

GABELLI CONVERTIBLE & INCOME SECURITIES FUND INC  
Form DEF 14A  
March 31, 2015

SCHEDULE 14A INFORMATION

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

(Amendment No. )

Filed by Registrant

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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Sec. 240.14a-12

**The Gabelli Convertible and Income Securities Fund 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:

**THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.**

One Corporate Center

Rye, New York 10580-1422

(914) 921-5070

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held on May 11, 2015**

To the Stockholders of

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.

Notice is hereby given that the Annual Meeting of Stockholders of The Gabelli Convertible and Income Securities Fund Inc., a Maryland corporation (the "Fund"), will be held on Monday, May 11, 2015, at 12:30 p.m., local time, at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 (the "Meeting"), and at any adjournments or postponements thereof for the following purposes:

1. To elect three (3) Directors of the Fund to be elected by the holders of the Fund's Common Stock and holders of its 6.00% Series B Cumulative Preferred Stock (the "Preferred Stock"), voting together as a single class; and
2. To consider and vote upon such other matters, including adjournments, as may properly come before said Meeting or any adjournments thereof.

These items are discussed in greater detail in the attached Proxy Statement.

The close of business on March 16, 2015 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

**YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR HOLDINGS IN THE FUND. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE ASK THAT YOU PLEASE VOTE PROMPTLY. STOCKHOLDERS MAY AUTHORIZE THEIR PROXY BY TELEPHONE OR THE INTERNET. ALTERNATIVELY, STOCKHOLDERS MAY SUBMIT VOTING INSTRUCTIONS BY SIGNING AND DATING THE PROXY CARD AND RETURNING IT IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE.**

By Order of the Board of Directors,

ANDREA R. MANGO

*Secretary*

April 1, 2015

## INSTRUCTIONS FOR SIGNING PROXY CARDS TO BE RETURNED BY MAIL

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund involved in validating your vote if you fail to sign your proxy card properly.

1. *Individual Accounts:* Sign your name exactly as it appears in the registration on the proxy card.
2. *Joint Accounts:* Either party may sign, but the name of the party signing should conform exactly to the name shown in the registration.
3. *All Other Accounts:* The capacity of the individuals signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

| <b><u>Registration</u></b>                                | <b><u>Valid Signature</u></b>  |
|---|--------------------------------|
| <b>Corporate Accounts</b>                                 |                                |
| (1) ABC Corp.   | ABC Corp., John Doe, Treasurer |
| (2) ABC Corp.   | John Doe, Treasurer            |
| (3) ABC Corp.<br>c/o John Doe, Treasurer                  | John Doe                       |
| (4) ABC Corp., Profit Sharing Plan                        | John Doe, Trustee              |
| <b>Trust Accounts</b>                                     |                                |
| (1) ABC Trust   | Jane B. Doe, Trustee           |
| (2) Jane B. Doe, Trustee<br>u/t/d 12/28/78                | Jane B. Doe                    |
| <b>Custodian or Estate Accounts</b>                       |                                |
| (1) John B. Smith, Cust.<br>f/b/o John B. Smith, Jr. UGMA | John B. Smith                  |
| (2) John B. Smith, Executor<br>Estate of Jane Smith       | John B. Smith, Executor        |

## INSTRUCTIONS FOR TELEPHONE/INTERNET VOTING

Instructions for authorizing your proxy to vote your shares by telephone or Internet are included with the Notice of Internet Availability of Proxy Materials and the proxy card.



**THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.**

**ANNUAL MEETING OF STOCKHOLDERS**

**May 11, 2015**

**PROXY STATEMENT**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board,” the members of which are referred to as “Directors”) of The Gabelli Convertible and Income Securities Fund Inc., a Maryland corporation (the “Fund”), for use at the Annual Meeting of Stockholders of the Fund to be held on Monday, May 11, 2015, at 12:30 p.m., local time, at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 (the “Meeting”), and at any adjournments or postponements thereof. A Notice of Internet Availability of Proxy Materials will first be mailed to stockholders on or about April 1, 2015.

In addition to the solicitation of proxies by mail, officers of the Fund and officers and regular employees of Computershare Trust Company, N.A. (“Computershare”), the Fund’s transfer agent, and affiliates of Computershare or other representatives of the Fund may also solicit proxies by telephone, Internet, or in person. In addition, the Fund has retained Morrow & Co., LLC to assist in the solicitation of proxies for an estimated fee of \$1,000 plus reimbursement of expenses. The Fund will pay the costs of the proxy solicitation and the expenses incurred in connection with preparing, printing, and mailing the Notice of Internet Availability of Proxy Materials and/or Proxy Statement and its enclosures. If requested, the Fund will also reimburse brokerage firms and others for their expenses in forwarding solicitation materials to the beneficial owners of its shares.

**The Fund’s most recent annual report, including audited financial statements for the fiscal year ended December 31, 2014, is available upon request, without charge, by writing to the Secretary of the Fund, One Corporate Center, Rye, New York 10580-1422, by calling the Fund at 800-422-3554, or via the Internet at [www.gabelli.com](http://www.gabelli.com).**

If the proxy is properly executed and returned in time to be voted at the Meeting, the shares represented thereby will be voted "FOR" the election of the nominees as Directors as described in this Proxy Statement, unless instructions to the contrary are marked thereon, and at the discretion of the proxy holders as to the transaction of any other business that may properly come before the Meeting. Any stockholder who has submitted a proxy has the right to revoke it at any time prior to its exercise either by attending the Meeting and voting his or her shares in person, or by submitting a letter of revocation, or a later dated proxy to the Fund at the above address prior to the date of the Meeting.

A "quorum" is required in order to transact business at the Meeting. A quorum of stockholders is constituted by the presence in person or by proxy of the holders of a majority of the outstanding shares of the Fund entitled to vote at the Meeting. In the event a quorum is not present at the Meeting, or in the event that a quorum is present at the Meeting but sufficient votes to approve any of the proposed items are not received, the chairperson of the Meeting may propose one or more adjournments of such Meeting to permit further solicitation of proxies. If a quorum is present, a stockholder vote may be taken on one or more of the proposals in this Proxy Statement prior to such adjournment if sufficient votes have been received for approval and it is otherwise appropriate. If a quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote "FOR" any proposal in favor of such adjournment and will vote those proxies required to be voted "AGAINST" any proposal against any such adjournment. Absent the establishment of a subsequent record date and the giving of notice to the holders of record thereon, the adjourned Meeting must take place not more than 120 days after the record date. At such adjourned Meeting, any business may be transacted which might have been transacted at the original Meeting.



The close of business on March 16, 2015 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting and all adjournments thereof.

The Fund has two classes of capital stock outstanding: common stock, par value \$0.001 per share (the “Common Stock”), and 6.00% Series B Cumulative Preferred Stock, par value \$0.001 per share (the “Preferred Stock”). The holders of the Common Stock and Preferred Stock are each entitled to one vote for each full share held. On the record date, there were 13,966,090 shares of Common Stock, and 965,548 shares of Preferred Stock, outstanding.

Set forth below is information as to those stockholders known by the Fund to own of record or beneficially 5% or more of a class of the Fund’s outstanding voting securities as of the record date.

| <b><u>Name and Address of Beneficial Owner(s)</u></b>                         | <b><u>Title of Class and Nature of Ownership</u></b> | <b><u>Amount of Shares</u></b> | <b><u>Percent of Class</u></b> |
|---|--|--------------------------------|--------------------------------|
| Mario J. Gabelli and affiliates<br>One Corporate Center<br>Rye, NY 10580-1422 | Common   | 1,498,682 (beneficial)*        | 10.7%                          |

Comprised of 398,134 shares of Common Stock owned directly by Mr. Gabelli, 10,000 shares of Common Stock \*owned by a family partnership for which Mr. Gabelli serves as general partner, and 1,090,548 shares of Common Stock owned by GAMCO Investors, Inc. or its affiliates.

As of the record date, there were no persons known to the Fund to be beneficial owners of more than 5% of the Fund’s outstanding shares of Preferred Stock.

