

GAMCO INVESTORS, INC. ET AL
Form DEF 14A
April 23, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
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
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 §240.14a-12

GAMCO Investors, Inc.
(Name of Registrant as Specified in its Charter)

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

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(3) Filing Party:

(4) Date Filed:

GAMCO INVESTORS, INC.
140 Greenwich Avenue, Greenwich, CT 06830
One Corporate Center, Rye, New York 10580

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on May 7, 2019

We cordially invite you to attend the Annual Meeting of Shareholders of GAMCO Investors, Inc. at the Indian Harbor Yacht Club, 710 Steamboat Road, Greenwich, CT 06830, on Tuesday, May 7, 2019, at 8:30 a.m. local time. At the meeting, we will ask shareholders:

1. to elect seven directors to our Board of Directors to serve until the 2020 Annual Meeting of Shareholders or until their respective successors have been duly elected and qualified;
2. to ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the year ending December 31, 2019; and
3. to vote on any other business that properly comes before the meeting.

At the meeting, we will also review our 2018 financial results and outlook for the future and will answer your questions.

Shareholders of record at the close of business on March 25, 2019 are entitled to vote at the meeting or any adjournments or postponements thereof. Please read the attached proxy statement carefully and vote your shares promptly whether or not you are able to attend the meeting.

We encourage all shareholders to attend the meeting.

By Order of the Board of Directors

KEVIN HANDWERKER

Secretary

April 22, 2019

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on May 7, 2019.

This Notice, the Proxy Statement, and the 2018 Annual Report of Shareholders on Form 10-K are available free of charge on the following website: <http://www.gabelli.com/Template/corporate/index.cfm>.

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GAMCO INVESTORS, INC.
140 Greenwich Avenue, Greenwich, CT 06830
One Corporate Center, Rye, New York 10580

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

May 7, 2019

INTRODUCTION; PROXY VOTING INFORMATION

Unless we have indicated otherwise, or the context otherwise requires, references in this proxy statement to “GAMCO Investors, Inc.,” “GAMCO,” “the Company,” “GBL,” “we,” “us” and “our” or similar terms are to GAMCO Investors, Inc., a Delaware corporation, its predecessors and its subsidiaries.

We are sending you this proxy statement and the accompanying proxy card in connection with the solicitation of proxies by the Board of Directors of GAMCO (the “Board”) for use at our 2019 Annual Meeting of Shareholders (the “2019 Annual Meeting”) to be held at the Indian Harbor Yacht Club, 710 Steamboat Road, Greenwich, CT 06830, on Tuesday, May 7, 2019, at 8:30 a.m., local time, and at any adjournments or postponements thereof. The purpose of the 2019 Annual Meeting is to (i) elect seven directors to the Board to serve until the 2020 Annual Meeting of Shareholders (the “2020 Annual Meeting”) or until their respective successors have been duly elected and qualified, (ii) ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2019, and (iii) act upon any other matters properly brought to the 2019 Annual Meeting. We are sending you this proxy statement, the proxy card, and our annual report on Form 10-K containing our financial statements and other financial information for the year ended December 31, 2018 (the “2018 Annual Report”) on or about April 22, 2019. The 2018 Annual Report, however, is not part of the proxy solicitation materials. Shareholders of record at the close of business on March 25, 2019, the record date for the 2019 Annual Meeting, are entitled to notice of and to vote at the 2019 Annual Meeting. On this record date, we had outstanding 9,835,479 shares of Class A common stock, par value \$.001 per share (“Class A Stock”), and 19,024,117 shares of Class B common stock, par value \$.001 per share (“Class B Stock”).

The presence, in person or by proxy, of a majority of the aggregate voting power of the shares of Class A Stock and Class B Stock outstanding on March 25, 2019 shall constitute a quorum for the transaction of business at the 2019 Annual Meeting. The Class A Stock and Class B Stock vote together as a single class on all matters. Each share of Class A Stock is entitled to one vote per share, and each share of Class B Stock is entitled to ten votes per share. Directors who receive a plurality of the votes cast at the 2019 Annual Meeting by the holders of Class A Stock and Class B Stock outstanding on March 25, 2019, voting together as a single class, will be elected to serve until the 2020 Annual Meeting or until their successors are duly elected and qualified. Any other matters will be determined by a majority of the votes cast at the 2019 Annual Meeting.

