

GLADSTONE INVESTMENT CORPORATION\DE
Form PRE 14A
May 06, 2016
Table of Contents

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 Under §240.14a-12

GLADSTONE INVESTMENT CORPORATION

(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):

Edgar Filing: GLADSTONE INVESTMENT CORPORATION\DE - Form PRE 14A

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:
- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

Table of Contents

PRELIMINARY COPY

GLADSTONE INVESTMENT CORPORATION

1521 Westbranch Drive, Suite 100, McLean, Virginia 22102

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On August 4, 2016

To Our Stockholders:

Notice Is Hereby Given that the 2016 Annual Meeting of Stockholders of Gladstone Investment Corporation (the Annual Meeting) will be held on Thursday, August 4, 2016, at 11:00 a.m. Eastern Daylight Time (Eastern Time) at the corporate headquarters of Gladstone Investment Corporation, 1521 Westbranch Drive, Suite 100, McLean, Virginia 22102, for the following purposes:

- (1) To elect three directors, Paul W. Adelgren, David Gladstone and John H. Outland, to be elected by the holders of common stock and preferred stock, voting together as a single class, to serve until the 2019 Annual Meeting of Stockholders or until each director's successor is elected and qualified;
- (2) To approve a proposal to authorize us, with the approval of our board of directors (the Board), to issue and sell shares of our common stock (during the next 12 months) at a price below its then current net asset value per share, subject to certain limitations set forth in the Proxy Statement accompanying this Notice (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 25% of our then outstanding common stock immediately prior to each such sale); and
- (3) To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice.

Our Board has fixed the close of business on Monday, June 6, 2016, as the record date for the determination of stockholders entitled to notice of and to vote at this Annual Meeting and at any adjournment or postponement thereof.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be

Held on Thursday, August 4, 2016 at 11:00 a.m. Eastern Time at the corporate headquarters of

Gladstone Investment Corporation, located at 1521 Westbranch Drive, Suite 100, McLean, Virginia 22102.

The Proxy Statement accompanying this Notice and annual report to stockholders are also available

at www.proxyvote.com.

By Order of the Board of Directors,

Michael LiCalsi

Secretary

McLean, Virginia

June 17, 2016

All of our stockholders are cordially invited to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting, you are urged to complete, date, sign and return the enclosed proxy card as promptly as possible, submit your proxy electronically via the Internet, or vote by proxy over the telephone as instructed in these materials. Submitting your proxy or voting instructions promptly will assist us in reducing the expenses of additional proxy solicitation, but it will not affect your right to vote in person if you attend the Annual Meeting (and, if you are not a stockholder of record, you have obtained a legal proxy from the bank, broker, trustee or other nominee that holds your shares giving you the right to vote the shares in person at the Annual Meeting).

Table of Contents

TABLE OF CONTENTS

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 4, 2016	
<u>PROXY STATEMENT FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 4, 2016</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING</u>	1
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	7
<u>INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	14
<u>PROPOSAL 2 TO AUTHORIZE US, WITH THE APPROVAL OF OUR BOARD OF DIRECTORS, TO ISSUE AND SELL SHARES OF OUR COMMON STOCK (DURING THE NEXT 12 MONTHS) AT A PRICE BELOW ITS THEN CURRENT NET ASSET VALUE PER SHARE, SUBJECT TO CERTAIN LIMITATIONS SET FORTH HEREIN (INCLUDING, WITHOUT LIMITATION, THAT THE NUMBER OF SHARES ISSUED AND SOLD PURSUANT TO SUCH AUTHORITY DOES NOT EXCEED 25% OF OUR THEN OUTSTANDING COMMON STOCK IMMEDIATELY PRIOR TO EACH SUCH SALE)</u>	21
<u>PRINCIPAL ACCOUNTING FIRM FEES AND SERVICES</u>	31
<u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u>	33
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	34
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	36
<u>EXECUTIVE COMPENSATION</u>	37
<u>DIRECTOR COMPENSATION FOR FISCAL 2016</u>	37
<u>REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS</u>	39
<u>CERTAIN TRANSACTIONS</u>	39
<u>PROXY VOTING POLICIES AND PROCEDURES</u>	43
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	43
<u>OTHER MATTERS</u>	43

Table of Contents

PRELIMINARY COPY

GLADSTONE INVESTMENT CORPORATION

1521 Westbranch Drive, Suite 100, McLean, Virginia, 22102

PROXY STATEMENT

FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS

To Be Held On August 4, 2016

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We have sent you this Proxy Statement and the enclosed proxy card because the board of directors (the Board) of Gladstone Investment Corporation (we, us, or the Company) is soliciting your proxy to vote at the 2016 Annual Meeting of Stockholders (the meeting or annual meeting), including adjournments or postponements thereof, if any. You are invited to attend the annual meeting to vote on the proposals described in this Proxy Statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or follow the instructions below to vote by proxy over the telephone or through the Internet.