**SUMMARY OF VOTING RIGHTS ON PROXY PROPOSALS**

| <b><u>Proposal</u></b> | <b><u>Common Stockholders</u></b>   | <b><u>Preferred Stockholders</u></b>  |
|------------------------|---|---|
| Election of Directors  | Common and Preferred Stockholders, voting together as a single class, vote to elect three Directors: E. Val Cerutti, Dugald A. Fletcher, and Anthony R. Pustorino | Common and Preferred Stockholders, voting together as a single class, vote to elect three Directors: E. Val Cerutti, Dugald A. Fletcher, and Anthony R. Pustorino |

Other Business Common and Preferred Stockholders, voting together as a single class

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**PROPOSAL: TO ELECT THREE (3) DIRECTORS OF THE FUND**

**Nominees for the Board of Directors**

The Board consists of eight Directors, seven of whom are not “interested persons” of the Fund (as defined in the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund divides the Board into three classes, each class having a term of three years. Each year, the term of office of one class will expire. E. Val Cerutti, Dugald A. Fletcher, and Anthony R. Pustorino have each been nominated by the Board for election to serve for a three year term to expire at the Fund’s 2018 Annual Meeting of Stockholders or until their successors are duly elected and qualify. Each of the Directors of the Fund has served in that capacity since the June 5, 1989 organizational meeting of the Fund, with the exception of Mr. Colavita, who became a Director of the Fund on November 15, 1989, Mr. Zizza, who became a Director of the Fund on April 24, 1991, Mr. van Ekris who became a Director of the Fund on February 11, 1992, and Dr. Werner J. Roeder who became a Director of the Fund on August 15, 2001. All of the Directors of the Fund are also directors or trustees of other investment companies for which Gabelli Funds, LLC (the “Adviser”) or its affiliates serve as investment adviser. The classes of Directors are indicated below:

**Nominees to Serve Until 2018 Annual Meeting of Stockholders**

E. Val Cerutti

Dugald A. Fletcher

Anthony R. Pustorino

**Directors Serving Until 2017 Annual Meeting of Stockholders**

Anthony J. Colavita

Anthonie C. van Ekris

Salvatore J. Zizza

**Directors Serving Until 2016 Annual Meeting of Stockholders**

Mario J. Gabelli, CFA

Werner J. Roeder

Under the Fund's Articles of Amendment and Restatement, Articles Supplementary, and the 1940 Act, holders of the Fund's outstanding Preferred Stock, voting as a separate class, are entitled to elect two Directors, and holders of the Fund's outstanding Common Stock and Preferred Stock, voting together as a single class, are entitled to elect the remaining Directors. The holders of the Fund's outstanding Preferred Stock would be entitled to elect the minimum number of additional Directors that would represent a majority of the Directors in the event that dividends on the Fund's Preferred Stock become in arrears for two full years, until all arrearages are eliminated. No dividend arrearages exist as of the date of this Proxy Statement. Mr. Colavita and Dr. Roeder are currently the Directors elected solely by the holders of the Fund's Preferred Stock. Dr. Roeder's and Mr. Colavita's terms as Directors are scheduled to expire at the Fund's 2016 and 2017 Annual Meeting of Stockholders, respectively, and therefore they are not standing for election at this Meeting.

Unless instructions are provided to the contrary, it is the intention of the persons named in the proxy to vote the proxy "FOR" the election of the nominees named above. Each nominee has indicated that he has consented to serve as a Director if elected at the Meeting. If, however, a designated nominee declines or otherwise becomes unavailable for election, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees. Each nominee is qualified to serve as a Director under the Fund's governing documents.

**Information about Directors and Officers**

Set forth in the table below are the existing Directors, including those Directors who are not considered to be “interested persons,” as defined in the 1940 Act (the “Independent Directors”), three of whom are nominated for reelection to the Board of the Fund, and officers of the Fund, including information relating to their respective positions held with the Fund, a brief statement of their principal occupations and, in the case of the Directors, their other directorships during the past five years (excluding other funds managed by the Adviser), if any.

| <b>Name, Position(s),<br/>Address<sup>(1)</sup><br/>and Age</b>                                | <b>Term of<br/>Office and<br/>Length of<br/>Time<br/>Served<sup>(2)</sup></b> | <b>Principal Occupation(s)<br/>During Past Five Years</b>   | <b>Other Directorships<br/>Held by Director<br/>During Past Five Years</b>  | <b>Number of<br/>Portfolios to<br/>Fund<br/>Complex<sup>(3)</sup><br/>Overseen<br/>by Director</b> |
|--|---|---|---|--|
| <b><u>INTERESTED DIRECTOR<sup>(4)</sup>:</u></b>   |   |   |   |  |
| <b>Mario J. Gabelli,<br/>CFA</b><br><br>Chairman and<br>Chief Investment<br>Officer<br>Age: 72 | Since<br>1989***  | Chairman, Chief Executive<br>Officer, and Chief Investment<br>Officer - Value Portfolios of<br>GAMCO Investors, Inc. and<br>Chief Investment Officer –<br>Value<br>Portfolios of Gabelli Funds,<br>LLC and GAMCO Asset<br>Management Inc.; Director/<br>Trustee or Chief Investment<br>Officer<br>of other registered investment<br>companies in the<br>Gabelli/GAMCO<br>Funds Complex; Chief<br>Executive<br>Officer of GGCP, Inc. | Director of Morgan Group<br>Holdings, Inc. (holding<br>company); Chairman of the<br>Board and Chief Executive<br>Officer of LICT Corp.<br>(multimedia and communication<br>services company); Director of<br>CIBL, Inc. (broadcasting and<br>wireless communications);<br>Director<br>of ICTC Group, Inc.<br>(communications); Director of<br>RLJ<br>Acquisition, Inc. (blank check<br>company) (2011-2012) | 28   |
| <b><u>INDEPENDENT DIRECTORS/NOMINEES<sup>(5)</sup>:</u></b>                                    |   |   |   |  |
| <b>E. Val Cerutti</b><br>Director<br>Age: 75   | Since 1989*   | Chief Executive Officer of<br>Cerutti Consultants, Inc.   | Director of LGL Group,<br>Inc. (diversified manufacturing)<br>(1990-2009)   | 7  |
| <b>Anthony J.<br/>Colavita<sup>(6)(7)</sup></b>  |   | President of the law firm of  | —   | 37   |

|  |               |                                |                                  |    |
|--|---------------|--------------------------------|----------------------------------|----|
| Director                                   | Since 1989**  | Anthony J. Colavita, P.C.      |                                  |    |
| Age: 79                                    |               |                                |                                  |    |
| <b>Dugald A. Fletcher</b>                  |               | President, Fletcher &          | Director of Harris & Harris      | 2  |
| Director                                   | Since 1989*   | Company, Inc.                  | Group,                           |    |
| Age: 85                                    |               |                                | Inc. (business development       |    |
|  |               |                                | company) (1996-2012)             |    |
| <b>Anthony R. Pustorino</b>                |               | Certified Public Accountant;   | Director of LGL Group,           | 13 |
| Director                                   | Since 1989*   | Professor Emeritus, Pace       | Inc. (diversified manufacturing) |    |
| Age: 89                                    |               | University                     | (2004-2011)                      |    |
| <b>Werner J. Roeder<sup>(6)</sup></b>      |               | Practicing private physician;  | —                                | 23 |
| Director                                   | Since 2001*** | Former Medical Director of     |                                  |    |
| Age: 74                                    |               | Lawrence Hospital              |                                  |    |
|  |               | (1999-2014)                    |                                  |    |
| <b>Anthonie C. van Ekris<sup>(7)</sup></b> |               | Chairman and Chief Executive   | —                                | 20 |
| Director                                   | Since 1992**  | Officer of BALMAC              |                                  |    |
| Age: 80                                    |               | International, Inc. (global    |                                  |    |
|  |               | import/<br>export company)     |                                  |    |
| <b>Salvatore J. Zizza<sup>(7)</sup></b>    |               | President of Zizza &           | Director and Vice Chairman of    | 31 |
| Director                                   | Since 1991**  | Associates                     | Trans-Lux Corporation (business  |    |
| Age: 69                                    |               | Corp. (financial consulting);  | services); Director and Chairman |    |
|  |               | Chairman of Harbor             | of                               |    |
|  |               | Diversified, Inc.              | Harbor Diversified Inc.          |    |
|  |               | (pharmaceuticals); Chairman of | (pharmaceuticals); Director,     |    |
|  |               | BAM (semiconductor and         | Chairman,                        |    |
|  |               | aerospace                      | and CEO of General               |    |
|  |               | manufacturing); Chairman of    | Employment                       |    |
|  |               | Bergen                         | Enterprises (staffing services)  |    |
|  |               | Cove Realty Inc.; Chairman of  | (2009-2012)                      |    |
|  |               | Metropolitan Paper Recycling   |                                  |    |
|  |               | Inc.                           |                                  |    |
|  |               | (recycling) (2005-2014)        |                                  |    |

