
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A
(RULE 14a-101)

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

Filed by the Registrant ☒ [X] 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))
- ☒ [X] Definitive Proxy Statement
- ☐ [] Definitive Additional Materials
- ☐ [] Soliciting Material Pursuant to §240.14a-12

RAND CAPITAL CORPORATION
(Name of Registrant as Specified In Its Charter)

N/A
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ [X] 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:

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO OUR SHAREHOLDERS:

The 2023 Annual Meeting of Shareholders of Rand Capital Corporation (the “Corporation”) will be held on Wednesday, April 19, 2023 at 10:30 a.m., local time, virtually via the internet at www.virtualshareholdermeeting.com/RAND2023, to consider and vote on the following proposals:

1. To elect five Directors to hold office until the next annual meeting of shareholders and until their successors have been duly elected and qualified.
2. To ratify the selection of Freed Maxick CPAs, P.C. as our independent registered public accounting firm for the year ending December 31, 2023.
3. To consider and act upon such other business as may properly come before the meeting.

Shareholders of record at the close of business on March 2, 2023 are entitled to notice of, and to vote at, the annual meeting, and any adjournment thereof.

March 17, 2023
Buffalo, New York

By order of the Board of Directors,

/s/ Margaret W. Brechtel

Margaret W. Brechtel
Executive Vice President, Treasurer and Secretary

IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON APRIL 19, 2023

THE PROXY STATEMENT AND ANNUAL REPORT TO SHAREHOLDERS
IS AVAILABLE AT: WWW.PROXYVOTE.COM

Rand Capital Corporation
14 Lafayette Square, Suite 1405
Buffalo, New York 14203

Proxy Statement

GENERAL INFORMATION

We are furnishing this Proxy Statement in connection with the solicitation of proxies by the Board of Directors (the “Board”) of Rand Capital Corporation (“Rand” or the “Corporation” or “we”) for the Annual Meeting of Shareholders to be held on April 19, 2023 (“Annual Meeting”) at 10:30 a.m., local time, virtually via the internet at www.virtualshareholdermeeting.com/RAND2023. This Proxy Statement and accompanying form of proxy are first being mailed to shareholders on or about March 17, 2023. A copy of Rand’s annual report, which contains Rand’s financial statements, accompanies this Proxy Statement.

Only shareholders of record at the close of business on March 2, 2023 (“Record Date”) are entitled to notice of and to vote at the Annual Meeting, and at any adjournment thereof. On the Record Date, Rand had 2,581,021 shares of common stock, par value \$0.10 per share (“shares”), issued, outstanding and entitled to vote at the Annual Meeting.

Each share entitles the holder to one vote. Shares cannot be voted at the Annual Meeting unless the shareholder is present or represented by proxy. If the enclosed form of proxy is returned properly executed and dated, the shares represented thereby will be voted at the Annual Meeting in accordance with the instructions contained in the proxy, unless the proxy is revoked prior to its exercise or a subsequently dated proxy is executed and submitted. If you authorize a proxy without indicating your voting instructions, the proxyholder will vote your shares “FOR” each of the Directors standing for election in Proposal 1 and “FOR” Proposal 2 (Ratification of the Appointment of the Independent Registered Public Accounting Firm).

Any shareholder may revoke a proxy by executing a subsequently dated proxy or a notice of revocation, provided that the subsequent proxy or notice is delivered to the Corporation prior to the taking of a vote, or by voting at the Annual Meeting. If you hold shares through a broker, bank or other nominee, you must follow the instructions you receive from them in order to revoke your voting instructions. Attending the Annual Meeting virtually does not revoke your proxy unless you also vote electronically at the Annual Meeting.

Under the New York Business Corporation Law (the “BCL”) and the Corporation’s by-laws, the presence, in person or by proxy, of the holders of a majority of the outstanding shares entitled to vote at the Annual Meeting is necessary to constitute a quorum of the shareholders to take action at the Annual Meeting. The shares that are present at the Annual Meeting or represented by a proxy will be counted for quorum purposes. Proxies submitted with abstentions and broker non-votes will be counted in determining whether or not a quorum is present. Under the BCL and the Corporation’s by-laws, once a quorum is established, Directors standing for election pursuant to Proposal 1 (Election of Directors) are to be elected by a plurality of the votes cast (meaning that the Director nominees who receive the highest number of shares voted “for” their election are elected), and Proposal 2 (Ratification of the Appointment of the Independent Registered Public Accounting Firm) is to be approved by a majority of votes cast in favor of the matter (meaning that the number of shares voted “for” a proposal must exceed the number of shares voted “against” such proposal). With respect to the election of Directors (Proposal 1), you may vote “for” or “withhold” authority to vote for each of the nominees for the Board. With respect to Proposal 2, you may vote “for,” “against” or “abstain” from voting on this proposal. Votes withheld, broker non-votes, and abstentions will not be counted as votes cast on a proposal, and will have no effect on the results of the vote such proposal. A broker non-vote occurs when a bank, broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power for that particular item and has not received instructions on how to vote from the beneficial owner. Brokers, banks and other nominees have discretionary authority to vote on “routine” matters, but not on “non-routine” matters. Proposal 1 (Election of Directors) is considered a non-routine matter, whereas Proposal 2 (Ratification of the Appointment of the Independent Registered Public Accounting Firm) is a routine matter. If you hold your shares in street name (or “nominee name”) and do not provide your broker, bank or other nominee with these shares of record with specific instructions regarding how to vote on Proposal 1, your bank, broker or other nominee may not be permitted to vote your shares on Proposal 1 with respect to the election of Directors. Please instruct your broker, bank or other nominee so your vote can be counted.

We will bear all costs of soliciting proxies for the Annual Meeting. We may pay brokers, nominees, fiduciaries and other custodians their reasonable fees and expenses for sending proxy materials to beneficial owners and obtaining their instructions. In addition to solicitation by mail, our Directors, our officers and the employees of Rand Capital Management LLC, the Corporation’s external investment adviser (“RCM”), may solicit proxies in person or by telephone, and they will receive no additional compensation therefor.

EXPLANATORY NOTE REGARDING THE EXTERNALIZATION

On November 8, 2019, the Corporation entered into an investment advisory and management agreement (the “Prior Advisory Agreement”) and an administration agreement (the “Prior Administration Agreement”) with RCM whereby RCM agreed to provide investment advisory and management services to the Corporation (the “Externalization”). Following the Externalization, the Corporation’s prior employees, including its Chief Executive Officer/President and Chief Financial Officer, became employees of RCM and no longer receive any direct compensation from the Corporation. The Corporation’s day-to-day investment operations are managed by RCM and services necessary for its business, including the origination and administration of its investment portfolio, are provided by individuals who are employees of RCM.

Subsequently, in late 2020, the Board was advised by RCM that Callodine Group, LLC, a yield focused asset management platform (“Callodine”), intended to acquire a controlling interest in RCM, which was then-currently majority owned by East Asset Management, LLC (“East”). As the Investment Company Act of 1940, as amended (the “1940 Act”) requires that any investment management contract, such as the Prior Advisory Agreement, terminate automatically upon on its “assignment,” and, given that the transfer of a controlling interest in an investment adviser, such as was to be caused by East’s transfer of its controlling interest in RCM to Callodine (the “Adviser Change in Control”), constitutes an “assignment,” the Corporation’s shareholders were asked to approve a new investment advisory and management agreement (the “New Advisory Agreement”) with RCM at a special meeting of shareholders held in December 2020 (the “Special Meeting”). The terms of the New Advisory Agreement are identical to those contained in the Prior Advisory Agreement, with RCM continuing to provide investment advisory and management services to the Corporation following the Adviser Change in Control. Following approval by the Corporation’s shareholders at the Special Meeting, the Corporation, on December 31, 2020, entered into the New Advisory Agreement and a new administration agreement (the “New Administration Agreement”) with RCM.