We intend to mail these materials on or about June 17, 2016 to all stockholders of record entitled to vote at the annual meeting.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY VOTE YOUR SHARES EITHER BY MAIL, BY TELEPHONE, OR THROUGH THE INTERNET.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON AUGUST 4, 2016:

The Notice of Annual Meeting, this Proxy Statement and our annual report for the fiscal year ended March 31, 2016 are available at the following Internet address: www.proxyvote.com.

How can I attend the annual meeting?

Edgar Filing: GLADSTONE INVESTMENT CORPORATION\DE - Form PRE 14A

The meeting will be held on Thursday, August 4, 2016, at 11:00 a.m. Eastern Daylight Time (Eastern Time) at Gladstone Investment Corporation's corporate headquarters, located at 1521 Westbranch Drive, Suite 100, McLean, Virginia, 22102. Directions to the annual meeting may be found at www.gladstoneinvestment.com. Information on how to vote in person at the annual meeting is discussed below.

Who can vote at the annual meeting?

Only stockholders of record at the close of business on June 6, 2016, will be entitled to vote at the annual meeting. On this record date, there were _____ shares of common stock outstanding and entitled to vote and _____ shares of preferred stock outstanding and entitled to vote.

Table of Contents

Stockholder of Record: Shares Registered in Your Name

If on June 6, 2016, your shares were registered directly in your name with our transfer agent, Computershare, Inc., then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or through the Internet, as instructed below, to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Brokerage Firm

If on June 6, 2016, your shares were held, not in your name, but in an account at a brokerage firm, bank, dealer, or other similar organization (a Brokerage Firm), then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The Brokerage Firm holding your account and shares is considered to be the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your Brokerage Firm regarding how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your Brokerage Firm.

What am I voting on?

There are two matters scheduled for a vote at the annual meeting:

Proposal 1, to elect three directors, Paul W. Adalgren, David Gladstone and John H. Outland, to be elected by the holders of common stock and preferred stock, voting together as a single class, to serve until the 2019 Annual Meeting of Stockholders or until each director's successor is elected and qualified.

Proposal 2, to approve of a proposal to authorize us, with the approval of our Board, to issue and sell shares of our common stock (during the next 12 months) at a price below its then current net asset value (NAV) per share, subject to certain limitations set forth herein (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 25% of our then outstanding common stock immediately prior to each such sale).

We will hold a conference call to discuss the matters scheduled for a vote at the annual meeting on June 28, 2016 at 9:00 a.m. Eastern Time. Stockholders will have an opportunity to ask questions regarding the proposals during the conference call. You may call (855) 376-7516 (international callers must dial (484) 365-2906) to enter the call. An operator will monitor the call and set a queue for any questions. A conference call replay will be available beginning after the call through the date of the annual meeting, Thursday, August 4, 2016. To hear the replay, please dial (855) 859-2056 and use conference code 3010216. The call replay will also be available via webcast at www.gladstoneinvestment.com through the date of the annual meeting. In the event of any changes in the scheduled date and time of the call, we will issue a press release, which will be available on our website at www.gladstoneinvestment.com.

Why should I vote my shares?

Under applicable law, we must conduct an annual meeting to allow our stockholders to vote for directors and other matters properly before the meeting. Certain matters listed in this Proxy Statement require a minimum threshold of votes to pass. The number of votes needed to pass each item in this Proxy Statement is described below under the question "How many votes are needed to approve each proposal?" When stockholders do not vote their shares on items material to conducting our business, we must spend additional money to contact

Table of Contents

shareholders seeking their vote. This is very expensive and uses funds that could better benefit our stockholders in other ways. It is important that each stockholder votes to insure that these expenses are minimized.

How do I vote?

