

Hercules Capital, Inc.  
Form DEF 14A  
November 06, 2017

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

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant    Filed by a Party other than the Registrant   

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Hercules Capital, Inc.**  
**(Name of Registrant as Specified in Its Charter)**

**(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth  
(3) the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

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(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

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400 Hamilton Avenue, Suite 310  
Palo Alto, California 94301  
(650) 289-3060

**NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS  
HERCULES CAPITAL, INC.**

***Time*** 9:00 a.m., Pacific Time

***Date*** December 13, 2017

***Place*** Hercules Capital, 400 Hamilton Avenue, Suite 310 Palo Alto, California 94301

***Purpose***

1. Elect two directors who will serve for the term specified in the Proxy Statement.
2. Approve, on an advisory basis, the compensation of the Company's named executive officers.
3. Approve, on an advisory basis, the frequency of the executive compensation advisory vote.
4. Ratify the selection of PricewaterhouseCoopers LLP to serve as our independent public accounting firm for the year ending December 31, 2017.
5. Transact such other business as may properly come before the meeting or any adjournment thereof.

***Record Date*** You have the right to receive notice of and to vote at the annual meeting if you were a stockholder of record at the close of business on October 30, 2017. We plan to begin mailing this Proxy Statement on or about November 9, 2017 to all stockholders entitled to vote their shares at the annual meeting.

***Voting by Proxy*** Please submit a proxy card or, for shares held in street name, voting instruction form as soon as possible so your shares can be voted at the meeting. You may submit your proxy card or voting instruction form by mail. If you are a registered stockholder, you may also vote electronically by telephone or over the Internet by following the instructions included with your proxy card. If your shares are held in street name, you will receive instructions for voting of shares from your broker, bank or other nominee, which may permit telephone or Internet voting. Follow the instructions on the voting instruction form that you receive from your broker, bank or other nominee to ensure that your shares are properly voted at the annual meeting.

The enclosed Proxy Statement is also available at <https://materials.proxyvote.com/427096>. This website also includes copies of the proxy card and our annual report to stockholders. Stockholders may request a copy of the Proxy Statement and our annual report by contacting our main office at (650) 289-3060.

**By Order of the Board,**

**General Counsel, Chief Compliance Officer  
and Secretary**

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**SUMMARY INFORMATION**

*This summary provides highlights about Hercules Capital, Inc., and information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider when deciding how to vote your shares. The Company, Hercules, HTGC, we, us and our refer to Hercules Capital, Inc. and its wholly owned subsidiaries and its affiliated securitization trusts on or after February 25, 2016 and Hercules Technology Growth Capital, Inc. and its wholly owned subsidiaries and its affiliated securitization trusts prior to February 25, 2016 unless the context otherwise requires.*

**About Hercules and 2016 Financial Highlights**

We are a specialty finance company focused on providing senior secured venture growth loans to high-growth, innovative venture capital-backed companies in a variety of technology, life sciences and sustainable and renewable technology industries.

**2016 Company Highlights**

The Company had an exceptional year in 2016 in key financial and non-financial areas. Our select financial performance achievements are below, which also highlights the growth and success of our Company. Our 2016 financial and non-financial highlights are as follows:

- Record Net Investment Income "NII" of \$100.3 million, or \$1.34 per share, an increase of 36.5% as compared to \$73.5 million, or \$1.04 per share in the prior year;
- Record Total Investment Income of \$175.1 million, an increase of 11.4%, as compared to \$157.1 million in the prior year;
- Record Total Investment Assets of \$1.42 billion, at value, an increase of 18.6%, as compared to \$1.20 billion in the prior year;
- One and five-year Total Shareholder Returns ( TSR ) of 25.9% and 110.7%, respectively; and
- 13.3% Return on Average Equity "ROAE" (NII/Average Equity).