As a result of the foregoing, RCM currently acts as the Corporation’s investment adviser and administrator pursuant to the terms of the New Advisory Agreement and the New Administration Agreement. As described in greater detail in the Corporation’s Annual Report on Form 10-K under Part I, Item 1 “Business – Investment Advisory and Management Agreement,” the compensation paid by the Corporation to RCM for providing investment advisory and management services under the New Advisory Agreement consists of two components — (i) a base management fee and (ii) an incentive fee consisting of two parts: (A) an income based fee and (B) a capital gains based fee. In addition, the Corporation reimburses RCM for the Corporation’s allocable portion of expenses incurred by RCM in performing administrative obligations and functions for the Corporation under the New Administration Agreement. The address of RCM is 14 Lafayette Square, Suite 1405, Buffalo, New York 14203.

VIRTUAL MEETING INFORMATION

Consistent with our approach at last year’s annual meeting of shareholders, the Annual Meeting will be held virtually via the internet at www.virtualshareholdermeeting.com/RAND2023. We have structured the Annual Meeting to provide shareholders with the same rights as if they participated in person, including the ability to vote shares electronically during the Annual Meeting and ask questions in accordance with the rules of conduct for the Annual Meeting.

To participate virtually in the Annual Meeting, you will need your 16-digit control number included in your proxy materials or voting instruction form. The Annual Meeting will begin promptly at 10:30 a.m., local time, on April 19, 2023. We recommend that you log in at least 15 minutes before the Annual Meeting begins to ensure ample time to complete the check-in procedures and test your computer audio system. If you encounter any difficulties accessing the virtual meeting platform during check-in or during the Annual Meeting, please call the technical support number that will be posted on the virtual meeting platform login page at www.virtualshareholdermeeting.com/RAND2023.

You can submit questions by logging into www.virtualshareholdermeeting.com/RAND2023 with your 16-digit control number. Additional information regarding the rules and procedures for asking questions during the Annual Meeting will be provided in our rules of conduct, which shareholders can view on the virtual meeting platform.

You will also be permitted to vote through the virtual meeting platform using your 16-digit control number. If you hold your shares in a brokerage account or through a bank or another nominee, since you are not the shareholder of record, in order to vote these shares electronically at the Annual Meeting you must obtain and submit a legal proxy from your bank, broker or other nominee through the virtual meeting platform.

BENEFICIAL OWNERSHIP OF SHARES

Unless otherwise indicated, the following table sets forth beneficial ownership of our shares on March 2, 2023, by (a) persons known by us to be beneficial owners of more than 5% of the outstanding shares, (b) the Directors, nominees for Director and the executive officers of Rand, and (c) all Directors and executive officers as a group. For purposes of the table, the address for each of our Directors, nominees for Director and executive officers is c/o Rand Capital Corporation, 14 Lafayette Square, Suite 1405, Buffalo, NY 14203. Unless otherwise stated, each person named in the table has sole voting and investment power with respect to the shares indicated as beneficially owned by that person.

Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class ⁽⁵⁾
(a) More than 5% Owners:		
East Asset Management, LLC 7777 NW Beacon Square Blvd. Boca Raton, FL 33487	1,658,212	64.2%
User-Friendly Phone Book, LLC 10200 Grogan’s Mill Road, Suite 440 The Woodlands, TX 77380	202,991	7.9%
(b) Directors, nominees for Director and executive officers:		
<i>Independent Directors or Director Nominees</i>		
Benjamin E. Godley	20,000	*
Cari L. Jaroslawsky	1,000	*
Erland E. Kailbourne ⁽²⁾	10,000	*
Robert M. Zak	18,409	*
<i>Interested Director or Director Nominee</i>		

Adam S. Gusky ⁽³⁾	1,679,142	65.1%
<i>Executive Officers</i>		
Daniel P. Penberthy	16,269	*
Margaret Brechtel	0	*
Heather Eastgate	0	*
* Less than 1%.		
(c) All current Directors and executive officers as a group (eight persons) ⁽⁴⁾	1,744,820	67.6%

(1) The beneficial ownership information presented is based upon information furnished by each person or contained in filings made with the Securities and Exchange Commission ("SEC").

(2) This amount includes 139 shares owned by Mr. Kailbourne's spouse.

(3) This amount includes 20,930 shares held by AG Energy, LLC, which may be deemed to be beneficially owned by Mr. Gusky by virtue of his control of AG Energy, LLC. In addition, Mr. Gusky is the Chief Investment Officer of East and may be deemed to have beneficial ownership of the shares held directly by East by virtue of his position with East. Mr. Gusky disclaims beneficial ownership of the shares held by East.

(4) Except as noted in footnotes 2 and 3 above with respect to Mr. Kailbourne and Mr. Gusky, respectively, members of the group have sole voting and investment power over their respective shares.

(5) Percent of Class calculated based on 2,581,021 shares issued and outstanding at the Record Date.

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DELINQUENT SECTION 16(a) REPORTS

During 2022, the executive officers and Directors of the Corporation and owners of more than 10% of the outstanding common stock of the Corporation timely filed with the SEC the required reports under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") regarding their beneficial ownership of the Corporation's common stock. As a practical matter, the Corporation assists its executive officers and Directors by monitoring transactions and completing and filing Section 16 reports on their behalf.

PROPOSAL 1. ELECTION OF DIRECTORS

Five Directors are to be elected at the Annual Meeting. All five of the Director nominees, Messrs. Godley, Gusky, Kailbourne and Zak and Ms. Jaroslawsky, were elected at the last annual meeting of shareholders held in April 2022. Messrs. Gusky and Godley were each designated for nomination for election to the Board by East pursuant to the terms of that certain shareholder agreement, dated as of November 8, 2019, by and between Rand and East (the "Shareholder Agreement"). For additional information on the terms of the Shareholder Agreement with East, see the description included in "Nomination of Directors" below.

Each of the nominees, including Messrs. Gusky and Godley that were designated for nomination by East under the terms of the Shareholder Agreement, was recommended for nomination for election by the Governance and Nominating Committee, which is comprised solely of Independent Directors. Each of the nominees has consented to serve as a Director if elected. If, at the time of the Annual Meeting, any nominee should be unable to serve, it is the intention of the persons designated as proxies to vote, in their discretion, for such other person as may be designated as a nominee by the Board.

Director Independence

The Board has affirmatively determined that the following current Directors, each of whom is also a Director nominee for the Annual Meeting, are "Independent Directors" under the rules of the SEC and under the rules and guidelines of the Nasdaq Stock Market: Benjamin E. Godley, Cari L. Jaroslawsky, Erland E. Kailbourne and Robert M. Zak. The Board applies the standards of the SEC and the rules and guidelines of the Nasdaq Stock Market to assist it in making director independence determinations. The Board considers all relevant facts and circumstances in determining whether a material relationship between Rand and a Director exists that would interfere with that Director's exercise of independent judgment in carrying out his or her responsibilities as a Director. In making this determination, the Board considered the analysis and recommendations of the Governance and Nominating Committee, as well as any related person transactions and other relationships with the Corporation or RCM. Material relationships that the Board may consider include commercial, consulting, legal, accounting, industrial, charitable and family relationships.

The nominees for election as a Director at the Annual Meeting have been nominated by the Board upon the recommendation of Rand's Governance and Nominating Committee, which is comprised solely of Independent Directors in compliance with the requirements of Nasdaq Listing Rule 5605(c)(1).

Adam S. Gusky, a current Director and a Director nominee, has been determined to be an "interested person" under Section 2(a)(19) of the 1940 Act with respect to Rand. In addition, Allen F. Grum, who served as a Director during 2022 until the date of the annual meeting of shareholders held in April 2022, was previously determined to be an "interested person" under Section 2(a)(19) of the 1940 Act with respect to Rand during his term of service as a Director. Directors who are determined to be interested persons do not qualify as Independent Directors under the rules and guidelines of the Nasdaq Stock Market.

