

PennantPark Floating Rate Capital Ltd.
Form DEF 14A
December 06, 2018

SCHEDULE 14A

(RULE 14a-101)

Information Required in Proxy Statement

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 Material

Soliciting Material Pursuant to Rule
14a-12

PennantPark Floating Rate Capital Ltd.

(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:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth 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.

(1) Amount previously paid:

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

(3) Filing party:

(4) Date filed:

December 6, 2018

Dear Stockholder:

You are cordially invited to attend the 2019 Annual Meeting of Stockholders of PennantPark Floating Rate Capital Ltd. (“PFLT” or the “Company”) to be held on February 5, 2019 at 9:45 a.m., Eastern Time, at the offices of Dechert LLP, located at 1095 Avenue of the Americas, New York, New York.

The Notice of Annual Meeting of Stockholders and the Proxy Statement of the Company, which is accessible on the Internet or by request, provides an outline of the business to be conducted at the Annual Meeting of Stockholders. At the meeting, you will be asked to: (1) elect two directors of the Company and (2) ratify the selection of RSM US LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending September 30, 2019. I will also report on the progress of the Company during the past year and respond to stockholders’ questions.

It is important that your shares be represented at the Annual Meeting of Stockholders. If you are unable to attend the meeting in person, I urge stockholders to follow the instructions on the Notice of Internet Availability of Proxy Materials to vote your proxy on the Internet. We encourage you to vote via the Internet, as it saves us significant time and processing costs. However, on the Notice of Internet Availability of Proxy Materials you also will find instructions on how to request a hard copy of the Proxy Statement and proxy card free of charge and you may vote your proxy by returning your proxy card to us after you request the hard copy materials. If you hold your shares through a TASE member, please follow the voting instructions in the Proxy Statement, which are otherwise different to that of other stockholders.

Your vote and participation in the governance of the Company is very important to us.

Sincerely yours,

Arthur H. Penn

Chief Executive Officer

PennantPark Floating Rate Capital Ltd.

590 Madison Avenue, 15th Floor

New York, New York 10022

212-905-1000

PENNANTPARK FLOATING RATE CAPITAL LTD.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON February 5, 2019

December 6, 2018

Notice is hereby given to the owners of shares of common stock (the “Stockholders”) of PennantPark Floating Rate Capital Ltd. (“PFLT” or the “Company”) that:

The 2019 Annual Meeting of Stockholders of the Company (the “Annual Meeting”) will be held at the offices of Dechert LLP, located at 1095 Avenue of the Americas, New York, New York, on February 5, 2019 at 9:45 a.m., Eastern Time, for the following purposes:

1. To elect two directors to the Board of Directors of the Company, who will each serve until the 2022 annual meeting of stockholders and until his successor is duly elected and qualifies; and
2. To ratify the selection of RSM US LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending September 30, 2019.

You have the right to receive notice of, and to vote at, the Annual Meeting if you were a stockholder of record of the Company at the close of business on November 19, 2018. The Company is furnishing a Proxy Statement and proxy card to the Stockholders on the Internet, rather than mailing printed copies of those materials to each Stockholder. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the Proxy Statement and proxy card unless you request them. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review the Proxy Statement, and vote your proxy, on the Internet.

Your vote is extremely important to us. If you are unable to attend the Annual Meeting, we encourage you to vote your proxy on the Internet by following the instructions provided on the Notice of Internet Availability of Proxy Materials. You may also request from us free of charge hard copies of the Proxy Statement and proxy card for the Company by following the instructions on the Notice of Internet Availability of Proxy Materials. In the event there are not sufficient votes for a quorum or to approve the Company’s proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies by the Company.

THE COMPANY’S BOARD OF DIRECTORS, INCLUDING THE INDEPENDENT DIRECTORS,
UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” EACH OF THE PROPOSALS.

By Order of the Board of Directors,

Thomas J. Friedmann

Secretary

PennantPark Floating Rate Capital Ltd.

590 Madison Avenue, 15th Floor

New York, New York 10022

212-905-1000

This is an important meeting. To ensure proper representation at the meeting, please follow the instructions on the Notice of Internet Availability of Proxy Materials to vote your proxy via the Internet or request, complete, sign, date and return a proxy card. Even if you vote your shares prior to the meeting, you still may attend the meeting and vote your shares in person should you wish to change your vote.

PENNANTPARK FLOATING RATE CAPITAL LTD.

