

HERCULES TECHNOLOGY GROWTH CAPITAL INC

Form DEF 14A

April 20, 2012

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Hercules Technology Growth Capital, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

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

(3) Filing party:

(4) Date filed:

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

400 Hamilton Avenue, Suite 310

Palo Alto, California 94301

(650) 289-3060

April 20, 2012

Dear Stockholder:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of Hercules Technology Growth Capital, Inc. to be held on May 30, 2012 at 10:00 a.m., Eastern Time, at Brae Burn Country Club, located at 326 Fuller Street, Newton, Massachusetts 02465 (the Annual Meeting).

Details regarding the business to be conducted are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement.

It is important that your shares be represented at the Annual Meeting, and you are encouraged to vote your shares as soon as possible. The enclosed proxy card contains instructions for voting over the Internet, by telephone or by returning your proxy card via mail in the envelope provided. Your vote is important.

Sincerely yours,

Manuel A. Henriquez

Chairman of the Board

and Chief Executive Officer

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

400 Hamilton Avenue, Suite 310

Palo Alto, California 94301

(650) 289-3060

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 30, 2012

To the Stockholders of Hercules Technology Growth Capital, Inc.:

The 2012 Annual Meeting of Stockholders of Hercules Technology Growth Capital, Inc., a Maryland Corporation (the "Company"), will be held at Brae Burn Country Club, located at 326 Fuller Street, Newton, Massachusetts 02465 on May 30, 2012, at 10:00 a.m., Eastern Time, for the following purposes:

1. To elect one director of the Company nominated by the Company's Board of Directors (the "Board") and named in this proxy statement who will serve for three years or until his successor is elected and qualified;
2. To ratify the selection of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012;
3. Advisory vote to approve the Company's named executive officer compensation;
4. To approve a proposal to authorize the Company, with the approval of the Board, to sell or otherwise issue up to 20% of the Company's outstanding common stock at a price below the Company's then current net asset value per share ("NAV");
5. To approve a proposal to authorize the Company, with the approval of the Board, to offer and issue debt with warrants or debt convertible into shares of its common stock at an exercise or conversion price that, at the time such warrants or convertible debt are issued, will not be less than the market value per share but may be below the Company's then current NAV; and
6. To transact such other business as may properly come before the meeting, or any postponement or adjournment thereof.

The enclosed proxy statement is also available at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=14146>. This website also includes copies of the form of proxy and the Company's Annual Report to stockholders. Stockholders may request a copy of the proxy statement and the Company's Annual Report by contacting our main office at (650) 289-3060.

You have the right to receive notice of and to vote at the Annual Meeting if you were a stockholder of record at the close of business on April 10, 2012. Whether or not you expect to be present in person at the Annual Meeting, please sign the enclosed proxy and return it promptly in the self-addressed envelope provided. As a registered stockholder, you may also vote your proxy electronically by telephone or over the Internet by following the instructions included with your proxy card. Instructions are shown on the proxy card. In the event there are not sufficient votes for a quorum or to approve or ratify any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may

be adjourned in order to permit further solicitation of the proxies by the Company.

By Order of the Board,

Scott Harvey

Secretary and Chief Legal Officer

April 20, 2012

This is an important meeting. To ensure proper representation at the Annual Meeting, please complete, sign, date and return the proxy card in the enclosed, self-addressed envelope. Even if you vote your shares prior to the Annual Meeting, you still may attend the Annual Meeting and vote your shares in person.

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GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

***Q:* Why did you send me this proxy statement?**

The Company sent you this proxy statement and the enclosed proxy card because the Board is soliciting your proxy to vote at the 2012 Annual Meeting of Stockholders. The Annual Meeting will be held at Brae Burn Country Club, located at 326 Fuller Street, Newton, Massachusetts 02465 on May 30, 2012, at 10:00 a.m.

This proxy statement summarizes the information regarding the matters to be voted upon at the Annual Meeting. However, you do not need to attend the Annual Meeting to vote your shares. You may simply complete, sign, and return the enclosed proxy card or vote your shares by telephone or over the Internet in accordance with the instructions contained on the proxy card.

As of April 10, 2012, the date for determining stockholders entitled to vote at the Annual Meeting (the Record Date), there were 49,721,356 shares of common stock of the Company outstanding. If you owned shares of our common stock at the close of business on the Record Date, you are entitled to one vote for each share of common stock you owned as of that date. The Company began mailing this proxy statement on or about April 23, 2012 to all stockholders entitled to vote their shares at the Annual Meeting.