For proposal 1, you may either vote **FOR** all the nominees to our Board or you may **WITHHOLD** your vote for any nominee you specify. For proposal 2, you may vote **FOR** or **AGAINST** or abstain from voting. The procedures for voting are as follows:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the annual meeting, vote by proxy using the enclosed proxy card, or vote by proxy over the telephone or through the Internet. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person, even if you vote by proxy prior to the annual meeting.

To vote in person, we will give you a ballot when you arrive at the annual meeting.

To vote using the enclosed proxy card, simply complete, sign, date, and return it promptly in the envelope provided. To be counted, we must receive your signed proxy card by 11:59 p.m. Eastern Time on August 3, 2016, the day prior to the annual meeting.

To vote by proxy over the telephone, dial toll-free, (800) 690-6903, using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number delineated on the enclosed proxy card. To be counted, we must receive your vote by 11:59 p.m. Eastern Time on August 3, 2016, the day prior to the annual meeting.

To vote by proxy through the Internet, go to www.proxyvote.com to complete an electronic proxy card. You will be asked to provide the company number and control number delineated on the enclosed proxy card. To be counted, we must receive your vote by 11:59 p.m. Eastern Time on August 3, 2016, the day prior to the annual meeting.

Beneficial Owner: Shares Registered in the Name of Brokerage Firm

If you are a beneficial owner of shares registered in the name of your Brokerage Firm, you should have received a proxy card and voting instructions with these proxy materials from that organization, rather than from us. Simply complete and mail the proxy card to ensure that your vote is counted. Alternatively, you may vote by proxy over the telephone or through the Internet, as instructed by your Brokerage Firm. To vote in person at the annual meeting, you must obtain a valid proxy from your Brokerage Firm. Follow the instructions from your Brokerage Firm included with these proxy materials, or contact your broker or bank to request a proxy form.

We provide Internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from your Internet access provider or telephone company.

Table of Contents

How many votes do I have?

On all matters you have one vote for each share of common stock or preferred stock you owned as of the close of business on June 6, 2016.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card, or otherwise vote by proxy without making any voting selections, your shares will be voted **FOR** the election of the three nominees for director and **FOR** Proposal 2. If any other matter is properly presented at the meeting, your proxy holder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

Gladstone Investment Corporation will bear the cost of solicitation of proxies, including preparation, assembly, printing and mailing of this Proxy Statement, the proxy card and any additional information furnished to our stockholders. Copies of solicitation materials will be furnished to Brokerage Firms holding in their names shares of our common stock or preferred stock beneficially owned by others to forward to such beneficial owners. We may reimburse persons representing beneficial owners of our common stock or preferred stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, electronic mail or personal solicitation by directors, officers or other regular employees of Gladstone Management Corporation, our investment adviser (the Adviser), or Gladstone Administration, LLC (the Administrator). No additional compensation will be paid to directors, officers or other regular employees for such services. We have engaged Georgeson Inc. (Georgeson) to solicit proxies for the annual meeting. Georgeson will be paid a fee of approximately \$5,500 plus out-of-pocket expenses for its basic solicitation services, which include review of proxy materials, dissemination of broker search cards, distribution of proxy materials, solicitation of brokers, banks and institutional holders, and delivery of executed proxies. The term of the agreement with Georgeson will last for the period of the solicitation, and the agreement provides that we will indemnify and hold harmless Georgeson against any third party claims, except in the case of Georgeson's gross negligence or intentional misconduct.

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on the proxy cards in the proxy materials to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. However, should you wish to revoke your proxy after 11:59 p.m. Eastern Time on August 3, 2016, you may only do so at the annual meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

You may submit another properly completed proxy card with a later date specified thereon.

You may grant a subsequent proxy by telephone or through the Internet on a later date.

You may send a timely written notice that you are revoking your proxy to Gladstone Investment Corporation's corporate secretary at 1521 Westbranch Drive, Suite 100, McLean, Virginia, 22102.

Table of Contents

You may attend the annual meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy. If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your Brokerage Firm.

When are stockholder proposals due for next year's annual meeting?

We will consider for inclusion in our proxy materials for 2017 Annual Meeting of Stockholders proposals that we receive no later than February 17, 2017, and that comply with all applicable requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the "1934 Act"), and our bylaws, as amended ("Bylaws"). Stockholders must submit their proposals to our corporate secretary at 1521 Westbranch Drive, Suite 100, McLean, Virginia, 22102.

