The Dealer Manager will supply Dealer with reasonable quantities of the Prospectus, as well as any Supplemental Information, for delivery to investors, and Dealer will deliver a copy of the Prospectus as required by the Securities Act, the Exchange Act, and the rules and regulations promulgated thereunder. The Dealer agrees that it will not send or give any Supplemental Information to an investor unless it has previously sent or given a Prospectus to that investor or has simultaneously sent or given a Prospectus with such Supplemental Information. Dealer agrees that it will not show or give to any investor or prospective investor or reproduce any material or writing that is supplied to it by the Dealer Manager and marked "dealer only" or otherwise bearing a legend denoting that it is not to be used in connection with the sale of Shares to members of the public. Dealer agrees that it will not use in connection with the offer or sale of Shares any material or writing that relates to another company supplied to it by the Company or the Dealer Manager bearing a legend that states that such material may not be used in connection with the offer or sale of any securities of the Company. Dealer further agrees that it will not use in connection with the offer or sale of Shares any materials or writings that have not been previously approved by the Dealer Manager and the Company in writing. Each Dealer agrees that it will mail or otherwise deliver all Prospectuses required for compliance with the

provisions of Rule 15c2-8 under the Exchange Act. Regardless of the termination of this Agreement, Dealer will deliver a Prospectus in transactions in the Shares for a period of 90 days from the effective date of the Registration Statement or such longer period as may be required under the federal securities laws.

X. License and Association Membership

Dealer's acceptance of this Participating Dealer Agreement constitutes a representation to the Company and the Dealer Manager that Dealer is a properly registered broker-dealer under the Exchange Act, is duly licensed as a broker-dealer and authorized to sell Shares under federal and state securities laws and regulations and in all states where it offers or sells Shares, and that it is a member in good standing of FINRA. Dealer agrees to notify the Dealer Manager immediately in writing and this Participating Dealer Agreement shall automatically terminate if Dealer ceases to be a member in good standing of FINRA, is subject to a FINRA suspension, or its registration as a broker-dealer under the Exchange Act is terminated or suspended. Dealer hereby agrees to abide by all applicable FINRA Rules.

XI. Anti-Money Laundering Compliance Programs

Dealer's acceptance of this Agreement constitutes a representation to the Company and the Dealer Manager that Dealer has established and implemented anti-money laundering compliance programs in accordance with applicable law, including but not limited to applicable FINRA Conduct Rules, Exchange Act Regulations and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "*USA Patriot Act*"), specifically including, but not limited to, Section 352 of the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001 (the "*Money Laundering Abatement Act*," and together with the USA Patriot Act, and applicable FINRA Conduct Rules and Exchange Act Regulations, the "*AML Rules*") reasonably expected to detect and cause the reporting of suspicious transactions in connection with the offering and sale of the Shares (the "*AML Program*"). Dealer further represents and warrants that it is currently in compliance with the AML Rules, specifically including, but not limited to, the Customer Identification Program requirements under Section 326 of the Money Laundering Abatement Act, and the Dealer hereby covenants to remain in compliance with such requirements. Dealer shall, at least annually and upon any other request of Dealer Manager or the Company, provide a certification to Dealer Manager and/or the Company that, as of the date of such certification (i) the Dealer's AML Program is consistent with the AML Rules and (ii) the Dealer is currently in compliance with all AML Rules, specifically including, but not limited to, the Customer Identification Program requirements under Section 326 of the Money Laundering Abatement Act. Further, Dealer agrees, upon receipt of an "information request" issued under Section 314 (a) of the USA Patriot Act to provide the Financial Crimes Enforcement Network with information regarding: (i) the identity of a specified individual or organization; (ii) account number, (iii) all identifying information provided by the account holder; and (iv) the date and type of transaction. The Dealer from time to time will monitor account activity to identify patterns of unusual size or volume, geographic factors, and any other potential signals of suspicious activity, including possible money laundering or terrorist financing.

Dealer agrees and acknowledges that each investor who purchases Shares solicited by Dealer is a customer of Dealer, and not Dealer Manager, with respect to such transaction, and that it shall be Dealer's responsibility to perform all reviews required pursuant to the AML Rules. The Company reserves the right to reject any subscriptions from new customers who fail to provide necessary information or who intentionally provide misleading information.

XII. Limitation of Offer and Suitability

Dealer will offer Shares only to persons who meet any applicable suitability requirements and will only make offers to persons in the states in which it is advised in writing that the Shares are qualified for sale or that such qualification is not required. In offering Shares, Dealer will comply with the provisions of the rules and requirements of FINRA, as well as all other applicable rules and regulations relating to suitability of investors, and the suitability standards set forth in the Prospectus.

Prior to the sale of the Shares, each Dealer shall inform each prospective purchaser of Shares of pertinent facts relating to the Shares including specifically the lack of liquidity and lack of marketability of the Shares during the term of the investment.

XIII. ERISA Restrictions

Dealer acknowledges that, as of the date hereof, the Company intends to prohibit the acquisition and holding of Shares by any (i) employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“*ERISA*”)) that is subject to Title I of ERISA, such as a pension or 401(k)/profit-sharing plan, or any account thereunder, (ii) plan described in, and subject to, Section 4975 of the Code, including an individual retirement account (“*IRA*”) or a Keogh plan, and (iii) entity or account whose underlying assets include “plan assets” of any such employee benefit plan or plan on account of any such plan’s investment in such entity (each of clause (i) through (iii), a “*Benefit Plan Investor*”). Dealer further acknowledges that such prohibition shall continue to apply until the Company has determined that the Shares qualify as “publicly-offered securities” for purposes of the United States Department of Labor regulations issued at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA.

Accordingly, Dealer agrees that, until the Dealer Manager has informed Dealer that the Shares are eligible for purchase by Benefit Plan Investors, Dealer shall, prior to the sale of Shares, inform each prospective purchaser of Shares that the Shares are not eligible for purchase by any Benefit Plan Investor. Dealer also agrees that it shall (i) reject any subscription for Shares if it has knowledge that such subscription is being made by or using the assets of any Benefit Plan Investor and (ii) provide immediate notice to the Dealer Manager if it becomes aware that a Benefit Plan Investor has purchased any Shares at any time such restrictions are in effect.

XIV. Due Diligence and Adequate Disclosure

Dealer understands that the Company, Dealer Manager or third party due diligence providers may from time to time furnish Dealer with certain information which is non-public, confidential or proprietary in nature (the “*Due Diligence Information*”) in connection with its due diligence obligations under FINRA rules and the federal securities laws. Dealer agrees that the Due Diligence Information will be kept confidential and shall not, without our prior written consent, be disclosed by Dealer, or by Dealer’s affiliates, agents, representatives or employees, in any manner whatsoever, in whole or in part, and shall not be used by Dealer, its agents, representatives or employees, other than in connection with Dealer’s due diligence evaluation of the Offering. Dealer agrees to reveal the Due Diligence Information only to its affiliates, agents, representatives and employees who need to know the Due Diligence Information for the purpose of the due diligence evaluation. Further, Dealer and its affiliates, agents, representatives and employees will not disclose to any person the fact that the Due Diligence Information has been made available to it.

The term Due Diligence Information shall not include information which (i) is already in Dealer’s possession or in the possession of Dealer’s parent company or affiliates, provided that such information is not known by Dealer to be subject to another confidentiality agreement with or other obligation of secrecy to the Company or another party; (ii) is or becomes generally available to the public other than as a result of a disclosure by Dealer, its affiliates, or their respective directors, officers, employees, agents, advisors and representatives in violation of this agreement; (iii) becomes available to Dealer or its affiliates on a non-confidential basis from a source other than the Company or its advisors, provided that such source is not known by Dealer or its affiliates to be bound by a confidentiality agreement with or other obligation of secrecy to the Company or another party; or (iv) is independently developed by Dealer or by its affiliates without use of the Due Diligence Information.

Dealer agrees that its obligation of non-disclosure, non-use and confidentiality of the Due Diligence Information as set forth herein shall terminate two (2) years after the date on which the Due Diligence Information is received by Dealer.

XV. Compliance with Record Keeping Requirements

Dealer agrees to comply with the record keeping requirements of the Exchange Act, including but not limited to, Rules 17a-3 and 17a-4 promulgated under the Exchange Act. Dealer further agrees to keep such records with respect to each customer who purchases Shares, his suitability and the amount of Shares sold and to retain such records for such period of time as may be required by the SEC, any state securities commission, FINRA or the Company.