**OFFICERS:**

| <b>Name, Position(s),<br/>Address<sup>(1)</sup><br/>and Age</b>          | <b>Term of<br/>Office and<br/>Length of<br/>Time<br/>Served<sup>(8)</sup></b> | <b>Principal Occupation(s)<br/>During Past Five Years</b>   |
|--|---|---|
| <b>Bruce N. Alpert</b><br>President<br>Age: 63                           | Since 1988  | Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an Officer of registered investment companies in the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008; Director of Teton Advisors, Inc. 1998-2012; Chairman of Teton Advisors, Inc. 2008-2010; President of Teton Advisors, Inc. 1998-2008                                       |
| <b>Agnes Mullady</b><br>Treasurer<br>Age: 56                             | Since 2006  | President and Chief Operating Officer of the Open-End Fund Division of Gabelli Funds, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Fund Complex   |
| <b>Andrea R. Mango</b><br>Secretary and Vice<br>President<br>Age: 42     | Since 2013  | Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of all closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013; Vice President and Counsel of Deutsche Bank, 2006-2011 |
| <b>Richard J. Walz</b><br>Chief Compliance Officer<br>Age: 55            | Since 2013  | Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013; Chief Compliance Officer of Cutwater Asset Management, 2004-2011   |
| <b>Laurissa M. Martire</b><br>Vice President and<br>Ombudsman<br>Age: 38 | Since 2004  | Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Assistant Vice President of GAMCO Investors, Inc. since 2003   |

(1) Address: One Corporate Center, Rye, NY 10580-1422.

(2) The Fund's Board of Directors is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term.

(3) The "Fund Complex" or the "Gabelli/GAMCO Fund Complex" includes all the registered funds that are considered part of the same fund complex as the Fund because they have common or affiliated investment advisers.

(4) "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered to be an "interested person" of the Fund because of his affiliation with the Fund's Adviser and G.research, Inc., which executes portfolio transactions for the Fund.

(5) Directors who are not considered to be "interested persons" of the Fund as defined in the 1940 Act are considered to be "Independent" Directors. None of the Independent Directors (with the possible exceptions as described in this proxy statement) nor their family members had any interest in the Adviser or any person directly or indirectly controlling, controlled by, or under common control with the Adviser as of December 31, 2014.

(6) Directors elected solely by holders of the Fund's Preferred Stock.

(7) Mr. Colavita's son, Anthony S. Colavita, serves as a director of the GAMCO Mathers Fund and the Comstock Capital Value Fund, which are considered part of the same Fund Complex as the Fund because they have common or affiliated investment advisers. Mr. van Ekris is an independent director of Gabelli International Ltd., Gabelli Fund LDC, GAMA Capital Opportunities Master, Ltd., and GAMCO International SICAV, and Mr. Zizza is an independent director of Gabelli International Ltd., which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and in that event would be deemed to be under common control with the Fund's Adviser.

(8) Each officer shall be elected annually by the Board at its first meeting held after the annual meeting of stockholders, each to hold office until the next such Board meeting or until his or her successor is duly elected and qualifies or until the date he or she dies, resigns or is removed.

\* Nominee to serve, if elected, until the Fund's 2018 Annual Meeting of Stockholders or until his successor is duly elected and qualifies.

\*\* Term continues until the Fund's 2017 Annual Meeting of Stockholders or until his successor is duly elected and qualifies.

\*\*\* Term continues until the Fund's 2016 Annual Meeting of Stockholders or until his successor is duly elected and qualifies.



The Board believes that each Director's experience, qualifications, attributes or skills on an individual basis and in combination with those of other Directors lead to the conclusion that each Director should serve in such capacity. Among the attributes or skills common to all Directors are their ability to review critically and to evaluate, question and discuss information provided to them, to interact effectively with the other Directors, the Adviser, the sub-administrator, other service providers, counsel and the Fund's independent registered public accounting firm, and to exercise effective and independent business judgment in the performance of their duties as Directors. Each Director's ability to perform his/her duties effectively has been attained in large part through the Director's business, consulting or public service positions and through experience from service as a member of the Board and one or more of the other funds in the Fund Complex, public companies, or non-profit entities, or other organizations as set forth above and below. Each Director's ability to perform his/her duties effectively also has been enhanced by education, professional training, and other experience.

*Mario J. Gabelli, CFA.* Mr. Gabelli is Chairman of the Board of Directors and Chief Investment Officer of the Fund. Mr. Gabelli is a member of the Fund's *ad hoc* Pricing Committee (described below under "Directors – Leadership Structure and Oversight Responsibilities"). He also currently serves as Chairman of the boards of other funds in the Fund Complex. Mr. Gabelli is Chairman, Chief Executive Officer, and Chief Investment Officer-Value Portfolios of GAMCO Investors, Inc. ("GBL"), a New York Stock Exchange ("NYSE")-listed asset manager and financial services company. He is also the Chief Investment Officer of Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management, Inc. ("GAMCO"), each of which are asset management subsidiaries of GBL. In addition, Mr. Gabelli is Chief Executive Officer, a director and the controlling shareholder of GGCP, Inc., a private company that holds a majority interest in GBL, and the Chairman of MJG Associates, Inc., which acts as an investment manager of various investment funds and other accounts. Mr. Gabelli also sits on the boards of other publicly traded companies and private firms, and various charitable foundations and educational institutions, including the Board of Trustees of Boston College, Roger Williams University, the Winston Churchill Foundation, and The E.L. Wiegand Foundation, and the Board of Overseers of Columbia University Graduate School of Business. Mr. Gabelli received his Bachelors degree from Fordham University, his Masters of Business Administration from Columbia University Graduate School of Business, and honorary Doctorates from Fordham University and Roger Williams University.

*E. Val Cerutti.* Mr. Cerutti is Chief Executive Officer of Cerutti Consultants, Inc. Mr. Cerutti is a member of the Fund's *ad hoc* Proxy Voting Committee. He is a member of the board of other funds in the Fund Complex. He formerly served as Director of The LGL Group, Inc., a diversified manufacturing company. He was President and Chief Operating Officer of Stella D'oro Biscuit Co., and served on the board of advisers of the Hagan School of Business of Iona College. He has served as a consultant to several venture capital groups. Mr. Cerutti has a Bachelor of Science degree from Fordham University and a Masters degree in Business Administration from Iona College.

*Anthony J. Colavita, Esq.* Mr. Colavita is a practicing attorney with over fifty years of experience, including the field of business and financial law. He is the Chairman of the Fund's Nominating Committee and a member of the Fund's Audit Committee. Mr. Colavita also serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. He served as a Commissioner of the New York State Thruway Authority and as a Commissioner of the New York State Bridge Authority, where his duties included reviewing financial documents of these agencies. He served for eleven years as the elected Supervisor of the Town of Eastchester, New York, responsible for ten annual municipal budgets of approximately eight million dollars each. Mr. Colavita also

served as Special Counsel to the New York State Assembly for five years and as a Senior Attorney with the New York State Insurance Department. He is the former Chairman of the New York State Republican Party, the Westchester County Republican Party, and the Eastchester Republican Town Committee. Mr. Colavita received his Bachelor of Arts from Fairfield University and his Juris Doctor from Fordham University School of Law.

*Dugald A. Fletcher.* Mr. Fletcher is President of Fletcher & Company. Mr. Fletcher is a member of the Fund's *ad hoc* Pricing Committee. He served as director of a venture capital firm. Additionally, he served as President and Director of Baker Weeks & Co., Inc., a NYSE Member Firm, Senior Vice President of Booz-Allen & Hamilton, Inc., a management consulting firm, President of Booz-Allen Acquisition Services, Director of Paine Webber, Inc., Executive Vice President of Paine, Webber, Jackson and Curtis, Inc. and Advisor to Gabelli/Rosenthal LP, a leveraged buyout fund. His industrial experience includes Chairman of Keller Industries, Inc., a building and consumer products company, Chairman of Binnings Building Products, Inc., and various positions with the United States Steel Corporation. Mr. Fletcher received his Bachelor of Arts from Harvard College, AB, and his Masters in Business Administration from Harvard Business School.