In addition, any stockholder who wishes to propose a nominee to our Board or propose any other business to be considered by the stockholders (other than a stockholder proposal to be included in our proxy materials pursuant to Rule 14a-8 of the Exchange Act) must comply with the advance notice provisions and other requirements of Article III, Section 5 of our Bylaws, a copy of which is on file with the Securities and Exchange Commission ("SEC") and may be obtained from our corporate secretary upon request. These notice provisions require that nominations of persons for election to our Board and proposals of business to be considered by the stockholders for the 2017 Annual Meeting of Stockholders must be made in writing and submitted to our corporate secretary at the address above no earlier than April 6, 2017 (120 days before the first anniversary of our 2016 Annual Meeting of Stockholders), and not later than May 6, 2017 (90 days before the first anniversary of the 2016 Annual Meeting of Stockholders). You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

How are votes counted?

Votes will be counted by the inspector of election appointed for the annual meeting, who will separately count **FOR**, **WITHHOLD**, and with respect to proposals other than the election of directors, **AGAINST** votes and abstentions. Abstentions will be counted towards the vote total and will have the same effect as **AGAINST** votes for Proposal 2. We expect that our chief financial officer and treasurer, Julia Ryan and our general counsel and secretary, Michael LiCalsi, will be appointed as the inspectors of election.

How many votes are needed to approve each proposal?

Proposal 1 Election of Directors. Paul W. Adelgren, David Gladstone and John H. Outland must be elected by a plurality of the votes cast by holders of our outstanding common stock and preferred stock, voting together as a single class. Stockholders may not cumulate their votes. Only votes **FOR** or **WITHHELD** will affect the outcome of this proposal.

Proposal 2 Authorization, with the approval of our Board, to issue and sell shares of our common stock (during the next 12 months) at a price below its then current NAV per share subject to certain limitations set forth herein (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 25% of our then outstanding common stock immediately prior to each such sale). The affirmative vote of each of the following is required to approve this proposal: (1) a majority of the outstanding common stock and preferred stock, voting together as a single class ("outstanding voting securities"); and (2) a

Table of Contents

majority of our outstanding voting securities that are not held by affiliated persons of the Company. For purposes of this proposal, the Investment Company Act of 1940 (the "1940 Act") defines a majority of the outstanding voting securities as the vote of the lesser of: (1) 67% or more of the voting securities of the Company present at the annual meeting, if the holders of more than 50% of the outstanding voting securities of the Company are present or represented by proxy; or (2) more than 50% of the outstanding voting securities of the Company. Each abstention will have the same effect as voting **AGAINST** this proposal.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if a majority of our total number of outstanding shares of common stock and preferred stock are represented by stockholders present at the meeting or by proxy. On the record date there were shares of common stock and shares of preferred stock outstanding and entitled to vote. Thus, shares must be represented by stockholders present at the meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your Brokerage Firm) or if you vote in person at the meeting. Abstentions will be counted towards the quorum requirement. If there is no quorum, a majority of the votes present at the meeting may adjourn the meeting to another date.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. Final voting results will be published in a current report on Form 8-K that we expect to file with the SEC within four business days after the annual meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

What proxy materials are also available on the Internet?

The letter to stockholders, Proxy Statement, Form 10-K and annual report to stockholders are available at www.proxyvote.com.

Table of Contents

PROPOSAL 1

ELECTION OF DIRECTORS

Our Board is divided into three classes. Each class has a three-year term. Vacancies on the Board may be filled by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy in a class, including any vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is elected and qualified. Currently, our Board is comprised of eight directors, six of whom are independent.

Holders of preferred stock are entitled, as a class, to the exclusion of the holders of all other classes of stock, to elect two directors (regardless of the total number of directors serving on our Board). Director Michaela English was elected to a three-year term by our preferred stockholders at the 2014 Annual Meeting of Stockholders and director Walter H. Wilkinson, Jr. was elected to a three-year term by our preferred stockholders at the 2015 Annual Meeting of Stockholders. Therefore, no directors will be elected solely by our preferred stockholders at this year's annual meeting.

Proxies cannot be voted for a greater number of persons than the number of nominees named. If elected at the annual meeting, each nominee would serve until the 2019 Annual Meeting and until his successor is elected and has qualified, or, if sooner, until his death, resignation or removal.

Proposal 1

The Company's Ethics, Nominating & Corporate Governance Committee (the Ethics Committee) nominated three incumbent directors Paul W. Adelgren, David Gladstone and John H. Outland for election by the common and preferred stockholders, voting together as a single class, for a term expiring in 2019.