XVI. Customer Complaints

Each party hereby agrees to promptly provide to the other party copies of any written or otherwise documented complaints from customers of Dealer received by such party relating in any way to the Offering (including, but not limited to, the manner in which the Shares are offered by the Dealer Manager or Dealer), the Shares or the Company.

XVII. Termination and Amendments

Dealer will immediately suspend or terminate its offer and sale of Shares upon the request of the Company or the Dealer Manager at any time and will resume its offer and sale of Shares hereunder upon subsequent request of the Company or the Dealer Manager. Any party may terminate this Participating Dealer Agreement by written notice. Such termination shall be effective 48 hours after the mailing of such notice. This Participating Dealer Agreement and the exhibits hereto are the entire agreement of the parties and supersedes all prior agreements, if any, between the parties hereto.

This Participating Dealer Agreement may be amended at any time by the Dealer Manager by written notice to the Dealer, and any such amendment shall be deemed accepted and agreed to by Dealer upon placing an order for sale of Shares after he has received such notice.

XVIII. Privacy Laws

The Dealer Manager and Dealer (each referred to individually in this section as “party”) agree as follows:

1. Each party agrees to abide by and comply with (i) the privacy standards and requirements of the Gramm-Leach-Bliley Act of 1999 (“*GLB Act*”), (ii) the privacy standards and requirements of any other applicable Federal or state law, and (iii) its own internal privacy policies and procedures, each as may be amended from time to time.

2. Dealer agrees to provide privacy policy notices required under the GLB Act resulting from purchases of Shares made by its customers pursuant to this Participating Dealer Agreement.

3. Each party agrees to refrain from the use or disclosure of nonpublic personal information (as defined under the GLB Act) of all customers who have opted out of such disclosures except as necessary to service the customers or as otherwise necessary or required by applicable law.

XIX. Notice

Any notice in this Participating Dealer Agreement permitted to be given, made or accepted by either party to the other, must be in writing and may be given or served by (1) overnight courier, (2) depositing the same in the United States mail, postpaid, certified, return receipt requested, or (3) facsimile transfer. Notice deposited in the United States mail shall be deemed given when mailed. Notice given in any other manner shall be effective when received at the address of the addressee. For purposes hereof the addresses of the parties, until changed as hereafter provided, shall be as follows:

To Dealer Manager: Gladstone Securities, LLC
1521 Westbranch Drive, Suite 100
McLean, Virginia 22102
Attention: John Kent
Fax: (703) 287-5803

To Dealer: Address Specified by Dealer on Dealer Signature Page

XX. Attorney's Fees, Applicable Law and Venue

In any action to enforce the provisions of this Participating Dealer Agreement or to secure damages for its breach, the prevailing party shall recover its costs and reasonable attorney's fees. This Participating Dealer Agreement shall be construed under the laws of the State of New York and shall take effect when signed by Dealer and countersigned by the Dealer Manager. Dealer and Dealer Manager hereby acknowledge and agree that venue for any action brought hereunder shall lie exclusively in McLean, Virginia.

XXI. Severability

In the event that any court of competent jurisdiction declares any provision of this Participating Dealer Agreement invalid, such invalidity shall have no effect on the other provisions hereof, which shall remain valid and binding and in full force and effect, and to that end the provisions of this Participating Dealer Agreement shall be considered severable.

XXII. No Waiver

Failure by either party to promptly insist upon strict compliance with any of the obligations of the other party under this Participating Dealer Agreement shall not be deemed to constitute a waiver of the right to enforce strict compliance with respect to any obligation hereunder.

XXIII. Assignment

This Participating Dealer Agreement may not be assigned by either party, except with the prior written consent of the other party. This Participating Dealer Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors and permitted assigns.

XXIV. Authorization

Each party represents to the other that all requisite proceedings have been undertaken to authorize it to enter into and perform under this Participating Dealer Agreement as contemplated herein, and that the individual who has signed this Participating Dealer Agreement below on its behalf is a duly elected officer that has been empowered to act for and on behalf of such party with respect to the execution of this Participating Dealer Agreement.

[SIGNATURE PAGE FOLLOWS]

We have read the foregoing Agreement and we hereby accept and agree to the terms and conditions set forth therein.

GLADSTONE SECURITIES, LLC

By: _____
Name: John Kent
Title: Managing Principal

Participating Dealer Agreement Signature Page

We have read the foregoing Participating Dealer Agreement and the form Dealer Manager Agreement included as an exhibit thereto, and we hereby accept and agree to the terms and conditions therein set forth. We hereby represent that we will comply with the applicable requirements of the Securities Act, the Securities Act Rules and Regulations, the Exchange Act and the Exchange Act Rules and Regulations. We represent and warrant that we are duly registered as a broker-dealer under the provisions of the Exchange Act and the Exchange Act Rules and Regulations or we are exempt from such registration. We hereby agree to advise you of any changes to the information listed on this signature page during the term of this Participating Dealer Agreement. We hereby represent that we will comply with the Rules of FINRA, all rules and regulations promulgated by FINRA and all applicable laws, rules and regulations.

Person to receive notice pursuant to Section XIX

Name: _____

Company: _____

Address: _____

City, State and Zip Code: _____

Telephone No.: () _____ Fax No.: () _____

E-Mail: _____

AGREED TO AND ACCEPTED BY THE DEALER:_____
Name of Participating Dealer_____
Federal Identification NumberBy: _____
Signature

Date: _____

Printed Name_____
Title

Kindly have checks representing selling commissions forwarded as follows (if different from above):

Name of Firm: _____

Address: _____

Street _____

City _____ State _____ Zip Code _____

Telephone No. _____

Fax No. _____

Attention: _____

GLADSTONE CAPITAL CORPORATION

ARTICLES SUPPLEMENTARY

6.25% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK

Gladstone Capital Corporation, a Maryland corporation (the “**Corporation**”), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Article FOURTH of the charter of the Corporation (the “**Charter**”), the Board of Directors of the Corporation (the “**Board of Directors**”) or a duly authorized committee thereof, by resolutions duly adopted, reclassified 930,000 authorized but unissued Term Preferred Shares, 6.00% Series 2024, of the Corporation, 4,510,000 authorized but unissued Term Preferred Shares of the Corporation without designation as to series and 560,000 authorized but unissued shares of Common Stock of the Corporation, each with a par value of \$0.001 per share, as shares of a new series of stock, designated as “6.25% Series A Cumulative Redeemable Preferred Stock” with the following preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption. Capitalized terms used but not defined herein shall have the meanings given to them in the Charter.

1. **Designation and Number.** A new series of stock, designated the 6.25% Series A Cumulative Redeemable Preferred Stock (the “**Series A Preferred Stock**”), is hereby established. The number of shares of Series A Preferred Stock shall be 6,000,000.

2. **Definitions.** As used herein, the following terms shall have the following meanings unless the context otherwise requires:

“**1940 Act**” means the Investment Company Act of 1940, as amended, or any successor statute.

“**Asset Coverage**” means “asset coverage”, as defined for purposes of Sections 18(h) and 61 of the 1940 Act as in effect on the date hereof, of a class of senior security which is a stock determined on the basis of values calculated as of a time within 48 hours (not including Sundays or holidays) next preceding the time of such determination. For purposes of determining whether the requirements of Section 6(a) are satisfied, (i) no shares of Series A Preferred Stock or other Preferred Stock shall be deemed to be Outstanding for purposes of any computation required by Section 6(a) if, prior to or concurrently with such determination, either (A) sufficient Deposit Securities or other sufficient funds (in accordance with the terms of the Series A Preferred Stock or other Preferred Stock) to pay the full redemption price for the Series A Preferred Stock or other Preferred Stock (or the portion thereof to be redeemed) shall have been deposited in trust with the paying agent for the Series A Preferred Stock or other Preferred Stock and the requisite notice of redemption for the Series A Preferred Stock or other Preferred Stock (or the portion thereof to be redeemed) shall have been given or (B) sufficient Deposit Securities or other sufficient funds (in accordance with the terms of the Series A Preferred Stock or other Preferred Stock) to pay the full redemption price for the Series A Preferred Stock or other Preferred Stock (or the portion thereof

to be redeemed) shall have been segregated by the Custodian and the Corporation from the assets of the Corporation, by means of appropriate identification on the Custodian's books and records or otherwise in accordance with the Custodian's normal procedures, and (ii) the Deposit Securities or other sufficient funds that shall have been deposited with the applicable paying agent and/or segregated by the Custodian, as applicable, as provided in clause (i) of this sentence shall not be included as assets of the Corporation for purposes of such computation.