The Board, with reference to the SEC rules and the Nasdaq Stock Market rules and guidelines, has also determined that:

- each member that served on the Audit Committee and the Governance and Nominating Committee during 2022 was independent under the applicable Nasdaq Stock Market rules and guidelines and SEC rules for purposes of determining independence of the members of each of those committees; and
- each member that served on the Audit Committee during 2022 also met the additional independence requirements under Rule 10A-3(b)(1) of the Exchange Act and Nasdaq Listing Rule 5605(c)(2)(A).

Rand's Board Chair, Mr. Zak, served as chair of the "executive sessions" of the Independent Directors of the Board during 2022. These "executive sessions" occurred at least twice during 2022. The Corporation also held separate committee meetings of the Board during 2022, which committees were comprised solely of Independent Directors.

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Board Leadership Structure

The Board monitors and performs an oversight role with respect to the Corporation's business and affairs, including with respect to valuation of the Corporation's investments, investment practices and performance, compliance with regulatory requirements, cybersecurity, and the services, expenses and performance of service providers. Among other things, the Board approves the appointment of the Corporation's investment adviser, reviews and monitors the services and activities performed by the Corporation's investment adviser and officers, and approves the engagement of, and reviews the performance of the Corporation's independent registered public accounting firm.

The Corporation believes that board leadership structures must be evaluated on a case-by-case basis and that its existing board leadership structure is appropriate. Robert M. Zak, who served as Chair of the Board during 2022, is not an "interested person" under Section 2(a)(19) of the 1940 Act with respect to Rand. Daniel P. Penberthy, who is not a Director of the Corporation, served as President and Chief Executive Officer of the Corporation during 2022. The Corporation believes that separating the Board Chair and President/Chief Executive Officer roles provides independent oversight of the Corporation, enhanced leadership by the Independent Directors, and a check on the Chief Executive Officer/President and Chief Financial Officer of the Corporation, who are also employees of RCM. However, the Corporation re-examines its approach as to corporate governance matters on an ongoing basis to ensure that they continue to meet the Corporation's needs and are in the best interests of shareholders.

The Board's Role in Risk Oversight

The Board's role in the Corporation's risk oversight process includes receiving regular reports from the officers of the Corporation and RCM, including their respective Chief Compliance Officers, on areas of material risk to the Corporation, including portfolio valuation, operational, financial, cybersecurity, legal, regulatory and compliance, strategic and reputational risks and compliance with our compliance policies and procedures. The full Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) reviews these reports from the officers of the Corporation and RCM to understand and provide oversight and direction on the management of these risks.

As described below in more detail under "Audit Committee" and "Governance and Nominating Committee," the Audit Committee and the Governance and Nominating Committee assist the Board in performing its risk oversight function and fulfilling its risk oversight responsibilities. The Audit Committee's risk oversight responsibilities include overseeing the Corporation's accounting and financial reporting processes, assisting the Board in fulfilling the Board's oversight responsibilities relating to the Corporation's systems of internal controls over financial reporting, audits of the Corporation's financial statements, and discussing the Corporation's major financial risk exposures with the officers of the Corporation and the steps that these officers have taken to monitor and control such exposures. The Governance and Nominating Committee's risk oversight responsibilities include identifying, evaluating and nominating Directors to fill vacancies on the Board or to stand for election by the Corporation's shareholders, and reviewing the Corporation's policies and practices relating to corporate governance.

In addition, the Board also performs its risk oversight responsibilities with the assistance of the Corporation's Chief Compliance Officer and RCM's Chief Compliance Officer to monitor risk in accordance with the Corporation's and RCM's compliance policies and procedures. The Board reviews quarterly written reports from the Corporation's Chief Compliance Officer and RCM's Chief Compliance Officer at its regular Board meetings, which quarterly reports discuss, among other items, the adequacy and effectiveness of the compliance policies and procedures of the Corporation and RCM. Annual reports provided by the Corporation's Chief Compliance Officer and RCM's Chief Compliance Officer address: (i) the operation of the compliance policies and procedures of the Corporation and RCM since the date of the last annual report; (ii) any material changes to such policies and procedures since the date of the last annual report; (iii) any recommendations for material changes to such policies and procedures as a result of an annual review; and (iv) any compliance matter that has occurred since the date of the last annual report as to which the Board would reasonably need to know to oversee compliance. The Corporation's Chief Compliance Officer also meets separately in executive session with the Independent Directors periodically, but in no event less than once each year.

We believe that the Board's role in risk oversight is effective and appropriate given the extensive regulation to which the Corporation is already subject as a business development company ("BDC"). Specifically, as a BDC, the Corporation must comply with numerous regulatory requirements that control the level of risk in our business and operations, including limitations under the 1940 Act on the amount of borrowings, or debt securities we may incur or issue. In addition, we generally have to invest at least 70% of our total assets in "qualifying assets" and, subject to certain exceptions, we generally are not permitted to invest in any portfolio company in which our affiliates currently has an investment. In addition, we have elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As a RIC, we must, among other things, meet certain source of income, asset diversification and distribution requirements.

The Corporation believes that the extent of the Board's (and its committees') role in risk oversight complements the Board's leadership structure because it allows the Corporation's Independent Directors, through the two fully independent Board committees, an independent Board Chair, executive sessions with each of the Corporation's Chief Compliance Officer and the Corporation's independent registered public accounting firm, to exercise oversight of risk without any conflict that might discourage critical review.

The Corporation believes that board roles in risk oversight must be evaluated on a case-by-case basis and that the Board's existing role in risk oversight is appropriate. However, the Board re-examines the manner in which it administers its risk oversight function on an ongoing basis to ensure that it continues to meet the Corporation's needs.

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Information Regarding Directors, Nominees for Director, and Executive Officers

The following table provides information concerning all persons who are nominees for Director or executive officers of Rand.

Name, Age and Address	Position(s) held with Fund	Length of Time Served as a Director (1)	Business Experience and Occupations During Last Five Years	Number of Portfolios in the Fund Complex Overseen by the Director or Director Nominee	Other Directorships (2)
Directors and Director Nominees who are Interested Persons					

Adam S. Gusky (3) (48) c/o 14 Lafayette Square, Suite 1405, Buffalo NY 14203	Director	2019	Mr. Gusky has been the Chief Investment Officer of East since its inception in 2010 and has served as the Chief Investment Officer for East Resources Acquisition Company, a special purpose acquisition company, since its incorporation in May 2020. In addition, Mr. Gusky served on the investment committee of RCM, which is the external investment adviser for the Corporation and responsible for all aspects of the Corporation's investment process, from November 2019 until March 2023. Prior to joining East, Mr. Gusky worked for CNN/Sports Illustrated and o2 Wireless Solutions. Mr. Gusky earned both his Master of Business Administration (class of 2006) and his Bachelor of Arts degrees from Duke University (class of 1997). Mr. Gusky's extensive knowledge of deal structuring and financing transactions obtained during his service as the Chief Investment Officer for East makes Mr. Gusky qualified to serve as a Director.	1	None
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Directors and Director Nominees who are not Interested Persons

Robert M. Zak (65) c/o 14 Lafayette Square, Suite 1405, Buffalo NY 14203	Director and Chair of the Board	2005	Mr. Zak has been the non-executive Chair of the Board of Merchants Mutual Insurance Company ("Merchants") since April 2021. From 1995 to March 2021, Mr. Zak served as President and Chief Executive Officer of Merchants, which operates under the trade name Merchants Insurance Group. Mr. Zak joined Merchants in 1985 and served in a number of finance roles until 1995. Prior to that, his career was in public accounting. Mr. Zak's executive leadership and public accounting experience provide desirable attributes as a Director of Rand.	1	None
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Proxy 6

