

Tax Character of Distributions for 2020

The U.S. federal tax character of the distributions paid by PennantPark Floating Rate Capital Ltd. (the “Company”) for calendar year 2020 is set forth below. For U.S. tax purposes, the Company is a regulated investment company and is designating the tax character of the distributions you receive as a stockholder for calendar year 2020 in accordance with Subchapter M of the Internal Revenue Code of 1986, as amended (“IRC”).

The amounts shown in the table below represent the final accounting of the Company’s calendar year 2020 distributions. This information supersedes any estimated information you may have previously received. Calendar year 2020 distributions have been classified as follows:

<u>Record Date</u>	<u>Payment Date</u>	<u>Dividend Per Share</u>	<u>Non-Qualified Ordinary Dividends</u>	<u>Qualified Ordinary Dividends⁽¹⁾</u>
January 16, 2020	February 3, 2020	\$0.0950	100.00%	0.00%
February 18, 2020	March 2, 2020	\$0.0950	100.00%	0.00%
March 18, 2020	April 1, 2020	\$0.0950	100.00%	0.00%
April 16, 2020	May 1, 2020	\$0.0950	100.00%	0.00%
May 18, 2020	June 1, 2020	\$0.0950	100.00%	0.00%
June 17, 2020	July 1, 2020	\$0.0950	100.00%	0.00%
July 16, 2020	August 3, 2020	\$0.0950	100.00%	0.00%
August 19, 2020	September 1, 2020	\$0.0950	100.00%	0.00%
September 17, 2020	October 1, 2020	\$0.0950	100.00%	0.00%
October 21, 2020	November 2, 2020	\$0.0950	100.00%	0.00%
November 17, 2020	December 1, 2020	\$0.0950	100.00%	0.00%
December 17, 2020	January 4, 2021	\$0.0950	100.00%	0.00%

- (1) The Company hereby reports the portion of its dividends as representing amounts eligible for treatment as qualified dividend income in accordance with IRC Section 854(b) and subject to a maximum 20% U.S. federal personal income tax rate, as well as eligible for the dividends received deduction available to certain U.S. domestic corporations.

Special Notice for Non-U.S. Resident Company Shareholders: In accordance with IRC sections 871(k), 881(e), 1441(c)(12) and 1442(a), 83.3% of the Company’s calendar year 2020 ordinary dividends constitutes interest-related dividends for U.S. federal tax purposes. Please consult with your tax advisor with any questions regarding this information.

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 either the American Stock Transfer and Trust Company at 800-937-5449 or PennantPark Floating Rate Capital Ltd.’s Investor Relations Department directly at 212-905-1000.