

PSEC Preferred Electronic Conversion Form

Use only when the preferred stock is held in a Brokerage Account

PROSPECT CAPITAL

Prospect Capital Corporation
Series A1 & M1 Convertible Preferred Stock

Instructions

Prospect Capital Corporation (PSEC) accepts conversion requests on a continual basis with deadlines on the 15th (or the preceding business day if the 15th is not a business day) and last business day of every month. Please allow approximately 15-30 calendar days for processing upon a submission of a conversion request that is in good order. Requests will be processed twice a month. PSEC may elect to settle conversion of preferred shares in cash or common stock in accordance with the terms of the preferred shares and that decision will be made on an individual conversion basis. PSEC's transfer agents may coordinate further with institutions based upon the information provided to properly deliver cash or shares of common stock. If the preferred stock is held at our transfer agent, Computershare, or for death redemptions, please complete the full (3 page) redemption form found on www.pcsalts.com – Investment Programs – Prospect Capital Series A and M.

Conversion Fee Details

All conversions are completed at stated value, which is \$25 per share. A conversion fee may apply based upon the original issuance date and the length of time the preferred shares were outstanding; the conversion fee schedule is as follows:

*For M1 Preferred: During year one, the settlement amount is reduced by the aggregate amount of all dividends, whether paid or accrued, on such M Share in the three full months prior to the exercise date.

Year	Series A	Series M1
1	9%	0%*
2	8%	
3	7%	
4	6%	
5	5%	

For all preferred shares, the conversion fee drops to 0% following the last conversion fee in the chart above. To find the conversion schedule for your specific CUSIP please consult your advisor or our website www.pcsalts.com. Click on the *Investment Programs* in the upper right hand corner, select *Prospect Capital Series A and M Offering Information*, your Preferred Series, and locate your CUSIP based up the the directions on the page.

Conversion/ Redemption Request

Full

Partial

Preferred CUSIP

Number of Shares

Investor Names (s)

Brokerage Account Number

Advisor Name

Broker Dealer/RIA Firm

Clearing Firm

Conversion Request Acknowledgments & Signatures

The undersigned is the owner (or duly authorized agent of the owner) of the shares presented for conversion and thus is authorized to present the shares for conversion. The shares presented for conversion are eligible for conversion pursuant to the terms of the preferred shares. The shares are fully transferable and have not been assigned, pledged, or otherwise unencumbered in any way. The undersigned acknowledges that the company has the choice to convert the shares by delivering stock or cash in accordance with the terms of the preferred shares. The undersigned acknowledges that there may be a conversion fee. The undersigned hereby indemnifies and holds harmless PSEC, and its respective officers and directors from and against any liabilities, damages, expenses including reasonable legal fees, arising out of or in connection with any misrepresentation made herein.

Investor Signature

Co-Investor Signature

Date

Advisor Signature

Branch Manager Signature (if required)

Custodian Signature (if required)

Date

Date

Date