

**Tax Status of Dividends and Distributions for 2021**

The tax character of the dividends and distributions paid by Stellus Capital Investment Corporation (the "Company") during 2021 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 received as a stockholder for fiscal year 2021 in accordance with Subchapter M of the Internal Revenue Code of 1986, as amended.

| Declaration Date | Record Date | Payable Date | Amount Per Share | Qualified Dividend Amount Per Share | Non-Qualified Dividend Amount Per Share | Long Term Capital Gains Amount Per Share | Return of Capital Amount Per Share |
|------------------|-------------|--------------|------------------|-------------------------------------|---|--|------------------------------------|
| <b>2021</b>      |             |              |                  |                                     |   |  |                                    |
| 01/15/21         | 01/29/21    | 02/16/21     | \$ 0.0833        | \$ 0.0022                           | \$ 0.0811                               | \$ -                                     | \$ -                               |
| 01/15/21         | 02/26/21    | 03/15/21     | \$ 0.0833        | \$ -                                | \$ 0.0833                               | \$ -                                     | \$ -                               |
| 01/15/21         | 03/31/21    | 04/15/21     | \$ 0.0833        | \$ -                                | \$ 0.0833                               | \$ -                                     | \$ -                               |
| 04/19/21         | 04/30/21    | 05/14/21     | \$ 0.0833        | \$ -                                | \$ 0.0833                               | \$ -                                     | \$ -                               |
| 04/19/21         | 05/28/21    | 06/15/21     | \$ 0.0833        | \$ -                                | \$ 0.0833                               | \$ -                                     | \$ -                               |
| 04/19/21         | 06/30/21    | 07/15/21     | \$ 0.0833        | \$ -                                | \$ 0.0833                               | \$ -                                     | \$ -                               |
| 07/19/21         | 07/30/21    | 08/13/21     | \$ 0.1000        | \$ -                                | \$ 0.1000                               | \$ -                                     | \$ -                               |
| 07/19/21         | 08/31/21    | 09/15/21     | \$ 0.1000        | \$ -                                | \$ 0.1000                               | \$ -                                     | \$ -                               |
| 07/19/21         | 09/30/21    | 10/15/21     | \$ 0.1000        | \$ -                                | \$ 0.1000                               | \$ -                                     | \$ -                               |
| 09/14/21         | 10/29/21    | 11/15/21     | \$ 0.0933        | \$ -                                | \$ 0.0933                               | \$ -                                     | \$ -                               |
| 09/14/21         | 11/30/21    | 12/15/21     | \$ 0.0933        | \$ -                                | \$ 0.0933                               | \$ -                                     | \$ -                               |
| 09/14/21         | 12/16/21    | 12/31/21     | \$ 0.0933        | \$ -                                | \$ 0.0421                               | \$ 0.0512                                | \$ -                               |

We may generate qualified net interest income or capital gains that may be exempt from U.S. withholding tax on when distributed to foreign stockholders. A RIC is permitted to designate distributions of qualified net interest income and capital gains as exempt from U.S. withholding tax when paid to non-U.S. shareholders with proper documentation. The following table, which may be subject to change as we finalize our annual tax filings, lists the percentage of qualified net interest and qualified capital gains for the year ended December 31, 2021.

| Year Ended | Qualified Net Interest Income | Qualified Capital Gains |
|------------|-------------------------------|-------------------------|
| 12/31/21   | 95.05%                        | 4.75%                   |

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.