***Q:* What is the quorum requirement for the Annual Meeting?**

A quorum of stockholders must be present for any business to be conducted at the Annual Meeting. The quorum requirement for holding the Annual Meeting and transacting business is the presence in person or by proxy of a majority of our outstanding shares entitled to be voted. Abstentions and broker non-votes will be treated as shares present for quorum purposes. On the Record Date, there were 49,721,356 shares outstanding and entitled to vote. Thus, 24,860,679 must be represented by stockholders present at the Annual Meeting or by proxy to have a quorum.

***Q:* How do I vote by proxy and how many votes do I have?**

If you properly sign and date the accompanying proxy card, and the Company receives it in time for the Annual Meeting, the persons named as proxies on the proxy card will vote the shares in the manner that you specified. If you sign the proxy card, but do not make specific choices, the shares represented by such proxy will be voted as recommended by the Board. If your shares are registered in the name of a bank or brokerage firm, you may be eligible to vote your shares electronically via the Internet or by telephone. A large number of banks and brokerage firms participate in the American Stock Transfer & Trust Company's (AST) online program. This program provides eligible stockholders the opportunity to vote via the Internet or by telephone. If the entity holding your shares participates in AST's program, your voting form will provide instructions. If your voting form does not reference Internet or telephone voting information, please complete and return the paper proxy card in the pre-addressed, postage-paid envelope provided.

If any other matter is presented, the shares represented by such proxy will be voted in accordance with the best judgment of the person or persons exercising authority conferred by the proxy at the Annual Meeting.

You have one vote for each share of common stock that you own on the Record Date. The proxy card indicates the number of shares that you owned on the Record Date.

***Q:* What does it mean if I receive more than one proxy card?**

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each proxy card to ensure that all of your shares are voted.

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Q: May I revoke my proxy?

Yes. You may change your mind after you send in your proxy card or authorize your shares by telephone, via the Internet or at the Annual Meeting by following these procedures. To revoke your proxy:

Send in another signed proxy card with a later date;

Send a letter revoking your proxy to Scott Harvey, Secretary and Chief Legal Officer, at Hercules Technology Growth Capital, Inc., 400 Hamilton Avenue, Suite 310, Palo Alto, California 94301;

Vote again by telephone or Internet, if eligible to do so, by following the instructions included on the enclosed proxy card; or

Obtain proper written authority from the institution or broker holding your shares and attend the Annual Meeting and vote in person.

Q: How do I vote in person?

If you plan to attend the Annual Meeting and vote in person, we will give you a proxy card when you arrive. If your shares are held in the name of your broker, bank, or other nominee, you must bring an account statement or letter from that broker, bank, or nominee. The account statement or letter must show that you were the direct or indirect beneficial owner of the shares on April 10, 2012, the Record Date for voting. Alternatively, you may contact the person in whose name your shares are registered and obtain a proxy from that person and bring it to the Annual Meeting.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Stockholders of Record. You are a stockholder of record if at the close of business on the Record Date your shares were registered directly in your name with AST, our transfer agent.

Beneficial Owner. You are a beneficial owner if at the close of business on the Record Date your shares were held by a brokerage firm or other nominee and not in your name. Being a beneficial owner means that, like most of our stockholders, your shares are held in street name. As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares by following the voting instructions your broker or other nominee provides. If you do not provide your broker or nominee with instructions on how to vote your shares, your broker or nominee will be able to vote your shares with respect to some of the proposals, but not all. Please see *What if I did not specify how my shares are to be voted?* for additional information.

Q: What will happen if I do not vote my shares?

Stockholders of Record. If you are the stockholder of record of your shares and you do not vote by proxy card, by telephone, via the Internet or in person at the Annual Meeting, your shares will not be voted at the Annual Meeting.

Beneficial Owners. If you are the beneficial owner of your shares, your broker or nominee may vote your shares only on those proposals on which it has discretion to vote. Under the rules of the New York Stock Exchange (or the NYSE), your broker or nominee does not have discretion to vote your shares on non-routine matters such as Proposals 1, 3, 4 and 5. However, your broker or nominee does have discretion to vote your shares on routine matters such as Proposal 2.

