

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE HARVEST CAPITAL CREDIT
CORPORATION STOCKHOLDER LITIGATION

C.A. No. 2021-0164-JTL

**NOTICE OF PENDENCY OF STOCKHOLDER CLASS ACTION AND PROPOSED SETTLEMENT,
SETTLEMENT HEARING, AND RIGHT TO APPEAR**

The Delaware Court of Chancery authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights will be affected by the above-captioned stockholder class action (the “Action”) pending in the Court of Chancery of the State of Delaware (the “Court”) if you were a public stockholder of Harvest Capital Credit Corporation (“HCAP”) at any time during the period from December 22, 2020, through and including June 9, 2021.

NOTICE OF SETTLEMENT: Please also be advised that Plaintiffs Stewart Thompson and Ronald Tornese (together, “Plaintiffs”), on behalf of themselves and the Class (defined in paragraph 22 below), and Defendants JMP Group LLC, Joseph Jolson, Richard P. Buckanavage, and William Alvarez, Jr. (collectively, “Defendants,” and, together with Plaintiffs, the “Settling Parties”), have reached a proposed settlement for \$3,850,000.00 in cash (the “Settlement”). The proposed Settlement, if approved, will resolve all claims in the Action as against Defendants.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. This Notice explains how Class Members will be affected by the Settlement. The following table provides a brief summary of the rights you have as a Class Member and the relevant deadlines, which are described in more detail later in this Notice.¹

CLASS MEMBERS’ LEGAL RIGHTS IN THE SETTLEMENT:	
RECEIVE A PAYMENT FROM THE SETTLEMENT. CLASS MEMBERS <u>DO NOT</u> NEED TO SUBMIT A CLAIM FORM.	If you are a Class Member of the Class (defined in paragraph 22 below), you may be eligible to receive a <i>pro rata</i> distribution from the Settlement proceeds. Eligible Class Members do not need to submit a claim form in order to receive a distribution from the Settlement, if approved by the Court. Your distribution from the Settlement will be paid to you directly. See paragraphs 29-36 below for further discussion.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN JUNE 18, 2024.	If you are a Class Member and would like to object to the proposed Settlement, the proposed Plan of Allocation, or Plaintiffs’ Co-Lead Counsel’s request for an award of attorneys’ fees and litigation expenses as well as any incentive award, you may write to the Court and explain the reasons for your objection.

¹ Any capitalized terms used in this Notice that are not otherwise defined in this Notice shall have the meanings given to them in the Stipulation and Agreement of Settlement, Compromise and Release Between Plaintiffs and Defendants, dated February 23, 2024 (the “Stipulation”). A copy of the Stipulation is available at www.rg2claims.com/hcap.html.

ATTEND A HEARING ON JULY 2, 2024, AT 11:00 A.M. E.T., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JUNE 18, 2024.

Filing a written objection and notice of intention to appear that is received by June 18, 2024, allows you to speak in Court, at the discretion of the Court, about your objection. In the Court's discretion, the July 2, 2024, hearing may be conducted by telephone or video conference (*see* paragraphs 41-43 below). If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.

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WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to notify Class Members of the existence of the Action and the terms of the proposed Settlement with Defendants. The Notice is also being sent to inform Class Members of a hearing that the Court has scheduled to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation for the Settlement proceeds, and the application by Plaintiffs' Co-Lead Counsel for an award of attorneys' fees and litigation expenses as well as any incentive award in connection with the Settlement (the "Settlement Hearing"). *See* paragraphs 41-43 below for details about the Settlement Hearing, including the location, date, and time of the hearing.

2. The Court directed that this Notice be mailed to you because you may be a member of the Class. The Court has directed us to send you this Notice because, as a Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how the Action and the proposed Settlement generally affects your legal rights. Please Note: The Court may approve the proposed Settlement with such modifications as the Settling Parties may agree to, if appropriate, without further notice to the Class.

3. The issuance of this Notice is not an expression by the Court of any findings of fact or any opinion concerning the merits of any claim in the Action, and the Court has not yet decided whether to approve the Settlement. If the Court approves the Settlement, then payments to *eligible* Class Members will be made after any appeals are resolved.

PLEASE NOTE: Receipt of this Notice does not mean that you are a Class Member or an eligible Class Member or that you will be entitled to receive a payment from the Settlement.

WHAT IS THIS ACTION ABOUT?

