

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
Internal Revenue Code Sections 301, 316, and 852

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
See attached for amounts and dates of dividends impacted by this organizational action. This organizational action is reportable with respect to calendar year 2018.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ January 15, 2019

Print your name ▶ Richard T. Allorto, Jr. Title ▶ Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

MEDLEY

CAPITAL CORPORATION

Tax Status of Dividends and Distributions for 2018

The tax character of dividends paid by Medley Capital Corporation (the “Company”) for calendar year 2018 is set forth below. For tax purposes, the Company is a regulated investment company and is designating the tax character of dividends and distributions you receive as a stockholder for calendar year 2018 in accordance with Subchapter M of the Internal Revenue Code of 1986, as amended (“IRC”).

The amounts shown in the table below represent the final accounting of the Company’s 2018 distributions. This information supersedes any estimated information you may have received during the year. Calendar year 2018 dividends were classified as follows:

Record Date	Payment Date	Dividend Per Share	Non-Qualified Ordinary Taxible Income	Return of Capital	Long Term Capital Gain
2/21/2018	3/23/2018	0.16	100.00%	0.00%	0.00%
6/6/2018	6/21/2018	0.10	90.20%	9.80%	0.00%
9/5/2018	9/20/2018	0.10	0.00%	100.00%	0.00%
12/5/2018	12/20/2018	0.10	51.92%	48.08%	0.00%

Dividends that were reinvested through the Company’s Dividend Reinvestment Plan are treated, for tax purposes, as if they had been paid in cash. Therefore, stockholders who participate in the Dividend Reinvestment Plan should also refer to the above table.

This notice is not intended to constitute tax, legal, investment or other professional advice. Stockholders should be aware that tax treatment is subject to change by law in the future or retroactively. This is general information and should not be relied upon without consulting your tax advisor.

If you have any questions about the tax character of your dividends, please contact American Stock Transfer and Trust Company at 800-937-5449. You may also contact Medley Capital Corporation’s Investor Relations Department directly at 212-759-0777.

Past performance is not indicative of future results. This is not an offer or a solicitation of an offer to buy any securities of Medley Capital Corporation. Such an offer can be made only by means of a prospectus. A copy of the prospectus can be obtained by visiting www.medleycapitalcorp.com.