

**Tax Character of Distribution Payable on March 2, 2020**

The tax character of the \$0.095 per share distribution payable by PennantPark Floating Rate Capital Ltd. (the “Company”) on March 2, 2020 to stockholders of record as of February 18, 2020 is set forth below. For tax purposes, the Company is a regulated investment company and is designating the tax character of the distribution you receive as a stockholder.

Percentage	Amount	Description
16%	\$0.015	Distribution has been identified by the Company as being derived from other sources and is <u>not exempt</u> from U.S. Nonresident withholding tax.
84%	\$0.080	Distribution has been identified by the Company as an interest-related dividend generally <u>exempt</u> from U.S. Nonresident withholding tax.

The Company, which operates as a regulated investment company (“RIC”), generates qualified interest income and short-term capital gains that may be exempt from U.S. withholding tax when distributed to non-U.S. stockholders. The U.S. tax law permits a RIC to report the portion of distribution paid that represents interest-related dividends as exempt from U.S. withholding tax when paid to non-U.S. stockholders with proper documentation.

This notice is not intended to constitute tax, legal, investment or other professional advice. Stockholders should be aware that tax treatment is subject to change by law in the future or retroactively. This is general information and should not be relied upon without consulting your tax advisor.

If you have any other questions about this notice, please contact PennantPark Floating Rate Capital Ltd.’s Investor Relations Department directly at 212-905-1000.