**Key Performance Highlights**

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**Total Shareholder Return % (TSR)<sup>(b)</sup> vs. BDCs & INDEXES**

**Delivering Strong Shareholder Returns**

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**DELIVERING STRONG AND CONSISTENT FINANCIAL PERFORMANCE**

**MAINTAINING A PREMIUM TO NAV**

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**PORTFOLIO GROWTH WITH UNDERWRITING DISCIPLINE**

**HERCULES INVESTMENT PORTFOLIO: Year-End 2016**

SUMMARY INFORMATION 4

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As of October 31 2016, the Company outperformed most of its Peer Group (defined on page 34) over the one-, three- and five-year period as follows:

<i>Performance Period</i>	<b>Return on Average Assets (excl. cash)</b>		<b>Return on Equity</b>		<b>Return on Invested Capital</b>		<b>Total Shareholder Returns</b>	
	<i>% Rank of</i>		<i>% Rank of</i>		<i>% Rank of</i>		<i>% Rank of</i>	
	<i>HTGC</i>	<i>Peer Group</i>	<i>HTGC</i>	<i>Peer Group</i>	<i>HTGC</i>	<i>Peer Group</i>	<i>HTGC</i>	<i>Peer Group</i>
<b>1-year</b>	6.1%	100%	10.5%	93%	6.2%	93%	36.2%	100%
<b>3-year</b>	6.2%	99%	10.2%	89%	6.3%	89%	5.3%	64%
<b>5-year</b>	6.3%	96%	10.3%	86%	6.4%	87%	17.2%	88%

\* Data source: S&P Capital IQ and reflects the most recent four quarters and TSR available as of 10/31/16.

**Voting Matters and Recommendations**

<u>Agenda Items</u>	<b>Board Vote Recommendation</b>	<b>Page Reference (for more detail)</b>
1. To elect two directors who will serve for the term specified in the Proxy Statement.	FOR	<u>10</u>
2. To approve, on an advisory basis, the compensation of Hercules' named executive officer ( NEOs ), as described in the Proxy Statement.	FOR	<u>53</u>
3. To approve, on an advisory basis, the frequency of the executive compensation advisory vote.	ONE YEAR	<u>55</u>
4. To ratify the selection of PricewaterhouseCoopers LLP ( PwC ) to serve as our independent public accounting firm for the fiscal year ending December 31, 2017.	FOR	<u>56</u>

**Board Nominees**

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Independent<sup>(1)</sup></b>	<b>Board Committee Members</b>		
				<b>AC</b>	<b>CC</b>	<b>NGCG</b>
Robert P. Badavas	64	2006	X	C	—	—
Jorge Titinger <sup>(2)</sup>	56	—	X	—	—	—

AC = Audit Committee CC = Compensation Committee NGCG = Nominating and Corporate Governance Committee

M = Member C = Committee Chairman

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- (1) Under the rules and regulations of the SEC and the listing standards of New York Stock Exchange ( NYSE ).
- (2) If elected, Mr. Titinger will serve as chairperson of the Compensation Committee.

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**Board Independence:** Independent directors comprise the majority of our board of directors ( Board ) (7 out of 8 directors).

**Independent Director:** A lead independent director enhances our Board's management oversight responsibilities.

**Board Committee:** All of the members of our Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee ( NCG Committee ) are independent directors.

**Board Accountability:** Our Board and its committees conduct scheduled meetings in executive session, out of the presence of our chief executive officer.

**Term Limits:** Our corporate governance guidelines impose term limits on our directors and our committee chairs.

- **Risk Management:** Our Board and its committees remain in close contact with, and receive reports on various aspects of our business from, our senior management team and independent auditors.

The Corporate Governance section of this Proxy Statement provides further information about our corporate governance practices, Board structure and Board committees.

**Executive Compensation**

Consistent with our Board's recommendation and our stockholders' preference, we submit an advisory vote to approve our executive compensation (otherwise known as "say-on-pay") on an annual basis. Accordingly, we are seeking your approval, on an advisory basis, of the compensation for our NEOs, as further described in the Compensation Discussion and Analysis section of this Proxy Statement. In addition, we are also seeking a vote, on an advisory basis, as to whether an advisory vote should occur every one, two or three years. We are required by applicable law to seek shareholder input on "say on pay" frequency this year.

**2016 Executive Compensation Highlights**

For a summary of our 2016 executive compensation and key features of our executive compensation programs, please refer to the Executive Summary of the Compensation Discussion and Analysis section of this Proxy Statement on page 30.