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO THE FOLLOWING MATTERS AND THESE RECITATIONS

SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE SETTLING PARTIES.

4. On December 23, 2020, HCAP and Portman Ridge Finance Corporation (“PTMN”) issued a joint press release announcing that they had entered into a Merger Agreement, whereby PTMN would acquire HCAP (the “Merger”) pursuant to a series of transactions. In connection therewith, PTMN would issue to HCAP shareholders a number of shares of PTMN common stock equal to 19.9% of PTMN’s issued and outstanding common stock; PTMN would pay an amount of cash calculated pursuant to a formula based on HCAP’s closing net asset value; and PTMN’s external manager (Sierra Crest) would pay or cause to be paid an additional \$2.15 million to HCAP shareholders (collectively, the “Merger Consideration”).

5. On January 26, 2021, PTMN filed a Registration Statement in connection with the Merger.

6. In response, on February 25, 2021, Plaintiff Stewart Thompson, on behalf of himself and all other similarly situated shareholders of HCAP, filed a Verified Class Action Complaint in this Court, C.A. No. 2021-0164-JTL (the “Thompson Action”), against Defendant Jolson, Defendant Buckanavage, Dorian B. Klein, Jack G. Levin, Richard A. Sebastiao (collectively, the “Board Members”), Defendant JMP Group LLC (“JMP Group”), and HCAP. That same day, Plaintiff Ronald Tornese, on behalf of himself and all other similarly situated shareholders of HCAP, filed a similar Verified Class Action Complaint in this Court, C.A. No. 2021-0167-JTL (the “Tornese Action”), against the Board Members, JMP Group, and HCAP. Both the Thompson Action and Tornese Action sought an order requiring the Board Members to comply with their fiduciary duties and enjoining the Merger.

7. On or about March 30, 2021, and April 19, 2021, PTMN filed Pre-Effective Amendments Nos. 1 and 2, respectively, to the Registration Statement.

8. On April 19, 2021, Plaintiffs filed a Motion for Expedited Proceedings. The following day, HCAP filed a Definitive Schedule 14A Proxy Statement (together with the Registration Statement, the “Proxy”). Thereafter, the parties reached an agreement on the scope for expedited discovery and Plaintiffs withdrew their Motion for Expedited Proceedings. The parties then engaged in expedited discovery, and Plaintiffs received and reviewed an expedited discovery production. In total, throughout the course of this Action, Plaintiffs obtained and reviewed approximately 78,000 pages of documents produced by Defendants.

9. On June 7, 2021, HCAP shareholders voted to approve the Merger and, on June 9, 2021, the Merger was consummated.

10. On May 3, 2022, the Court entered an order consolidating the Thompson Action and the Tornese Action (as consolidated, the “Action”) and appointing Monteverde & Associates PC and Kahn Swick & Foti, LLC as Co-Lead Counsel for the putative Class. On May 10, 2022, Plaintiffs filed a Verified Consolidated Class Action Complaint (the “Consolidated Complaint”), which added Defendant Alvarez as a named defendant. The Consolidated Complaint did not name HCAP as a defendant.

11. On May 31, 2022, Defendants Jolson, Buckanavage, and JMP Group (together, the “JMP Defendants”) filed their Motion to Dismiss the Consolidated Complaint, with their opening brief in support filed on August 31, 2022. Also on May 31, 2022, Board Members Klein, Levin, and Sebastiao filed their Motion to Dismiss the Consolidated Complaint, with their opening brief in support filed on August 31, 2022. On December 1, 2022, Defendant Alvarez filed his Motion to Dismiss the Consolidated Complaint along with his opening brief in support.

12. On December 13, 2022, Plaintiffs filed their Verified Consolidated Amended Class Action Complaint (the “Consolidated Amended Complaint”) against the Board Members, JMP Group, and Alvarez. As a result, on February 10, 2023, the JMP Defendants filed their Motion to Dismiss the Consolidated Amended Complaint, along with their opening brief in support. Also on February 10, 2023, Klein, Levin, and Sebastiao filed their Motion to Dismiss the Consolidated Amended Complaint, along with their opening brief in support. In addition, on February 10, 2023, Alvarez filed his Motion to Dismiss the Consolidated Amended Complaint, along with his opening brief in support.