Each director is elected by a plurality of the votes cast at the annual meeting. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the director nominees. If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee proposed by our management. Each person nominated for election has agreed to serve if elected, and management has no reason to believe that any nominee will be unable to serve.

We encourage directors and nominees for director to attend the annual meeting. One of our directors attended the 2015 Annual Meeting of Stockholders.

Table of Contents**Nominees for a Three-Year term expiring at the 2019 Annual Meeting of Stockholders**

Name, Address, Age Disinterested Directors	Position(s) Held With Company	Term of Office and Length of Term Served	Principal Occupation(s) During the Past Five Years	Other Public Company Directorships Held by Director During the Past Five Years
Paul W. Adelgren (73) Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	Director	Term expires at 2016 annual meeting. Director since 2005.	Pastor of Missionary Alliance Church since 1997.	Gladstone Commercial Corporation; Gladstone Capital Corporation; Gladstone Land Corporation
John H. Outland (70) Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	Director	Term expires at 2016 annual meeting. Director since 2005.	Private investor since June 2006.	Gladstone Commercial Corporation; Gladstone Capital Corporation; Gladstone Land Corporation
Interested Director David Gladstone (74)* Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	Chairman of the Board and Chief Executive Officer	Term expires at 2016 annual meeting. Director since 2005.	Founder, Chief Executive Officer and Chairman of the Board since our inception in 2005, of Gladstone Capital Corporation since its inception in 2001, of Gladstone Commercial Corporation since its inception in 2003 and of Gladstone Land Corporation since its inception. Founder, Chief Executive Officer and Chairman of the Board of our Adviser. Since 2010, Mr. Gladstone has also served on the board of managers of Gladstone Securities, LLC, a broker dealer that is an affiliate of the Company.	Gladstone Commercial Corporation; Gladstone Capital Corporation; Gladstone Land Corporation

Table of Contents**Directors Continuing in Office Until the 2017 Annual Meeting of Stockholders**

Name, Age, Address	Position(s) Held With Company	Term of Office and Length of Term Served	Principal Occupation(s) During the Past Five Years	Other Public Company Directorships Held by Director During the Past Five Years
Disinterested Directors				
Michela A. English (66) Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	Director	Term expires at 2017 annual meeting. Director since 2005.	President and Chief Executive Officer of Fight for Children, a non-profit charitable organization focused on providing high-quality education and health care services to underserved youth in Washington, D.C., since June 2006.	Gladstone Commercial Corporation; Gladstone Capital Corporation; Gladstone Land Corporation
Anthony W. Parker (70) Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	Director	Term expires at 2017 annual meeting. Director since 2005.	Founder and Chairman of the Board of Parker Tide Corp. (formerly known as Snell Professional Corp. and Medical Funding Corporation), a government contracting company providing mission critical solutions to the Federal Government, since 1997.	Gladstone Commercial Corporation; Gladstone Capital Corporation; Gladstone Land Corporation

Table of Contents**Directors Continuing in Office Until the 2018 Annual Meeting of Stockholders**

Name, Address, Age Disinterested Directors	Position(s) Held With Company	Term of Office and Length of Term Served	Principal Occupation(s) During the Past Five Years	Other Public Company Directorships Held by Director During the Past Five Years
Caren D. Merrick (56) Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	Director	Term expires at 2018 annual meeting. Director since 2014.	Founder and chief executive officer of Pocket Mentor, a mobile application and digital publishing company, since 2014. Partner with Bilbury Partners, an investment advisory firm, since 2004. Board member of Metropolitan Washington Airport Authority since 2012 and Washington First Bankshares, Inc. since May 2015.	Gladstone Commercial Corporation; Gladstone Capital Corporation; Gladstone Land Corporation; Washington First Bankshares, Inc.
Walter H. Wilkinson, Jr (70) Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	Director	Term expires at 2018 annual meeting. Director since 2014.	Founder and General Partner of Kitty Hawk Capital, a venture capital firm, since 1980. Board member of RF Micro Devices, Inc. from 1992, serving as its chairman from July 2008 until January 2015 when it merged to form QORVO, Inc. Board member of QORVO, Inc. since January 2015. Board member of the N.C. State University Foundation from June 2007 until 2015. Board member of the Carolinas Chapter of the National Association of Corporate Directors from July 2012 until December 2015 and Chairman of the Board of Directors from July 2012 until August 2014.	Gladstone Commercial Corporation; Gladstone Capital Corporation; Gladstone Land Corporation; RF Micro Devices, Inc.; QORVO, Inc.