"Asset Coverage Cure Date" means, with respect to the failure by the Corporation to maintain Asset Coverage as of any time required by Section 6(a), the date that is 90 calendar days following the date of such failure.

"Business Day" means any calendar day on which the New York Stock Exchange is open for trading.

"Calendar Quarter" means any of the three month periods ending March 31, June 30, September 30 or December 31 of each year.

"Charter" shall mean the charter of the Corporation.

"Common Stock" shall have the meaning as set forth in Section 3.

"Custodian" means a bank, as defined in Section 2(a)(5) of the 1940 Act, that has the qualifications prescribed in paragraph 1 of Section 26(a) of the 1940 Act, or such other entity as shall be providing custodian services to the Corporation as permitted by the 1940 Act or any rule, regulation or order thereunder, and shall include, as appropriate, any similarly qualified sub-custodian duly appointed by the Custodian.

"Death Repurchase Date" shall have the meaning as set forth in Section 8(a)(ii).

"Death Repurchase Notice" shall have the meaning as set forth in Section 8(c).

"Deposit Securities" means, as of any date, any United States dollar-denominated security or other investment of a type described below that either (a) is a demand obligation payable to the holder thereof on any Business Day or (b) has a maturity date, mandatory redemption date or mandatory payment date, on its face or at the option of the holder, preceding the relevant Redemption Date, Dividend Payment Date or other payment date in respect of which such security or other investment has been deposited or set aside as a Deposit Security:

- (i) cash or any cash equivalent;
- (ii) any U.S. Government Obligation;
- (iii) any Short-Term Money Market Instrument;

(iv) any investment in any money market fund registered under the 1940 Act that qualifies under Rule 2a-7 under the 1940 Act, or similar investment vehicle described in Rule 12d1-1(b)(2) under the 1940 Act, that invests principally in Short-Term Money Market Instruments or U.S. Government Obligations or any combination thereof; or

(v) any letter of credit from a bank or other financial institution that has a credit rating from at least one rating agency that is the highest applicable rating generally ascribed by such rating agency to bank deposits or short-term debt of similar banks or other financial institutions as of the date of commencement of the Offering (or such rating's future equivalent).

“**Dividend Payment Date**” shall have the meaning as set forth in Section 4(a).

“**Dividend Record Date**” shall have the meaning as set forth in Section 4(a).

“**Electronic Means**” means electronic mail transmission, facsimile transmission or other similar electronic means of communication providing evidence of transmission (but excluding online communications systems covered by a separate agreement) acceptable to the sending party and the receiving party, in any case if operative as between any two parties, or, if not operative, by telephone (promptly confirmed by any other method set forth in this definition).

“**Estate**” shall have the meaning as set forth in Section 8(a)(ii).

“**Holder**” means, with respect to shares of Series A Preferred Stock or any other security issued by the Corporation, a Person in whose name such security is registered in the registration books of the Corporation maintained by the Redemption and Paying Agent or otherwise.

“**Mandatory Redemption Price**” shall have the meaning as set forth in Section 6(a)(i).

“**Notice of Redemption**” shall have the meaning as set forth in Section 6(c)(i).

“**Offering**” means the registered public offering of shares of Series A Preferred Stock on a “reasonable best efforts” basis pursuant to a prospectus (as such term is defined in Section 2(a)(10) of the Securities Act of 1933, as amended).

“**Optional Redemption Date**” shall have the meaning as set forth in Section 6(b)(i).

“**Optional Redemption Price**” shall have the meaning as set forth in Section 6(b)(i).

“**Outstanding**” means, as of any date with respect to shares of Series A Preferred Stock, the number of shares of Series A Preferred Stock theretofore issued by the Corporation except (without duplication): (a) any shares of Series A Preferred Stock theretofore cancelled or redeemed or delivered to the Redemption and Paying Agent for cancellation or redemption in accordance with the terms hereof; (b) any shares of Series A Preferred Stock as to which the Corporation shall have given a Notice of Redemption and irrevocably deposited with the Redemption and Paying Agent sufficient Deposit Securities to redeem such shares in accordance with Section 6(b) hereof; (c) any shares of Series A Preferred Stock as to which the Corporation shall be the Holder or the beneficial owner; and (d) any shares of Series A Preferred Stock represented by any certificate in lieu of which any new certificate has been executed and delivered by the Corporation.

“**Parity Preferred Stock**” shall have the meaning as set forth in Section 3.

“**Person**” means and includes an individual, a partnership, a trust, a corporation, a limited liability company, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

“**Preferred Stock**” means any stock of the Corporation classified as preferred stock, including shares of Series A Preferred Stock, and any other shares of stock hereafter authorized and issued by the Corporation of a class having priority over any other class as to distribution of assets or payments of dividends.

“**Redemption and Paying Agent**” means Computershare Inc. and its successors or any other redemption and paying agent appointed by the Corporation with respect to the Series A Preferred Stock.

“**Redemption Date**” shall have the meaning as set forth in Section 6(c)(i).

“**Redemption Price**” means the Mandatory Redemption Price or the Optional Redemption Price, as applicable.

“**Series A Preferred Stock**” shall have the meaning as set forth in Section 1.

“**Short-Term Money Market Instruments**” means the following types of instruments if, on the date of purchase or other acquisition thereof by the Corporation, the remaining term to maturity thereof is not in excess of 180 days:

(a) commercial paper rated A-1 if such commercial paper matures in 30 days or A-1+ if such commercial paper matures in over 30 days;

(b) demand or time deposits in, and banker’s acceptances and certificates of deposit of (i) a depository institution or trust company incorporated under the laws of the United States of America or any state thereof or the District of Columbia or (ii) a United States branch office or agency of a foreign depository institution (provided that such branch office or agency is subject to banking regulation under the laws of the United States, any state thereof or the District of Columbia); and

(c) overnight funds.

“**Stockholder Repurchase Date**” shall have the meaning as set forth in Section 8(a)(i).

“**Stockholder Repurchase Notice**” shall have the meaning as set forth in Section 8(c).

“**Termination Date**” means the earlier of (i) December 31, 2026 (unless the Offering is earlier terminated or is extended by the Board of Directors) or (ii) the date on which all 6,000,000 shares of Series A Preferred Stock offered in the Offering are sold.

“**U.S. Government Obligation**” means direct obligations of the United States or of its agencies or instrumentalities that are entitled to the full faith and credit of the United States and that, other than United States Treasury Bills, provide for the periodic payment of interest and the full payment of principal at maturity or call for redemption.

“**Voting Period**” shall have the meaning as set forth in Section 7(b)(i).

3. **Rank.** The Series A Preferred Stock, with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Corporation, will rank (i) senior in priority to the Common Stock, par value \$0.001 per share, of the Corporation (the “**Common Stock**”) as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up of the affairs of the Corporation; (ii) equal in priority with all other series of Preferred Stock that the Corporation may issue in the future (the “**Parity Preferred Stock**”) as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up of the affairs of the Corporation; and (iii) junior to all existing and future indebtedness of the Corporation.

4. **Dividends.**

(a) Holders of shares of Series A Preferred Stock are entitled to receive, when and as authorized by the Board of Directors (or a duly authorized committee thereof) and declared by the Corporation, out of funds legally available for the payment of dividends, preferential cumulative cash dividends at the rate of 6.25% per annum of the \$25.00 liquidation preference per share (equivalent to a fixed annual amount of \$1.5625 per share). Dividends on the Series A Preferred Stock shall accrue and be cumulative from (but excluding) the last day of the most recent dividend period for which dividends have been paid or, if no dividends have been paid and except otherwise provided in the following sentence, from the date of issuance and shall be payable monthly in arrears on such date as designated by the Board of Directors (each, a “**Dividend Payment Date**”). If a share of Series A Preferred Stock is issued after the Dividend Record Date (as defined below) for the dividend period in which such share is issued, dividends on such share shall accrue and be cumulative from the beginning of the first dividend period commencing after its issuance. Any dividend payable on the Series A Preferred Stock for any dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends will be payable to holders of record as they appear in the stock records of the Corporation at the close of business on the applicable record date, which shall be such date designated by the Board of Directors that is prior to the applicable Dividend Payment Date (each, a “**Dividend Record Date**”).