Table of Contents**Q: What is the vote required for each proposal?**

Proposal	Vote Required	Broker Discretionary Voting Allowed?	Effect of Abstentions and Broker Non-Votes
Proposal 1 Election of a director of the Company nominated by the Board and named in this proxy statement who will serve for three years or until his successor is elected and qualified	Affirmative vote of the holders of a plurality of the shares of stock outstanding	No	Because directors are elected by a plurality of the votes, an abstention will have no effect on the outcome of the vote and, therefore, is not offered as a voting option for this proposal. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.
Proposal 2 Ratification of the selection of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012	Affirmative vote of a majority of the votes cast at the Annual Meeting in person or by proxy	Yes	Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.
Proposal 3 Advisory vote to approve the Company's named executive officer compensation	Affirmative vote of a majority of the votes cast at the Annual Meeting in person or by proxy	No	Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.
Proposal 4 Approval of a proposal to authorize the Company to sell or otherwise issue up to 20% of the Company's outstanding common stock at a price below the Company's then current NAV	Affirmative vote of: (i) a majority of outstanding shares of common stock entitled to vote at the Annual Meeting; and (ii) a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting which are not held by affiliated persons of the Company	No	Abstentions and broker non-votes will have the effect of a vote against this proposal.
Proposal 5 Approval of a proposal to authorize the Company to offer and issue debt with warrants or debt convertible into shares of its common stock at an exercise or conversion price that, at the time such warrants or convertible debt are issued, will not be less than the market value per share but may be below the Company's then current NAV	Affirmative vote of a majority of the votes cast at the Annual Meeting in person or by proxy	No	Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.

Q: What if I do not specify how my shares are to be voted?

Stockholders of Record. If you are a stockholder of record and you submit a proxy, but you do not provide voting instructions, your shares will be voted:

Proposal 1 FOR the election of one director nominated by our Board and named in this proxy statement;

Proposal 2 FOR the ratification of the selection of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012;

Proposal 3 FOR the advisory vote to approve the Company's named executive officer compensation;

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Proposal 4 FOR the authorization of the Company to sell or otherwise issue up to 20% of the Company's outstanding common stock at a price below the Company's then current NAV;

Proposal 5 FOR the authorization of the Company to offer and issue debt with warrants or debt convertible into shares of its common stock at an exercise or conversion price that, at the time such warrants or convertible debt are issued, will not be less than the market value per share but may be below the Company's then current NAV; and

In the discretion of the named proxies regarding any other matters properly presented for a vote at the Annual Meeting.

Beneficial Owners. If you are a beneficial owner and you do not provide the broker or other nominee that holds your shares with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under the NYSE's rules, brokers and other nominees have the discretion to vote on routine matters such as Proposal 2 but do not have discretion to vote on non-routine matters such as Proposals 1, 3, 4, and 5. Therefore, if you do not provide voting instructions to your broker or other nominee, your broker or other nominee may only vote your shares on Proposal 2 and any other routine matters properly presented for a vote at the Annual Meeting.

The NYSE no longer permits brokers to vote in the election of directors or on executive compensation proposals, including Proposals 1 and 3 in this Proxy Statement, if the holder of record has not received instructions from the beneficial owner. Accordingly, it is particularly important that beneficial owners instruct their brokers how they wish to vote their shares.

Q: What are abstentions and broker non-votes?

An abstention represents action by a stockholder to refrain from voting for or against a proposal. Broker non-votes represent votes that could have been cast on a particular matter by a broker, as a stockholder of record, but that were not cast because the broker (i) lacked discretionary voting authority on the matter and did not receive voting instructions from the beneficial owner of the shares, or (ii) had discretionary voting authority but nevertheless refrained from voting on the matter. Broker non-votes will have the effect of a vote against Proposal 4.

Q: Who is paying for the costs of soliciting these proxies?

The Company will pay all the costs of soliciting these proxies, including the preparation, assembly, printing and mailing of this proxy statement, the proxy card and any additional information furnished to stockholders. In addition to the solicitation of proxies by mail, our officers and employees also may solicit proxies by telephone, fax or other electronic means of communication, or in person. The Company has also retained AST and Phoenix Advisory Partners, LLC to assist in the solicitation of proxies for estimated fees of \$13,000 plus out-of-pocket expenses.

