

## **Harvest Capital Credit Corporation Compensation Committee Charter**

### **Purpose**

The Compensation Committee is created by the Board of Directors (the “*Board*”) of Harvest Capital Credit Corporation (the “*Company*”) to:

- oversee the Company’s compensation policies generally and make recommendations to the Board with respect to any incentive compensation and equity-based plans of the Company that are subject to Board approval;
- evaluate executive officer performance;
- review and approve the compensation, if any, by the Company for each of the Company’s executive officers, including reimbursement by the Company of the compensation of the Chief Financial Officer and Chief Compliance Officer; and
- prepare a report on executive officer compensation if the Securities and Exchange Commission rules require such a report to be included in the Company’s annual proxy statement.

### **Membership**

The Compensation Committee shall consist of at least three members, comprised solely of independent directors meeting the independence requirements of the NASDAQ Capital Market, except to the extent the requirements of the NASDAQ Capital Market otherwise permit a non-independent Compensation Committee member in certain circumstances. The Nominating and Corporate Governance Committee shall recommend nominees for appointment to the Compensation Committee annually and as vacancies or newly-created positions occur. Compensation Committee members shall be appointed by the Board and may be removed by the Board at any time. In appointing the Compensation Committee members, the Board shall consider all factors specifically relevant to determining whether a director has a relationship to the Company that is material to that director’s ability to be independent from management in connection with the duties of a Compensation Committee member. The Nominating and Corporate Governance Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Compensation Committee.

## **Responsibilities**

In addition to any other responsibilities which may be assigned from time to time by the Board, the Compensation Committee is responsible for the following matters:

### *Compensation Policies*

- The Compensation Committee shall review and make recommendations to the Board in respect of any incentive compensation and equity-based plans of the Company that are subject to Board approval.

### *Executive Compensation*

- The Compensation Committee shall review and approve the compensation, if any, by the Company for each of the Company's executive officers. The Compensation Committee shall, among other things:
  - consider corporate goals and objectives relevant to executive officer compensation;
  - evaluate each executive officer's performance in light of such goals and objectives and set each executive officer's compensation based on such evaluation and such other factors as the Compensation Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation); and
  - determine any long-term incentive component of each executive officer's compensation based on awards given to such executive officer in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Compensation Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation).
- The Compensation Committee may delegate to one or more officers of the Company the authority to make grants and awards of stock rights or options to any non-Section 16 officer of the Company under such of the Company's incentive compensation or other equity-based plans, if any, as the Compensation Committee deems appropriate and in accordance with the terms of such plans.
- Notwithstanding the foregoing, currently none of the Company's executive officers are directly compensated by the Company. However, the Company reimburses its administrator for the allocable portion of overhead and other expenses incurred by the administrator in performing its obligations under an administration agreement, including an allocable share of the compensation of the Company's Chief Financial Officer and Chief Compliance Officer. In light of the foregoing, the Compensation Committee shall be responsible for (i) reviewing

and approving, and making any necessary or appropriate recommendations to the Board regarding, the reimbursement by the Company of the compensation of the Company's Chief Financial Officer and Chief Compliance Officer and their respective staffs and (ii) reviewing and making a recommendation to the Board regarding any material changes to the Company's administration agreement, dated as of April 29, 2013, and entry into any other administration agreement.

#### *Disclosure*

- If applicable, the Compensation Committee shall prepare the report on executive officer compensation that the Securities and Exchange Commission rules require to be included in the Company's annual proxy statement.

#### *Reporting to the Board*

- At least annually, the Compensation Committee shall report to the Board. This report shall include a review of any recommendations or issues that arise with respect to Company compensation and benefits policies, executive officer compensation and any other matters that the Compensation Committee deems appropriate or is requested to be included by the Board.
- At least annually, the Compensation Committee shall review and assess the adequacy of this charter and recommend any proposed changes to the Board or the Nominating and Corporate Governance Committee.

#### **Authority**

The Compensation Committee shall have the right to use reasonable amounts of time of the Company's independent accountants, outside lawyers and other internal staff and may, in its sole discretion, hire experts, lawyers, compensation consultants and other advisors (each, a "Consultant") to assist and advise the Compensation Committee in connection with its responsibilities. The Company shall provide for appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to a Consultant retained by the Compensation Committee. The Compensation Committee shall be directly responsible for the appointment, compensation (at the Company's expense) and oversight of any work of such Consultants and shall keep the Company's Chief Executive Officer, President, Chief Financial Officer and Board of Directors advised as to the general range of anticipated expenses in connection therewith. Before selecting, or receiving advice from, a Consultant (other than the Company's in-house counsel, if any), the Compensation Committee shall consider the following factors:

- the provision of other services to the Company by the Consultant or person that employs the Consultant;

- the amount of fees received from the Company by the Consultant or person that employs the Consultant, as a percentage of the total revenue of the Consultant or person that employs the Consultant;
- the policies and procedures of the Consultant or person that employs the Consultant that are designed to prevent conflicts of interest;
- any business or personal relationship of the Consultant with a member of the Compensation Committee;
- any stock of the Company owned by the Consultant; and
- any business or personal relationship of the Consultant or person that employs the Consultant with an executive officer of the Company.

Notwithstanding the foregoing, the Compensation Committee need not consider such factors before selecting, or receiving advice from, a Consultant that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees, if any; and/or (b) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the Consultant, and about which the Consultant does not provide advice.

### **Procedures**

The Compensation Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chairman of the Compensation Committee, in consultation with the other committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter. No executive officer should attend that portion of any meeting where such executive's performance or compensation is discussed, unless specifically invited by the Compensation Committee. No executive officer may be present during the Compensation Committee's voting or deliberations on his or her compensation.