(b) No dividends on shares of Series A Preferred Stock shall be authorized by the Board of Directors or declared by the Corporation or paid or set apart for payment by the Corporation at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness, prohibits such authorization, declaration, payment or setting apart for payment or provides that such authorization, declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such authorization, declaration, payment or setting apart for payment shall be restricted or prohibited by law.

(c) Notwithstanding the foregoing, dividends on the Series A Preferred Stock will accumulate whether or not the Corporation has earnings, whether or not restrictions exist in respect thereof, whether there are funds legally available for the payment of such dividends and whether or not such dividends are authorized and declared. Accumulated but unpaid dividends on the Series A Preferred Stock will not bear interest and holders of the Series A Preferred Stock will not be entitled to any distributions in excess of full cumulative distributions described above.

When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series A Preferred Stock and the shares of any class or series of Parity Preferred Stock, all dividends declared upon the Series A Preferred Stock and any class or series of Parity Preferred Stock shall be declared pro rata so that the amount of dividends declared per share of Series A Preferred Stock and such class or series of Parity Preferred Stock shall in all cases bear to each other the same ratio that accumulated and unpaid dividends per share on the Series A Preferred Stock and such class or series of Parity Preferred Stock (which shall not include any accrual in respect of unpaid dividends for prior dividend periods if such Parity Preferred Stock does not have a cumulative dividend) bear to each other.

(d) Except as provided in the immediately preceding paragraph, unless full cumulative dividends on the Series A Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past dividend periods, no dividends (other than a dividend in shares of Common Stock) shall be declared and paid or declared and set apart for payment nor shall any other distribution be declared and made upon the Common Stock, nor shall any shares of Common Stock be redeemed, purchased or otherwise acquired for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation. Holders of shares of Series A Preferred Stock shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends on the Series A Preferred Stock as provided above. Any dividend payment made on shares of the Series A Preferred Stock shall first be credited against the earliest accumulated but unpaid dividend due with respect to such shares which remains payable.

5. **Liquidation Preference.** Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, the holders of shares of Series A Preferred Stock are entitled to be paid out of the assets of the Corporation legally available for distribution to its stockholders a liquidation preference equal to \$25.00 per share, plus an amount equal to any accumulated and unpaid dividends to but excluding the date of payment, but without interest, before any distribution of assets is made to holders of Common Stock. If the assets of the Corporation legally available for distribution to stockholders are insufficient to pay in full the liquidation preference plus an amount equal to any accumulated and unpaid dividends on the Series A Preferred Stock and the amounts due upon liquidation with respect to such other shares of any class or series of Parity Preferred Stock, all assets distributed to the holders of the Series A Preferred Stock and any class or series of Parity Preferred Stock shall be distributed pro rata so that the amount of assets distributed per share of Series A Preferred Stock and such class or series of Parity Preferred Stock shall in all cases bear to each other the same ratio that the liquidation preference per share on the Series A Preferred Stock and such class or series of Parity Preferred Stock bear to each other. Written notice of any such liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than 30 nor more than 60 days prior to the payment date stated therein, to each record holder of the Series A Preferred Stock at the respective addresses of such holders as the same shall appear on the stock transfer records of the Corporation. After payment of the full amount of the liquidation preference, plus an amount equal to any accumulated and unpaid dividends to which they are entitled, the holders of Series A Preferred Stock will have no right or claim to any of the remaining assets of the Corporation. The consolidation, conversion or merger of the Corporation

with or into another entity, a merger of another entity with or into the Corporation, a statutory share exchange by the Corporation or a sale, lease, transfer or conveyance of all or substantially all of the Corporation's property or business shall not be deemed to constitute a liquidation, dissolution or winding up of the Corporation. In determining whether a distribution (other than upon voluntary or involuntary liquidation, dissolution or winding up of the Corporation) by dividend, redemption or other acquisition of shares of stock of the Corporation or otherwise is permitted under the Maryland General Corporation Law, no effect shall be given to amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of the Series A Preferred Stock whose preferential rights upon dissolution are superior to those receiving the distribution.

6. **Redemption at the Option of the Corporation** The Series A Preferred Stock shall be subject to redemption by the Corporation as provided below:

(a) *Asset Coverage Mandatory Redemption.*

(i) If the Corporation fails to maintain Asset Coverage of at least the minimum amount required by the 1940 Act as of the time of declaration of dividends or other distributions on the Common Stock (other than dividends payable in shares of Common Stock), after deducting the amount of such dividend or other distribution, as of the time of purchase of the Common Stock or issuance of any senior security (as defined in the 1940 Act), and such failure is not cured as of the close of business on the Asset Coverage Cure Date, fix a redemption date and proceed to redeem, in accordance with the terms of such Preferred Stock, the number of shares of Preferred Stock described below. In the event that any shares of Series A Preferred Stock then Outstanding are to be redeemed pursuant to this Section 6(a)(i), the Corporation shall redeem such shares at a price per share equal to the liquidation preference per share of Series A Preferred Stock plus an amount equal to all unpaid dividends and distributions on such share of Series A Preferred Stock accumulated to (but excluding) the date fixed for such redemption by the Board of Directors (whether or not earned or declared by the Corporation, but excluding interest thereon) (the "**Mandatory Redemption Price**").

(ii) On the Redemption Date for a redemption contemplated by Section 6(a)(i), the Corporation shall redeem, out of funds legally available therefor, such number of shares of Preferred Stock (which may include at the sole option of the Corporation any number of shares or proportion of Series A Preferred Stock) as shall be equal to the lesser of (x) the minimum number of shares of Preferred Stock, the redemption of which, if deemed to have occurred immediately prior to the opening of business on the Asset Coverage Cure Date, would result in the Corporation having the minimum Asset Coverage on such Asset Coverage Cure Date required by Sections 18 and 61 of the 1940 Act (provided, however, that if there is no such minimum number of shares of Series A Preferred Stock and other shares of Preferred Stock the redemption or retirement of which would have such result, all shares of Series A Preferred Stock and other shares of Preferred Stock then Outstanding shall be redeemed), and (y) the maximum number of shares of Preferred Stock that can be redeemed out of funds expected to be legally available therefor in accordance with the Charter and applicable law. Notwithstanding the foregoing, in the event that shares of Preferred Stock are redeemed pursuant to this Section 6(a), the Corporation may at its sole option, but is not required to, redeem a sufficient number of shares of Series A Preferred Stock pursuant to this Section 6(a) that, when aggregated with other shares of Preferred Stock redeemed by the Corporation, would result, if deemed to have occurred immediately prior to the opening of

business on the Asset Coverage Cure Date, in the Corporation having Asset Coverage on such Asset Coverage Cure Date of up to and including a percentage that is 50% higher than the minimum Asset Coverage amount required by applicable law in effect. The Corporation shall effect such redemption on the date fixed by the Corporation therefor, which date shall not be later than 90 calendar days after such Asset Coverage Cure Date, except that if the Corporation does not have funds legally available for the redemption of all of the required number of shares of Series A Preferred Stock and other shares of Preferred Stock which have been designated to be redeemed or the Corporation otherwise is unable to effect such redemption on or prior to 90 calendar days after such Asset Coverage Cure Date, the Corporation shall redeem those shares of Series A preferred Stock and other shares of Preferred Stock which it was unable to redeem on the earliest practicable date on which it is able to effect such redemption. If fewer than all of the Outstanding shares of Series A Preferred Stock are to be redeemed pursuant to this Section 6(a), the number of shares of Series A Preferred Stock to be redeemed shall be redeemed (A) pro rata among the Outstanding shares of Series A Preferred Stock, (B) by lot or (C) in such other manner as the Board of Directors may determine to be fair and equitable.

(b) Optional Redemption.

(i) The Series A Preferred Stock is not redeemable prior to the earlier of (1) the first anniversary of the Termination Date and (2) January 1, 2027. However, subject to the provisions of Section 6(b)(i), on any Business Day on or after the earlier of (1) the first anniversary of the Termination Date and (2) January 1, 2027 (any such Business Day referred to in this sentence, an “**Optional Redemption Date**”), the Corporation may redeem in whole or from time to time in part, out of funds legally available therefor, the Series A Preferred Stock, for cash at a redemption price per share of Series A Preferred Stock (the “**Optional Redemption Price**”) equal to (x) the liquidation preference per share of Series A Preferred Stock plus (y) an amount equal to all accumulated and unpaid dividends on such share of Series A Preferred Stock accumulated to (but excluding) the Optional Redemption Date (whether or not earned or declared by the Corporation, but excluding interest thereon).