Name, Age and Address	Position(s) held with Fund	Length of Time Served as a Director (1)	Business Experience and Occupations During Last Five Years	Number of Portfolios in the Fund Complex Overseen by the Director or Director Nominee	Other Directorships (2)
Benjamin E. Godley (59) c/o 14 Lafayette Square, Suite 1405, Buffalo NY 14203	Director	2019	Mr. Godley is a marketing consultant with more than 30 years of management, investment and start-up experience across a range of industries. Mr. Godley currently serves as the Chief Executive Officer of Point B Partners, which is a public relations and marketing services firm. From June 2020 through February 2022, he was President and Partner at Greenough Communications, a public relations and marketing services firm. Prior to that, from October 2018 through May 2020, he was the co-founder and CEO of Contributor Development Partnership ("CDP"), a for-profit corporation focused on improving the operational efficiency and revenue generation capacity of the public media system. Prior to becoming CEO of CDP, Mr. Godley was COO of WGBH (a media broadcaster and the largest producer of PBS content with annual revenue of \$250 million). Mr. Godley joined WGBH in 2008 as Executive Vice President, was named Chief Operating Officer in 2010, and was additionally named President of Business Services in 2017. Prior to joining WGBH, Mr. Godley served as Senior Advisor/Deputy National Finance Director on Mitt Romney's 2008 presidential campaign, and was a member of Governor Romney's senior staff as Director of Governmental Affairs for the Commonwealth. Earlier in his career, Mr. Godley co-founded and was President and CEO of CGN Marketing & Creative Services (acquired by Epsilon) and also held marketing and management roles at Hill & Knowlton Public Relations and IBM. Mr. Godley's significant business experience provides invaluable expertise as a Director of Rand.	1	None

Cari L. Jaroslawsky
(53)
c/o 14 Lafayette Square, Suite
1405, Buffalo, NY 14203

Director

2022

Ms. Jaroslawsky is the founder and President of Compliance Right, LLC, a board and executive consulting service provider. Prior thereto, Ms. Jaroslawsky served as Senior Vice President and General Manager of Eaton Mission Systems, which is an aerospace and defense company owned as part of Eaton Aerospace, from January 2019 until her retirement therefrom in December 2022, and as Senior Vice President of Finance from 2016 to 2019. Prior to her position with Eaton Mission Systems, Ms. Jaroslawsky served as the Chief Financial Officer and Treasurer of Servotronics, Inc. (NYSEAmerican: SVT) from 2005 until 2016. Ms. Jaroslawsky is a Certified Public Accountant and began her career as an accountant with PricewaterhouseCoopers. Ms. Jaroslawsky's substantial leadership experience and significant background in accounting and financial matters, including her prior service as the Chief Financial Officer and Treasurer of a publicly traded company, makes her well qualified to serve as a Director of Rand.

1

Director of
Graham
Corporation

Proxy 7

Name, Age and Address	Position(s) held with Fund	Length of Time Served as a Director (1)	Business Experience and Occupations During Last Five Years	Number of Portfolios in the Fund Complex Overseen by the Director or Director Nominee	Other Directorships (2)
Erland E. Kailbourne (81) c/o 14 Lafayette Square, Suite 1405, Buffalo, NY 14203	Director	1999	Mr. Kailbourne has served as the Chairman of the Board of Albany International, Inc. since 2020 and as a Director since 1999. He also previously served as Albany International's Chairman of the Board from May 2008 until February 2019. From 2006 until 2018, Mr. Kailbourne was a Director of Financial Institutions, Inc. and its subsidiary Five Star Bank. He retired as Chairman and Chief Executive Officer (New York Region) of Fleet National Bank, a banking subsidiary of Fleet Financial Group, Inc., in 1998. From 1995 to 1999, he was Vice Chairman State University of New York (SUNY). He was Chairman and Chief Executive Officer of Fleet Bank, also a subsidiary of Fleet Financial Group, Inc., from 1993 until its merger into Fleet National Bank in 1997. He is a Director of REV LNG Holdings, LLC, REV LNG LLC, Allegany Co-op Insurance Company, Conemaugh Valley Insurance Company, and The Thomas and Laura Moogan Foundation. Mr. Kailbourne's extensive banking and financial experience provide necessary attributes as a Director of Rand.	1	Director of Albany International, Inc.

Non-Director Executive Officers

Daniel P. Penberthy (4) (60) 14 Lafayette Square, Suite 1405, Buffalo, NY 14203	President and Chief Executive Officer of Rand	N/A	Mr. Penberthy has served as the President and Chief Executive Officer of the Corporation since December 2021. Previously, he served as Treasurer and Chief Financial Officer of the Corporation from August 1997 to December 2021 and as Executive Vice President of the Corporation from 2002 to December 2021. In addition, Mr. Penberthy has served on the investment committee of RCM, which is the external investment adviser for the Corporation and responsible for all aspects of the Corporation's investment process, since 2019 and as the President and Chief Executive Officer of RCM since December 2021. Mr. Penberthy previously served as Executive Vice President and Chief Financial Officer of RCM from November 2019 to December 2021. From 1993 to 1997, Mr. Penberthy served as Chief Financial Officer for both the Greater Buffalo Partnership (formerly the Chamber of Commerce) and the Greater Buffalo Convention and Visitors Bureau. Prior thereto, from 1990 to 1993, Mr. Penberthy was employed by Greater Buffalo Development Foundation and KPMG.	N/A	None
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Proxy 8

Name, Age and Address	Position(s) held with Fund	Length of Time Served as a Director (1)	Business Experience and Occupations During Last Five Years	Number of Portfolios in the Fund Complex Overseen by the Director or Director Nominee	Other Directorships (2)
Margaret Brechtel (5) (57) 14 Lafayette Square, Suite 1405, Buffalo, NY 14203	Executive Vice President, Treasurer, Chief Financial Officer and Secretary of Rand	N/A	Ms. Brechtel has served as Executive Vice President, Treasurer, Chief Financial Officer and Secretary of the Corporation since December 2021. Ms. Brechtel has served as an officer of the Corporation since 2002, initially as Controller and subsequently as Vice President of Finance since January 2009. In addition, Ms. Brechtel has served as Executive Vice President and Chief Financial Officer of RCM since December 2021, and previously served as Vice President of Finance of RCM from November 2019 to December 2021. Ms. Brechtel earned her Bachelor of Science and her Master of Business Administration from the State University of New York at Buffalo and is a Certified Public Accountant in the State of New York.	N/A	None
Heather Eastgate (6) (51) c/o 14 Lafayette Square, Suite 1405, Buffalo, NY 14203	Chief Compliance Officer of Rand	N/A	Ms. Eastgate was elected as the Chief Compliance Officer of the Corporation in January 2022 and performed her functions as the Chief Compliance Officer under the terms of the CCO Agreement (as defined below) between the Corporation and ACA Global, which acquired Foreside Consulting Services, LLC in May 2022. In addition to her officer position with the Corporation, she has been a Senior Principal Consultant of ACA Global since May 2022 and a Director of Foreside Consulting Services, LLC from June 2021 to May 2022, where she specializes in developing, testing, and maintaining compliance programs for registered investment companies, private funds and advisors. Before joining Foreside, Ms. Eastgate served as a Senior Compliance Consultant at Hardin Compliance Consulting, LLC, a regulatory compliance consulting firm, from 2008 to 2021. Prior to joining Hardin Compliance Consulting, LLC, she held various compliance related positions with Federated Hermes, Inc. (formerly known as Federated Investors) over a period of ten years. Ms. Eastgate earned her B.A. from Stetson University and an M.B.A. from Duquesne University.	N/A	None

(1) Indicates initial year in which such person became a Director. All Directors' terms of office will be through the next annual meeting of shareholders and until their successors have been duly elected and qualified.

(2) Indicates directorships of companies with a class of equity securities registered under Section 12 of the Exchange Act, subject to the requirements of Section 15(d) of the Exchange Act, or registered as an investment company under the 1940 Act.

(3) Deemed to be an interested person under Section 2(a)(19) of the 1940 Act due to his position as a Director of the Corporation and his position as a member of the RCM investment committee until March 2023.

(4) Deemed to be an interested person under Section 2(a)(19) of the 1940 Act due to Mr. Penberthy's positions as an officer of the Corporation, an officer of RCM and a member of the RCM investment committee.