Under the New York Stock Exchange (“NYSE”) rules, the proposal to approve the appointment of independent auditors is considered a “discretionary” item. This means that brokerage firms may vote in their discretion on this matter on behalf of clients who have not furnished voting instructions at least 10 days before the date of the meeting. In contrast, the election of directors is a “non-discretionary” item. This means brokerage firms that have not received voting instructions from their clients on such a proposal may not vote on it. These so-called “broker non-votes” will be included in the calculation of the number of votes considered to be present at the meeting for purposes of determining a quorum, but will not be considered in determining the number of votes necessary for approval. Accordingly, broker non-votes will have no effect on the outcome of the vote for the election of directors. Abstentions will be included in the calculation of the number of votes considered to be present at the meeting for purposes of determining a quorum, but will not be considered in determining the number of votes necessary for approval and therefore will have no effect on the outcome of the vote for the election of directors. Abstentions will have the same effect as a vote against the ratification of our independent registered public accounting firm.

We will pay for the costs of soliciting proxies and preparing the 2019 Annual Meeting materials. We ask securities brokers, custodians, nominees and fiduciaries to forward meeting materials to our beneficial shareholders as of the record date and we will reimburse them for the reasonable out-of-pocket expenses they incur. Our directors, officers and staff members may solicit proxies personally or by telephone, facsimile, e-mail or other means but will not receive additional compensation for doing so.

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If you are the beneficial owner, but not the record holder, of shares of our Class A Stock, your broker, custodian or other nominee may only deliver one copy of this proxy statement and our 2018 Annual Report to multiple shareholders who share an address unless we have received contrary instructions from one or more of the shareholders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement and our 2018 Annual Report to a shareholder at a shared address to which a single copy of the documents was delivered. A shareholder who wishes to receive a separate copy of this proxy statement and 2018 Annual Report, now or in the future, or who wishes to receive directions to the 2019 Annual Meeting, should submit this request by writing to our Secretary at GAMCO Investors, Inc., 140 Greenwich Avenue, Greenwich, CT 06830 or by calling our Secretary at (203) 629-2726. Beneficial owners sharing an address who are receiving multiple copies of proxy materials and annual reports and who wish to receive a single copy of such materials in the future will need to contact their broker, custodian or other nominee to request that only a single copy of each document be mailed to all shareholders at the shared address in the future.

All shareholders and properly appointed proxy holders may attend the 2019 Annual Meeting. Shareholders who plan to attend must present valid photo identification. If you hold your shares in a brokerage account, please also bring proof of your share ownership, such as a broker's statement showing that you owned shares of the Company on the record date for the 2019 Annual Meeting or a legal proxy from your broker or nominee. A legal proxy is required if you hold your shares in a brokerage account and you plan to vote in person at the 2019 Annual Meeting. Shareholders of record will be verified against an official list available at the 2019 Annual Meeting. The Company reserves the right to deny admittance to anyone who cannot adequately show proof of share ownership as of the record date for the 2019 Annual Meeting.

The Board has selected each of Kevin Handwerker, Kieran Caterina and Diane M. LaPointe to act as proxies. When you sign and return your proxy card, you appoint each of Messrs. Handwerker and Caterina and Ms. LaPointe as your representatives at the 2019 Annual Meeting. Unless otherwise indicated on the proxy, all properly executed proxies received in time to be tabulated for the 2019 Annual Meeting will be voted "FOR" the election of the nominees named below, "FOR" the ratification of the appointment of the Company's independent registered public accounting firm, and as the proxyholders may determine in their discretion with regard to any other matter properly brought before the meeting. You may revoke your proxy at any time before the 2019 Annual Meeting by delivering a letter of revocation to our Secretary at GAMCO Investors, Inc., 140 Greenwich Avenue, Greenwich, CT 06830, by properly submitting another proxy bearing a later date or by voting in person at the 2019 Annual Meeting. The last proxy you properly submit is the one that will be counted.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on May 7, 2019.

This Notice, the Proxy Statement, and the 2018 Annual Report of Shareholders on Form 10-K are available free of charge on the following website: <http://www.gabelli.com/Template/corporate/index.cfm>.

GAMCO makes available free of charge through its website, at www.gabelli.com, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and certain other filings as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission ("SEC"). Copies of certain of these documents may also be accessed electronically by means of the SEC's home page at www.sec.gov.