Q: How do I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published on Form 8-K within four business days from the date of the Annual Meeting.

Q: Who should I call if I have any questions?

If you have any questions about the Annual Meeting, voting or your ownership of the Company's common stock, please call us at (650) 289-3060 or send an e-mail to Scott Harvey, Secretary and Chief Legal Officer, at sharvey@htgc.com

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

400 Hamilton Avenue, Suite 310

Palo Alto, California 94301

(650) 289-3060

PROXY STATEMENT

2012 Annual Meeting of Stockholders

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Hercules Technology Growth Capital, Inc. a Maryland Corporation (the Company, we, us or our), for use at the Company's 2012 Annual Meeting of Stockholders to be held on May 30, 2012, at 10:00 a.m. at Brae Burn Country Club, located at 326 Fuller Street, Newton, Massachusetts 02465, and at any postponements or adjournments thereof. This proxy statement, the accompanying proxy card and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 are first being sent to stockholders on or about April 23, 2012.

We encourage you to vote your shares, either by voting in person at the Annual Meeting or by granting a proxy (*i.e.*, authorizing someone to vote your shares). If you properly sign and date the accompanying proxy card, and the Company receives it in time for the Annual Meeting, the persons named as proxies will vote the shares registered directly in your name in the manner that you specified. This proxy statement is also available via the Internet at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=14146>. The website also includes electronic copies of the form of proxy and the Company's Annual Report. If your shares are registered in the name of a bank or brokerage firm, you may be eligible to vote your shares electronically via the Internet or by telephone. A large number of banks and brokerage firms participate in the AST online program. This program provides eligible stockholders who receive a copy of the Company's Annual Report on Form 10-K and proxy statement, either by paper or electronically, the opportunity to vote via the Internet or by telephone. If the entity holding your shares participates in AST's program, your voting form will provide instructions. If your voting form does not reference Internet or telephone voting information, please complete and return the paper proxy card in the pre-addressed, postage-paid envelope provided.

Quorum Required

A quorum of stockholders must be present for any business to be conducted at the Annual Meeting. The presence at the Annual Meeting, in person or by proxy, of stockholders entitled to cast a majority of all votes entitled to be cast as of the Record Date will constitute a quorum. Abstentions and broker non-votes will be treated as shares present for quorum purposes. On the Record Date, there were 49,721,356 shares outstanding and entitled to vote. Thus, 24,860,679 must be represented by stockholders present at the Annual Meeting or by proxy to have a quorum.

If a quorum is not present at the Annual Meeting, the stockholders who are represented may adjourn the Annual Meeting until a quorum is present. The persons named as proxies will vote those proxies for such adjournment, unless marked to be voted against any proposal for which an adjournment is sought, to permit further solicitation of proxies.

Information Regarding This Solicitation

The Company will bear the expense of the solicitation of proxies for the Annual Meeting, including the cost of preparing, printing, and mailing this proxy statement, the accompanying Notice of Annual Meeting of

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Stockholders, and the proxy card. We have requested that brokers, nominees, fiduciaries and other persons holding shares in their names, or in the name of their nominees, which are beneficially owned by others, forward the proxy materials to, and obtain proxies from, such beneficial owners. We will reimburse such persons for their reasonable expenses in so doing.

In addition to the solicitation of proxies by the use of the mail, proxies may be solicited in person and by telephone or facsimile transmission by directors, officers or regular employees of the Company (for which no director, officer or regular employee will receive any additional or special compensation). The Company has also retained AST and Phoenix Advisory Partners, LLC to assist in the solicitation of proxies for estimated fees of \$13,000 plus out-of-pocket expenses.

Any proxy given pursuant to this solicitation may be revoked by notice from the person giving the proxy at any time before it is exercised. Any such notice of revocation should be provided in writing, signed by the stockholder in the same manner as the proxy being revoked and delivered to the Company's proxy tabulator.

Vote Required

Election of a Director. The election of a director requires the affirmative vote of the holders of a plurality of the shares of stock outstanding and entitled to vote thereon. Stockholders may not cumulate their votes. If you vote withhold authority with respect to the nominee, your shares will not be voted with respect to the person indicated. Because directors are elected by a plurality of the votes, an abstention will have no effect on the outcome of the vote and, therefore, is not offered as a voting option for this proposal.