**Auditor Matters**

We are seeking your ratification of PwC as our independent public accounting firm for the 2017 fiscal year. The following table summarizes the fees billed, or expected to be billed, by PwC for the fiscal year ending December 31, 2016, (please refer to the proposal on page 56):

	<b>2016</b> (in millions)
Audit Fees	\$ 1.4
Audit-Related Fees	—
Tax Fees	\$ 0.1
All Other Fees	—
<b>Total</b>	<b>\$ 1.5</b>

For 2016, 93.3% of the 2016 fees represented audit and audit-related fees.

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**General Information**

For general information regarding our Proxy Statement, please review the questions and answers at the end of our Proxy Statement. For questions in which you require additional information, please call us at (650) 600-5405 or send an e-mail to Melanie Grace, Secretary, at [mgrace@htgc.com](mailto:mgrace@htgc.com).

You may cast your vote in any of the following ways:

<b>Internet</b>	<b>QR Code</b>	<b>Phone</b>	<b>Mail</b>	<b>In Person</b>
Visit <a href="http://www.proxyvote.com">www.proxyvote.com</a> . You will need the 16-digit control number included in the proxy card, voter instruction card or notice.	You can scan the QR Code on your proxy card to vote with your mobile phone.	Call 1-800-690-6903 or the number on your voter instruction form. You will need the control number included in your proxy card.	Send your completed and signed proxy card or voter instruction form to the address on your proxy card or voter instruction form.	Attend the meeting in person.

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The following table sets forth, as of October 30, 2017, the beneficial ownership of each current director, each nominee for director, our NEOs, each person known to us to beneficially own 5% or more of the outstanding shares of our common stock, and our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. Common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of October 30, 2017 are deemed to be outstanding and beneficially owned by the person holding such options or warrants. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Percentage of ownership is based on 84,162,661 shares of common stock outstanding as of October 30, 2017.

Unless otherwise indicated, to our knowledge, each stockholder listed below has sole voting and investment power with respect to the shares beneficially owned by the stockholder, except to the extent authority is shared by their spouses under applicable law. Unless otherwise indicated, the address of all executive officers and directors is c/o Hercules Capital, Inc., 400 Hamilton Avenue, Suite 310, Palo Alto, California 94301.

Our directors are divided into two groups—interested directors and independent directors. Interested directors are interested persons as defined in Section 2(a)(19) of the 1940 Act, and independent directors are all other directors.

<u>Name and Address of Beneficial Owner</u>	<u>Type of Ownership</u>	<u>Number of Shares Owned Beneficially<sup>(1)</sup></u>	<u>Percentage of Class</u>
<b><i>Interested Director</i></b>			
Manuel A. Henriquez <sup>(2)</sup>	Record/Beneficial	1,869,663	2.2 %
<b><i>Independent Directors</i></b>			
Robert P. Badavas <sup>(3)</sup>	Record/Beneficial	148,565	*
Jorge Titinger	N/A	—	—
Thomas J. Fallon <sup>(4)</sup>	Record/Beneficial	51,836	*
Brad Koenig	N/A	—	—
Allyn C. Woodward, Jr. <sup>(5)</sup>	Record/Beneficial	277,105	*
Joseph F. Hoffman <sup>(6)</sup>	Record/Beneficial	35,478	*
Doreen Woo Ho <sup>(7)</sup>	Record/Beneficial	12,236	*
Susanne D. Lyons <sup>(8)</sup>	Record/Beneficial	21,575	*
<b><i>Other Named Executive Officers</i></b>			
Mark R. Harris <sup>(9)</sup>	Record/Beneficial	52,568	*
Scott Bluestein <sup>(10)</sup>	Record/Beneficial	209,339	*
Melanie Grace <sup>(11)</sup>	Record/Beneficial	14,662	*
<b><i>Executive officers and directors as a group(12 persons)<sup>(12)</sup></i></b>			3.2 %

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act ).