GAMCO also makes available on its website at http://www.gabelli.com/corporate/corp_gov.html the charters for the Audit Committee, Compensation Committee, Governance Committee and Nominating Committee, as well as its Code of Business Conduct, Code of Conduct for Chief Executive and Senior Financial Officers, Corporate Governance Guidelines and its By-laws. Print copies of these documents are available upon written request to our Secretary at GAMCO Investors, Inc., 140 Greenwich Avenue, Greenwich, CT 06830.

PROPOSAL 1

ELECTION OF DIRECTORS

The Company's Amended and Restated Bylaws provide that the Board shall consist of not less than three nor more than twelve directors, the exact number thereof to be fixed from time to time by the Board pursuant to a resolution adopted by a majority of the members then in office. The Board is currently fixed at seven. Currently serving as directors are Mario J. Gabelli, Edwin L. Artzt, Raymond C. Avansino, Jr., Leslie B. Daniels, Eugene R. McGrath, Robert S. Prather, Jr. and Elisa M. Wilson.

Our Nominating Committee recommended, and the Board approved, seven nominees for election as directors of the Company to serve until the 2020 Annual Meeting or until their successors are duly elected and qualified. The nominees are as follows (ages are as of March 31, 2019):

<u>Name</u>	<u>Age</u>	<u>Position</u>
Mario J. Gabelli	76	Chairman, Chief Executive Officer, Chief Investment Officer – Value Portfolios
Edwin L. Artzt	87	Director
Raymond C. Avansino, Jr.	75	Director
Leslie B. Daniels	71	Director
Eugene R. McGrath	77	Director
Robert S. Prather, Jr.	74	Director
Elisa M. Wilson	46	Director

All of the nominees are currently directors. Directors who receive a plurality of the votes cast at the 2019 Annual Meeting shall be elected. Each of the nominees has consented to being named in the proxy statement and to serve if elected.

All properly executed proxies received in time to be tabulated for the 2019 Annual Meeting will be voted "FOR" the election of the nominees named above, unless otherwise indicated on the proxy. If any nominee becomes unable or unwilling to serve between now and the 2019 Annual Meeting, your proxies may be voted FOR the election of a replacement designated by the Board.

The following are brief biographical sketches of the seven nominees, including their principal occupations at present and for the past five years, as of March 31, 2019. Unless otherwise noted, the nominated directors have been officers of the organizations named below or of affiliated organizations as their principal occupations for more than five years. The Board believes that each of the below persons possesses the necessary attributes, skills, qualifications and experience that are appropriate for them to serve as directors of the Company. Our directors have held senior positions as leaders of various entities, demonstrating their ability to perform at the highest levels. The expertise and experience of our directors enable them to provide broad knowledge and sound judgment concerning the issues facing the Company.

The Board has proposed all of the following nominees:

Mario J. Gabelli has served as Chairman, Chief Executive Officer, Chief Investment Officer — Value Portfolios and a director of the Company since November 1976. In connection with those responsibilities, he serves as director or trustee of registered investment companies managed by the Company and its affiliates ("Gabelli Funds"). Mr. Gabelli also serves as the Chief Executive Officer and Chief Investment Officer of the Value Team of GAMCO Asset Management Inc., the Company's wholly-owned subsidiary. Mr. Gabelli has served as Executive Chairman of Associated Capital Group, Inc. ("Associated Capital" or "AC") since May 2015 and previously served as the Chief Executive Officer of Associated Capital from May 2015 until November 2016. Associated Capital is a public company containing the alternative investment management business, institutional research services business and certain cash and other assets that were spun-off from GAMCO in November 2015. Mr. Gabelli served as portfolio manager for Teton Advisors, Inc. ("Teton") from 1998 to February 2017. Since March 1, 2017, GAMCO serves as a subadvisor to Teton, and Mr. Gabelli serves as portfolio manager under that subadvisory agreement. Teton is an asset management company which was spun-off from the Company in March 2009. Mr. Gabelli has served as Chairman of LICT Corporation ("LICT"), a public company engaged in broadband transport and other communications services, from 2004 to the present and has been the Chief Executive Officer of LICT since December 2010. He has also served as a director of CIBL, Inc., a public holding company that was spun off from LICT in 2007, from 2007 to the present,