*Anthony R. Pustorino.* Mr. Pustorino is a Certified Public Accountant ("CPA") and Professor Emeritus of Pace University with over fifty years of experience in public accounting. Mr. Pustorino is the lead Independent Director,

serves as Chairman of the Fund's Audit and *ad hoc* Proxy Voting Committees and is a member of both multi-fund *ad hoc* Compensation Committees. He has been designated the Fund's Audit Committee Financial Expert (as defined below). He also serves on board committees with respect to other funds in the Fund Complex. Mr. Pustorino was a Director of The LGL Group, Inc., a diversified manufacturing company, and Chair of its Audit Committee. He was previously the President and shareholder of a CPA firm and a Professor of accounting at both Fordham University and Pace University. He served as Chairman of the Board of Directors of the New York State Board of Public Accountancy and of the CPA Examination Review Board of the National Association of the State Boards of Accountancy. Mr. Pustorino was Vice President and a member of the Executive Committee of the New York State Society of CPAs, and was the Chair or member of many of its technical committees. He was a member of the Council of the American Institute of CPAs. Mr. Pustorino is the recipient of numerous professional and teaching awards. He received a Bachelor of Science in Business from Fordham University and a Masters in Business Administration from New York University.

*Werner J. Roeder.* Dr. Roeder is a practicing private physician and Former Medical Director of Lawrence Hospital Center in Bronxville, New York. He has been a practicing surgeon for over forty-five years. As Vice President of Medical Affairs at Lawrence Hospital, he is actively involved in personnel and financial matters concerning the hospital's \$140 million budget. He is a member of the Fund's Nominating Committee, a member of the Fund's *ad hoc* Proxy Voting Committee and a member of both multi-fund *ad hoc* Compensation Committees. He also serves on certain board committees with respect to another fund in the Fund Complex on whose boards he sits. Dr. Roeder is board certified as a surgeon by The American Board of Surgery and presently serves in a consulting capacity to Empire Blue Cross/Blue Shield. He obtained his Doctorate in Medicine from New York Medical College. Dr. Roeder's education, professional training, and experience, and other life experiences, including but not limited to his experience as a practicing surgeon, service as an officer of a hospital, consulting services to a national agency and service on the boards of other funds and committees within the Fund Complex, make him highly qualified to serve as a Director of the Fund.

*Anthonie C. van Ekris.* Mr. van Ekris has been the Chairman and Chief Executive Officer of BALMAC International, Inc., a global import/export company, for over twenty years. He serves as a member of the board of other funds in the Fund Complex and is Chairman of the GAMCO International SICAV. Mr. van Ekris has over fifty-five years of experience as Chairman and/or Chief Executive Officer of public and private companies involved in international trading or commodity trading, and served in both of these capacities for nearly twenty years for a large public jewelry chain. Mr. van Ekris is a former Director of an oil and gas operations company. He served on the boards of a number of public companies and for more than ten years on the Advisory Board of the Salvation Army of Greater New York.

*Salvatore J. Zizza.* Mr. Zizza is the President of a financial consulting firm. He also serves as Chairman to other companies involved in manufacturing, technology, and pharmaceuticals. He is a member of the Fund's Audit Committee, a member of the Fund's Nominating Committee, a member of the Fund's *ad hoc* Pricing Committee, and a member of both multi-fund *ad hoc* Compensation Committees. In addition, he serves on comparable or other board committees, including as Lead Independent Director/Trustee, with respect to other funds in the Fund Complex on whose boards he sits. In addition to serving on the boards of other funds within the Fund Complex, he is currently a director of three other public companies and previously served on the boards of several other public companies. He also served as the Chief Executive of a large NYSE-listed construction company. Mr. Zizza received his Bachelor of

Arts and his Masters of Business Administration in Finance from St. John's University, which awarded him an Honorary Doctorate in Commercial Sciences.

### **Directors – Leadership Structure and Oversight Responsibilities**

Overall responsibility for general oversight of the Fund rests with the Board. The Board has appointed Mr. Pustorino as the lead Independent Director. The lead Independent Director presides over executive sessions of the Directors and also serves between meetings of the Board as a liaison with service providers, officers, counsel, and other Directors on a wide variety of matters including scheduling agenda items for Board meetings. Designation as such does not impose on the lead Independent Director any obligations or standards greater than or different from other Directors. The Board has established a Nominating Committee and an Audit Committee to assist the Board in the oversight of the management and affairs of the Fund. The Board also has an *ad hoc* Proxy Voting Committee that exercises beneficial ownership responsibilities on behalf of the Fund in selected situations. From time to time, the Board establishes additional committees or informal working groups, such as an *ad hoc* Pricing Committee related to securities offerings by the Fund, to address specific matters, or assigns one of its members to work with directors or trustees of other funds in the Fund Complex on special committees or working groups that address fund

complex-wide matters, such as the multi-fund *ad hoc* Compensation Committee relating to the compensation of the Chief Compliance Officer for all the funds in the Fund Complex and a separate multi-fund *ad hoc* Compensation Committee relating to the compensation of certain other officers of the closed-end funds in the Fund Complex.

All of the Fund's Directors other than Mr. Mario J. Gabelli are Independent Directors, and the Board believes it is able to provide effective oversight of the Fund's service providers. In addition to providing feedback and direction during Board meetings, the Independent Directors meet regularly in executive session and chair all committees of the Board.

The Fund's operations entail a variety of risks, including investment, administration, valuation, and a range of compliance matters. Although the Adviser, the sub-administrator, and the officers of the Fund are responsible for managing these risks on a day-to-day basis within the framework of their established risk management functions, the Board also addresses risk management of the Fund through its meetings and those of the committees and working groups. As part of its general oversight, the Board reviews with the Adviser at Board meetings the levels and types of risks being undertaken by the Fund, and the Audit Committee discusses the Fund's risk management and controls with the independent registered public accounting firm engaged by the Fund. The Board reviews valuation policies and procedures and the valuations of specific illiquid securities. The Board also receives periodic reports from the Fund's Chief Compliance Officer regarding compliance matters relating to the Fund and its major service providers, including results of the implementation and testing of the Fund's and such providers' compliance programs. The Board's oversight function is facilitated by management reporting processes designed to provide visibility to the Board regarding the identification, assessment, and management of critical risks, and the controls and policies and procedures used to mitigate those risks. The Board reviews its role in supervising the Fund's risk management from time to time and may make changes at its discretion at any time.

The Board has determined that its leadership structure is appropriate for the Fund because it enables the Board to exercise informed and independent judgment over matters under its purview, allocates responsibility among committees in a manner that fosters effective oversight, and allows the Board to devote appropriate resources to specific issues in a flexible manner as they arise. The Board periodically reviews its leadership structure as well as its overall structure, composition, and functioning, and may make changes at its discretion at any time.

#### **Beneficial Ownership of Shares held in the Fund and the Family of Investment Companies for each Director and Nominee for Election as Director**

Set forth in the table below is the dollar range of equity securities in the Fund beneficially owned by each Director and nominee for election as Director and the aggregate dollar range of equity securities in the Fund complex beneficially owned by each Director and nominee for election as Director.

| <u>Name of Director/Nominee</u>               | <u>Dollar Range of Equity Securities Held in the Fund</u> *(1) | <u>Aggregate Dollar Range of Equity Securities Held in the Family of Investment Companies</u> *(1)(2) |
|---|--|---|
| <b><u>INTERESTED DIRECTOR:</u></b>            |  |   |
| Mario J. Gabelli                              | E  | E   |
| <b><u>INDEPENDENT DIRECTORS/NOMINEES:</u></b> |  |   |
| E. Val Cerutti                                | A  | E   |
| Anthony J. Colavita                           | E  | E   |
| Dugald A. Fletcher                            | E  | E   |
| Anthony R. Pustorino                          | C  | E   |
| Werner J. Roeder                              | E  | E   |
| Anthonie C. van Ekris                         | B  | E   |
| Salvatore J. Zizza                            | C  | E   |

\*Key to Dollar Ranges

A. None

B. \$1 – \$10,000

C. \$10,001 – \$50,000

D. \$50,001 – \$100,000

E. Over \$100,000

All shares were valued as of December 31, 2014.