(ii) If fewer than all of the outstanding shares of Series A Preferred Stock are to be redeemed pursuant to Section 6(b)(i), the shares of Series A Preferred Stock to be redeemed shall be selected either (A) pro rata, (B) by lot or (C) in such other manner as the Board of Directors may determine to be fair and equitable. Subject to the provisions hereof and applicable law, the Board of Directors will have the full power and authority to prescribe the terms and conditions upon which shares of Series A Preferred Stock will be redeemed pursuant to this Section 6(b) from time to time.

(c) Procedures for Redemption.

(i) If the Corporation shall determine to redeem, in whole or in part, shares of Series A Preferred Stock pursuant to Section 6(a) or Section 6(b), the Corporation shall deliver a notice of redemption (the “**Notice of Redemption**”), by overnight delivery, by first class mail, postage prepaid or by Electronic Means to holders thereof, or request the Redemption and Paying Agent, on behalf of the Corporation, to promptly do so by overnight delivery, by first class mail, postage prepaid or by Electronic Means. A Notice of Redemption shall be provided not less than 30 nor more than 60 days prior to the date fixed for redemption in such Notice of Redemption (the “**Redemption Date**”). Each such Notice of Redemption shall state: (A) the Redemption

Date; (B) the number of shares of Series A Preferred Stock to be redeemed; (C) the CUSIP number for the Series A Preferred Stock; (D) the Redemption Price on a per share basis; (E) if applicable, the place or places where the certificate(s) for such shares (properly endorsed or assigned for transfer, if the Board of Directors requires and the Notice of Redemption states) are to be surrendered for payment of the Redemption Price; (F) that dividends on the shares of Series A Preferred Stock to be redeemed will cease to accumulate after such Redemption Date; and (G) the provisions hereof under which such redemption is made. If fewer than all shares of Series A Preferred Stock held by any holder are to be redeemed, the Notice of Redemption delivered to such holder shall also specify the number of shares of Series A Preferred Stock to be redeemed from such holder or the method of determining such number. The Corporation may provide in any Notice of Redemption relating to a redemption contemplated to be effected pursuant hereto that such redemption is subject to one or more conditions precedent and that the Corporation shall not be required to effect such redemption unless each such condition has been satisfied at the time or times and in the manner specified in such Notice of Redemption. No defect in the Notice of Redemption or delivery thereof shall affect the validity of redemption proceedings, except as required by applicable law.

(ii) On or after the Redemption Date, each holder of shares of Series A Preferred Stock in certificated form (if any) that are subject to redemption shall surrender the certificate(s) representing such shares of Series A Preferred Stock to the Corporation at the place designated in the Notice of Redemption and shall then be entitled to receive the Redemption Price for such shares of Series A Preferred Stock, without interest, and in the case of a redemption of fewer than all the shares of Series A Preferred Stock represented by such certificate(s), a new certificate representing the shares of Series A Preferred Stock that were not redeemed. If a Notice of Redemption has been given and the funds necessary for redemption of the shares of Series A Preferred Stock that are subject to redemption have been deposited with the Redemption and Paying Agent for the benefit of the holders of such shares of Series A Preferred Stock, then, from and after the Redemption Date, dividends shall cease to accumulate on such shares of Series A Preferred Stock, such shares of Series A Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares of Series A Preferred Stock shall terminate, except the right to receive the Redemption Price therefor.

(iii) Notwithstanding the other provisions of this Section 6, except as otherwise required by law, the Corporation shall not redeem any shares of Series A Preferred Stock or purchase or otherwise acquire, directly or indirectly, any shares of Series A Preferred Stock (except by exchange for other stock of the Corporation ranking junior to the Series A Preferred Stock as to dividends and upon liquidation) unless all accumulated and unpaid dividends on all outstanding shares of Series A Preferred Stock and the shares of any class or series of Parity Preferred Stock for all applicable past dividend periods (whether or not earned or declared by the Corporation) shall have been, or contemporaneously are, declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment; provided, however, that the foregoing shall not prevent the purchase or acquisition of outstanding shares of Series A Preferred Stock pursuant to an otherwise lawful purchase or exchange offer made on the same terms to holders of all outstanding shares of Series A Preferred Stock and any other class or series of Parity Preferred Stock for which all accumulated and unpaid dividends have not been paid. So long as no dividends on the Series A Preferred Stock are in arrears, the Corporation shall be entitled at any time and from time to time to repurchase shares of Series A Preferred Stock in open-market transactions duly authorized by the Board of Directors and effected in compliance with applicable laws.

(iv) If a Redemption Date falls after a Dividend Record Date and on or prior to the corresponding Dividend Payment Date, each holder of shares of Series A Preferred Stock on such Dividend Record Date shall be entitled to the dividend payable on such shares on the corresponding Dividend Payment Date, notwithstanding the redemption of such shares on or prior to such Dividend Payment Date, and each holder of shares of Series A Preferred Stock that are redeemed on such Redemption Date shall be entitled to the dividends, if any, accruing after the end of the dividend period to which such Dividend Payment Date relates up to, but excluding, the Redemption Date.

7. **Voting Rights.**

(a) *One Vote Per Share.* Except as otherwise provided in the Charter, including the terms of the Series A Preferred Stock, (i) each holder of a share of Series A Preferred Stock shall be entitled to one vote for each share of Series A Preferred Stock held by such holder on each matter submitted to a vote of stockholders of the Corporation and (ii) the holders of outstanding shares of Preferred Stock, including the Series A Preferred Stock, and of outstanding shares of Common Stock shall vote together as a single class; provided, however, that the holders of outstanding shares of Preferred Stock, including the Series A Preferred Stock, shall be entitled, as a class, to the exclusion of the holders of all other securities and classes of stock of the Corporation, to elect two directors of the Corporation at all times. Subject to Section 7(b), the holders of outstanding shares of Common Stock and Preferred Stock, including the Series A Preferred Stock, voting together as a single class, shall elect the balance of the directors.

(b) *Voting for Additional Directors.*

(i) *Voting Period.* During any period in which any one or more of the conditions described in clauses (A) or (B) of this Section 7(b) (i) shall exist (such period being referred to herein as a “**Voting Period**”), the number of directors constituting the Board of Directors shall be automatically increased by the smallest number that, when added to the two directors elected exclusively by the holders of Preferred Stock, including the Series A Preferred Stock, would constitute a majority of the Board of Directors as so increased by such smallest number; and the holders of Preferred Stock, including the Series A Preferred Stock, shall be entitled, voting as a class on a one-vote-per-share basis (to the exclusion of the holders of all other securities and classes of stock of the Corporation), to elect such smallest number of additional directors, together with the two directors that such holders are in any event entitled to elect. A Voting Period shall commence:

(A) if, at the close of business on any dividend payment date for any outstanding share of Preferred Stock including any outstanding share of Series A Preferred Stock, accumulated dividends (whether or not earned or declared) on such outstanding share of Preferred Stock equal to at least two full years’ dividends shall be due and unpaid and sufficient cash or specified securities shall not have been deposited with the Redemption and Paying Agent or other applicable paying agent for the payment of such accumulated dividends; or

(B) if at any time holders of shares of Preferred Stock are otherwise entitled under the 1940 Act to elect a majority of the Board of Directors.

Upon the termination of a Voting Period, the voting rights described in this Section 7(b)(i) shall cease, subject always, however, to the revesting of such voting rights in the holders of shares of Preferred Stock upon the further occurrence of any of the events described in this Section 7(b)(i).

(ii) *Notice of Special Meeting.* As soon as practicable after the accrual of any right of the holders of shares of Preferred Stock to elect additional directors as described in Section 7(b)(i), the Corporation shall call a special meeting of such holders and notify the Redemption and Paying Agent and/or such other Person as is specified in the terms of such Preferred Stock to receive notice (A) by mailing or delivery by Electronic Means or (B) in such other manner and by such other means as are specified in the terms of such Preferred Stock, a notice of such special meeting to such holders, such meeting to be held not less than ten nor more than 30 calendar days after the date of the delivery by Electronic Means or mailing of such notice. If the Corporation fails to call such a special meeting, it may be called at the expense of the Corporation by any such holder on like notice. The record date for determining the holders of shares of Preferred Stock entitled to notice of and to vote at such special meeting shall be the close of business on the fifth Business Day preceding the calendar day on which such notice is mailed. At any such special meeting and at each meeting of holders of shares of Preferred Stock held during a Voting Period at which directors are to be elected, such holders, voting together as a class (to the exclusion of the holders of all other securities and classes of stock of the Corporation), shall be entitled to elect the number of directors prescribed in Section 7(b)(i) on a one-vote-per-share basis.