(5) Deemed to be an interested person under Section 2(a)(19) of the 1940 Act due to Ms. Brechtel's positions as an officer of the Corporation and an officer of RCM.

(6) Ms. Eastgate was retained by the Corporation as its Chief Compliance Officer in January 2022 pursuant to the terms of a Master Service Agreement and BDC CCO Services Agreement (collectively the "CCO Agreement") by and between the Corporation and ACA Global (which acquired Foreside Consulting Services, LLC in May 2022). The CCO Agreement is terminable by either party upon 30 days' prior written notice.

Proxy 9

Board Diversity Matrix

The Corporation is committed to diversity and inclusion, and believes it is important that the Board is composed of individuals representing the diversity of our communities. The Governance and Nominating Committee seeks Director nominees with a broad diversity of experience, professions, skills and backgrounds. To this end, 20% of the Board has self-identified as female.

The Board Diversity Matrix set forth below reports self-identified diversity statistics for the Board, as constituted prior to the Annual Meeting, in the format required by Nasdaq's rules.

Board Diversity Matrix (As of March 17, 2023)

Board Size:	5			
Total Number of Directors				
Gender:	Female	Male	Non-Binary	Gender Undisclosed
Number of Directors Based on Gender Identity	1	4	-	-
Number of Directors Who Identify in Any of the Categories Below:				
African American or Black	-	-	-	-
Alaskan Native or American Indian	-	-	-	-

Asian	-	-	-	-
Hispanic or Latinx	-	-	-	-
Native Hawaiian or Pacific Islander	-	-	-	-
White	1	4	-	-
Two or More Races or Ethnicities	-	-	-	-
LGBTQ+	0			
Demographic Background Undisclosed	0			

Shareholder Communications

Communications to an individual Director, to non-employee Directors as a group, or to the entire Board, should be addressed as follows: Robert M. Zak, Security Holder Board Communications, Rand Capital Corporation, 14 Lafayette Square, Suite 1405, Buffalo, New York, 14203, with an indication of the individual or subgroup (if any) to whose attention the communication is directed. All security holder communications addressed in that manner will be delivered directly to Mr. Zak, who will receive communications for the Board and non-employee Directors, and who will deliver the communication unopened to any individually indicated Director.

Meeting Attendance

Directors are expected to attend the Annual Meeting each year, but such attendance is not required. All of the Corporation's Directors attended the 2022 annual meeting of shareholders, which was held as a virtual meeting by means of remote communication due to the COVID-19 pandemic.

The Board of Directors of the Corporation unanimously recommends a vote "FOR" the election of the Director nominees named in this Proxy Statement.

Proxy 10

Approximate Value of Investments in Rand

The following table indicates the range of value as of March 2, 2023 of the shares of Rand (the "Fund") beneficially owned by each Director of Rand. None of our Independent Directors own any equity interests in any other funds managed by RCM or its affiliates.

Name of Director or Nominee	Dollar Range of Equity Securities in the Fund
(a) Directors and Director Nominees who are not Interested Persons:	
Benjamin E. Godley	Over \$100,000
Cari L. Jaroslowsky	\$10,001-\$50,000
Erland E. Kailbourne	Over \$100,000
Robert M. Zak	Over \$100,000
(b) Director and Director Nominee who is an Interested Person:	
Adam S. Gusky	Over \$100,000

COMMITTEES AND MEETING DATA

The committees of the Board had the following members from January 1, 2022 through December 31, 2022:

Governance and Nominating Committee	Audit Committee
Benjamin E. Godley (Chair)	Erland E. Kailbourne (Chair)
Erland E. Kailbourne	Benjamin E. Godley
Cari L. Jaroslowsky (1)	Cari L. Jaroslowsky (1)
Robert M. Zak	Robert M. Zak

(1) Ms. Jaroslowsky joined the Audit Committee and the Governance and Nominating Committee effective July 20, 2022.

As described in greater detail below under "Compensation Committee," after the Corporation's 2019 annual meeting of shareholders and the completion of the Externalization, (i) consistent with the requirements of the Nasdaq Listing Rules, given the Corporation's status as a "controlled company" and (ii) given that the Corporation's prior employees, including its Chief Executive Officer/President and Chief Financial Officer, became employees of RCM and do not receive any direct compensation from the Corporation, the Board determined that it was no longer necessary to establish and retain a standing Compensation Committee.

During 2022, the full Board met eight times, the Audit Committee met five times, and the Governance and Nominating Committee met two times. During 2022, each Director attended 100% of the total number of meetings of the Board and of the committees of which such Director was a member, except Mr. Gusky who had an excused absence from one Board meeting (but his attendance was still in excess of 75% of the total number of meetings of the Board and of the committees of which Mr. Gusky was a member).

Proxy 11

Compensation Committee

As of the Record Date, East owns approximately 64.2% of our outstanding shares. As a result of East's percentage of ownership of our shares, the Corporation qualifies as a "controlled company" under Nasdaq Listing Rule 5615(c), and therefore is permitted to avail itself of the exemptions under the Nasdaq Listing Rules afforded to a "controlled company." Pursuant to the Nasdaq Listing Rules, the Corporation, as a "controlled company," is exempt from the requirements of Nasdaq Listing Rule 5605(d) with respect to the need to have a standing and fully independent compensation committee. Given, upon the completion of the Externalization, the Corporation does not have any employees and the employees of RCM do not receive any direct compensation from the Corporation, the Board determined after the 2019 annual meeting of shareholders that it was no longer necessary or useful to establish and retain a standing Compensation Committee. Any functions previously performed by the Compensation Committee that are still applicable for the Corporation after the completion of the Externalization are now performed by the Governance and Nominating Committee. Given the Board's focus on good corporate governance, at this time, the Board has decided not to avail itself of any of the other exemptions that are permitted to be used by a "controlled company" under the Nasdaq Listing Rules.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship, as defined by the rules adopted by the SEC, existed during the year ended December 31, 2022 between any member of the Board and an executive officer of the Corporation.

Governance and Nominating Committee

The primary purposes of the Governance and Nominating Committee include:

- monitoring, developing, recommending to the Board and assessing policies and practices relating to corporate governance for Rand, including identifying best practices and reviewing and recommending to the Board for approval any changes to the documents, policies and procedures in the Corporation's corporate governance framework;
- reviewing and making recommendations to the full Board regarding the amount and type of compensation that is to be paid to the non-employee Directors, including for service on the Board's committees;
- reviewing membership of the Board's committees and recommending to the Board which Directors should be appointed to such committees and their respective chairs;
- establishing criteria for Board membership and evaluating the desirability of changes in the size and composition of the Board;
- reviewing executive officer succession plans;
- identifying and evaluating potential Board candidates and establishing criteria for Board membership; and
- recommending to the Board individuals to be nominated by the Board for election by the Corporation's shareholders at each annual meeting of shareholders, and recommending to the Board candidates to fill vacancies on the Board and the size of the Board.

The Governance and Nominating Committee's charter may be accessed at Rand's website, www.randcapital.com. None of the persons that served on the Governance and Nominating Committee during 2022 were "interested persons" as defined in Section 2(a)(19) of the 1940 Act. Each member of the Governance and Nominating Committee during 2022 met the independence requirements of the Nasdaq Stock Market.

Nomination of Directors

The Governance and Nominating Committee, as part of its responsibilities under its charter, oversees the identification of qualified individuals to serve on the Board.

We seek Directors who have the required and appropriate skills and characteristics, including business experience and personal skills in finance, marketing, business and other areas that are necessary to contribute to an effective Board. We identify new Director candidates from prominent business persons and professionals in the communities Rand serves or who have a shared interest in the types of investments in which Rand transacts. We consider nominees of shareholders in the same manner as other nominees.