and as the Chairman of Morgan Group Holding Co., a public holding company, from 2001 to the present. Mr. Gabelli was the Chief Executive Officer of Morgan Group Holding Co. from 2001 to November 2012. He served as a director of ICTC Group, Inc., a rural telephone company serving southeastern North Dakota from July 2013 to October 2018. In addition, Mr. Gabelli is the Chief Executive Officer, a director and the controlling shareholder of GGCP, Inc. (“GGCP”), a private company which owns a majority of our Class B Stock through an intermediate subsidiary, GGCP Holdings, LLC (“Holdings”), and the President of MJG Associates, Inc. (“MJG Associates”), which acts as an investment manager of various investment funds and other accounts. Mr. Gabelli serves as Overseer of the Columbia University Graduate School of Business and as a Trustee of Boston College and Trustee of Roger Williams University. He also serves as Director of The Winston Churchill Foundation, The E. L. Wiegand Foundation, The American-Italian Cancer Foundation and The Foundation for Italian Art & Culture. He is also Chairman of the Gabelli Foundation, Inc., a Nevada private charitable trust. Mr. Gabelli also serves as Co-President of Field Point Park Association, Inc.

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The Board believes that Mr. Gabelli's qualifications to serve on the Board include his forty years of experience with the Company; his control of the Company through his ownership as the majority shareholder; his position as the senior executive officer of the Company and his direct responsibility for serving as the Chief Investment Officer of the Value Portfolios accounting for approximately 69% of the Company's assets under management as of December 31, 2018.

Edwin L. Artzt has been a director of the Company since May 2004. Mr. Artzt previously served as a senior advisor to GGCP from September 2003 to December 2008 and was a senior advisor to Kohlberg, Kravis, Roberts & Co., a private equity firm, from April 2001 to April 2008. Mr. Artzt held various senior executive management positions during his 42 year career (from 1953 to 1995) at The Procter & Gamble Company, a global manufacturer of consumer products, and served as its Chairman of the Board and Chief Executive Officer from 1990 until 1995. He also served as the senior director of Barilla S.p.A. Italy from 1995 until 1998. Mr. Artzt was a director of American Express from 1991 to 2002, Delta Airlines from 1990 to 2002 and GTE from 1992 to 2002.

The Board believes that Mr. Artzt's qualifications to serve on the Board include his former position as a Chairman and Chief Executive Officer of The Procter & Gamble Company and his position as a director or an adviser to other public and private companies.

Raymond C. Avansino, Jr., has been a director since January 2008. Mr. Avansino has been the Chairman of the Board and Chief Executive Officer of The E. L. Wiegand Foundation of Reno, Nevada, a Nevada private charitable trust, since 1982. Mr. Avansino is the Chairman and President of Miami Oil Producers, Inc., a private corporation with investments in oil and gas properties, real properties and securities. He served as President and Chief Operating Officer of Hilton Hotels Corporation from 1993 to 1996 and was a member of the Nevada Gaming Commission from 1981 to 1984. Mr. Avansino was also a director of the Company from 2000 to 2006.

The Board believes that Mr. Avansino's qualifications to serve on the Board include his former position as the President and Chief Operating Officer of Hilton Hotels Corporation, his current position as the Chairman and Chief Executive Officer of a private charitable trust and his background as a lawyer with an advanced tax degree.

Leslie B. Daniels has been a director since November 2016 and currently serves on the board of CSAT Solutions and Moeller Aerospace. Mr. Daniels was a former Chairman and is currently a Member of Florida's State Board of Administration, Investment Advisory Council (IAC) as well as Commissioner of the Health Care District of Palm Beach County. Mr. Daniels was a founding partner of CAI Managers & Co., L.P. a private equity firm located in New York City from 1989 to 2014. He was previously President of Burdge, Daniels & Co., Inc., a company engaged as a principal in venture capital and buyout investments, as well as the trading of private placement securities. Prior to forming Burdge, Daniels & Co., Inc., Mr. Daniels was a Senior Vice President of Blyth, Eastman, Dillon & Co., having responsibility for the corporate fixed income sales and trading departments. Mr. Daniels is also a former Director of AeroSat Corporation, Aster-Cephac SA, Bioanalytical Systems, Inc., Douglas Machine & Tool Co., Inc., IVAX Corporation, MIM Corporation, MIST Inc., Mylan Laboratories Inc., NBS Technologies Inc. and Safeguard Health Enterprises Inc. Mr. Daniels also served as Chairman of TurboCombustor Technology Inc. and Zenith Laboratories, Inc.