(iii) *Terms of Office of Existing Directors.* The terms of office of the incumbent directors of the Corporation at the time of a special meeting of holders of the shares of Preferred Stock to elect additional directors in accordance with Section 7(b)(i) shall not be affected by the election at such meeting by the holders of Series A Preferred Stock and such other holders of shares of Preferred Stock of the number of directors that they are entitled to elect, and the directors so elected by the holders of shares of Series A Preferred Stock and such other holders of shares of Preferred Stock, together with the two directors elected by the holders of shares of Preferred Stock in accordance with Section 7(a) hereof and the remaining directors elected by the holders of the shares of Common Stock and Preferred Stock, shall constitute the duly elected directors of the Corporation.

(iv) *Terms of Office of Certain Directors to Terminate Upon Termination of Voting Period* Simultaneously with the termination of a Voting Period, the terms of office of the additional directors elected by the holders of shares of Preferred Stock pursuant to Section 7(b)(i) shall terminate, the remaining directors shall constitute the directors of the Corporation and the voting rights of the holders of shares of Preferred Stock to elect additional directors pursuant to Section 7(b)(i) shall cease, subject to the provisions of the last sentence of Section 7(b)(i).

(c) *Voting on Certain Matters.*

(i) *Certain Amendments Requiring Approval of Series A Preferred Stock* Except as otherwise permitted by the terms of the Series A Preferred Stock, so long as any shares of Series A Preferred Stock are Outstanding, the Corporation shall not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of Series A Preferred

Stock Outstanding at the time, voting together as a separate class, amend, alter or repeal the provisions of the Charter, including the terms of the Series A Preferred Stock, whether by merger, consolidation or otherwise, so as to materially and adversely affect any privilege, preference, right or power of the Series A Preferred Stock; provided, however, that (A) a change in the capitalization of the Corporation in accordance with Section 9 hereof shall not be considered to materially and adversely affect the privileges, preferences, rights or powers of the Series A Preferred Stock and (B) a division of a share of Series A Preferred Stock shall be deemed to affect such privileges, preferences, rights or powers only if the terms of such division materially and adversely affect the holders of the Series A Preferred Stock. For purposes of the foregoing, no matter shall be deemed to adversely affect any privilege, preference, right or power of a share of Series A Preferred Stock or the holder thereof unless such matter (x) alters or abolishes any preferential right of such share of Series A Preferred Stock or (y) creates, alters or abolishes any right in respect of redemption of such share of Series A Preferred Stock (other than as a result of a division of a share of Series A Preferred Stock). So long as any shares of Preferred Stock are Outstanding, the Corporation shall not, without the affirmative vote or consent of the holders of at least 66 $\frac{2}{3}$ % of the shares of Preferred Stock Outstanding at the time, voting as a separate class, file a voluntary application for relief under Federal bankruptcy law or any similar application under state law for so long as the Corporation is solvent and does not foresee becoming insolvent. So long as any shares of Series A Preferred Stock are Outstanding, no amendment, alteration or repeal of the obligation of the Corporation to (x) redeem the Series A Preferred Stock or (y) accumulate dividends at the rate set forth in Section 4 shall be effected without, in each case, the prior unanimous vote or consent of the holders of such shares of Series A Preferred Stock.

(ii) 1940 Act Matters. The affirmative vote of the Holders of at least “a majority of the outstanding shares of Preferred Stock,” including the Series A Preferred Stock Outstanding at the time, voting as a separate class, shall be required (A) to approve the Corporation ceasing to be a business development company, or to approve the Corporation’s withdrawal of its election as a business development company, or (B) to approve any plan of reorganization (as such term is used in the 1940 Act) adversely affecting such shares. For purposes of the foregoing, the vote of a “majority of the outstanding shares of Preferred Stock” means the vote at an annual or special meeting duly called of (i) 67% or more of such shares present at a meeting, if the Holders of more than 50% of such shares are present or represented by proxy at such meeting, or (ii) more than 50% of such shares, whichever is less.

(d) Voting Rights Set Forth Herein Are Sole Voting Rights. Unless otherwise required by the Charter, the holders of Series A Preferred Stock shall not have any relative rights or preferences or other special rights with respect to voting other than those specifically set forth in this Section 7.

(e) No Cumulative Voting. The Holders of Series A Preferred Stock shall have no rights to cumulative voting.

(f) Voting for Directors Sole Remedy for Corporation’s Failure to Declare or Pay Dividends. In the event that the Corporation fails to declare or pay any dividends on the Series A Preferred Stock on the Dividend Payment Date therefor, the exclusive remedy of the holders of Series A Preferred Stock shall be the right to vote for directors pursuant to the provisions of this Section 7.

(g) *Holders Entitled to Vote.* For purposes of determining any rights of the holders of Series A Preferred Stock to vote on any matter, whether such right is created by the Charter, including the terms of the Series A Preferred Stock, by statute or otherwise, no holder of Series A Preferred Stock shall be entitled to vote any share of Series A Preferred Stock and no share of Series A Preferred Stock shall be deemed to be “Outstanding” for the purpose of voting or determining the number of shares required to constitute a quorum if, prior to or concurrently with the time of determination of shares entitled to vote or the time of the actual vote on the matter, as the case may be, the requisite Notice of Redemption with respect to such share of Series A Preferred Stock shall have been given in accordance with Section 6 and Deposit Securities for the payment of the Redemption Price of such share of Series A Preferred Stock shall have been deposited in trust with the Redemption and Paying Agent for that purpose. No share of Series A Preferred Stock held by the Corporation shall have any voting rights or be deemed to be outstanding for voting or for calculating the voting percentage required on any other matter or other purposes.

8. **Repurchase at the Option of Stockholders.**

(a) Subject to the restrictions set forth in Section 8(c) below:

(i) Commencing on the date of original issuance (or, if after the date of original issuance the Board of Directors suspends the optional repurchase right of the holders of Series A Preferred Stock described in this Section 8, on the date the Board of Directors reinstates such right) and terminating on the earlier to occur of (A) the date upon which the Board of Directors, by resolution, suspends or terminates the optional repurchase right of the holders of Series A Preferred Stock described in this Section 8 and (B) the date on which shares of Series A Preferred Stock are listed on a national securities exchange, holders of Series A Preferred Stock may, at their option, require the Corporation to repurchase, on the tenth calendar day following delivery of a Stockholder Repurchase Notice (as defined below) or, if such tenth calendar day is not a Business Day, on the next succeeding Business Day (each such date, a “**Stockholder Repurchase Date**”), any or all of their shares of Series A Preferred Stock at a repurchase price per share of Series A Preferred Stock equal to \$25.00 in cash plus an amount equal to accrued and unpaid dividends to, but excluding, the Stockholder Repurchase Date; provided, however, the share repurchase amount will be subject to the following limitations: (A) shares of Series A Preferred Stock that have not been outstanding for at least one year will be subject to an early repurchase discount of 10% (or at a price of \$22.50 per share); (B) shares of Series A Preferred Stock that have been outstanding for at least one year but not more than two years will be subject to an early repurchase discount of 6% (or at a price of \$23.50 per share); and (C) shares of Series A Preferred Stock that have been outstanding for at least two years but not more than three years will be subject to an early repurchase discount of 3% (or at a price of \$24.25 per share).

(ii) From the date of original issuance until the listing of the Series A Preferred Stock on a national securities exchange, the estate of a natural person who held shares of Series A Preferred Stock upon his or her death (each, an “**Estate**”) may, at its option, require the Corporation to repurchase, on the fifteenth calendar day following delivery of a Death Repurchase Notice (as defined below) or, if such fifteenth calendar day is not a Business Day, on the next succeeding Business Day (each such date, a “**Death**”).

Repurchase Date”), any or all of such shares of Series A Preferred Stock at a repurchase price per share of Series A Preferred Stock equal to \$25.00 in cash plus an amount equal to accrued and unpaid dividends to, but excluding, the Death Repurchase Date.