13. On March 15, 2023, Plaintiffs filed their Omnibus Brief in Opposition to Defendants’ Motions to

Dismiss the Consolidated Amended Complaint. On April 14, 2023, the JMP Defendants filed their Reply Brief; Klein, Levin, and Sebastiao filed their Reply Brief; and Alvarez filed his Reply Brief.

14. On June 7, 2023, the Court held a hearing on Defendants' Motions to Dismiss the Consolidated Amended Complaint and (i) denied the JMP Defendants' Motion to Dismiss, (ii) denied Defendant Alvarez's Motion to Dismiss, and (iii) granted the Motion to Dismiss of Klein, Levin, and Sebastiao. The Court then encouraged the remaining parties to confer regarding potential mediation.

15. On June 28, 2023, the Settling Parties informed the Court that they had agreed to explore mediation with former Judge Rocanelli.

16. On November 8, 2023, in preparation for the mediation led by Judge Rocanelli to be held on November 29-30, 2023, Plaintiffs submitted their All Parties Mediation Brief (later exchanged with Defendants) and an *Ex Parte* Mediation Supplement to Judge Rocanelli. Also on November 8, 2023, Defendants submitted their Shared Mediation Submission to Judge Rocanelli (later exchanged with Plaintiffs), along with an *Ex Parte* Mediation Submission.

17. On November 14, 2023, Plaintiffs served Subpoenas *Duces Tecum* on non-parties BC Partners LLP and PTMN.

18. At the mediation on November 29, 2023, the Settling Parties agreed to accept a Mediator's proposal in the amount of \$3.85 million, conditioned upon resolution of any coverage issues among the insureds and the insurers by December 15, 2023. Thereafter, on December 15, 2023, the coverage condition was satisfied.

19. On January 24, 2024, the Settling Parties executed a Term Sheet memorializing, among other things, the Settling Parties' agreement to settle and release all claims against the Released Group in return for a cash payment on behalf of Defendants of \$3,850,000.00 for the benefit of the Class, subject to certain terms and conditions and the execution of a customary "long form" stipulation and agreement of settlement and related papers.

20. On February 23, 2024, the Settling Parties executed the Stipulation that reflects the final and binding agreement between the Settling Parties with regard to the Settlement and supersedes the Term Sheet.

21. On February 29, 2024, the Court entered a Scheduling Order directing that notice of the Settlement be provided to potential Class Members, and scheduling the Settlement Hearing to, among other things, consider whether to grant final approval of the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

22. If you are a member of the Class, you are subject to the Settlement. The Class preliminarily certified by the Court for purposes of the Settlement consists of:

All persons or entities who held shares of the common stock of HCAP, either of record or beneficially, at any time during the period from and including the date immediately prior to the date on which the former board of directors of HCAP approved the acquisition of HCAP by PTMN (*i.e.*, December 22, 2020), through and including the effective time of the closing of the Merger (June 9, 2021) (the "Class Period"), including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns, or transferees, immediate or remote, and any person or entity acting on behalf of, or claiming under, any of them and each of them.

Excluded from the Class are: (i) Defendants; (ii) the former directors and officers of HCAP (including, but not limited to, Dorian B. Klein, Jack G. Levin, and Richard A. Sebastiao); (iii) members of the Immediate Family of any Defendant; (iv) any entity in which a Defendant has or had a controlling interest; (v) officers of Defendants; and (vi) the associates, affiliates, legal representatives, heirs, successors in interest, transferees, and assigns of any such excluded person or entity.

PLEASE NOTE: The Class is a non-“opt-out” class pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2). Accordingly, Class Members do not have the right to exclude themselves from the Class.

WHAT ARE THE TERMS OF THE SETTLEMENT?

23. In consideration of the Settlement of the Released Plaintiffs’ Claims (defined in paragraph 37 below) against Defendants and the other Released Group (defined in paragraph 37 below), Defendant JMP Group will cause \$3,850,000.00 in cash (the “Settlement Amount”) to be deposited into an interest-bearing Escrow Account for the benefit of the Class. See paragraphs 29-36 below for details about the distribution of the Settlement proceeds to eligible Class Members.

24. Defendants shall have no role in, and shall bear no responsibility for, the allocation, distribution, or payment of funds from the Settlement Fund.

WHAT ARE THE SETTLING PARTIES’ REASONS FOR THE SETTLEMENT?