The Board believes that Mr. Daniels' qualifications to serve on the Board include his former positions as the founding partner of CAI Managers & Co., L.P. and as President of Burdge, Daniels & Co., Inc. and his current positions as a Member of Florida's State Board of Administration Investment Advisory Council (IAC) as well as Commissioner of the Health Care District of Palm Beach County and his background as a director to other public and private companies.

Eugene R. McGrath has been a director of the Company since January 2007. Mr. McGrath previously served as Chairman, President and Chief Executive Officer of Consolidated Edison, Inc. ("Con Ed"), a public utility company, from October 1997 until September 2005 and as Chairman until February 2006. He served as Chairman and Chief Executive Officer of Con Ed's subsidiary, Consolidated Edison Company of New York, Inc., from September 1990 until February 2006. Mr. McGrath was a director of Sensus from 2010 to 2017, of Con Ed from 1989 to 2014, of AEGIS Insurance Services from 2003 to October 2016, and of Schering-Plough from 2000 to 2009.

The Board believes that Mr. McGrath's qualifications to serve on the Board include his former position as the Chairman, President and Chief Executive Officer of Con Ed and his position as a director of other public companies.

Robert S. Prather, Jr., has been a director of the Company since May 2004 and serves as the Board's lead independent director. Mr. Prather has been the President and Chief Executive Officer of Heartland Media LLC, a private owner of television stations and media properties, since September 2013. He was the President and Chief Operating Officer of Gray Television, Inc., a television broadcast company, from September 2002 until June 2013. Mr. Prather was an Executive Vice President of Gray Television, Inc. from 1996 until September 2002. He was also a director of Gray Television, Inc. Mr. Prather is Chairman of the Board at Southern Community Newspapers, Inc., a publishing and communication company, since December 2005. He served as Chief Executive Officer and director of Bull Run Corporation, a sports and affinity marketing and management company, from 1992 until its merger into Triple Crown Media, Inc. in December 2005. Since 2009, he has served as a director of a firm formerly known as Gaylord Entertainment Company, originally a hospitality and entertainment company which converted into a real estate investment trust under the name Ryman Hospitality Properties, Inc. in October 2012. Mr. Prather also served as a director of Diebold Nixdorf, Inc. from April 2013 to April 2018.

The Board believes that Mr. Prather's qualifications to serve on the Board include his position as President and Chief Executive Officer of Heartland Media LLC and his position as a director of other public and private companies.

Elisa M. Wilson has been a director of the Company since February 2009, a director of GGCP since January 2019 and a director of Associated Capital since February 2019. Ms. Wilson is President and a trustee of the Gabelli Foundation, Inc., a Nevada private charitable trust. Ms. Wilson also serves as a director of the Metro NY Chapter of the American Red Cross and the Breast Cancer Alliance and is a member of the Board of Regents at Boston College. She earned a B.A. from Boston College and an M.A., Ed.M. from Columbia University. Ms. Wilson is the daughter of Mario J. Gabelli.

The Board believes that Ms. Wilson's qualifications to serve on the Board include her position and experience as the President and trustee of the Gabelli Foundation, Inc. and her previous positions and experience with the Company.

Recommendation

The Board recommends that shareholders vote "FOR" all of the nominees to our Board.

Vote Required

Nominees who receive a plurality of the votes cast will be elected to serve as directors of the Company until the 2020 Annual Meeting or until their successors are duly elected and qualified. "Withhold" votes and broker non-votes, if any, will have no effect on the outcome of this proposal.

PROPOSAL 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

We are asking our shareholders to ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accountants. In accordance with our governance documents, the Board believes that such submission is consistent with best practices in corporate governance and is an opportunity for shareholders to provide direct feedback to the Board on an important issue of corporate governance. In the event that the shareholders do not approve the selection of Deloitte & Touche LLP, the Audit Committee will reconsider the selection of Deloitte & Touche LLP. Ultimately, however, the Audit Committee retains full discretion and will make all determinations with respect to the appointment of the independent auditors, whether or not the Company's shareholders ratify the appointment.

For additional information regarding the selection of Deloitte & Touche LLP as the Company's independent registered public accountants, please see "Independent Registered Public Accounting Firm" appearing elsewhere in this proxy statement.

Recommendation

The Board recommends that shareholders vote “FOR” ratification of Deloitte & Touche LLP as the Company’s independent registered public accountants for the year ended December 31, 2019.