Proxy 12

If a vacancy occurs on the Board, or if the size of the Board is changed, the Governance and Nominating Committee may, in compliance with the requirements of the Shareholder Agreement described below, recommend candidates to the Board for election. The Board may elect a new Director to fill any unexpired term of the seat. Annually, the Governance and Nominating Committee will recommend a slate of new and/or continuing candidates for nomination for election to the Board. The Board will select a slate of nominees for Director from recommendations of the Governance and Nominating Committee, and submit the slate of nominees to be voted on by shareholders at Rand's next annual meeting of shareholders. Rand's by-laws provide that an annual meeting of shareholders shall be held on the date that the Board shall determine. The number of Directors on the Board is determined by the Board, but in no event may it be fewer than three Directors.

Pursuant to the terms of the Shareholder Agreement, East has the right to designate two or three persons, depending upon the size of the Board, for nomination for election to the Board. East will have the right to designate (i) up to two persons if the size of the Board is composed of fewer than seven Directors or (ii) up to three persons if the size of the Board is composed of seven or more Directors. East's right to designate persons for nomination for election to the Board under the Shareholder Agreement is the exclusive means by which East may designate or nominate persons for election to the Board. Given the Board currently consists of five Directors, East has the right to designate up to two persons for nomination for election to the Board. In connection with the Annual Meeting, Messrs. Gusky and Godley were each designated for nomination for election to the Board by East pursuant to the terms of the Shareholder Agreement.

Criteria and Diversity

In considering whether to recommend any candidate for inclusion in the Board's slate of recommended Director nominees, including candidates recommended by shareholders, the Governance and Nominating Committee will consider a candidate's background, professional experience, skill set, standard of character and integrity, being free from conflicts of interest that would interfere with the proper performance of the responsibilities as a Director, ability to devote sufficient time to the affairs of the Corporation and the ability to act in the best interests of all shareholders. In addition, the Governance and Nominating Committee is committed to diversity and inclusion, and believes it is important that the Board is composed of individuals representing the diversity of our communities. The Board and the Governance and Nominating Committee conceptualizes diversity to include, without limitation, concepts such as race, gender, national origin, differences of viewpoint, education, skill and other qualities that contribute to the Board when identifying and recommending Director nominees. The Governance and Nominating Committee has sought and expects to continue to seek nominees with a broad diversity of experience, professions, skills, and backgrounds. The Governance and Nominating Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees, but the Governance and Nominating Committee is focused on the importance that the Board consists of members that represent the diversity of our communities. Rand believes that the backgrounds and qualifications of the Directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

Code of Conduct and Business Ethics

Rand has adopted a written Code of Conduct that applies to Rand's Chief Executive Officer and Chief Financial Officer that meets the requirements of Item 406 of Regulation S-K. Rand will disclose any substantive amendments to, or waiver from provisions of, the Code of Conduct made with respect to the Chief Executive Officer and the Chief Financial Officer on its website.

In addition, the Corporation has adopted a Board of Directors (Non-Interested) Business Ethics Policy Statement that is applicable to Rand's Independent Directors. This Business Ethics Policy Statement acts as a general statement of the Corporation's expectations regarding the ethical standards that each Independent Director should adhere to while acting on behalf of the Corporation, including acting in good faith and in the honest belief that their actions are in the best interests of the Corporation and its shareholders.

Finally, a Joint Code of Ethics has been jointly adopted by the Corporation and RCM that is applicable to the directors, officers and employees of RCM and the officers and Directors of the Corporation that are interested persons. In addition to establishing general standards of conduct for such persons, the Joint Code of Ethics also includes additional procedures as provided by Rule 17j-1 under the 1940 Act to prevent officers and Directors of the Corporation that are interested persons from abusing their access to information about the Corporation's investments.

The Code of Conduct, the Business Ethics Policy Statement and the Joint Code of Ethics are each available in the Governance section of Rand's website at www.randcapital.com. They are also available in print to any shareholder who requests them.

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Audit Committee

The Board of Directors has determined that none of the members of the Audit Committee during 2022 were "interested persons" as defined in Section 2(a)(19) of the 1940 Act. During 2022, the Audit Committee was comprised solely of Independent Directors, each of whom met the independence requirements of the Nasdaq Stock Market and the rules of the SEC during their term of service. The Board of Directors has determined that Erland E. Kailbourne is an audit committee financial expert (as defined by SEC regulations). In addition to Mr. Kailbourne, the Board also believes that each of the other members of the Audit Committee during 2022 possessed the requisite skills and experience to also qualify as an audit committee financial expert. In addition, each member that served on the Audit Committee during 2022 possessed the financial qualifications required of Audit Committee members set forth in the rules and guidelines of the Nasdaq Stock Market.

The Audit Committee's charter may be accessed at Rand's website, www.randcapital.com.

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by (i) overseeing the Corporation's accounting and financial reporting processes and the audits of the Corporation's financial statements and internal controls over financial reporting and (ii) reviewing the financial reports and other financial information provided by the Corporation to the public. The Audit Committee is also responsible for approving the Corporation's independent registered public accounting firm and recommending them to the Board (including a majority of the Independent Directors) for approval and submission to its shareholders for ratification, reviewing with its independent registered public accounting firm the plans and results of the audit engagement, approving professional services provided by its independent registered public accounting firm, reviewing the independence of its independent registered public accounting firm and reviewing the adequacy of the Corporation's internal controls and procedures.

The Audit Committee has adopted necessary reporting procedures for the confidential submission, receipt, retention and treatment of accounting and auditing complaints.

Factors used in the Audit Committee's Assessment of the External Auditor Qualifications and Work Quality

The Audit Committee is responsible for the appointment, compensation and oversight of external auditors.

The Audit Committee annually reviews the Corporation's independent registered public accounting firm's (the "audit firm") performance and independence in deciding whether to continue to retain such audit firm. In the course of these reviews, the Audit Committee considers, among other things:

- the quality and efficiency of the audit firm's historical and recent audit plans;
- the audit firm's capabilities and expertise in handling the breadth and complexity of private equity accounting, portfolio valuation and public company reporting;
- the desired balance of the audit firm's experience and fresh perspective occasioned by mandatory audit partner rotation every five years, and the audit firm's periodic rotation of other audit management;
- Public Company Accounting Oversight Board (PCAOB) reports on the audit firm, if any;
- the appropriateness of the audit firm's fees, which the Audit Committee evaluates, reviews and approves;
- the effectiveness of the audit firm's communications and working relationships with the Audit Committee and the Corporation's officers;
- the audit firm's independence and objectivity;
- the audit firm's tenure, having served as the Corporation's independent registered public accounting firm since 2003; and
- evaluation of the audit process.

The Audit Committee considers non-audit fees and services provided when assessing auditor independence.

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Independent Registered Public Accounting Firm Fees

The aggregate fees for each of the last two fiscal years for services rendered by Freed Maxick CPAs, P.C. ("Freed") are as follows:

Fee Description	2022	2021
Audit Fees	\$ 175,100	\$ 164,500
Audit-Related Fees	\$ 0	\$ 0
Tax Fees	\$ 78,140	\$ 59,260
All Other Fees	\$ 0	\$ 0
Total Fees	\$ 253,240	\$ 223,760

For fiscal years 2022 and 2021, all of the services of Freed described in the above categories were pre-approved by the Audit Committee.

Audit Fees

This category consists of fees for the audit of annual consolidated financial statements, review of consolidated financial statements included in quarterly reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or audit engagements for those fiscal years.

Audit Related Fees

This category consists of assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit and review of consolidated financial statements and are not reported under audit fees. No such fees were paid in 2022 or 2021.

Tax Fees

This category consists of professional services rendered by the independent registered public accounting firm for tax compliance and tax planning. The services for the fees disclosed under this category include tax return preparation and technical advice provided by Freed.

All Other Fees

This category consists of fees not covered by Audit Fees, Audit Related Fees and Tax Fees. No such fees were paid in 2022 or 2021.

Estimates of annual audit and quarterly review fees to be paid during the year are submitted annually to the Audit Committee for its review and pre-approval and then budgeted for by Rand. All other non-audit services, including tax fees, must be pre-approved by the Audit Committee prior to engagement, as required by the Audit Committee's charter.