590 Madison Avenue, 15th Floor

New York, New York 10022

(212) 905-1000

PROXY STATEMENT

for

2019 Annual Meeting of Stockholders

To be held on February 5, 2019

This document will give you the information you need to vote on the matters listed on the accompanying Notice of Annual Meeting of Stockholders (“Notice of Annual Meeting”). Much of the information in this Proxy Statement is required under the rules and regulations of the Securities and Exchange Commission (the “SEC”), and some of it is technical in nature. If there is anything you do not understand, please contact us at 212-905-1000.

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board”) of PennantPark Floating Rate Capital Ltd. (“PFLT”, the “Company,” “we,” “us” or “our”) for use at the Company’s 2019 Annual Meeting of Stockholders (the “Meeting”) to be held on Tuesday, February 5, 2019 at 9:45 a.m., Eastern Time, at the offices of Dechert LLP, located at 1095 Avenue of the Americas, New York, New York, and at any postponements or adjournments thereof. This Proxy Statement and the Company’s Annual Report for the fiscal year ended September 30, 2018 are being provided to the stockholders thereof (the “Stockholders”) via the Internet on or about December 10, 2018. In addition, a Notice of Annual Meeting and a Notice of Internet Availability of Proxy Materials are being sent to Stockholders of record of the Company as of November 19, 2018 (the “Record Date”).

We encourage you to vote your shares, either by voting in person at the Meeting or by voting by proxy (i.e., authorizing someone to vote your shares). Shares represented by duly executed proxies will be voted in accordance with your instructions. If you execute a proxy without specifying your voting instructions, your shares will be voted in accordance with the recommendation of the Board. If any other business is brought before the Meeting, your shares will be voted at the proxy’s discretion unless you specifically state otherwise on your proxy.

You may revoke a proxy at any time before it is exercised by notifying the Company’s Secretary in writing, by submitting a properly executed, later-dated proxy or by voting in person at the Meeting. Any Stockholder entitled to vote at the Meeting may attend the Meeting and vote in person, whether or not he or she has previously voted his or her shares via proxy or wishes to change a previous vote.

You will be eligible to vote your shares electronically via the Internet, by telephone or by mail.

Purpose of Meeting

At the Meeting, you will be asked to vote on the following proposals:

1. To elect two directors to the Board, who will each serve until the 2022 annual meeting of stockholders and until his successor is duly elected and qualifies (“Proposal 1”); and
2. To ratify the selection of RSM US LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending September 30, 2019 (“Proposal 2”).

Voting Securities

You may vote your shares at the Meeting only if you were a Stockholder of record of the Company at the close of business on November 19, 2018. There were 38,772,074 shares of the Company’s common stock (the “Common Stock”) outstanding on the Record Date. Stockholders are entitled to one vote for each share of Common Stock held.

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Quorum Required

For the Company to conduct business at the Meeting, a quorum of Stockholders for the Company must be present at the Meeting. The presence at the Meeting, in person or by proxy, of the holders of a majority of the shares of Common Stock of the Company outstanding on the Record Date will constitute a quorum of the Company. Abstentions and Broker Non-Votes (as defined below) will be treated as shares present at the Meeting for quorum purposes. If there are not enough votes for a quorum of the Company, the chairman of the Meeting will adjourn the Meeting to permit the further solicitation of proxies.

Votes Required

Election of Directors

The election of a director to the Board requires the affirmative vote of a majority of the votes cast for and affirmatively withheld at the Meeting in person or by proxy. If you vote "Withhold Authority" with respect to a nominee, your shares will not be voted with respect to the person indicated. Votes to withhold authority with respect to a nominee will be included in determining the number of votes cast and, as a result, will have the effect of a vote against the nominee. Abstentions and Broker Non-Votes will have no effect on the result of the vote.

Stockholders of the Company may not cumulate their votes.

Ratification of Independent Registered Public Accounting Firm

The affirmative vote of a majority of the votes cast at the Meeting in person or by proxy is required to ratify the appointment of RSM US LLP to serve as the Company's independent registered public accounting firm. Abstentions will not be included in determining the number of votes cast and, as a result, will have no effect on this proposal.

Broker Non-Votes

"Broker Non-Votes" are votes that are not cast by a broker, bank or other nominee (the "Broker") on a non-routine matter because the shares entitled to cast the vote are held in "street name", the Broker lacks discretionary authority to vote the shares and the Broker has not received voting instructions from the beneficial owner. Proposal 1 is a non-routine matter. As a result, if you hold shares of the Company's Common Stock in street name, your Broker will not be permitted to exercise voting discretion with respect to Proposal 1.