Vote Required

Approval of Proposal 2 requires the affirmative vote of a majority of the votes cast on the proposal. Shareholders who return a signed proxy card but do not indicate how they wish to vote on Proposal 2 will be deemed to have voted FOR Proposal 2. Broker non-votes, if any, will have no effect on the outcome of this proposal. Abstentions will have the same effect as a vote against Proposal 2.

CORPORATE GOVERNANCE

GAMCO continually strives to maintain the highest standards of ethical conduct: reporting results with accuracy and transparency and maintaining full compliance with the laws, rules and regulations that govern the Company’s businesses. The Company is active in ensuring that its governance practices continue to serve the interests of its shareholders and remain at the leading edge of best practices.

Determination of Director Independence

The Board has established guidelines which it uses in determining director independence and that are based on the director independence standards of the New York Stock Exchange. A copy of these guidelines can be found as Exhibit A. These guidelines are also attached to the Board’s Corporate Governance Guidelines, which are available at the following website: http://www.gabelli.com/corporate/corp_gov.html. A copy of these guidelines may also be obtained upon request from our Secretary.

In making its determination of independence with respect to Mr. Prather, the Board considered that the investment advisory subsidiaries of the Company collectively own on behalf of their investment advisory clients as of March 1, 2019 approximately 2.95% of the Class A Stock and 0.79% of the Common Stock of Gray Television, Inc. (“Gray”). This ownership represents approximately 1.7% of the total voting power of Gray. Mr. Prather served as President and Chief Operating Officer and a director of Gray until June of 2013. Furthermore, an investment advisory affiliate of the Company nominated Mr. Prather as a director of Gaylord Entertainment Company (“Gaylord”) in 2009, and Mr. Prather was elected as a director of Gaylord on May 7, 2009. Gaylord subsequently converted into a real estate investment trust named Ryman Hospitality Properties, Inc. (“Ryman”) in October 2012, and Mr. Prather remains on Ryman’s board of directors. The Company collectively owns on behalf of their investment advisory clients approximately 7.57% of Ryman’s Common Stock representing approximately 7.57% of the total voting power of Ryman as of March 1, 2019. In addition, an investment advisory affiliate of the Company nominated Mr. Prather as a director of Diebold in 2013, and Mr. Prather served as a director of that company from April 2013 to April 2018. The Company collectively owns on behalf of their investment advisory clients approximately 10.13% of Diebold’s Common Stock representing approximately 10.13% of the total voting power of Diebold as of March 1, 2019. Investment advisory affiliates of the Company may continue to nominate Mr. Prather to the Boards of public companies.

The Company’s affiliates may also nominate other directors to the Boards of companies that are beneficially owned on behalf of its clients. The Board further considered the difficulty the Company would encounter in attempting to unilaterally affect the management of Gray, Ryman or Diebold through the use of its voting power.

In making its determination of independence with respect to Mr. Avansino, the Board considered that he has a daughter who works for the Company in a non-executive role, as described under “Certain Relationships and Related Transactions”. In addition, the Board considered that he is the Chairman and the President of Miami Oil Producers, Inc. (“Miami Oil”), the landlord of a lease that was entered into in 1999 with the Company for office space in Nevada. The Company paid \$39,984, \$40,788 and \$41,736 in rent to Miami Oil in 2016, 2017 and 2018, respectively. Mr. Avansino is not a shareholder of Miami Oil.

With respect to these relationships, the Board considered Messrs. Avansino’s and Prather’s lack of economic dependence on the Company and other personal attributes that need to be possessed by independent-minded directors. Based on the guidelines attached as Exhibit A hereto and the foregoing considerations, the Board concluded that the following directors were independent and determined that none of them had a material relationship with us which would impair his ability to act as an independent director: Messrs. Artzt, Avansino, Daniels, McGrath and Prather.

The table below sets forth certain information regarding the nominees to the Board and the Committees on which they currently serve.

Name	Audit Committee	Governance Committee	Compensation Committee	Nominating Committee
Mario J. Gabelli				X
Edwin L. Artzt				
Raymond C. Avansino, Jr.	X	X (Chair)	X (Co-Chair)	
Leslie B. Daniels				
Eugene R. McGrath	X	X		
Robert S. Prather, Jr.	X (Chair)		X (Co-Chair)	
Elisa M. Wilson				X (Chair)

The Board's Role in the Oversight of Risk

The Board's oversight of risk is administered directly through the Board, as a whole, or through its Committees. Various reports and presentations regarding risk management are presented to the Board including the procedures that the Company has adopted to identify and manage risk. Each of the Board's Committees addresses risks that fall within the Committee's area of responsibility. For example, the Audit Committee is responsible for "overseeing the quality and objectivity of GAMCO's financial statements and the independent audit thereof." The Audit Committee reserves time at each of its quarterly meetings to meet with the Company's independent registered public accounting firm outside of the presence of the Company's management. The Director of Internal Audit also is significantly involved in risk management evaluation and designs the Company's internal audit programs to take account of risk evaluation and work in conjunction with the Co-Chief Accounting Officers. The Director of Internal Audit reports directly to the Company's Audit Committee.