This information has been furnished by each Director and nominee for election as Director as of December 31, (1)2014. “Beneficial Ownership” is determined in accordance with Rule 16a-1(a)(2) of the Securities Exchange Act of 1934, as amended (the “1934 Act”).

The term “Family of Investment Companies” includes two or more registered funds that share the same investment (2) adviser or principal underwriter and hold themselves out to investors as related companies for purposes of investment and investor services. Currently the registered funds that comprise the “Fund Complex” are identical to those that comprise the “Family of Investment Companies.”

Set forth in the table below is the amount of shares beneficially owned by each Director, nominee for election as Director, and executive officer of the Fund.

| <u>Name of Director/Nominee/Officer</u>       | <u>Amount and Nature of Beneficial Ownership<sup>(1)</sup></u>                       | <u>Percent of Shares Outstanding<sup>(2)</sup></u> |
|---|--|--|
| <b><u>INTERESTED DIRECTOR:</u></b>            |  |  |
| Mario J. Gabelli                              | 1,498,682 <sup>(3)</sup><br>4,200 Preferred Stock <sup>(4)</sup>                     | 10.7%<br>*   |
| <b><u>INDEPENDENT DIRECTORS/NOMINEES:</u></b> |  |  |
| E. Val Cerutti                                | 0  | *  |
| Anthony J. Colavita                           | 5,000 Preferred Stock<br>82,489 <sup>(5)</sup><br>800 Preferred Stock <sup>(6)</sup> | *<br>*<br>*  |
| Dugald A. Fletcher                            | 13,998<br>1,000 Preferred Stock  | *<br>*   |
| Anthony R. Pustorino                          | 6,451 <sup>(7)</sup>   | *  |
| Werner J. Roeder                              | 73,451   | *  |
| Anthony C. van Ekris                          | 361  | *  |
| Salvatore J. Zizza                            | 1,000 Preferred Stock  | *  |
| <b><u>EXECUTIVE OFFICERS:</u></b>             |  |  |
| Bruce N. Alpert                               | 372  | *  |
| Andrea R. Mango                               | 0  | *  |
| Agnes Mullady                                 | 0  | *  |
| Richard J. Walz                               | 0  | *  |

This information has been furnished by each Director, including each nominee for election as Director, and (1) executive officer as of December 31, 2014. "Beneficial Ownership" is determined in accordance with Rule 13d-3 of the 1934 Act. Reflects ownership of shares of Common Stock unless otherwise noted.

An asterisk indicates that the ownership amount constitutes less than 1% of the total shares outstanding. The (2) ownership of the Directors, including nominees for election as Director, and executive officers as a group constitutes 12.0% of the total Common Stock outstanding and 1.2% of the total Preferred Stock outstanding.

Comprised of 398,134 shares of Common Stock owned directly by Mr. Gabelli, 10,000 shares of Common Stock (3) owned by a family partnership for which Mr. Gabelli serves as general partner, and 1,090,548 shares of Common Stock owned by GAMCO Investors, Inc. or its affiliates.

(4) All 4,200 shares of Preferred Stock are owned by GAMCO Investors, Inc. or its affiliates.

(5) Includes 71,759 shares of Common Stock owned by Mr. Colavita's spouse for which he disclaims beneficial ownership.

(6) All 800 shares of Preferred Stock are owned by Mr. Colavita's spouse for which he disclaims beneficial ownership.

(7) Includes 3,109 shares of Common Stock owned by Mr. Pustorino's spouse for which he disclaims beneficial ownership.

Set forth in the table below is the amount of interests beneficially owned by each Independent Director, nominee for election as an Independent Director or his or her family member, as applicable, in a person, other than a registered investment company, that may be deemed to be controlled by the Fund's Adviser and/or affiliates (including Mario J. Gabelli) and in that event would be deemed to be under common control with the Fund's Adviser.

| <b>Name of Owner<br/>and</b>          |                         | <b>Name of Independent Relationships to</b> |                              | <b>Value of</b>                | <b>Percent</b>                |
|---------------------------------------|-------------------------|---|------------------------------|--------------------------------|-------------------------------|
| <b>Director/Nominee<sup>(1)</sup></b> | <b>Director/Nominee</b> | <b>Company</b>                              | <b>Title of Class</b>        | <b>Interests<sup>(1)</sup></b> | <b>of Class<sup>(2)</sup></b> |
| Anthony J. Colavita                   | Same                    | The LGL Group, Inc.                         | Common Stock                 | \$4,776                        | *                             |
| Anthony J. Colavita                   | Same                    | The LGL Group, Inc.                         | Warrants                     | \$63                           | *                             |
| Anthony J. Colavita                   | Family                  | Gabelli Associates Fund                     | Membership<br>Interests      | \$863,978                      | *                             |
| Werner J. Roeder                      | Same                    | Gabelli Associates Fund II                  | Membership<br>Interests      | \$526,056                      | *                             |
| Anthonie C. van Ekris                 | Same                    | LICT Corp.                                  | Common Stock                 | \$120,240                      | *                             |
| Anthonie C. van Ekris                 | Same                    | The LGL Group, Inc.                         | Common Stock                 | \$5,728                        | *                             |
| Anthonie C. van Ekris                 | Same                    | The LGL Group, Inc.                         | Warrants                     | \$76                           | *                             |
| Anthonie C. van Ekris                 | Same                    | CIBL, Inc.                                  | Common Stock                 | \$32,280                       | *                             |
| Anthonie C. van Ekris                 | Same                    | Morgan Group Holdings, Inc.                 | Common Stock                 | \$840                          | *                             |
| Anthonie C. van Ekris                 | Same                    | ICTC Group, Inc.                            | Common Stock                 | \$36                           | *                             |
| Salvatore J. Zizza                    | Same                    | Gabelli Associates Fund                     | Membership<br>Interests      | \$2,069,694                    | *                             |
| Salvatore J. Zizza                    | Same                    | Gabelli Performance<br>Partnership L.P.     | Limited Partner<br>Interests | \$298,087                      | *                             |

(1) This information has been furnished as of December 31, 2014.

(2) An asterisk indicates that the ownership amount constitutes less than 1% of the total interests outstanding.



The Fund pays each Independent Director an annual retainer of \$3,000 plus \$750 for each Board meeting attended. Each Independent Director is reimbursed by the Fund for any out-of-pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended, the Audit Committee Chairman receives an annual fee of \$3,000, the Nominating Committee Chairman receives an annual fee of \$2,000, and the lead Independent Director receives an annual fee of \$1,000. A Director may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. The aggregate remuneration (excluding out-of-pocket expenses) paid by the Fund to such Directors during the fiscal year ended December 31, 2014 amounted to \$51,750. During the fiscal year ended December 31, 2014, the Directors of the Fund met four times, all of which were regular quarterly Board meetings. Each Director then serving in such capacity attended at least 75% of the meetings of Directors and of any Committee of which he is a member.

### **The Audit Committee and Audit Committee Report**

The role of the Fund's Audit Committee is to assist the Board of Directors in its oversight of (i) the quality and integrity of the Fund's financial statement reporting process and the independent audit and reviews thereof; (ii) the Fund's accounting and financial reporting policies and practices, its internal controls, and, as appropriate, the internal controls of certain of its service providers; (iii) the Fund's compliance with legal and regulatory requirements; and (iv) the independent registered public accounting firm's qualifications, independence, and performance. The Audit Committee also is required to prepare an audit committee report pursuant to the rules of the Securities and Exchange Commission (the "SEC") for inclusion in the Fund's annual proxy statement. The Audit Committee operates pursuant to the Audit Committee Charter (the "Audit Charter") that was most recently reviewed and approved by the Board of Directors on February 12, 2015. The Audit Charter is available on the Fund's website at [www.gabelli.com/corporate/closed/corp\\_gov.html](http://www.gabelli.com/corporate/closed/corp_gov.html).

Pursuant to the Audit Charter, the Audit Committee is responsible for conferring with the Fund's independent registered public accounting firm, reviewing annual financial statements, approving the selection of the Fund's independent registered public accounting firm, and overseeing the Fund's internal controls. The Audit Charter also contains provisions relating to the pre-approval by the Audit Committee of audit and non-audit services to be provided by PricewaterhouseCoopers LLP ("PricewaterhouseCoopers"), the Fund's independent registered public accounting firm for the fiscal year ended December 31, 2014, to the Fund and to the Adviser and certain of its affiliates. The Audit Committee advises the full Board with respect to accounting, auditing, and financial matters affecting the Fund. As set forth in the Audit Charter, management is responsible for maintaining appropriate systems for accounting and internal control, and the Fund's independent registered public accounting firm is responsible for planning and carrying out proper audits and reviews. The independent registered public accounting firm is ultimately accountable to the Board of Directors and to the Audit Committee, as representatives of stockholders. The independent registered public accounting firm for the Fund reports directly to the Audit Committee.