25. Plaintiffs and Co-Lead Counsel thoroughly considered the facts and law underlying the claims asserted in the Action. Although Plaintiffs and Co-Lead Counsel believe that the claims asserted have merit, the Court could have adopted Defendants’ view of the applicable legal standards or of the underlying evidence, and could enter judgment for Defendants, either dismissing the claims against Defendants prior to trial or after trial, as well as the fact that the Settlement equals 100% of the amounts paid under the transition services agreement at issue in the Action. Plaintiffs and Co-Lead Counsel also considered the expense and length of continued proceedings necessary to pursue Plaintiffs’ claims against Defendants through trial, the uncertainty of appeals, and the collectability of any potential judgment.

26. In light of the monetary recovery achieved, and based upon their investigation and prosecution of the case, and the information available to them through discovery and the settlement negotiations, Plaintiffs and Co-Lead Counsel have concluded that the terms and conditions of the Stipulation are fair, reasonable, and adequate to Plaintiffs and the Class, and in their best interests. The Settlement provides an immediate benefit in the form of a \$3.85 million cash payment without the risk that continued litigation could result in obtaining no recovery or a smaller recovery from Defendants after continued extensive and expensive litigation, including trial and appeals.

27. Defendants deny any and all allegations of wrongdoing, fault, liability, violations of law, or damages arising out of or related to any of the conduct, statements, acts, or omissions alleged in the Action, and maintain that their conduct was at all times proper, in the best interests of HCAP and its stockholders, and in compliance with applicable law. Defendants further deny any breach of fiduciary duties. Defendants affirmatively assert that the Merger was the best available transaction for HCAP and its stockholders, was entirely fair to HCAP and its stockholders, and has provided HCAP and its stockholders with substantial benefits. Defendants also deny that HCAP or its stockholders were harmed by any conduct of Defendants alleged in the Action or that could have been alleged therein. Each of Defendants asserts that, at all relevant times, he/she/it acted in good faith and in a manner reasonably believed to be in the best interests of HCAP and all of its stockholders.

28. Nevertheless, Defendants wish to eliminate the uncertainty, risk, burden, and expense of further litigation. Defendants have therefore determined to settle the Action on the terms and conditions set forth in the Stipulation solely to put the Released Plaintiffs’ Claims to rest, finally and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages. Nothing in the Settlement and the Stipulation shall be construed as, or deemed to be, evidence of or an admission or concession on the part of any of Released Group with respect to any claim or factual allegation or of any fault or liability or wrongdoing or damage whatsoever or any infirmity in the defenses that any of Defendants have or could have asserted.

HOW MUCH WILL MY PAYMENT FROM THE SETTLEMENT BE? HOW WILL I RECEIVE MY PAYMENT?

29. Please Note: If you are eligible to receive a payment from the Net Settlement Fund, **you do not have to submit a claim form in order to receive your payment.**

30. As stated above, the \$3,850,000.00 Settlement Amount will be deposited into an interest-bearing Escrow Account for the benefit of the Class. If the Settlement is approved by the Court and the Effective Date of the Settlement occurs, the Net Settlement Fund (that is, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less: (i) any Taxes and Tax Expenses; (ii) any Notice and Administration Costs; (iii) any Fee and Expense Award awarded by the Court; and (iv) any other costs or fees approved by the Court) will be distributed in accordance with the proposed Plan of Allocation stated below or such other plan of allocation as the Court may approve.

31. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

32. The Court may approve the Plan of Allocation as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the Settlement website, www.rg2claims.com/hcap.html.

Proposed Plan of Allocation

33. The Net Settlement Fund will be distributed on a *pro rata* basis to “Eligible Class Members.” “Eligible Class Members” will consist of all Class Members who held shares of HCAP common stock at the closing of the Merger on June 9, 2021 (the “Closing Date”), and therefore received or were entitled to receive the Merger Consideration for their “Eligible Shares.” “Eligible Shares” will be the number of shares of HCAP common stock held by Eligible Class Members at the Closing and for which Eligible Class Members received or were entitled to receive the Merger Consideration.²

34. Each Eligible Class Member will be eligible to receive a *pro rata* payment from the Net Settlement Fund equal to the product of (i) the number of Eligible Shares held by the Eligible Class Member; and (ii) the “Per-Share Recovery” for the Settlement, which will be determined by dividing the total amount of the Net Settlement Fund by the total number of Eligible Shares.