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Includes 192,133 shares of restricted stock. 1,610,958 shares of common stock held by The Henriquez Family Trust of which 862,784 shares are pledged as a security; 54,348 shares of common stock held in trusts for the (2) benefit of Mr. Henriquez children and for which his spouse serves as trustee; and 12,224 shares of common stock held in the Manuel Henriquez-Roth IRA. Mr. Henriquez disclaims any beneficial ownership interest of such shares except to the extent of his pecuniary interest therein.

Includes 20,000 shares of common stock that can be acquired upon the exercise of outstanding options. All shares (3) are held of record by the Robert P. Badavas Trust of 2007, and Mr. Badavas disclaims any beneficial ownership interest of such shares except to the extent of his pecuniary interest therein.

Includes 20,000 shares of common stock that can be acquired upon the exercise of outstanding options and 1,666 (4) shares of restricted common stock. All shares are held of record by the Fallon Family Revocable Trust, and Mr. Fallon disclaims any beneficial ownership interest of such shares except to the extent of his pecuniary interest therein.

Includes 20,000 shares of common stock that can be acquired upon the exercise of outstanding options, 1,666 (5) shares of restricted common stock, and 34,500 shares of common stock held by Mr. Woodward's spouse in her name. Mr. Woodward disclaims any beneficial ownership interest of such shares held by his spouse except to the extent of his pecuniary interest therein.

Includes 15,000 shares of common stock that can be acquired upon the exercise of outstanding options and 3,333 (6) shares of restricted common stock. All shares are held of record by the Hoffman Trust, and Mr. Hoffman disclaims any beneficial ownership interest of such shares except to the extent of his pecuniary interest therein.

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(7) Includes 5,000 shares of common stock that can be acquired upon the exercise of outstanding options and 1,666 shares of restricted common stock.

Includes 10,000 shares of common stock that can be acquired upon the exercise of outstanding options. All

(8) shares are held of record by the Lyons Family Trust, and Ms. Lyons disclaims any beneficial ownership interest of such shares except to the extent of her pecuniary interest therein.

Includes 25,895 shares of restricted common stock. Effective November 2, 2017, the Company and Mr. Harris mutually agreed that Mr. Harris would separate from the Company and end his tenure as Chief Financial Officer (9) and Chief Accounting Officer. The Board appointed David Lund, the Company's former Chief Financial Officer, as Interim Chief Financial Officer and Gerard R. Waldt, Jr., the Company's current Controller, as Interim Chief Accounting Officer.

(10) Includes 51,304 shares of restricted common stock.

(11) Includes 7,251 shares of restricted common stock.

(12) Includes 90,000 shares of common stock that can be acquired upon the exercise of outstanding options and 284,914 shares of restricted common stock.

\*Less than 1%.

The following table sets forth as of October 30, 2017, the dollar range of our securities owned by our directors and executive officers.

<u>Name</u>	<b>Dollar Range of Equity Securities Beneficially Owned</b>
<i>Interested Director</i>	
Manuel A. Henriquez	Over \$100,000
<i>Independent Directors</i>	
Robert P. Badavas	Over \$100,000
Jorge Titinger	—
Thomas J. Fallon	Over \$100,000
Brad Koenig	—
Allyn C. Woodward, Jr.	Over \$100,000
Joseph F. Hoffman	Over \$100,000
Doreen Woo Ho	Over \$100,000
Susanne D. Lyons	Over \$100,000
<i>Other Named Executive Officers</i>	

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	Over
Mark R. Harris <sup>(1)</sup>	\$100,000
	Over
Scott Bluestein	\$100,000
	Over
Melanie Grace	\$100,000

Effective November 2, 2017, the Company and Mr. Harris mutually agreed that Mr. Harris would separate from the Company and end his tenure as Chief Financial Officer and Chief Accounting Officer. The Board appointed <sup>(1)</sup>David Lund, the Company's former Chief Financial Officer, as Interim Chief Financial Officer and Gerard R. Waldt, Jr., the Company's current Controller, as Interim Chief Accounting Officer.