In performing its oversight function, at a meeting held on February 23, 2015, the Audit Committee reviewed and discussed with management of the Fund and PricewaterhouseCoopers the audited financial statements of the Fund as of and for the fiscal year ended December 31, 2014, and the conduct of the audit of such financial statements.

In addition, the Audit Committee discussed with PricewaterhouseCoopers the accounting principles applied by the Fund and such other matters brought to the attention of the Audit Committee by PricewaterhouseCoopers as required by Auditing Standard No. 16, as amended (AICPAAU-C Section 260), as adopted by the Public Company Accounting Oversight Board (United States) (“PCAOB”). The Audit Committee also received from PricewaterhouseCoopers the written disclosures and statements required by the SEC’s independence rules, delineating relationships between PricewaterhouseCoopers and the Fund, and discussed the impact that any such relationships might have on the objectivity and independence of PricewaterhouseCoopers as the independent registered public accounting firm.

As set forth above, and as more fully set forth in the Audit Charter, the Audit Committee has significant duties and powers in its oversight role with respect to the Fund’s financial reporting procedures, internal control systems, and the independent audit process.

The members of the Audit Committee are not, and do not represent themselves to be, professionally engaged in the practice of auditing or accounting and are not employed by the Fund for accounting, financial management, or internal control purposes. Moreover, the Audit Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the Fund's independent registered public accounting firm. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and/or financial reporting principles and policies, or internal controls and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of the Fund's financial statements has been carried out in accordance with the standards of the PCAOB or that the financial statements are presented in accordance with generally accepted accounting principles (United States).

Based on its consideration of the audited financial statements and the discussions referred to above with management and PricewaterhouseCoopers, and subject to the limitations on the responsibilities and role of the Audit Committee set forth in the Audit Charter and those discussed above, the Audit Committee recommended to the Fund's Board of Directors that the Fund's audited financial statements be included in the Fund's Annual Report for the fiscal year ended December 31, 2014.

**Submitted by the Audit Committee of the Fund's Board of Directors**

Anthony R. Pustorino, Chairman

Anthony J. Colavita

Salvatore J. Zizza

February 23, 2015

The Audit Committee met two times during the fiscal year ended December 31, 2014. The Audit Committee is composed of three of the Fund's Independent Directors, namely Messrs. Colavita, Pustorino (Chairman), and Zizza. Each member of the Audit Committee has been determined by the Board of Directors to be financially literate. Mr. Pustorino has been designated as the Fund's audit committee financial expert, as defined in Items 407(d)(5)(ii) and (iii) of Regulation S-K.

**Nominating Committee**

The Board of Directors has a Nominating Committee composed of three of the Fund's Independent Directors, namely Messrs. Colavita (Chairman), Roeder, and Zizza. The Nominating Committee met once during the fiscal year ended December 31, 2014. Each Nominating Committee member is an Independent Director as determined under guidelines of the NYSE. The Nominating Committee is responsible for identifying and recommending qualified candidates to the Board in the event that a position is vacated or created. In considering candidates submitted by stockholders, the Nominating Committee will take into consideration the needs of the Board, the qualifications of the candidate, and the interests of stockholders.

The Nominating Committee believes that the minimum qualifications for serving as a Director of the Fund are that the individual demonstrate, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board of Directors oversight of the business and affairs of the Fund and have an impeccable record and reputation for honest and ethical conduct in both his or her professional and personal activities. In addition, the Nominating Committee examines a candidate's specific experiences and skills, time availability in light of other commitments, potential conflicts of interest, and independence from management and the Fund. The Fund has adopted specific Director qualification requirements that can be found in the Fund's Bylaws and are applicable to all individuals who may be nominated, elected, appointed, qualified or seated to serve as Directors. The qualification requirements include: (i) age limits (at least 21 years of age and such maximum age as the Directors may in the future determine); (ii) prohibitions regarding any legal disability; (iii) limits on service on other boards; (iv) restrictions on relationships with investment advisers other than the Fund's adviser; and (v) character and fitness requirements. Additionally, each Independent Director must not be an "interested person" of the Fund as defined under Section 2(a)(19) of the 1940 Act and may not be or have certain relationships with a stockholder beneficially owning five percent or more of the Fund's outstanding shares or specified levels of interest in registered investment

companies. The Fund's Bylaws also provide that a majority of the Directors then in office may determine by resolution that a failure to satisfy a particular qualification requirement will not present undue conflicts or impede the ability of the candidate to discharge the duties of a Director or the free flow of information among Directors or between the Fund's adviser and the Board. Reference is made to the Fund's Bylaws for more details.

The Nominating Committee also considers the overall composition of the Board, bearing in mind the benefits that may be derived from having members who have a variety of experiences, qualifications, attributes, or skills useful in overseeing a publicly traded, highly regulated entity such as the Fund. The Directors have not determined a maximum age. The Nominating Committee does not have a formal policy regarding the consideration of diversity in identifying director candidates. For a discussion of experiences, qualifications, attributes, or skills supporting the appropriateness of each Director's service on the Fund's Board, see the biographical information of the Directors above in the section entitled "Information about Directors and Officers." The Board of Directors adopted a Nominating Committee charter on May 12, 2004, and amended the charter on November 17, 2004. The charter is available on the Fund's website at [www.gabelli.com/corporate/closed/corp\\_gov.html](http://www.gabelli.com/corporate/closed/corp_gov.html).

#### **Other Board Related Matters**

The Board of Directors has established the following procedures in order to facilitate communications among the Board and the stockholders of the Fund and other interested parties.

#### Receipt of Communications

Stockholders and other interested parties may contact the Board or any member of the Board by mail or electronically. To communicate with the Board or any member of the Board, correspondence should be addressed to the Board or the Board member(s) with whom you wish to communicate either by name or title. All such correspondence should be sent to The Gabelli Convertible and Income Securities Fund Inc., c/o Gabelli Funds, LLC, One Corporate Center, Rye, NY 10580-1422. To communicate with the Board electronically, stockholders may go to the corporate website at [www.gabelli.com](http://www.gabelli.com) under the heading "Contact Us/Email Addresses/Board of Directors (Gabelli Closed-End Funds)."

#### Forwarding the Communications

All communications received will be opened by the office of the General Counsel of the Adviser for the sole purpose of determining whether the contents represent a message to one or more Directors. The office of the General Counsel will forward promptly to the addressee(s) any contents that relate to the Fund and that are not in the nature of

advertising, promotion of a product or service, or patently offensive or otherwise objectionable material. In the case of communications to the Board of Directors or any committee or group of members of the Board, the General Counsel's office will make sufficient copies of the contents to send to each Director who is a member of the group or committee to which the envelope or e-mail is addressed.

The Fund does not expect Directors or nominees for election as Director to attend the Annual Meeting of Stockholders. No Directors or nominees for election as Director attended the Fund's annual meeting of stockholders held on May 12, 2014.

The following table sets forth certain information regarding the compensation of the Directors by the Fund and officers, if any, who were compensated by the Fund rather than the Adviser, for the year ended December 31, 2014. Ms. Martire is employed by the Fund and is not employed by the Adviser (although she may receive incentive-based compensation from affiliates of the Adviser). Officers of the Fund who are employed by the Adviser receive no compensation or expense reimbursement from the Fund.