35. Payments from the Net Settlement Fund to Eligible Class Members will be made in the same manner in which Eligible Class Members received the Merger Consideration. Accordingly, if your shares of HCAP common stock were held in “street name” and the Merger Consideration was deposited into your brokerage account, your broker will be responsible for depositing your Settlement payment into that same brokerage account.

36. Subject to Court approval in the Class Distribution Order, Plaintiffs’ Co-Lead Counsel will direct the Settlement Administrator to conduct the distribution of the Net Settlement Fund to Eligible Class Members as follows:

(i) With respect to shares of HCAP common stock held of record at the Closing Date by the Depository Trust & Clearing Corporation, including its subsidiary the Depository Trust Company (collectively, “DTCC”), through its nominee Cede & Co., Inc. (“Cede”), the Settlement Administrator will cause that portion of the Net Settlement Fund to be allocated to Eligible Class Members who held their shares through DTCC Participants to be paid to DTCC. DTCC shall then distribute that portion of the Net Settlement Fund among the DTCC Participants by paying each the Per-Share Recovery times its respective Closing Security Position,³ using the same mechanism that DTCC used to distribute the Merger Consideration and subject to payment suppression instructions with respect to Excluded Shares and any other shares ineligible for recovery from the Settlement. The DTCC Participants and their respective customers, including any intermediaries, shall then ensure *pro rata* payment to each Eligible Class Member

² “Eligible Class Members” do not include any of the “Excluded Stockholders” (as defined in the Stipulation) and “Eligible Shares” do not include any of the “Excluded Shares” (as defined in the Stipulation).

³ For each DTCC Participant, the “Closing Security Position” is the number of shares of HCAP common stock reflected on the DTCC allocation report used by DTCC to distribute the Merger Consideration.

based on the number of Eligible Shares beneficially owned by such Eligible Class Members.

(ii) With respect to shares of HCAP common stock held of record at the Closing Date other than by Cede, as nominee for DTCC (a “Closing Non-Cede Record Position”), the payment with respect to each such Closing Non-Cede Record Position shall be made by the Settlement Administrator from the Net Settlement Fund directly to the record owner of each Closing Non-Cede Record Position in an amount equal to the Per-Share Recovery times the number of Eligible Shares comprising such Closing Non-Cede Record Position.

(iii) A person who purchased shares of HCAP common stock on or before June 9, 2021, but had not settled those shares at the Merger’s Closing Date (“Non-Settled Shares”) shall be treated as an Eligible Class Member (and their shares treated as Eligible Shares) with respect to those Non-Settled Shares, and a person who sold those Non-Settled Shares on or before June 9, 2021 shall not be treated as an Eligible Class Member with respect to those Non-Settled Shares.

(iv) In the event that any payment from the Net Settlement Fund is undeliverable or in the event a check is not cashed by the stale date (*i.e.*, more than six months from the check’s issue date), the DTCC Participants or the holder of a Closing Non-Cede Record Position shall follow their respective policies with respect to further attempted distribution or escheatment.

WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED?
WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

37. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). Pursuant to the Judgment, the claims asserted against Defendants in the Action will be dismissed with prejudice and the following releases will occur:

(i) **Release of Claims by Plaintiffs and the Class:** Upon the Effective Date, Plaintiffs and each and every Class Member, on behalf of themselves and any and all of their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns, and transferees, immediate and remote, and any Person acting for or on behalf of, or claiming under, any of them, and each of them, together with their predecessors-in-interest, predecessors, successors-in-interest, successors, and assigns, each of the foregoing in their capacities as such only, will have fully, finally, and forever released, settled, and discharged the Released Group (defined below) from and with respect to every one of the Released Plaintiffs’ Claims (defined below), and will thereupon be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any Released Plaintiffs’ Claims against any of the Released Group’s Persons. This Release shall not apply to any of the Excluded Plaintiffs’ Claims (defined below).

“Released Plaintiffs’ Claims” means all claims and causes of action, including Unknown Claims, that Plaintiffs or any or all other members of the Class ever had, now have, or may have against any of the Defendants or Released Group’s Persons, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including, but not limited to, any claims that could be asserted derivatively on behalf of HCAP that were, could have been, or in the future can or might be alleged, asserted, or claimed, directly or indirectly, in the Action or in any court, tribunal, forum, or proceeding, which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, claims, or any other matters alleged in the Action or that could have been alleged in the Action or relate to the subject matter thereof, including, without limitation, the Merger, the Proxy, and the related agreements, including the transition services agreement at issue in the Action; provided, however, that the Released Plaintiffs’ Claims shall not include any properly perfected claims for appraisal pursuant to 8 *Del. C.* § 262 or claims to enforce the Settlement (the “Excluded Plaintiffs’ Claims”).