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### **PROPOSAL 1: ELECTION OF DIRECTORS**

**The Board unanimously recommends that you vote FOR the nominees for director (Item 1 on your proxy card)**

#### **General**

The Board currently consists of eight directors and is divided into three classes. Each class of the Board serves a staggered three-year term. Our Class I directors, whose terms expire at the annual meeting, are Robert P. Badavas and Susanne D. Lyons.

There are two nominees to Class I of the Board this year — Messrs. Badavas and Titingier. Ms. Lyons has decided not to stand for re-election in 2017. The nomination of Messrs. Badavas and Titingier to stand for election at the annual meeting has been recommended by the NCG Committee and has been approved by the Board. Messrs. Badavas and Titingier, if elected, will serve for a three-year term expiring at the 2020 Annual Meeting of Stockholders, or until their successor is duly elected and qualified, or until their earlier death, resignation or removal from the Board.

Messrs. Badavas and Titingier are not being nominated as a director for election pursuant to any agreement or understanding between such person and Hercules. Messrs. Badavas and Titingier have indicated their willingness to continue to serve if elected and have consented to be named as nominees. Messrs. Badavas and Titingier are not an interested person of Hercules, as such term is defined under the 1940 Act.

#### **Director Qualifications**

The Board recognizes that it is important to assemble a body of directors that, taken together, has the skills, qualifications, experience and attributes appropriate for functioning as a Board, and working with management, effectively. The NCG Committee is responsible for maintaining a well-rounded and diverse Board that has the requisite range of skills and qualifications to oversee the Company effectively. The NCG Committee has not established a minimum qualification for director candidates. Our Board does not have a specific diversity policy, but considers diversity of race, religion, national origin, gender, sexual orientation, disability, cultural background and professional experiences in evaluating candidates for Board membership. The diversity of background and experience includes ensuring that the Board includes individuals with experience or skills sufficient to meet the requirements of the various rules and regulations of the NYSE and the SEC, such as the requirements to have a majority of independent directors and an Audit Committee Financial Expert. However, in light of our business, the primary areas of experience and qualifications sought by the NCG Committee in incumbent and director candidates include, but are not limited to, the following:

**Client Industries**—Experience with venture capital-backed companies in general, and our specific portfolio company industries – technology, life sciences, middle market, and sustainable and renewable technology.

**Banking/Financial Services**—Experience with commercial or investment banking, mutual fund, or other financial services industries, including regulatory experience and specific knowledge of the Securities Act of 1933, as amended (the Securities Act ).

**Leadership/Strategy**—Experience as a CEO, COO, President, CFO, or significant division manager responsible for leading a large team, and establishing and executing successful business strategies.

**Finance, IT and Other Business Operations**—Experience related to finance, accounting, IT, treasury, human resources, or other key business processes.

**Enterprise Risk Management**—Experience with enterprise risk management processes and functions.

**Public Company Board Experience and Governance**—Experience with corporate governance issues, particularly in publicly-traded companies.

**Strategic Planning**—Experience with senior executive-level strategic planning for publicly-traded companies, private companies, and non-profit entities.

**Mergers and Acquisitions**—Experience with public and private mergers and acquisitions, both in identifying and evaluating potential targets, as well as post-acquisition integration activities.

For each director, we have highlighted certain key areas of experience that qualify him or her to serve on the Board in each of their respective biographies below beginning on page 14.

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A stockholder can vote for or withhold his, her or its vote for the nominees. **In the absence of instructions to the contrary, it is the intention of the persons named as proxies to vote such proxy FOR the election of the nominees named in this Proxy Statement. If the nominees should decline or be unable to serve as a director, it is intended that the proxy will be voted for the election of the person nominated by our Board as a replacement.** Our Board has no reason to believe that the nominees will be unable or unwilling to serve.

**Required Vote**

This proposal requires the affirmative vote of the holders of a plurality of the shares of stock outstanding and entitled to vote thereon. Stockholders may not cumulate their votes. If you vote withhold authority with respect to a nominee, your shares will not be voted with respect to the person indicated. Because directors are elected by a plurality of the votes, an abstention will have no effect on the outcome of the vote and, therefore, is not offered as a voting option for this proposal.