## COMPENSATION TABLE

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

| <u>Name of Person and Position</u>            | <u>Aggregate<br/>Compensation<br/>from<br/>the Fund</u> | <u>Aggregate<br/>Compensation<br/>from<br/>the Fund and<br/>Fund Complex<br/><u>Paid to<br/>Directors*</u></u> |
|---|---|--|
| <b><u>INTERESTED DIRECTOR:</u></b>            |   |  |
| <b>Mario J. Gabelli</b>                       |   |  |
| Director and<br>Chief Investment Officer      | \$ 0  | \$ 0 (0)   |
| <b><u>INDEPENDENT DIRECTORS/NOMINEES:</u></b> |   |  |
| <b>E. Val Cerutti</b>                         |   |  |
| Director                                      | \$ 6,000  | \$ 40,000 (7)  |
| <b>Anthony J. Colavita</b>                    |   |  |
| Director                                      | \$ 9,500  | \$ 403,500 (36)  |
| <b>Dugald A. Fletcher</b>                     |   |  |
| Director                                      | \$ 6,000  | \$ 23,000 (2)  |
| <b>Anthony R. Pustorino</b>                   |   |  |
| Director                                      | \$ 10,250   | \$ 194,750 (13)  |
| <b>Werner J. Roeder</b>                       |   |  |
| Director                                      | \$ 6,500  | \$ 187,500 (23)  |
| <b>Anthonie C. van Ekris</b>                  |   |  |
| Director                                      | \$ 6,000  | \$ 193,000 (20)  |
| <b>Salvatore J. Zizza</b>                     |   |  |
| Director                                      | \$ 7,500  | \$ 331,000 (30)  |
| <b><u>OFFICER:</u></b>                        |   |  |
| <b>Laurissa Martire</b>                       |   |  |
|   |   | \$ 70,000  |

\*

Represents the total compensation paid to such persons during the fiscal year ended December 31, 2014 by investment companies (including the Fund) or portfolios that are considered part of the Fund Complex. The number in parentheses represents the number of such investment companies and portfolios.

### **Required Vote**

The election of each of the listed nominees for Director of the Fund requires the affirmative vote of the holders of a plurality of the Common Stock and Preferred Stock, voting together as a single class, present in person or represented by proxy at the Meeting, provided a quorum is present.

**THE BOARD OF DIRECTORS, INCLUDING THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE COMMON AND PREFERRED STOCKHOLDERS VOTE “FOR” THE ELECTION OF EACH APPLICABLE NOMINEE.**



**ADDITIONAL INFORMATION****Independent Registered Public Accounting Firm**

PricewaterhouseCoopers, 300 Madison Avenue, New York, NY 10017, has been selected to serve as the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2015. PricewaterhouseCoopers acted as the Fund's independent registered public accounting firm for the fiscal year ended December 31, 2014. The Fund knows of no direct financial or material indirect financial interest of PricewaterhouseCoopers in the Fund. A representative of PricewaterhouseCoopers will not be present at the Meeting, but will be available by telephone and will have an opportunity to make a statement, if asked, and will be available to respond to appropriate questions.

Set forth in the table below are audit fees and non-audit related fees billed to the Fund by PricewaterhouseCoopers for professional services received during and for each of the fiscal years ended December 31, 2013 and 2014, respectively.

| <u>Fiscal Year Ended</u> | <u>Audit</u>      |                     |                  |                       |
|--------------------------|-------------------|---------------------|------------------|-----------------------|
|                          | <u>Audit Fees</u> | <u>Related Fees</u> | <u>Tax Fees*</u> | <u>All Other Fees</u> |
| 2013                     | \$35,475          | —                   | \$4,370          | —                     |
| 2014                     | \$36,539          | —                   | \$4,500          | \$7,500               |

\*"Tax Fees" are those fees billed by PricewaterhouseCoopers in connection with tax compliance services, including primarily the review of the Fund's income tax returns.

The Fund's Audit Charter requires that the Audit Committee pre-approve all audit and non-audit services to be provided by the independent registered public accounting firm to the Fund, and all non-audit services to be provided by the independent registered public accounting firm to the Fund's Adviser and service providers controlling, controlled by, or under common control with the Fund's Adviser ("affiliates") that provide ongoing services to the Fund (a "Covered Services Provider"), if the engagement relates directly to the operations and financial reporting of the Fund. The Audit Committee may delegate its responsibility to pre-approve any such audit and permissible non-audit services to the Chairman of the Audit Committee, and the Chairman must report his decision(s) to the Audit Committee at its next regularly scheduled meeting after the Chairman's pre-approval of such services. The Audit Committee may also establish detailed pre-approval policies and procedures for pre-approval of such services in accordance with applicable laws, including the delegation of some or all of the Audit Committee's pre-approval responsibilities to other persons (other than the Adviser or the Fund's officers). Pre-approval by the Audit Committee of any permissible non-audit

services is not required so long as: (i) the aggregate amount of all such permissible non-audit services provided to the Fund, the Adviser, and any Covered Services Provider constitutes not more than 5% of the total amount of revenues paid by the Fund to its independent registered public accounting firm during the year in which the permissible non-audit services are provided; (ii) the permissible non-audit services were not recognized by the Fund at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Audit Committee and approved by the Audit Committee or the Chairman prior to the completion of the audit. All of the audit, audit related, and tax services described above for which PricewaterhouseCoopers billed the Fund fees for the fiscal years ended December 31, 2013 and December 31, 2014 were pre-approved by the Audit Committee.

For the fiscal years ended December 31, 2013 and 2014, PricewaterhouseCoopers has represented to the Fund that it did not provide any non-audit services (or bill any fees for such services) to the Adviser or Covered Services Provider.

The Audit Committee was not required to consider whether the provision of non-audit services that were rendered to the Adviser or Covered Service Providers that were not pre-approved was compatible with maintaining PricewaterhouseCoopers' independence.

### **The Investment Adviser and Administrator**

Gabelli Funds, LLC is the Fund's Adviser and Administrator and its business address is One Corporate Center, Rye, New York 10580-1422.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the 1934 Act and Section 30(h) of the 1940 Act, and the rules thereunder, require the Fund's executive officers and Directors, executive officers and directors of the Adviser, certain other affiliated persons of the Adviser, and persons who own more than 10% of a registered class of the Fund's securities to file reports of ownership and changes in ownership with the SEC and the NYSE and to furnish the Fund with copies of all Section 16(a) forms they file. Based solely on the Fund's review of the copies of such forms it received for the fiscal year ended December 31, 2014, the Fund believes that during that year such persons complied with all such applicable filing requirements.

### **Broker Non-Votes and Abstentions**

For purposes of determining the presence of a quorum for transacting business at the Meeting, abstentions (or "withheld votes" with respect to the election of Directors) and broker "non-votes" (that is, proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on a particular matter with respect to which the brokers or nominees do not have discretionary power) will be treated as shares that are present but that have not been voted. Accordingly, stockholders are urged to forward their voting instructions promptly.

Because the Fund requires a plurality of votes to elect each nominee for Director, abstentions and broker non-votes, if any, will not be counted as votes cast, but will have no effect on the result of the vote. Abstentions and any broker non-votes, however, will be considered to be present at the Meeting for purposes of determining the existence of a quorum.

Brokers holding shares of the Fund in "street name" for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their shares on Proposal 1 before the Meeting. Under the rules of the NYSE, such brokers may, for certain "routine" matters, grant discretionary authority to the proxies designated by the Board to vote if no instructions have been received from their customers and clients prior to the date specified in the brokers' request for voting instructions. Proposal 1 is a "routine" matter and accordingly beneficial owners who do not provide proxy instructions or who do not return a proxy card may have their shares voted by

broker-dealer firms in favor of Proposal 1. A properly executed proxy card or other authorization by a beneficial owner of shares that does not specify how the beneficial owner's shares should be voted on Proposal 1 may be deemed an instruction to vote such shares in favor of the proposal.

Stockholders of the Fund will be informed of the voting results of the Meeting in the Fund's Semiannual Report for the six months ended June 30, 2015.

**“Householding”**

Please note that only one document (i.e., an annual or semiannual report or set of proxy soliciting materials) may be delivered to two or more stockholders of the Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of a document, or for instructions regarding how to request a separate copy of these documents or regarding how to request a single copy if multiple copies of these documents are received, stockholders should contact the Fund at the address and phone number set forth above.

## **OTHER MATTERS TO COME BEFORE THE MEETING**

The Directors of the Fund do not intend to present any other business at the Meeting, nor are they aware that any stockholder intends to do so. If, however, any other matters, including adjournments, are properly brought before the Meeting, the persons named in the accompanying proxy will vote thereon in accordance with their discretion.