(b) Notwithstanding the foregoing, if a Stockholder Repurchase Date or Death Repurchase Date falls after a Dividend Record Date and on or prior to the corresponding Dividend Payment Date, each holder of shares of Series A Preferred Stock on such Dividend Record Date shall be entitled to the dividend payable on such shares on the corresponding Dividend Payment Date, notwithstanding the repurchase of such shares on or prior to such Dividend Payment Date, and each holder of shares of Series A Preferred Stock that are repurchased on such Stockholder Repurchase Date or Death Repurchase Date shall be entitled to the dividends, if any, accruing after the end of the dividend period to which such Dividend Payment Date relates up to, but excluding, the Stockholder Repurchase Date or Death Repurchase Date, as the case may be. Upon the repurchase of any shares of Series A Preferred Stock pursuant to Section 8(a) above, dividends shall cease to accumulate on such shares of Series A Preferred Stock, such shares of Series A Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares of Series A Preferred Stock shall terminate.

(c) In order to require the Corporation to repurchase shares of Series A Preferred Stock on a Stockholder Repurchase Date pursuant to Section 8(a)(i) above, the holder of such shares must deliver a notice of repurchase, by overnight delivery or by first class mail, postage prepaid, to the Corporation at its principal executive offices (each such notice, a “**Stockholder Repurchase Notice**”). In order to require the Corporation to repurchase shares of Series A Preferred Stock on a Death Repurchase Date pursuant to Section 8(a)(ii) above, an Estate must deliver a notice of repurchase, by overnight delivery or by first class mail, postage prepaid, to the Corporation at its principal executive offices (each such notice, a “**Death Repurchase Notice**”). Each Stockholder Repurchase Notice or Death Repurchase Notice so delivered to the Corporation shall be an original, notarized copy and shall state or include: (i) the name and address of the stockholder whose shares of Series A Preferred Stock are to be repurchased; (ii) the number of shares of Series A Preferred Stock to be repurchased; (iii) the name of the broker dealer who holds the shares of Series A Preferred Stock to be repurchased, the stockholder’s account number with such broker dealer and such broker dealer’s participant number for the Depository Trust Corporation; and (iv) in the case of a Death Repurchase Notice, a certified copy of the death certificate (and such other evidence that is satisfactory to the Corporation in its sole discretion) for the natural person who previously held the shares to be repurchased. The obligation of the Corporation to repurchase shares of Series A Preferred Stock pursuant to Section 8(a) above shall be limited to the extent the Board of Directors determines, in its sole and absolute discretion, that the Corporation does not have sufficient funds available to fund any such repurchase or the Corporation is restricted by applicable law from making such repurchase. If, as a result of either of the foregoing limitations, fewer than all shares of Series A Preferred Stock for which a Stockholder Repurchase Notice or Death Repurchase Notice was delivered to the Corporation are to be repurchased, the foregoing limitations shall first be applied to any repurchase pursuant to a Death Repurchase Notice and then to shares of Series A Preferred Stock to be repurchased pursuant to a Stockholder Repurchase Notice. The obligation of the Corporation to repurchase shares of Series A Preferred Stock pursuant to Section 8(a)(i) above shall be further limited to the extent the Board of Directors suspends or terminates the optional repurchase right of the holders of Series A Preferred Stock described in this Section 8 after delivery of a Stockholder Repurchase Notice but prior to the corresponding Stockholder Repurchase Date.

(d) Repurchases made under this Section 8 shall be subject to a quarterly repurchase limit of 5% of the then outstanding shares of Series A Preferred Stock (by number of shares outstanding), calculated as of the end of the previous Calendar Quarter. If the Corporation receives repurchase requests for a number of shares of Series A Preferred Stock in excess of the foregoing limitation, the repurchase for the applicable quarter shall be either (i) pro rata or (ii) by any other fair and equitable method that the Board of Directors may choose.

(e) The Board of Directors may suspend or terminate the optional repurchase right of the holders of Series A Preferred Stock described in this Section 8 at any time in its sole and absolute discretion.

9. **Issuance of Additional Preferred Stock.** So long as any shares of Series A Preferred Stock are Outstanding, the Corporation may, without the vote or consent of the holders thereof, authorize, establish and create and issue and sell shares of one or more series of a class of senior securities of the Corporation representing stock under Sections 18 and 61 of the 1940 Act, ranking on a parity with the Series A Preferred Stock as to the payment of dividends and the distribution of assets upon dissolution, liquidation or the winding up of the affairs of the Corporation, in addition to then Outstanding shares of Series A Preferred Stock, including additional series of Preferred Stock, and authorize, issue and sell additional shares of any such series of Preferred Stock then outstanding or so established and created, including additional shares of Series A Preferred Stock, in each case in accordance with applicable law, provided that the Corporation shall, immediately after giving effect to the issuance of such additional shares of Preferred Stock and to its receipt and application of the proceeds thereof, including to the redemption of shares of Preferred Stock with such proceeds, have the minimum Asset Coverage required by Sections 18 and 61 of the 1940 Act.

10. **No Sinking Fund.** The Series A Preferred Stock will not be subject to any sinking fund.

11. **No Preemptive Rights.** No holder of the Series A Preferred Stock shall, as such holder, have any preemptive rights to purchase or subscribe for additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell.

12. **Status of Redeemed or Repurchased Series A Preferred Stock.** Shares of Series A Preferred Stock that at any time have been redeemed or purchased by the Corporation shall, after such redemption or purchase, have the status of authorized but unissued shares of Series A Preferred Stock.

13. **Notice.** All notices or communications hereunder, unless otherwise specified herein, shall be sufficiently given if in writing and delivered in person, by telecopier, by Electronic Means or by overnight mail or delivery or mailed by first-class mail, postage prepaid. Notices delivered pursuant to this Section 13 shall be deemed given on the date received or, if mailed by first class mail, on the date five calendar days after which such notice is mailed.

14. **Modification.** The Board of Directors, without the vote of the holders of Series A Preferred Stock, may interpret or correct the provisions hereof to supply any omission, to resolve

any inconsistency or ambiguity or to cure or correct any defective or inconsistent provision, including any provision that becomes defective after the date hereof because of impossibility of performance or any provision that is inconsistent with any provision of any other Preferred Stock or the Common Stock.

SECOND: The Series A Preferred Stock has been reclassified and designated by the Board of Directors under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FOURTH: The undersigned acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be signed in its name and on its behalf by its Chief Executive Officer and attested to by its Secretary on this 31st day of May, 2023.

ATTEST:

/s/ Michael B. LiCalsi
Name: Michael B. LiCalsi
Title: Secretary

GLADSTONE CAPITAL CORPORATION

By: David Gladstone (SEAL)
Name: David Gladstone
Title: Chief Executive Officer



INCORPORATED UNDER THE LAWS OF THE STATE OF MARYLAND
GLADSTONE CAPITAL CORPORATION

THIS CERTIFICATE IS TRANSFERABLE IN
CANTON, MA, JERSEY CITY, NJ, AND COLLEGE STATION, TX

CUSIP XXXXXXXX
SEE REVERSE SIDE FOR CERTAIN DEFINITIONS

THIS IS TO CERTIFY THAT

is the owner of

FULLY PAID AND NONASSESSABLE SHARES OF THE 6.25% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK, PAR VALUE \$0.001 PER SHARE, OF
GLADSTONE CAPITAL CORPORATION

transferable on the books of the Corporation in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

IN WITNESS WHEREOF, the said Corporation has caused this Certificate to be endorsed by the facsimile signatures of its duly authorized officers and to be sealed with the facsimile seal of the Corporation.

Dated:


Michael LaCabi, Secretary




David Gladstone, Chairman & Chief Executive Officer

ComputerShare, Inc.
By Transfer Agent and Registrar
Authorized Signature

IMPORTANT NOTICE

The Corporation will furnish without charge to each stockholder who so requests a full statement of the designations and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption of the stock of each class which the Corporation has authority to issue and, if the Corporation is authorized to issue any preferred or special class in series, (i) the differences in the relative rights and preferences between the shares of each series to the extent set and (ii) the authority of the Board of Directors to set such rights and preferences of subsequent series. Such request may be made to the Corporation or the Registrar and Transfer Agent.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT -	Custodian
TEN ENT	- as tenants by the entireties		(Cust) (Minor)
JT TEN	- as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act, (State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

[Empty box for Social Security or other identifying number]

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____ Shares of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

X _____ (owner sign here)

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.