Relationship of Compensation and Risk

The Compensation Committee of the Board works with the Chief Executive Officer in reviewing the significant elements of the Company's compensation policies and programs for all staff. They evaluate the intended behaviors each program is designed to incentivize to ensure that such policies and programs are appropriate for the Company.

The Board and Committees

During 2018, there were six meetings of the Board. Our Board has an Audit Committee, a Compensation Committee, a Governance Committee and a Nominating Committee. We are deemed to be a "controlled company" as defined by the corporate governance standards of the New York Stock Exchange by virtue of the fact that GGCP holds more than 50% of the voting power of the Company. As a result, we are exempt from the corporate governance standards of the New York Stock Exchange requiring that a majority of the Board be independent and that all members of the Governance, Nominating and Compensation Committees be independent. While the Company is a controlled Company, the Board nevertheless is comprised of a majority of independent directors.

The Board believes that the most effective leadership structure is for the Company's Chief Executive Officer to serve as Chairman given that Mr. Mario Gabelli is the controlling shareholder of the Company. By having Mr. Gabelli serve as the Chief Executive Officer and as Chairman, the Board believes that it enables Mr. Gabelli to ensure that the Board's agenda responds to strategic challenges, that the Board is presented with information required for it to fulfill its responsibilities, and that Board meetings are as productive and effective as possible.

Our non-management directors meet, without any management directors or employees present, immediately after our regular quarterly Board meetings. At least once each year, our independent directors meet in a separate executive session. Mr. Prather serves as lead independent director and chairs the meetings of our non-management and independent directors.

The Audit Committee regularly meets with our independent registered public accounting firm to ensure that satisfactory accounting procedures are being followed and that internal accounting controls are adequate, reviews fees charged by the independent registered public accounting firm and selects our independent registered public accounting firm. Messrs. Avansino, McGrath and Prather, each of whom is an independent director as defined by the corporate governance standards of the New York Stock Exchange and the Company's guidelines as set forth in Exhibit B, are the current members of the Audit Committee. The Board has determined that Mr. Prather meets the standards of an "audit committee financial expert," as defined by the applicable securities regulations. The Audit Committee met five times during 2018. A copy of the Audit Committee's charter is posted on our website at http://www.gabelli.com/corporate/corp_gov.html. A shareholder may also obtain a copy of the charter upon written request from our Secretary delivered to our principal executive offices.

The Compensation Committee reviews the amounts paid to the Chief Executive Officer for compliance with the terms of his employment agreement and generally reviews benefits and compensation for the other executive officers. It also administers our Stock Award and Incentive Plan. Messrs. Avansino and Prather, each of whom is an independent director, are the members of the Compensation Committee. The Compensation Committee does not have a formal policy regarding delegation of its authority. The Compensation Committee met six times during 2018. A copy of the Compensation Committee's charter is posted on our website at http://www.gabelli.com/corporate/corp_gov.html. A shareholder may also obtain a copy of the charter upon written request from our Secretary delivered to our principal executive offices.

The Governance Committee advises the Board on governance policies and procedures. Messrs. Avansino and McGrath, each of whom is an independent director, are the members of the Governance Committee. The Governance Committee held one meeting during 2018. A copy of the Governance Committee's charter is posted on our website at http://www.gabelli.com/corporate/corp_gov.html. A shareholder may also obtain a copy of the charter upon written request from our Secretary delivered to our principal executive offices.