**Broker Non-Votes**

**Broker non-votes are votes cast for shares held by a broker or other nominee for which the nominee has not received voting instructions from the beneficial owner and does not have discretionary authority to vote the shares on non-routine proposals. Proposal 1 is a non-routine matter. As a result, if you hold shares in street name through a broker, bank or other nominee, your broker, bank or nominee will not be permitted to exercise voting discretion with respect to Proposal 1, the election of directors. Therefore, if you do not vote and you do not give your broker or other nominee specific instructions on how to vote for you, then your shares will have no effect on Proposal 1.**

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For each director, we have highlighted certain key areas of experience that qualify him or her to serve on the Board in each of their respective biographies below.

<u>Name,</u> <u>Address, and</u> <u>Age<sup>(1)</sup></u>	<u>Position(s)</u> <u>held with</u> <u>Company</u>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Other Directorships Held by Director or Nominee for Director During the past 5 years<sup>(2)</sup></b>
<b>Independent Directors</b>				
Robert P. Badavas (64)	Director Nominee	Class I Director since 2006	Retired. Chairman and Chief Executive Officer of PlumChoice, provider of remote technical services and support, from 2011-2016.	Constant Contract, Inc., an online marketing company, from 2007-2016.
Jorge Titing (56)	Director Nominee	Class I Director Nominee	President and Founder of Titing Consulting, a private consulting and advisory service provider, since 2016, and President and Chief Executive Officer of Silicon Graphics International, a leader in high-performance computing, from 2012-2016, which was acquired by Hewlett Packard Enterprise in 2016.	Xcerra, supplies products and services to the semiconductor and electronics manufacturing industry, since 2012, and CalAmp, a pure-play pioneer in the connected vehicle and broader Industrial Internet of Things marketplace, since 2015.
Thomas J. Fallon (56)	Director	Class II Director since 2014	Chief Executive Officer of Infinera Corporation, manufacturer of high capacity optical transmission equipment, since 2010.	Infinera Corporation since 2014.
Brad Koenig (59)	Director	Class II Director since 2017	Founder and Chief Executive Officer of FoodyDirect.com, an online marketplace that features foods from the top restaurants, bakeries and artisan purveyors around the country, since 2011. Head of Global Technology Investment Banking at Goldman Sachs, from 2011-2015.	GSV Capital Corporation, from 2015-2017.
Allyn C. Woodward, Jr. (76)	Director	Class II Director since 2004	Retired. Vice Chairman and Director of Adams Harkness Financial Group, an institutional investment bank, from 2001-2006.	None.
	Director			None.

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Joseph F.  
Hoffman (68)

Class III Retired. SEC Reviewing Partner and  
Director Silicon Valley Professional for KPMG  
since 2015 from 1998-2009.

Doreen Woo Director  
Ho (70)

Class III Commissioner of the San Francisco Port U.S Bank since 2012.  
Director Commission since May, 2011 and served  
since 2016 as President from 2012 to 2014.

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<b><u>Name, Address, and Age</u><sup>(1)</sup></b>	<b>Position(s) held with Company</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Other Directorships Held by Director or Nominee for Director During the past 5 years<sup>(2)</sup></b>
<b>Interested Director</b> Manuel A. Henriquez (54) <sup>(3)</sup>	Director Chief Executive Officer and Chairman of the Board of Directors	Class III since 2004	Hercules Capital, Inc. since 2004.	None.

(1) The address for each officer and director is c/o Hercules Capital, Inc., 400 Hamilton Avenue., Suite 310, Palo Alto, California 94301.

(2) No director otherwise serves as a director of an investment company subject to the 1940 Act.

(3) Mr. Henriquez is an interested director due to his position as an officer of the Company.



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**Director Nominees Biographies**

The biographical information for the director nominees are as follows:

**Board**  
**Robert P. Badavas     Committee:     Independent:**

- Audit, *Chair* Yes

Mr. Badavas, 64, retired in August, 2016 as Chairman and Chief Executive Officer of PlumChoice, a venture-backed technology, software and services company (since December 2011). He has served as a director on our Board since March 2006 and his term expires in 2017.