“Released Group” means Defendants, all former directors, officers, principals and employees of JMP Group, HCAP and/or PTMN (including, but not limited to, Dorian B. Klein, Jack G. Levin, and Richard A. Sebastiao), HCAP, and each of their respective past or present affiliates, parents, and subsidiaries (specifically including, without limitation, HCAP, PTMN, each and every subsidiary of PTMN and Citizens JMP Group, LLC), whether owned or controlled directly or indirectly, as well as each of their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees,

foundations, agents, employers, employees, fiduciaries, partners, control persons, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, affiliates, parents, subsidiaries, divisions, associated entities, stockholders and beneficial owners, principals, officers, managers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, insurers, co-insurers, reinsurers, and associates, and all other persons who have, may have, or purport to have a right of contribution from any of the foregoing in their respective capacities as such.

(ii) **Release of Claims by Defendants:** Upon the Effective Date, Defendants, on behalf of themselves and any and all of their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns, and transferees, immediate and remote, and any Person acting for or on behalf of, or claiming under, any of them, and each of them, together with their predecessors-in-interest, predecessors, successors-in-interest, successors, and assigns, each of the foregoing in their capacities as such only, will have fully, finally, and forever released, settled, and discharged the Released Plaintiffs (defined below) from and with respect to every one of the Released Defendants' Claims (defined below), and will thereupon be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any Released Defendants' Claims against any of the Released Plaintiffs.

"Released Defendants' Claims" means all claims and causes of action, including Unknown Claims, arising out of or relating to the commencement or prosecution of the Action other than claims relating to the enforcement of the Settlement, including, without limitation, all claims and causes of action, including Unknown Claims, arising out of or relating to all actions taken by Plaintiffs in connection with the initiation, prosecution, and settlement of the Action. For the avoidance of doubt, the Released Defendants' Claims do not include claims based on conduct after the Effective Date.

"Released Plaintiffs" means (i) Plaintiffs, all other Class Members, and Co-Lead Counsel; and (ii) their legal representatives, heirs, executors, administrators, trusts, trustees, parents, affiliates, subsidiaries, officers, directors, partnerships, partners, agents, employees, Immediate Family, insurers, reinsurers, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns of any of the foregoing in their respective capacities as such.

"Unknown Claims" means, as appropriate, (i) any Released Plaintiffs' Claims that any Plaintiff or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Group, or (ii) any Released Defendants' Claims that any member of the Released Group does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiffs, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that Plaintiffs and the Released Group shall expressly waive, and each of the other Class Members by operation of law shall be deemed to have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Settling Parties acknowledge, and each of the other Class Members by operation of law are deemed to acknowledge, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of the Settling Parties, and by operation of law the other Class Members, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Settling Parties also acknowledge, and each of the other Class Members by operation of law are deemed to acknowledge, that the inclusion of "Unknown Claims" in the definition

of Released Plaintiffs' Claims and Released Defendants' Claims is separately bargained for and is a key element of the Settlement.

38. By Order of the Court, all proceedings against Defendants in the Action, except for those related to the Settlement, have been stayed, and Plaintiffs and all other Class Members are barred and enjoined from commencing, instituting, or prosecuting any other proceedings against Defendants or Released Group asserting any Released Plaintiffs' Claims pending final determination of whether the Settlement should be approved.

39. If the Settlement is approved and the Effective Date occurs, no HCAP stockholder or Class Member will be able to bring another action asserting the Released Plaintiffs' Claims against any of the Released Group Persons on behalf of HCAP or individually.

HOW WILL PLAINTIFFS' CO-LEAD COUNSEL BE PAID?

40. Co-Lead Counsel have not received any payment for their services in pursuing claims in the Action on behalf of the Class, nor have they been paid for their litigation expenses incurred in connection with the Action. Before final approval of the Settlement, Co-Lead Counsel will apply to the Court for an award of attorneys' fees and litigation expenses to Co-Lead Counsel in connection with achieving the creation of the Settlement Fund (the "Fee and Expense Award") in an amount of up to 1/3 of the Settlement Fund plus expenses in the amount of up to \$100,000, including up to a \$5,000 aggregate incentive award for Plaintiffs paid from the Fee and Expense Award (the "Incentive Award"). The Court will determine the amount of the Fee and Expense Award and any Incentive Award. The Fee and Expense Award will be paid solely from (and out of) the Settlement Fund in accordance with the terms of the Stipulation. To be clear, any incentive award shall be paid from the Fee and Expense Award. Class Members are not personally liable for any such fees or expenses.

WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DO NOT LIKE THE SETTLEMENT?

41. **Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the Settlement Hearing. Class Members can recover from the Settlement without attending the Settlement Hearing.**

42. **Please Note:** The date and time of the Settlement Hearing may change without further written notice to Class Members. In addition, the Court may decide to conduct the Settlement Hearing remotely by Zoom, or otherwise allow Class Members to appear at the hearing remotely by video or phone, without further written notice to Class Members. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Class Members must or may participate remotely by video or phone, it is important that you monitor the Court's docket and the Settlement website, www.rg2claims.com/hcap.html, before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person or remote appearances at the hearing, will be posted to the Settlement website, www.rg2claims.com/hcap.html. Also, if the Court requires or allows Class Members to participate in the Settlement Hearing remotely by video or telephone conference, the information needed to access the conference will be posted to the Settlement website, www.rg2claims.com/hcap.html.**

43. The Settlement Hearing will be held on July 2, 2024, at 11:00 a.m., either in person at the Court of Chancery of the State of Delaware, New Castle County, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, or remotely by Zoom (in the discretion of the Court), to, among other things: (a) determine whether the Action may be finally maintained as a non-opt out class action and whether the Class should be finally certified, for purposes of the Settlement, pursuant to Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2); (b) determine whether Plaintiffs may be finally appointed as representatives for the Class and Plaintiffs' Co-Lead Counsel finally appointed as counsel for the Class, and whether Plaintiffs and Co-Lead Counsel have adequately represented the interests of the Class in the Action; (c) determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class, and should be approved by the Court; (d) determine whether a Judgment should be entered dismissing the Action with prejudice as against Defendants and releasing all Released Plaintiffs' Claims against the Released Group; (e) determine whether the proposed Plan of

Allocation of the Net Settlement Fund is fair and reasonable, and should therefore be approved; (f) determine whether Co-Lead Counsel’s requested Fee and Expense Award and/or Incentive Award should be approved; (g) hear and rule on any objections to the Settlement, the proposed Plan of Allocation, and/or to Co-Lead Counsel’s requested Fee and Expense Award and/or Incentive Award; and (h) consider any other matters that may properly be brought before the Court in connection with the Settlement.

44. Any Class Member may object to the Settlement, the proposed Plan of Allocation, or the Fee and Expense Award (“Objector”); *provided, however*, that no Objector shall be heard or entitled to object unless, **on or before June 18, 2024**, such person **(1)** files their written objection, together with copies of all other papers and briefs supporting the objection specified in paragraph 45 below, with the Register in Chancery at the address set forth below; **(2)** serves such papers (electronically by File & Serve*Xpress*, by hand, by first-class U.S. Mail, or by express service) on Co-Lead Counsel and Defendants’ Counsel at the addresses set forth below; and **(3)** emails a copy of the written objection to michael.palestina@ksfcounsel.com, jmonteverde@monteverdelaw.com, mfisher@potteranderson.com, and butcher@lrclaw.com:

REGISTER IN CHANCERY	
Register in Chancery Court of Chancery of the State of Delaware New Castle County Leonard L. Williams Justice Center 500 North King Street Wilmington, Delaware 19801	
PLAINTIFFS’ CO-LEAD COUNSEL	
KAHN SWICK & FOTI, LLC Michael J. Palestina 1100 Poydras Street, Suite 960 New Orleans, LA 70163 Tel.: (504) 455-1400	MONTEVERDE & ASSOCIATES PC Juan E. Monteverde The Empire State Building 350 Fifth Avenue, Suite 4740 New York, NY 10118 Tel.: (212) 971-1341
DEFENDANTS’ COUNSEL	
POTTER ANDERSON & CORROON LLP Matthew E. Fischer Hercules Plaza, Sixth Floor 1313 North Market Street Wilmington, DE 19801 Tel.: (302) 984-6000 <i>Attorneys for Defendants JMP Group LLC, Jolson, and Buckanavage</i>	LANDIS RATH & COBB LLP Rebecca L. Butcher 919 Market Street, Suite 1800 Wilmington, DE 19801 Tel.: (302) 467-4400 <i>Attorneys for Defendant Alvarez</i>