Table of Contents

Name, Address, Age Interested Director	Position(s) Held With Company	Term of Office and Length of Term Served	Principal Occupation(s) During the Past Five Years	Other Public Company Directorships Held by Director During the Past Five Years
Terry L. Brubaker (72)* Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	Vice Chairman, Chief Operating Officer and Assistant Secretary	Term expires at 2018 annual meeting. Director since 2005.	Vice Chairman & Chief Operating Officer of the Company since 2005, and of Gladstone Capital Corporation and Gladstone Commercial Corporation since 2004. President and Chief Operating Officer of Gladstone Capital Corporation from 2001 to 2004, and of Gladstone Commercial Corporation from 2003 to 2004, Vice Chairman and Chief Operating Officer of Gladstone Land Corporation since April 2007. Vice Chairman, Chief Operating Officer and a director of our Adviser.	Gladstone Commercial Corporation; Gladstone Capital Corporation; Gladstone Land Corporation

* Messrs. Gladstone and Brubaker are interested persons of Gladstone Investment Corporation, within the meaning of the 1940 Act, due to their positions as officers of our Company and our Adviser as well as their employment by our Adviser.

Table of Contents**Executive Officers and Certain Other Officers Who Are Not Directors**

Name, Age, Address	Position(s) Held With Company	Term of Office and Length of Term Served	Principal
			Occupation(s) During the Past Five Years
David A.R. Dullum (68) Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	President	President since April 2008.	President of the Company since April 2008. Executive Vice President of Gladstone Capital Corporation since October 2012. Executive Vice President of Gladstone Commercial Corporation since July 2010.
Michael LiCalsi (46) Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	General Counsel and Secretary	General Counsel since 2009 and Secretary since 2012.	General Counsel for all of the Gladstone affiliated companies, including the Company, Gladstone Capital Corporation, Gladstone Commercial Corporation and Gladstone Land Corporation, since October 2009 and Secretary of each since October 2012. President of Gladstone Administration, LLC since July 2013. Managing Principal and Chief Legal Officer of Gladstone Securities, LLC since October 2010.
Julia Ryan (35) Gladstone Investment Corporation 1521 Westbranch Drive; Suite 100 McLean, Virginia, 22102	Chief Financial Officer and Treasurer	Chief Accounting Officer from April 2015 to July 2015; Chief Financial Officer and Treasurer since July 2015.	Chief Financial Officer and Treasurer of the Company since July 2015. Chief Accounting Officer of the Company from April 2015 to July 2015. Assurance Services at KPMG, LLP from 2004 to 2015.

Qualifications of Director Nominees

When considering whether our director nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable our Board to satisfy its oversight responsibilities effectively in light of our operational and organizational structure, the Ethics Committee and the Board focused primarily on the information discussed in each of the individual backgrounds set forth above and on the following particular attributes:

Edgar Filing: GLADSTONE INVESTMENT CORPORATION\DE - Form PRE 14A

Mr. Adलगren was selected to serve as an independent director on our Board, and to be nominated to serve another directorship term, due to his strength and experience in ethics, which also led to his appointment as chairman of our Ethics Committee, as well as his past service on our Board since 2005.

Mr. Gladstone was selected to serve as a director on our Board, and to be nominated to serve another directorship term, due to the fact that he is our founder and has greater than thirty years of experience in the industry, including his service as our chairman and chief executive officer since our inception.

Table of Contents

Mr. Outland was selected to serve as an independent director on our Board, and to be nominated to serve another directorship term, due to his more than twenty years of experience in the real estate and mortgage industry as well as his past service on our Board since 2005.

Qualifications of Incumbent Directors Serving Until the 2017 or 2018 Annual Meeting of Stockholders

When considering whether our directors have the experience, qualifications, attributes and skills, taken as a whole, to enable our Board to satisfy its oversight responsibilities effectively in light of our operational and organizational structure, the Ethics Committee and the Board focused primarily on the information discussed in each of the individual backgrounds set forth above and on the following particular attributes:

Mr. Brubaker was selected to serve as a director on our Board, due to his more than thirty years of experience in various mid-level and senior management positions at several corporations as well as his past service on our Board since our inception.