Accordingly, if you are a Stockholder and you do not vote or give your Broker specific instructions on how to vote for you, your shares will have no effect on the result of Proposal 1.

Proposal 2 is a routine matter. As a result, if you beneficially own shares of Common Stock of the Company and you do not vote or provide your Broker with proxy instructions, your Broker will be able to vote your shares for you on Proposal 2.

Adjournment and Additional Solicitation

If there appears not to be enough votes to approve a proposal at the Meeting, the chairman of the Meeting may adjourn the Meeting to permit further solicitation of proxies.

A Stockholder vote may be taken on any of the proposals in this Proxy Statement prior to any such adjournment if there are sufficient votes for approval of such proposal.

Information Regarding This Solicitation

We will bear the expense of the solicitation of proxies for the Meeting, including the portion of the cost of preparing and posting this Proxy Statement and the Annual Report to the Internet and the cost of mailing the Notice of Annual Meeting, the Notice of Internet Availability of Proxy Materials and any requested proxy materials to the Stockholders. We intend to use the services of Broadridge Financial Solutions, Inc., a leading provider of investor communications solutions, to aid in the distribution and collection of proxy votes. We expect to pay market rates for such services. If brokers, trustees or fiduciaries and other institutions holding shares in their own names or in the names of their nominee, which shares are beneficially owned by others, forward the Proxy Statement and proxy card to, and obtain proxies from, such beneficial owners, we will reimburse such persons for their reasonable expenses in so doing.

We combine any mailings for multiple accounts going to a single household, which is commonly referred to as "householding," by delivering to that address a Notice of Internet Availability of Proxy Materials or other communications for all accounts who have consented or are deemed to have consented to receiving such communications in such manner in accordance with the rules promulgated by the SEC. If you have received notice from your Broker that it will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. We will promptly deliver a separate copy of these documents to you upon written or oral request to our Investor Relations Department at 590 Madison Avenue, 15th Floor, New York, New York 10022 or 212-905-1000. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate Notice of Internet Availability of Proxy Materials or other communications, please notify your Broker. Stockholders who currently receive multiple copies of the Notice of Internet Availability of Proxy Materials or other communications at their addresses and would like to request "householding" of their communications should contact their Brokers.

In addition to the solicitation of proxies by the use of the Internet, proxies may be solicited in person and/or by telephone, mail or facsimile transmission by directors or officers of the Company, officers or employees of PennantPark Investment Advisers, LLC, our investment adviser (the "Adviser"), PennantPark Investment Administration, LLC, our administrator (the "Administrator"), and/or by a retained solicitor. No additional compensation will be paid to such directors, officers or regular employees for such services. If we retain a solicitor, we have estimated that we will pay approximately \$60,000 for such services. If we engage a solicitor, you could be contacted by telephone on behalf of the Company and be urged to vote. The solicitor will not attempt to influence how you vote your shares, but will only ask that you take the time to cast a vote. You may also be asked if you would like to vote over the telephone and to have your vote transmitted to our proxy tabulation firm. The address of each of the Adviser and the Administrator is 590 Madison Avenue, 15th Floor, New York, New York 10022.

Stockholders, other than those who hold shares through a Tel Aviv Stock Exchange ("TASE") member, may provide their voting instructions through the Internet, by telephone or by mail by following the instructions on the Notice of Internet Availability of Proxy Materials. These options require Stockholders to input the Control Number, which is provided with the Notice of Internet Availability of Proxy Materials. If you vote using the Internet, after visiting www.proxyvote.com and inputting your Control Number, you will be prompted to provide your voting instructions. Stockholders will have an opportunity to review their voting instructions and make any necessary changes before submitting them and terminating their Internet link. Stockholders who vote via the Internet, in addition to confirming their voting instructions prior to submission, will receive upon request an e-mail confirming their instructions.

If your shares of Common Stock are held by a TASE member, please complete, sign and date the form of proxy card that we filed via MAGNA and attach to it an ownership certificate from the TASE member through which your shares are registered (i.e., your broker, bank or other nominee) indicating that you were the beneficial owner of the shares on

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November 19, 2018, the record date for voting, and return the proxy card along with the ownership certificate, to the Company's Israeli counsel, Goldfarb Seligman & Co., c/o Daniel Kahn, 98 Yigal Alon Street, 36th Floor, Tel Aviv 6789141, Israel (email: daniel.kahn@goldfarb.com). The proxy card and ownership certificate must be received no later than January 31, 2019, to be included in the tally of shares voted.