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Audit Committee Report

The Audit Committee has reviewed and discussed Rand's audited consolidated financial statements with management. In addition, the Audit Committee has discussed with Rand's independent registered public accountants, Freed Maxick CPAs, P.C., the matters required to be discussed by applicable requirements of the Public Company Accounting Oversight Board and the SEC.

The Audit Committee has received the written disclosures and the letter from Freed Maxick CPAs, P.C. required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent accountant the independent accountant's independence.

Based on the Audit Committee's review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in Rand's Annual Report on Form 10-K for the year ended December 31, 2022 for filing with the SEC.

This report is respectfully submitted by the Audit Committee of the Board of Directors.

Erland E. Kailbourne, Chair
Benjamin E. Godley
Cari L. Jaroslowsky
Robert M. Zak

The information provided in the preceding Audit Committee Report will not be deemed to be "soliciting material" or "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act, unless in the future the Corporation specifically requests that the information be treated as soliciting material or specifically incorporates it by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Proxy 16

EXECUTIVE COMPENSATION

Compensation of Executive Officers

Following the Externalization in November 2019, the Corporation's prior employees, including its Chief Executive Officer/President and Chief Financial Officer, became employees of RCM. As a result, the Corporation does not currently have any employees and does not expect to have any employees in the future. Services necessary for the Corporation's business are provided by individuals who are employees of RCM, pursuant to the terms of the New Advisory Agreement and the New Administration Agreement or, with respect to chief compliance officer services, provided by an employee of a third party service provider under the terms of the CCO Agreement. The Corporation's Chief Executive Officer and Chief Financial Officer are each an employee of RCM. All of the Corporation's day-to-day investment operations are managed by RCM. In addition, all of the services necessary for the origination and administration of the Corporation's investment portfolio are provided by investment professionals employed by RCM.

During 2022, neither the Chief Executive Officer nor the Chief Financial Officer received any direct compensation from the Corporation. The compensation of RCM's investment professionals is paid directly by RCM. However, the Corporation reimburses RCM for the Corporation's allocable portion of expenses incurred by RCM in performing administrative obligations and functions for the Corporation under the New Administration Agreement.

Anti-Hedging Policy

As part of the Corporation's insider trading policy, the Corporation's Directors and officers are prohibited from engaging (i) in any short sales of the Corporation's securities, (ii) in any transaction involving puts, calls and other derivative instruments that relate to or involve the Corporation's securities or (iii) in any hedging or other monetization transactions or similar arrangements involving the Corporation's securities.

Director Compensation

During 2022, each Board member received a \$35,000 per annum fee for Board and committee service. Committee Chairs received an additional fee of \$2,500 (Audit) or \$1,000 (Governance and Nominating). The Board Chair received an additional \$10,000 fee. No other forms of compensation are utilized; however, Rand reimburses out-of-town Directors for travel and out-of-pocket expenses incurred in connection with their service on our Board. The Corporation does not pay meeting attendance fees.

The following table sets forth information with respect to the compensation paid to or earned by each Director for 2022. Rand did not pay or accrue any other compensation to Directors for 2022. The Corporation does not maintain a stock or option plan, non-equity incentive plan or pension plan for our Directors.

Name	Fees Earned or Paid in Cash	
Robert M. Zak	\$	45,000
Benjamin E. Godley	\$	36,000

Allen F. Grum ⁽¹⁾	\$	11,000
Adam S. Guskys	\$	35,000
Cari L. Jaroslowsky ⁽²⁾	\$	23,333
Erland E. Kailbourne	\$	37,500

(1) Mr. Grum served as a Director during 2022 until the date of the annual meeting of shareholders held in April 2022.

(2) For 2022, Ms. Jaroslowsky began service as a Director immediately following her election at the annual meeting of shareholders held in April 2022.

After a review of market data regarding director compensation by the Governance and Nominating Committee, effective as of January 1, 2023, upon recommendation of the Governance and Nominating Committee, the full Board approved an increase in the annual fee for Board and committee service by \$15,000 from \$35,000 per annum to \$50,000 per annum. The Corporation believes that this adjustment more fairly compensates our non-employee Directors for their level of activity and effort and better positions the Corporation to attract and retain non-employee Directors, all of which we believe is in the best interest of our shareholders. In connection with the foregoing, the additional fees provided for Committee Chair service (\$2,500 per annum for Audit Committee chair service and \$1,000 per annum for Nominating and Governance Committee chair service) and Board Chair service (\$10,000 per annum) were left unchanged.

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Related Person Transactions

For the year ended December 31, 2022, except as described below, there were no transactions, or proposed transactions, exceeding \$120,000 in which the Corporation was or is a participant in which any related person had or will have a direct or indirect material interest.

New Advisory Agreement and New Administration Agreement

As described in greater detail above under “Explanatory Note Regarding the Externalization,” effective as of December 31, 2020, the Corporation entered into the New Advisory Agreement and New Administration Agreement with RCM whereby RCM began to provide investment advisory and management services to the Corporation. Mr. Penberthy and Ms. Brechtel are each current officers and employees of RCM, and Mr. Guskys was a member of the investment committee of RCM until March 2023. Pursuant to the terms of the New Advisory Agreement and the New Administration Agreement, the Corporation’s day-to-day investment operations are managed by RCM and services necessary for its business, including the origination and administration of its investment portfolio are provided by individuals who are employees of RCM. As described in greater detail in the Corporation’s Annual Report on Form 10-K under Part I, Item 1 “Business – Investment Advisory and Management Agreement,” the compensation paid by the Corporation to RCM for providing investment advisory and management services under both the New and Prior Advisory Agreements consist of two components — (i) a base management fee and (ii) an incentive fee consisting of two parts: (A) an income based fee and (B) a capital gains based fee. The Corporation reimburses RCM for the allocable portion of expenses incurred by RCM in performing obligations on behalf of the Corporation under the New Administration Agreement. For the year ended December 31, 2022, the base management fee and the capital gains fee earned by RCM under the terms of the New Advisory Agreement were \$927,226 and \$332,000, respectively, but no income based fee was earned by RCM under the terms of New Advisory Agreement for 2022. For the year ended December 31, 2022, the Corporation reimbursed RCM in the amount of \$6,237 for expenses incurred under the terms of the New Administration Agreement. In addition, for the year ended December 31, 2022, RCM reimbursed the Corporation in the amount of \$9,856 for expenses incurred by the Corporation on behalf of RCM.

Competition and Allocation of Investment Opportunities

RCM and its affiliates are simultaneously providing investment advisory services to other affiliated entities. RCM may determine that it is appropriate for the Corporation and one or more other affiliated entities or investment accounts managed by RCM or any of its affiliates to participate in an investment opportunity. Conflicts of interest or perceived conflicts of interest may also arise in determining which investment opportunities should be presented to the Corporation and other participating entities or accounts. To mitigate these conflicts, RCM will seek to allocate such transactions on a fair and equitable basis and in accordance with its allocation policies, taking into account various factors, which may include: the source of origination of the investment opportunity; investment objectives and strategies; tax considerations; risk, diversification or investment concentration parameters; characteristics of the security; size of available investment; available liquidity and liquidity requirements; regulatory restrictions; and/or such other factors as may be relevant to a particular transaction.

CCO Agreement

In addition, as described above, Ms. Eastgate has been retained as the Corporation’s Chief Compliance Officer pursuant to the terms of the CCO Agreement by and between the Corporation and ACA Global. Under the terms of the CCO Agreement, the monthly fee paid by the Corporation for Ms. Eastgate’s services as Chief Compliance Officer is \$5,700 per month. The CCO Agreement is terminable by either party upon 30 days’ prior written notice. During the year ended December 31, 2022, the Corporation engaged ACA Global for certain other 1940 Act compliance consulting services at the aggregate cost of approximately \$63,435.

In order to ensure that the Corporation does not engage in any related-party transactions with any persons affiliated with the Corporation, the Corporation requires that the Audit Committee must review in advance any “related-party” transaction, or series of similar transactions, to which the Corporation or any of its subsidiaries was or is to be a party, in which the amount involved exceeds \$120,000 and in which such related party had, or will have, a direct or indirect material interest.