## **STOCKHOLDER NOMINATIONS AND PROPOSALS**

All proposals by stockholders of the Fund that are intended to be presented pursuant to Rule 14a-8 under the 1934 Act (“Rule 14a-8”) at the Fund’s next Annual Meeting of Stockholders to be held in 2016 (the “2016 Annual Meeting”) must be received by the Fund for consideration for inclusion in the Fund’s 2016 proxy statement and 2016 proxy relating to that meeting no later than December 3, 2015. Rule 14a-8 specifies a number of procedural and eligibility requirements to be satisfied by a stockholder submitting a proposal for inclusion in the Fund’s proxy materials pursuant to Rule 14a-8. Any stockholder contemplating submissions of such a proposal is referred to Rule 14a-8.

The Fund’s Bylaws require stockholders that wish to nominate Directors or make proposals to be voted on at an Annual Meeting of the Fund’s Stockholders (and which are not proposed to be included in the Fund’s proxy materials pursuant to Rule 14a-8) to provide timely notice of the nomination or proposal in writing. To be considered timely for the 2016 Annual Meeting, the stockholder notice (and information summarized below and described fully in the Fund’s Bylaws) must be sent to the Fund’s Secretary, c/o Gabelli Funds, LLC, One Corporate Center, Rye, NY 10580-1422, and must be received by the Secretary no earlier than December 13, 2015 and no later than January 12, 2016; provided, however, that if the 2016 Annual Meeting is to be held on a date that is earlier than April 16, 2016 or later than June 5, 2016, such notice must be so received not later than the close of business on the 10th day following the date on which notice of the date of the annual meeting was mailed or public disclosure of the date of such annual meeting was made, whichever occurred first. In no event shall the adjournment or postponement of an annual meeting, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above.

In order for a stockholder of record to propose a nominee for Director, such stockholder must furnish written notice setting forth specified information about the nominee and associates of the nominee, the stockholder(s) of record (and if different, each beneficial owner on whose behalf the nomination is being made) and associates of the stockholder(s), as well as an executed certificate by the nominee relating to the nominee’s disclosure of any agreement, arrangement or understanding with any person or entity other than the Fund in connection with service as a Director of the Fund, the nominee’s consent to serve as a Director if elected and the nominee’s satisfaction of the Director qualifications set forth in the Fund’s Bylaws. If requested by the Nominating Committee, the proposing stockholder will need to also submit a completed and signed director’s questionnaire, including a supplement, relating to the nominee’s satisfaction of the qualifications requirements set forth in the Bylaws.

The foregoing description of the procedures for a stockholder of the Fund properly to make a nomination for election to the Board or to propose other business for the Fund is only a summary and is not complete. Copies of the Fund's Bylaws, including the provisions that concern the requirements for stockholder nominations and proposals, are available on the EDGAR Database on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund will also furnish, without charge, a copy of its Bylaws to a stockholder upon request, which may be requested by writing to the Fund's Secretary, c/o Gabelli Funds, LLC, One Corporate Center, Rye, NY 10580-1422. Any stockholder of the Fund considering making a nomination or other proposal should carefully review and comply with those provisions of the Fund's Bylaws.

**IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY.**

**STOCKHOLDERS MAY PROVIDE THEIR VOTE BY TELEPHONE OR THE INTERNET BY FOLLOWING THE INSTRUCTIONS ACCOMPANYING THE PROXY CARD, VOTING INSTRUCTION FORM OR SET FORTH IN THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS.**

April 1, 2015

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GCV-PS-2015



**PROXY TABULATOR**  
**P.O. BOX 9112**  
**FARMINGDALE, NY 11735**

**To vote by Internet**

- 1) Read the Proxy Statement and have the proxy card below at hand.
- 2) Go to website **www.proxyvote.com**
- 3) Follow the instructions provided on the website.

**To vote by Telephone**

- 1) Read the Proxy Statement and have the proxy card below at hand.
- 2) Call **1-800-690-6903**
- 3) Follow the instructions.

**To vote by Mail**

- 1) Read the Proxy Statement.
- 2) Check the appropriate boxes on the proxy card below.
- 3) Sign and date the proxy card.
- 4) Return the proxy card in the envelope provided.

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

M86025-P62394

KEEP THIS PORTION FOR YOUR  
RECORDS



**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement is available at [www.proxyvote.com](http://www.proxyvote.com).

**PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

M86026-P62394

**THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.**

**This proxy is solicited on behalf of the Board of Directors**

The undersigned hereby appoints Mario J. Gabelli, Andrea R. Mango and Agnes Mullady, and each of them, attorneys and proxies of the undersigned, with full powers of substitution and revocation, to represent the undersigned and to vote on behalf of the undersigned all shares of The Gabelli Convertible and Income Securities Fund Inc. (the Fund ) which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Fund to be held at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 on Monday, May 11, 2015, at 12:30 P.M., and at any adjournments thereof. The undersigned hereby acknowledges receipt of the Notice of Meeting and Proxy Statement and hereby instructs said attorneys and proxies to vote said shares as indicated herein. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting.

A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

This proxy, if properly executed, will be voted in the manner directed by the undersigned stockholder. If no direction is made, this proxy will be voted **FOR** the election of the nominees as Directors and in the discretion of the proxy holder as to any other matter that may properly come before the Meeting. Please refer to the Proxy Statement for a discussion of Proposal No. 1.

**PLEASE VOTE, SIGN AND DATE ON THE REVERSE SIDE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.**

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**PROXY TABULATOR**  
**P.O. BOX 9112**  
**FARMINGDALE, NY 11735**

**To vote by Internet**

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- 2) Go to website **www.proxyvote.com**
- 3) Follow the instructions provided on the website.

**To vote by Telephone**

- 1) Read the Proxy Statement and have the proxy card below at hand.
- 2) Call **1-800-690-6903**
- 3) Follow the instructions.

**To vote by Mail**

- 1) Read the Proxy Statement.
- 2) Check the appropriate boxes on the proxy card below.
- 3) Sign and date the proxy card.
- 4) Return the proxy card in the envelope provided.

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

M86027-P62394

KEEP THIS PORTION FOR YOUR  
RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.  
SERIES B PREFERRED SHAREHOLDER**

|                              |   |                |                     |                       |  |
|------------------------------|---|----------------|---------------------|-----------------------|--|
| <b>Election of Directors</b> | <b>The Board of Directors recommends a vote <u>FOR</u> each of the nominees listed.</b> | <b>For All</b> | <b>Withhold All</b> | <b>For All Except</b> |  |
|------------------------------|---|----------------|---------------------|-----------------------|--|

To withhold authority to vote for any individual nominee, mark For All Except and write the name of the nominee on the line below.

1. To elect three (3) Directors of the Fund:

|                  |                       |                       |                       |  |
|------------------|-----------------------|-----------------------|-----------------------|--|
| <b>Nominees:</b> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |  |
|------------------|-----------------------|-----------------------|-----------------------|--|

- 01) E. Val Cerutti
- 02) Dugald A. Fletcher
- 03) Anthony R. Pustorino

**Authorized Signatures** This section must be completed for your vote to be counted. **Sign and Date Below**

Please sign this proxy exactly as your name(s) appear(s) in the records of the Fund. If joint owners, either may sign. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, this signature should be that of an authorized officer who should state his or her title.

|                                    |      |                          |      |
|------------------------------------|------|--------------------------|------|
| Signature [PLEASE SIGN WITHIN BOX] | Date | Signature (Joint Owners) | Date |
|------------------------------------|------|--------------------------|------|

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement is available at [www.proxyvote.com](http://www.proxyvote.com).

**PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

M86028-P62394

**THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.**

**This proxy is solicited on behalf of the Board of Directors**

The undersigned hereby appoints Mario J. Gabelli, Andrea R. Mango and Agnes Mullady, and each of them, attorneys and proxies of the undersigned, with full powers of substitution and revocation, to represent the undersigned and to vote on behalf of the undersigned all shares of The Gabelli Convertible and Income Securities Fund Inc. (the Fund ) which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Fund to be held at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 on Monday, May 11, 2015, at 12:30 P.M., and at any adjournments thereof. The undersigned hereby acknowledges receipt of the Notice of Meeting and Proxy Statement and hereby instructs said attorneys and proxies to vote said shares as indicated herein. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting.

A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

This proxy, if properly executed, will be voted in the manner directed by the undersigned stockholder. If no direction is made, this proxy will be voted **FOR** the election of the nominees as Directors and in the discretion of the proxy holder as to any other matter that may properly come before the Meeting. Please refer to the Proxy Statement for a discussion of Proposal No. 1.

**PLEASE VOTE, SIGN AND DATE ON THE REVERSE SIDE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.**

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