45. Any objections must: (i) identify the case name and civil action number, “*In re Harvest Capital Credit Corporation Stockholder Litigation*, C.A. No. 2021 0164-JTL”; (ii) state the name, address, and telephone number of the Objector and, if represented by counsel, the name, address, and telephone number of the Objector’s counsel; (iii) be signed by the Objector; (iv) contain a specific, written statement of the objection(s) and the specific reason(s) for the objection(s), including any legal and evidentiary support the Objector wishes to bring to the Court’s attention, and, if the Objector has indicated that he, she, or it intends to appear at the Settlement Hearing, the identity of any witnesses the Objector may call to testify and any exhibits the Objector intends to introduce into evidence at the hearing; and (v) include documentation sufficient to prove that the Objector is a member of the Class (*i.e.*, held

shares of HCAP common stock at any time during the period from December 22, 2020, through and including June 9, 2021). Documentation establishing that an Objector is a member of the Class must consist of copies of monthly brokerage account statements or an authorized statement from the Objector's broker containing the transactional and holding information found in an account statement.

46. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

47. If you wish to be heard orally at the Settlement Hearing in opposition to the approval of the Settlement, the Plan of Allocation, or the Fee and Expense Award and/or Incentive Award, assuming you timely file and serve a written objection as described above, you must also file a notice of appearance with the Register in Chancery and serve it on Co-Lead Counsel and on Defendants' Counsel at the mailing and email addresses set forth in paragraph 44 above so that the notice is **received on or before June 18, 2024**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

48. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Co-Lead Counsel and Defendants' Counsel at the mailing and email addresses set forth in paragraph 44 above so that the notice is **received on or before June 18, 2024**.

49. The Settlement Hearing may be adjourned by the Court without further written notice to Class Members. If you intend to attend the Settlement Hearing, you should confirm the date and time with Co-Lead Counsel.

50. **Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection (including the right to appeal) and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or the Fee and Expense Award and/or Incentive Award, or any other matter related to the Settlement or the Action, and will otherwise be bound by the Judgment to be entered and the Releases to be given. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

51. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, New Castle County, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801. Additionally, copies of the Stipulation, the Consolidated Amended Complaint, and any related orders entered by the Court will be posted on the Settlement website, www.rg2claims.com/hcap.html. If you have questions regarding the Settlement, you may contact the Settlement Administrator: RG/2 Claims Administration, LLC P.O. Box 59479 Philadelphia, PA 19102-9479 Phone (866) 742-4955 Fax: (215) 827-5551 Email: info@rg2claims.com or Co-Lead Counsel: Juan E. Monteverde, The Empire State Building, 350 Fifth Avenue, Suite 4740, New York, NY 10118, (212) 971-1341, jmonteverde@monteverdelaw.com, or Michael J. Palestina, 1100 Poydras Street, Suite 960, New Orleans, LA 70163, (504) 455-1400, michael.palestina@ksfcounsel.com.

WHAT IF I HELD SHARES ON SOMEONE ELSE'S BEHALF?

52. If you are a broker or other nominee that held shares of HCAP common stock at any time during the period from December 22, 2020, through and including June 9, 2021, for the beneficial interest of persons or entities other than yourself, you are requested to either: (i) within seven (7) calendar days of receipt of this Notice, request from the Settlement Administrator sufficient copies of this Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notices forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names, addresses, and, if available, email

addresses of all such beneficial owners to RG/2 Claims Administration, LLC P.O. Box 59479 Philadelphia, PA 19102-9479 Phone (866) 742-4955 Fax: (215) 827-5551 Email: info@rg2claims.com If you choose the second option, the Settlement Administrator will send a copy of the Notice to the beneficial owners.

53. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Settlement Administrator with proper documentation supporting the expenses for which reimbursement is sought. A copy of this Notice may also be obtained from the Settlement website, www.rg2claims.com/hcap.html by calling the Settlement Administrator toll free at 1-866-742-4955, or by emailing the Settlement Administrator at info@rg2claims.com

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE REGISTER IN CHANCERY
REGARDING THIS NOTICE.**

Dated: February 29, 2024

BY ORDER OF THE COURT OF
CHANCERY OF THE STATE OF
DELAWARE