The Nominating Committee advises the Board on the selection and nomination of individuals to serve as directors of GAMCO. Nominations for director, including nominations for director submitted to the committee by shareholders, are evaluated according to our needs and the nominee's knowledge, experience and background. Mario Gabelli and Elisa Wilson are the members of the Nominating Committee. Neither Mr. Gabelli nor Ms. Wilson is an independent director as defined by the corporate governance standards of the Company. The Nominating Committee met once during 2018. A copy of the Nominating Committee's charter is posted on our website at http://www.gabelli.com/corporate/corp_gov.html. A shareholder may also obtain a copy of the charter upon written request from our Secretary delivered to our principal executive offices. The Nominating Committee has adopted the following policy regarding diversity: When identifying nominees as directors, the Nominating Committee will have a bias to have diverse representation of candidates who serve or have served as chief executive officers or presidents of public or private corporations or entities that are either for-profit or not-for-profit. In accordance with its charter, the Nominating Committee will review the suitability for continued service as a director of each Board member when his or her term expires and when he or she has a change in status, including but not limited to an employment change, and recommend whether or not the director should be re-nominated. The Nominating Committee will review annually with the Board the composition of the Board as a whole and recommend, if necessary, measures to be taken.

Consideration of Director Candidates Recommended by Shareholders

Except as set forth in the Company's Amended and Restated By-Laws, the Nominating Committee does not have a formal policy regarding the recommendation of director candidates by shareholders. The Board believes it is appropriate not to have such a policy because GGCP holds the majority of the voting power. Nevertheless, the Nominating Committee will consider appropriate candidates recommended by shareholders. Under the process described below, a shareholder wishing to submit such a recommendation should send a letter to our Secretary at 140 Greenwich Avenue, Greenwich, CT 06830. The mailing envelope must contain a clear notation that the enclosed letter is a "Director Nominee Recommendation." The letter must identify the author as a shareholder and provide a brief summary of the candidate's qualifications and otherwise comply with the requirements of our Amended and Restated

By-Laws. At a minimum, candidates recommended for election to the Board must meet the independence standards of the New York Stock Exchange as well as any criteria used by the Nominating Committee. The Nominating Committee will consider and evaluate candidates recommended by shareholders in the same manner as it considers candidates from other sources. Acceptance of a recommendation does not imply that the committee will ultimately nominate the recommended candidate.

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Process for the Consideration of Director Candidates Nominated by Shareholders and of Business Proposed by Shareholders

GAMCO's Amended and Restated By-Laws set forth the processes and advance notice procedures that shareholders of GAMCO must follow, and specifies additional information that shareholders of GAMCO must provide, when proposing director nominations at any annual or special meeting of GAMCO's shareholders or other business to be considered at an annual meeting of shareholders. Generally, the By-Laws provide that advance notice of shareholder nominations or proposals of business be provided to GAMCO not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the preceding annual meeting of shareholders. For the 2020 Annual Meeting, such notice of nomination or other business must be received at GAMCO's principal executive offices between January 8, 2020 and February 7, 2020.

Article III, Paragraph 6 of GAMCO's Amended and Restated By-Laws sets out the procedures a shareholder must follow in order to nominate a candidate for Board membership. For these requirements, please refer to the Amended and Restated By-Laws as of November 20, 2013, filed with the Securities and Exchange Commission on November 22, 2013, as Exhibit 3.2 to a Current Report on Form 8-K. The Amended and Restated By-Laws are also available in the "Investor Relations" section of the Company's website.

Director Attendance

During 2018, all of the directors attended at least 75% of the meetings of the Board and the Board committees of which he or she was a member. All of the directors attended our 2018 annual meeting of shareholders. We do not have a policy regarding directors' attendance at our annual meetings.

COMPENSATION OF DIRECTORS

Mr. Mario Gabelli did not receive compensation for serving as a director of the Company during 2018. Effective July 1, 2018, all non-executive directors other than Mr. Gabelli receive annual cash retainers and meeting fees as follows:

Board Member	\$70,000
Audit Committee Chairman	\$20,000
Compensation Committee Chairman	\$12,000
Governance Committee Co-Chairmen	\$6,000
Attendance per Board Meeting	\$10,000
Attendance per Audit Committee Meeting	\$4,000
Attendance per Compensation and Governance Committees Meeting	\$3,000

DIRECTOR COMPENSATION TABLE FOR 2018

The following table sets forth fees, awards, and other compensation paid to or earned by our non-executive directors in 2018.

Director Compensation Table for 2018. The following table sets forth fees, awards, and other compensation paid to or earned by our non-executive directors in 2018.

Name	Fees Earned or Paid in Cash (\$)	Restricted Stock Awards (\$ (a))	Option Awards (\$ (b) (c))	All Other Compensation (\$)	Total (\$)
Edwin L. Artzt	123,000	-0-	-0-	-0-	123,000