- Business Experience:**
- President, Petros Ventures, Inc., a management and advisory services firm (2009-2011 and 2016-present)
  - President and Chief Executive Officer of TAC Worldwide, a multi-national technical workforce management and business services company (2005-2009)
  - Executive Vice President and Chief Financial Officer, TAC Worldwide (2003-2005)
  - Senior Partner and Chief Operating Officer, Atlas Venture, an international venture capital firm (2001-2003)
  - Chief Executive Officer at Cerulean Technology, Inc., a venture capital backed wireless application software company (1995-2001)
  - Certified Public Accountant, PwC (1974-1983)
- Public Directorships:**
- Constant Contact, Inc., including chairman of the audit committee, a provider of email and other engagement marketing products and services for small and medium sized organizations, acquired by Endurance International Group Holdings, Inc., (2007-2016)
- Prior Directorships:**
- PlumChoice
  - Arivana, Inc; a telecommunications infrastructure company—publicly traded until its acquisition by SAC Capital
  - RSA Security; an IT security company—publicly traded until its acquisition by EMC
  - On Technology; an IT software infrastructure company—publicly traded until its acquisition by Symantec
  - Renaissance Worldwide; an IT services and solutions company—publicly traded until its acquisition by Aquent
- Other Experience:**
- Vice-Chairman, Board of Trustees. Bentley University (since 2005)
  - Board of Trustees Executive Committee and Corporate Treasurer, Hellenic College/Holy Cross School of Theology, including positions on the executive committee and corporate treasurer (since 2002)
  - Chairman Emeritus, The Learning Center for the Deaf (1995-2005)
  - Master Professional Director Certification, American College of Corporate Directors
  - National Association of Corporate Directors
  - Annunciation Greek Orthodox Cathedral of New England, Parish Council President (since 2016)

**Education:**

- Bachelor's degree in Accounting and Finance from Bentley University

**Skills/**

In particular, Mr. Badavas' key areas of skill/qualifications include, but are not limited to:

**Qualifications:**

- **Client Industries**—extensive experience in software, business and technology enabled services and venture capital
- **Leadership/Strategy**—significant experience as a senior corporate executive in private and public companies, including tenure as chief executive officer, chief financial officer and chief operating officer
- **Finance, IT and Other Business Strategy and Enterprise Risk Management**—prior experience as a CEO directing business strategy and as a CFO directing IT, financing and accounting, strategic alliances and human resources and evaluation of enterprise risk in such areas
- **Governance**—extensive experience as an executive and director of private and public companies with governance matters

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**Jorge Titinger Board Committee<sup>(1)</sup>: Independent:**

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Yes

Mr. Titinger, 56, currently serves as Principal and Founder of Titinger Consulting (since 2016), a private consulting and advisory service provider focusing on strategy development and execution, board governance, operational transformations, and culture changes.

- Business Experience:**
- President and Chief Executive Officer of Silicon Graphics International, leader in high performance computing (2012-2016)
  - President and Chief Executive Officer of Verigy, Inc., provider of advanced automated test systems and solutions to the semiconductor industry (2008-2011)
  - Senior Vice President and General Manager, Product Business Groups of FormFactor, Inc., the leading provider of essential test and measurement technologies along the full IC life cycle – from characterization, modeling, reliability, and design de-bug, to qualification and production test (2007-2008)
  - Senior Vice President, Global Operations & Corporate Support Groups of KLA-Tencor Corporation, a provider of process control and yield management solutions (2002 – 2007)
  - Vice President, Global Operations, Silicon Business Sector (SBS) Products of Applied Materials, Inc., a leader in materials engineering solutions used to produce virtually every new chip and advanced display in the world (1998 – 2002)
  - President and Chief Operating Officer of Insync Systems, Inc., a gas delivery systems manufacturer (1995-1998)
  - Vice President, Operations/Co-Founder of NeTpower, Inc., a high-performance computer workstations and servers manufacturer (1992-1995)
  - Director, Manufacturing Engineering of MIPS Computer Systems, Inc./Silicon Graphics, Inc., a Graphics Computing Company (1989-1992)
  - Test Engineering Manager, Networked Computers Manufacturing Operations of Hewlett-Packard Company, a Graphics Computing Company (1985-1989)