Directors’ and Officer’s Liability Insurance

Rand has an insurance policy from Marsh USA effective from March 31, 2022 to March 31, 2023 that indemnifies (1) Rand for any obligation incurred as a result of its indemnification of its Directors and officers under the provisions of the BCL and Rand’s by-laws, and (2) Rand’s Directors and officers as permitted under the BCL and Rand’s by-laws. The policy covers all Directors and officers of Rand from March 31, 2022 to March 31, 2023 for a total premium of \$49,300. No sums have been paid to Rand or its Directors or officers under the insurance contract.

Proxy 18

PROPOSAL 2. RATIFICATION OF APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has selected, and our Board has approved, Freed Maxick CPAs, P.C. (“Freed”), independent registered public accounting firm, as our auditors for the year ending December 31, 2023. While the Audit Committee is responsible for the appointment, compensation, retention, termination and oversight of our independent registered public accounting firm, our Board believes, as a matter of good governance, that it is advisable to give shareholders an opportunity to ratify this selection. If this proposal is not approved by our shareholders at the Annual Meeting, our Audit Committee may reconsider its selection of Freed. Even if the selection is ratified by our shareholders, our Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of the Corporation and our shareholders.

Representatives of Freed are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from shareholders.

Our Board of Directors recommends that you vote “FOR” the ratification of the selection of Freed as our independent registered public accounting firm for the 2023 fiscal year.

OTHER BUSINESS

Rand does not know of any other matters that will come before the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the persons designated as proxies to vote in accordance with their best judgment on such matters.

STOCK REPURCHASES

In accordance with Section 23(c)(1) under the 1940 Act, the Corporation hereby advises you that it may repurchase shares of its common stock from time to time.

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Shareholder Proposals for the 2024 Annual Meeting

Shareholder proposals intended to be presented at the 2024 Annual Meeting of Shareholders and to be considered for inclusion in Rand’s proxy statement and form of proxy for that meeting must be received at Rand’s offices not later than November 18, 2023.

The Corporation’s by-laws provide that no business may be brought before an annual meeting of shareholders unless it is specified in the notice of the meeting or is otherwise brought before the meeting by the Board of Directors or by a shareholder entitled to vote who has delivered notice to the Corporation (containing the information specified in the Corporation’s by-laws) not later than 90 days nor more than 120 days in advance of the anniversary date of the prior year’s annual meeting of shareholders. These requirements are separate from and in addition to the SEC’s requirements that a shareholder must meet in order to have a shareholder proposal included in the Corporation’s proxy statement. A shareholder wishing to submit a proposal for consideration at the 2024 Annual Meeting of Shareholders, which is not submitted for inclusion in the proxy statement, should do so between December 21, 2023 and January 20, 2024.

In addition, under the Corporation’s by-laws, nominations for Director may be made only by the Board of Directors, by the Governance and Nominating Committee, or by a shareholder entitled to vote who has delivered written notice to the Corporation (containing the information specified in the Corporation’s by-laws) not later than 90 days nor more than 120 days in advance of the anniversary date of the prior year’s annual meeting of shareholders (i.e. between December 21, 2023 and January 20, 2024), except, in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date of the prior year’s annual meeting of shareholders, notice by the shareholder must be so received not later than the close of business on the tenth day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs.

March 17, 2023

By Order of the Board of Directors
/s/ Robert M. Zak
Chair of the Board

It is important that proxies be returned promptly. Shareholders are urged to complete, sign, date and return the proxy in the enclosed envelope, to which no postage need be affixed if mailed in the United States. If you attend the Annual Meeting virtually you may, if you wish, withdraw your proxy and vote electronically.

Proxy 20

Multiple Copies of our Annual Report and Proxy Statement (Householding)

When more than one holder of Rand common stock shares the same address, we may deliver only one annual report and one proxy statement to that address unless we have received contrary instructions from one or more of those shareholders. Similarly, brokers and other intermediaries holding shares of Rand common stock in “street name” for more than one beneficial owner with the same address may deliver only one annual report and one proxy statement to that address if they have received consent from the beneficial owners of the stock.

Rand will deliver promptly upon written or oral request a separate copy of the annual report and proxy statement to any shareholder, including a beneficial owner of stock held in “street name”, at a shared address to which a single copy of either of those documents was delivered. To receive additional copies of our annual report and proxy statement, you may call or write Tracy May, Office Manager, Rand Capital Management LLC, 14 Lafayette Square, Suite 1405, Buffalo, New York 14203, telephone (716) 853-0802 or email her at tmay@randcapital.com. You may also access a copy of Rand’s annual report and proxy statement on our website, www.randcapital.com, or via the SEC’s EDGAR home page, www.sec.gov/edgar/searchedgar/companysearch.html.

You may also contact Ms. May at the address or telephone number above if you are a shareholder of record of Rand and you wish to receive a separate annual report and proxy statement in the future, or if you are currently receiving multiple copies of our annual report and proxy statement and want to request delivery of a single copy in the future. If your shares are held in “street name” and you want to increase or decrease the number of copies of our annual report and proxy statement delivered to your household in the future, you should contact the broker or other intermediary who holds the shares on your behalf.

FINANCIAL STATEMENTS AVAILABLE

A copy of Rand’s 2022 annual report containing audited financial statements accompanies this Proxy Statement.

Rand will provide without charge to each shareholder upon written request a copy (without exhibits, unless otherwise requested) of Rand’s Annual Report on Form 10-K required to be filed with the SEC for the year ended December 31, 2022. Requests for copies should be addressed to Investor Relations, Rand Capital Corporation, 14 Lafayette Square, Suite 1405, Buffalo, New York, 14203. Requests may also be directed to (716) 853-0802 or to tmay@randcapital.com via email. Copies may also be accessed electronically by means of the SEC’s EDGAR home page on the internet at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

FINAL PAGE OF PROXY STATEMENT

Proxy 21

RAND CAPITAL CORPORATION
ATTN: TRACY MAY
14 LAFAYETTE SQUARE, SUITE 1405
BUFFALO, NY 14203



SCAN TO
VIEW MATERIALS & VOTE



VOTE BY INTERNET - www.proxyvote.com or scan the QR Barcode above
Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 P.M. ET on 04/18/2023. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to www.virtualshareholdermeeting.com/RAND2023
You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 P.M. ET on 04/18/2023. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

The Board of Directors recommends you vote FOR
the following:

1. Election of Directors

Nominees	For	Withhold
1a. Benjamin E. Godley	<input type="checkbox"/>	<input type="checkbox"/>
1b. Adam S. Gusky	<input type="checkbox"/>	<input type="checkbox"/>
1c. Cari L. Jaroslowsky	<input type="checkbox"/>	<input type="checkbox"/>
1d. Erland E. Kailbourne	<input type="checkbox"/>	<input type="checkbox"/>
1e. Robert M. Zak	<input type="checkbox"/>	<input type="checkbox"/>

The Board of Directors recommends you vote FOR
the following proposal:

	For	Against	Abstain
2. To ratify the selection of Freed Maxick CPAs, P.C. as our independent registered public accounting firm for the year ending December 31, 2023.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

<input type="text"/>	<input type="text"/>
Signature [PLEASE SIGN WITHIN BOX]	Date

<input type="text"/>	<input type="text"/>
Signature (Joint Owners)	Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com

RAND CAPITAL CORPORATION
Annual Meeting of Shareholders
April 19, 2023 10:30 AM
This proxy is solicited by the Board of Directors

The undersigned hereby appoints Erland E. Kailbourne and Daniel P. Penberthy as proxies, each with the power to appoint a substitute, and hereby authorizes them to represent and to vote, as designated below, all the shares of Common Stock of Rand Capital Corporation (the "Company") held of record by the undersigned at the Annual Meeting of Shareholders of the Company to be held on April 19, 2023, or any adjournment hereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Continued and to be signed on reverse side

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