Ratification of Independent Registered Public Accounting Firm. The affirmative vote of a majority of the votes cast at the Annual Meeting in person or by proxy is required to ratify the appointment of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm. Abstentions will not be counted as votes cast and will have no effect on the result of the vote.

Advisory Vote to Approve the Company's Named Executive Officer Compensation. Approval of Proposal 3 requires the affirmative vote of a majority of the votes cast at the Annual Meeting in person or by proxy. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.

Approval of the Proposal to Authorize the Company to Sell or Otherwise Issue up to 20% of the Company's Common Stock at a Price below the Company's then Current NAV. Approval of Proposal 4 requires the affirmative vote of: (i) a majority of outstanding shares of common stock entitled to vote at the Annual Meeting, as defined below; and (ii) a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting which are not held by affiliated persons of the Company.

For purposes of Proposal 4, the Investment Company Act of 1940 (the 1940 Act) defines a majority of outstanding shares as the lesser of: (i) 67% or more of the voting securities present at the Annual Meeting if the holders of more than 50% of the outstanding voting securities are present or represented by proxy; or (ii) more than 50% of our outstanding voting securities. Abstentions and broker non-votes will have the effect of a vote against Proposal 4.

Approval to authorize the Company to offer and issue debt with warrants or debt convertible into shares of its common stock at an exercise or conversion price that, at the time such warrants or convertible debt are issued, will not be less than the market value per share but may be below the Company's then current NAV. Approval of Proposal 5 requires the affirmative vote of a majority of the votes cast at the Annual Meeting in person or by proxy. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.

Also, a stockholder vote may be taken on one or more of the proposals in this proxy statement prior to any such adjournment if there are sufficient votes for approval of such proposal(s).

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The following table sets forth, as of April 10, 2012, the beneficial ownership of each current director, each nominee for director, the Company's executive officers, each person known to us to beneficially own 5% or more of the outstanding shares of our common stock, and the executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the "SEC") and includes voting or investment power with respect to the securities. Common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of April 10, 2012 are deemed to be outstanding and beneficially owned by the person holding such options or warrants. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Percentage of ownership is based on 49,721,356 shares of common stock outstanding as of April 10, 2012.

Unless otherwise indicated, to our knowledge, each stockholder listed below has sole voting and investment power with respect to the shares beneficially owned by the stockholder, except to the extent authority is shared by their spouses under applicable law. Unless otherwise indicated, the address of all executive officers and directors is c/o Hercules Technology Growth Capital, Inc., 400 Hamilton Avenue, Suite 310, Palo Alto, California 94301.

The Company's directors are divided into two groups: interested directors and independent directors. Interested directors are interested persons as defined in Section 2(a)(19) of the 1940 Act.

Name and Address of Beneficial Owner	Number of Shares Owned Beneficially ⁽¹⁾	Percentage of Class
Interested Director		
Manuel Henriquez ⁽²⁾	2,897,603	5.8%
Independent Directors		
Robert P. Badavas ⁽³⁾	124,443	*
Joseph W. Chow ⁽⁴⁾	133,172	*
Allyn C. Woodward, Jr. ⁽⁵⁾	198,848	*
Executive Officers		
Jessica Baron ⁽⁶⁾	133,049	*
Scott Harvey ⁽⁷⁾	293,503	*
Parag Shah ⁽⁸⁾	708,521	1.4%
Todd Jaquez-Fissori ⁽⁹⁾	40,218	*
Scott Bluestein ⁽¹⁰⁾	112,932	*
Executive officers and directors as a group⁽¹¹⁾	4,642,289	9.3%

* Less than 1%

- (1) Beneficial ownership has been determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934.
- (2) Includes 1,417,005 shares of common stock that can be acquired upon the exercise of outstanding options and 476,251 shares of restricted stock. Includes shares of the Company's common stock held by certain trusts controlled by Mr. Henriquez.
- (3) Includes 25,000 shares of common stock that can be acquired upon the exercise of outstanding options and 5,000 shares of restricted common stock.
- (4) Includes 25,000 shares of common stock that can be acquired upon the exercise of outstanding options and 5,000 shares of restricted common stock.