SIGNATURE(S) GUARANTEED:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE-GUARANTEED-MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15

Signature guaranteed by: _____

Firm

City

State

May 31, 2023

Gladstone Capital Corporation
Suite 100
1521 Westbranch Drive
McLean, Virginia 22102

Re: Registration Statement on Form N-2 (Registration No. 333-261398)

Ladies and Gentlemen:

We have served as Maryland counsel to Gladstone Capital Corporation, a Maryland corporation (the “Company”) and a business development company under the Investment Company Act of 1940, as amended (the “1940 Act”), in connection with certain matters of Maryland law arising out of the registration of 6,000,000 shares (the “Shares”) of 6.25% Series A Cumulative Redeemable Preferred Stock, par value \$0.001 per share (the “Series A Preferred Stock”), of the Company, to be issued in a public offering (the “Offering”) pursuant to the Prospectus Supplement (as defined below) and the Dealer Manager Agreement (as defined below), covered by the above-referenced Registration Statement, and all amendments thereto (the “Registration Statement”), filed by the Company with the United States Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “1933 Act”).

In connection with our representation of the Company, and as a basis for the opinion hereinafter set forth, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents (hereinafter collectively referred to as the “Documents”):

1. The Registration Statement;
2. The Prospectus, dated December 22, 2021, as supplemented by a Prospectus Supplement, dated May 31, 2023 (the “Prospectus Supplement”), filed with the Commission pursuant to Rule 424(b) of the General Rules and Regulations promulgated under the 1933 Act;
3. The charter of the Company (the “Charter”), certified by the State Department of Assessments and Taxation of Maryland (the “SDAT”);
4. The Bylaws of the Company, as amended (the “Bylaws”), certified as of the date hereof by an officer of the Company;

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5. A certificate of the SDAT as to the good standing of the Company, dated as of a recent date;

6. Resolutions (the “Resolutions”) adopted by the Board of Directors of the Company (the “Board”), relating to, among other matters, (a) the sale and issuance of the Shares and (b) the authorization of the execution, delivery and performance by the Company of the Dealer Manager Agreement, certified as of the date hereof by an officer of the Company;

7. The Dealer Manager Agreement, dated as of May 31, 2023 (the “Dealer Manager Agreement”), by and between the Company and Gladstone Securities, LLC, a Connecticut limited liability company;

8. A certificate executed by an officer of the Company, dated as of the date hereof; and

9. Such other documents and matters as we have deemed necessary or appropriate to express the opinion set forth below, subject to the assumptions, limitations and qualifications stated herein.

In expressing the opinion set forth below, we have assumed the following:

1. Each individual executing any of the Documents, whether on behalf of such individual or another person, is legally competent to do so.

2. Each individual executing any of the Documents on behalf of a party (other than the Company) is duly authorized to do so.

3. Each of the parties (other than the Company) executing any of the Documents has duly and validly executed and delivered each of the Documents to which such party is a signatory, and such party’s obligations set forth therein are legal, valid and binding and are enforceable in accordance with all stated terms.

4. All Documents submitted to us as originals are authentic. The form and content of all Documents submitted to us as unexecuted drafts do not differ in any respect relevant to this opinion from the form and content of such Documents as executed and delivered. All Documents submitted to us as certified or photostatic copies conform to the original documents. All signatures on all Documents are genuine. All public records reviewed or relied upon by us or on our behalf are true and complete. All representations, warranties, statements and information contained in the Documents are true and complete. There has been no oral or written modification of or amendment to any of the Documents, and there has been no waiver of any provision of any of the Documents, by action or omission of the parties or otherwise.

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5. Upon issuance of any of the Shares, the total number of shares of Series A Preferred Stock issued and outstanding will not exceed the total number of shares of Series A Preferred Stock that the Company is then authorized to issue under the Charter.

Based upon the foregoing, and subject to the assumptions, limitations and qualifications stated herein, it is our opinion that:

1. The Company is a corporation duly incorporated and existing under and by virtue of the laws of the State of Maryland and is in good standing with the SDAT.

2. The issuance of the Shares has been duly authorized and, when and to the extent issued against payment therefor in accordance with the Registration Statement, the Prospectus Supplement, the Resolutions and the Dealer Manager Agreement, the Shares will be validly issued, fully paid and nonassessable.

The foregoing opinion is limited to the laws of the State of Maryland and we do not express any opinion herein concerning federal law or the laws of any other state. We express no opinion as to compliance with any federal or state securities laws, including the securities laws of the State of Maryland or the 1940 Act, or as to federal or state laws regarding fraudulent transfers. To the extent that any matter as to which our opinion is expressed herein would be governed by the laws of any jurisdiction other than the State of Maryland, we do not express any opinion on such matter. The opinion expressed herein is subject to the effect of judicial decisions which may permit the introduction of parol evidence to modify the terms or the interpretation of agreements.

The opinion expressed herein is limited to the matters specifically set forth herein and no other opinion shall be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable law changes after the date hereof or if we become aware of any fact that might change the opinion expressed herein after the date hereof.

This opinion is being furnished to you for submission to the Commission as an exhibit to the Company's Current Report on Form 8-K relating to the Offering (the "Current Report"), which is incorporated by reference in the Registration Statement. We hereby consent to the filing of this opinion as an exhibit to the Current Report and the said incorporation by reference and to the use of the name of our firm therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the 1933 Act.

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Very truly yours,

/s/ Venable LLP



**Gladstone Capital Corporation Announces Offering
of 6.25% Series A Cumulative Redeemable Preferred Stock**

McLean, VA, May 31, 2023: Gladstone Capital Corporation (Nasdaq: GLAD) (the “Company”) today announced that it has filed a prospectus supplement with the U.S. Securities and Exchange Commission (“SEC”) for a continuous public offering of up to 6,000,000 shares (the “Offering”) of its newly-designated 6.25% Series A Cumulative Redeemable Preferred Stock (the “Series A Preferred Stock”) at an offering price of \$25.00 per share. The Company expects to receive up to \$150.0 million in gross proceeds and approximately \$131.25 million in net proceeds, after payment of dealer manager fees and selling commissions and estimated expenses of the offering payable by the Company, assuming all shares of the Series A Preferred Stock are sold in the Offering. Gladstone Securities, LLC, an affiliate of the Company (“Gladstone Securities”), will serve as the Company’s exclusive dealer manager in connection with the Offering. The Series A Preferred Stock is being offered by Gladstone Securities on a “reasonable best efforts” basis pursuant to a Dealer Manager Agreement, dated as of May 31, 2023, entered into between the Company and Gladstone Securities.

The offering of Series A Preferred Stock will terminate on the date that is the earlier of (1) December 31, 2026 (unless earlier terminated or extended by the Company’s Board of Directors) and (2) the date on which all 6,000,000 shares of Series A Preferred Stock offered in the Offering are sold. There is currently no public market for shares of Series A Preferred Stock.

Investors are advised to carefully consider the investment objectives, risks and charges and expenses of the Company before investing. The prospectus supplement, dated May 31, 2023, and the accompanying prospectus, dated December 22, 2021, which have been filed with the U.S. Securities and Exchange Commission (the “SEC”), contain this and other information about the Company and should be read carefully before investing.

The Offering is currently being conducted as a public offering under the Company’s effective shelf registration statement, filed with the SEC (File No. 333- 261398), which became effective on December 22, 2021. **To obtain a copy of the prospectus supplement and the related base prospectus for this offering, please contact: Gladstone Securities, LLC, via email at glad.series.a@gladstonesecurities.com.**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

About Gladstone Capital Corporation: Gladstone Capital Corporation is a publicly traded business development company that invests in debt and equity securities consisting primarily of secured first and second lien term loans to lower middle market businesses in the United States.

Forward-Looking Statements

This press release contains statements as to the Company’s intentions and expectations of the outcome of future events that are forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These statements relate to the offering of Series A Preferred Stock. No assurance can be given that the transaction discussed above will be completed on the terms described, or at all. Completion of the offering on the terms described are subject to numerous conditions, many of which are beyond the control of the Company. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. For a description of certain risks to which the Company is or may be subject, please refer to the factors discussed under the captions “*Forward-Looking Statements*” and “*Risk Factors*” included in the Company’s filings with the SEC (accessible at www.sec.gov).

CONTACT: For further information: Gladstone Capital Corporation, (703)287-5893.