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If a Stockholder, other than those who hold shares through a TASE member, wishes to participate in the Meeting, but does not wish to give a proxy by Internet, the Stockholder may attend the Meeting in person or request and submit a proxy card by following the instructions on the Notice of Internet Availability of Proxy Materials.

If your shares of Common Stock are held by a TASE member, and you wish to participate in the Meeting, you need to bring an ownership certificate from the TASE member through which your shares are registered (i.e., your broker, bank or other nominee) indicating that you were the beneficial owner of the shares on November 19, 2018, the record date for voting.

Any proxy authorized pursuant to this solicitation may be revoked by notice from the person giving the proxy at any time before it is exercised. A revocation may be effected by (i) resubmitting voting instructions via the Internet voting site, by telephone, by obtaining and properly completing another proxy card that is dated later than the original proxy and returning it, by mail, in time to be received before the Meeting, (ii) by attending the Meeting and voting in person or (iii) by a notice, provided in writing and signed by the Stockholder, delivered to the Company's Secretary on any business day before the date of the Meeting.

Security Ownership of Certain Beneficial Owners and Management

As of the Record Date, to our knowledge, no person would be deemed to “control” (as such term is defined in the Investment Company Act of 1940, as amended (the “1940 Act”)) the Company.

Our directors consist of an interested director and four independent directors. An interested director is an “interested person” of the Company, as defined in the 1940 Act, and independent directors are all other directors (the “Independent Directors”).

The following table sets forth, as of December 3, 2018, certain ownership information with respect to the Company’s Common Stock for those persons who directly or indirectly own, control or hold with the power to vote, five percent or more of the Company’s outstanding Common Stock and all officers and directors of the Company, as a group.

| Name and address ⁽¹⁾ | Type of ownership ⁽³⁾ | Percentage of | |
|--|----------------------------------|---------------|--------------------------|
| | | Shares Owned | Common Stock Outstanding |
| Independent directors | | | |
| Adam K. Bernstein | Record/Beneficial | 5,000 | * |
| Marshall Brozost | Record/Beneficial | — | * |
| Jeffrey Flug | Record/Beneficial | 15,500 | * |
| Samuel L. Katz | Record/Beneficial | 147,100 | * |
| Interested director | | | |
| Arthur H. Penn ⁽²⁾ | Record/Beneficial | 184,709 | * |
| Executive officer | | | |
| Aviv Efrat | Record/Beneficial | 28,750 | * |
| All directors and executive officer as a group (6 persons) | | 381,059 | 1 % |

(1) The address for each officer and director is c/o PennantPark, 590 Madison Avenue, 15th Floor, New York, New York 10022.

(2) Mr. Penn is the Managing Member of the Adviser and may therefore be deemed to own beneficially the 184,709 shares held by the Adviser.

(3) Sole voting power.

*Less than 1 percent.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company’s directors and other executive officer and any persons holding more than 10% of the Company’s Common Stock are required to report their beneficial ownership and any changes therein to the SEC and the Company. Specific due dates for those reports have been established, and the Company is required to report herein any failure to file such reports by those due dates. Based on the Company’s review of Forms 3, 4 and 5 filed by such persons and information provided by the Company’s directors and other executive officer, the Company believes that, during the fiscal year ended September 30, 2018, all Section 16(a) filing requirements applicable to such persons were met in a timely manner.

Dollar Range of Securities Beneficially Owned by Directors

The following table sets forth the dollar range of (i) the Company’s Common Stock and (ii) the common stock of the Fund Complex beneficially owned by each of our directors as of December 3, 2018. Information as to beneficial ownership is based on information furnished to the Company by such persons. For purposes of this proxy statement, the term “Fund Complex” is defined to include the Company and PennantPark Investment Corporation (“PNNT”).

| Directors of the Company | Dollar Range of the Common Stock of the Company ⁽¹⁾ | Aggregate Dollar Range of the Common Stock of the Fund Complex ⁽¹⁾ |
|--------------------------|--|---|
| Independent directors | | |
| Adam K. Bernstein | \$50,001 - \$100,000 | \$100,001 - \$500,000 |
| Marshall Brozost | None | |