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- (5) Includes 25,000 shares of common stock that can be acquired upon the exercise of outstanding options and 1,666 shares of restricted common stock.
- (6) Includes 39,453 shares of common stock that can be acquired upon the exercise of outstanding options and 73,125 shares of restricted common stock.
- (7) Includes 216,043 shares of common stock that can be acquired upon the exercise of outstanding options and 35,059 shares of restricted common stock.
- (8) Includes 438,999 shares of common stock that can be acquired upon the exercise of outstanding options and 229,875 shares of restricted common stock.
- (9) Includes 4,666 shares of common stock that can be acquired upon the exercise of outstanding options and 32,500 shares of restricted common stock.
- (10) Includes 57,448 shares of common stock that can be acquired upon the exercise of outstanding options and 40,625 shares of restricted common stock.
- (11) Includes 2,248,614 shares of common stock that can be acquired upon the exercise of outstanding options and 899,101 shares of restricted common stock.

The following table sets forth as of April 10, 2012, the dollar range of our securities owned by our directors and executive officers.

Name	Dollar Range of Equity Securities Beneficially Owned ⁽¹⁾
Interested Director:	
Manuel A. Henriquez	over \$100,000
Independent Directors:	
Robert P. Badavas	over \$100,000
Joseph W. Chow	over \$100,000
Allyn C. Woodward, Jr.	over \$100,000
Executive Officers:	
Jessica Baron	over \$100,000
Scott Harvey	over \$100,000
Parag Shah	over \$100,000
Todd Jaquez-Fissori	over \$100,000
Scott Bluestein	over \$100,000

- (1) Beneficial ownership has been determined in accordance with Rule 16a-1(a)(2) of the Securities Exchange Act of 1934, as amended.

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PROPOSAL 1: ELECTION OF DIRECTORS

Board of Directors

The number of directors on our Board is currently fixed at four directors and is divided into three classes. Each director holds office for the term to which he or she is elected and until his or her successor is duly elected and qualified. Mr. Woodward's term expires in 2012, Mr. Henriquez's term expires in 2013 and Messrs. Badavas and Chow's terms expire in 2014.

Mr. Woodward has been nominated for re-election for a three year term expiring in 2015. Mr. Woodward is not being nominated as a director for election pursuant to any agreement or understanding between such person and the Company. Mr. Woodward has indicated his willingness to continue to serve if elected and has consented to be named as a nominee. Mr. Woodward is not an interested director of the Company as defined under the 1940 Act.

A stockholder can vote for or withhold his or her vote for the nominee. **In the absence of instructions to the contrary, it is the intention of the persons named as proxies to vote such proxy FOR the election of the nominee named in this proxy statement. If the nominee should decline or be unable to serve as a director, it is intended that the proxy will be voted for the election of such person as is nominated by the Board as a replacement.** The Board has no reason to believe that the nominee will be unable or unwilling to serve.

Required Vote

This proposal requires the affirmative vote of the holders of a plurality of the shares of stock outstanding and entitled to vote thereon. Stockholders may not cumulate their votes. If you vote withhold authority with respect to the nominee, your shares will not be voted with respect to the person indicated. Because directors are elected by a plurality of the votes, an abstention will have no effect on the outcome of the vote and, therefore, is not offered as a voting option for this proposal.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEE NAMED IN THIS PROXY STATEMENT.

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Information about the Directors and Executive Officers

Set forth below is information, as of April 10, 2012, regarding Mr. Woodward, who is being nominated for election as director of the Company by the stockholders at the Annual Meeting, as well as information about our current directors whose terms of office will continue after the Annual Meeting, including each director's (i) name and age; (ii) a brief description of their recent business experience, including present occupations and employment during at least the past five years; (iii) directorships, if any, that each director holds and has held during the past five years; and (iv) the year in which each person became a director of the Company. As the information that follows indicates, the nominee and each continuing director brings strong and unique experience, qualifications, attributes, and skills to the Board. This provides the Board, collectively, with competence, experience, and perspective in a variety of areas, including: (i) corporate governance and Board service; (ii) executive management, finance, and accounting; (iii) venture capital financing with a technology-related focus; (iv) business acumen; and (v) an ability to exercise sound judgment.

Moreover, the Nominating and Corporate Governance Committee believes that it is important to seek nominees with a broad diversity of experience, professions, skills, geographic representation and backgrounds. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe 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. Our Board does not have a specific diversity policy, but considers diversity of race, religion, national origin, gender, sexual orientation, disability, cultural background and professional experiences in evaluating candidates for Board membership.