Ms. English was selected to serve as an independent director on our Board, due to her greater than twenty years of senior management experience at various corporations and non-profit organizations as well as her past service on our Board since 2005.

Ms. Merrick was selected to serve as an independent director on our Board, due to her knowledge and experience in operating a business and her understanding of the small business area through experiences overseeing the successful growth of her own business and several large and small businesses, charities and non-profits.

Mr. Parker was selected to serve as an independent director on our Board, due to his expertise and experience in the field of corporate taxation as well as his past service on our Board since 2005. Mr. Parker's knowledge of corporate tax was instrumental in his appointment to the chairmanship of our Audit Committee.

Mr. Wilkinson was selected to serve as an independent director on our Board, due to his over 40 year career in the venture capital industry where he has helped to start or expand dozens of rapidly growing companies in a variety of industries. Mr. Wilkinson brings a unique perspective to our Board from his experience in overseeing the successful growth and evolution of numerous businesses and understanding the challenges of leading both private and public companies through changing economic conditions.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR EACH

NAMED NOMINEE FOR DIRECTOR IN PROPOSAL 1.

Table of Contents

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Director Independence

As required under the NASDAQ Global Select Market (NASDAQ) listing standards, our Board annually determines each director's independence. The NASDAQ listing standards provide that a director of a business development company is considered to be independent if he or she is not an interested person of ours, as defined in Section 2(a)(19) of the 1940 Act. Section 2(a)(19) of the 1940 Act defines an interested person to include, among other things, any person who has, or within the last two years had, a material business or professional relationship with us.

Consistent with these considerations, after review of all relevant transactions or relationships between each director, or any of his or her family members, and us, our senior management and our independent registered public accounting firm, our Board has affirmatively determined that the following six directors are independent directors within the meaning of the applicable NASDAQ listing standards: Messrs. Adalgren, Outland, Parker and Wilkinson and Mmes. English and Merrick. In making this determination, our Board found that no director or director nominee had a material or other disqualifying relationship with us. Mr. Gladstone, the chairman of our Board and chief executive officer, and Mr. Brubaker, our vice chairman, chief operating officer and assistant secretary, are not independent directors by virtue of their positions as our officers and their employment by our Adviser.

Meetings of the Board of Directors

Our Board met five times during our fiscal year ended March 31, 2016. Each director attended 75% or more of the aggregate of the meetings of our Board and of the committees on which he or she served that were held during the period for which he or she was a director or committee member.

As applicable under NASDAQ listing standards, which require regularly scheduled meetings of independent directors, our independent directors met four times during fiscal year 2016 in regularly scheduled executive sessions at which only independent directors were present.

Corporate Leadership Structure

Since our inception, Mr. Gladstone has served as chairman of our Board and our chief executive officer. Our Board believes that our chief executive officer is best situated to serve as chairman because he is the director most familiar with our business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. In addition, Mr. Adalgren, one of our independent directors, serves as the Lead Independent Director for all meetings of our independent directors held in executive session. The Lead Independent Director has the responsibility of presiding at all executive sessions of our Board, consulting with the chairman and chief executive officer on Board and committee meeting agendas, acting as a liaison between management and the independent directors and facilitating teamwork and communication between the independent directors and management.

Our Board believes the combined role of chairman and chief executive officer, together with having a Lead Independent Director, is in the best interest of stockholders because it provides the appropriate balance between strategic development and independent oversight of risk management. In coming to this conclusion, the Board considered the importance of having an interested chairperson that is familiar with our day-to-day management activities, our portfolio companies and the operations of our Adviser. The Board concluded that the

Table of Contents

combined role enhances, among other things, the Board's understanding of our investment portfolio, business, finances and risk management efforts. In addition, the Board believes that Mr. Gladstone's employment by the Adviser better allows for the efficient mobilization of the Adviser's resources at the Board's behest and on its behalf.

Information Regarding Committees of the Board of Directors

Our Board has six committees: the Audit Committee, a Compensation Committee, an Ethics, Nominating and Corporate Governance Committee, an Executive Committee, an Offering Committee, and a Valuation Committee. The following table shows the current composition of each of the committees of our Board:

Name	Audit	Compensation	Ethics, Nominating and Corporate Governance	Executive	Offering	Valuation
Paul W. Adelgren**		X	*X			
Terry Brubaker				X		