

DNP SELECT INCOME FUND INC  
Form DEF 14A  
March 03, 2008

**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 (Amendment No. )

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
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- Soliciting Material Pursuant to Section 240.14a 12

DNP Select Income Fund 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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SEC 1913 (01-07)

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# DNP SELECT INCOME FUND INC.

55 EAST MONROE STREET, SUITE 3600, CHICAGO, ILLINOIS 60603 (312) 368 5510

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS MAY 9, 2008

The annual meeting of shareholders of DNP Select Income Fund Inc. will be held at The University Club, 76 East Monroe Street, Chicago, Illinois, on Friday, May 9, 2008 at 8:00 a.m., Central Daylight Time, to:

1. Elect five directors by the holders of the Fund's common stock.
2. Transact such other business as may properly come before the meeting, or any adjournment or postponement thereof.

Shareholders of record at the close of business on February 29, 2008 are entitled to vote at the meeting.

For the Board of Directors,

T. Brooks Beittel  
*Secretary*

February 29, 2008

**SHAREHOLDERS, WE NEED YOUR PROXY VOTE IMMEDIATELY.**

**YOUR VOTE IS VITAL. THE MEETING OF SHAREHOLDERS WILL HAVE TO BE ADJOURNED WITHOUT CONDUCTING ANY BUSINESS IF FEWER THAN A MAJORITY OF THE SHARES ELIGIBLE TO VOTE ARE REPRESENTED. IN THAT EVENT, THE FUND WOULD ADJOURN THE MEETING AND CONTINUE TO SOLICIT VOTES IN AN ATTEMPT TO OBTAIN A QUORUM. TO AVOID THE EXPENSE OF AND THE POSSIBLE DELAY CREATED BY SUCH A SOLICITATION, PLEASE RETURN YOUR PROXY CARD IMMEDIATELY. YOU AND ALL OTHER SHAREHOLDERS WILL BENEFIT FROM YOUR COOPERATION.**

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## PROXY STATEMENT

The board of directors of DNP Select Income Fund Inc. (the "Fund") is soliciting proxies from the shareholders for use at the annual meeting of shareholders to be held on May 9, 2008 and at any adjournment or postponement of that meeting. A proxy may be revoked at any time before it is voted, either by voting in person at the meeting or by written notice to the Fund or delivery of a later dated proxy.

Shareholders of the Fund of record at the close of business on February 29, 2008 are entitled to notice of and to participate in the meeting. The Fund had 229,328,566 shares of common stock, 5,000 shares of remarketed preferred stock and 20,000 shares of auction preferred stock outstanding on the record date. Each share of common stock outstanding on the record date entitles the holder thereof to one vote for each director being elected by the common stock (with no cumulative voting permitted) and to one vote on each other matter. Each share of remarketed preferred stock outstanding on the record date entitles the holder thereof to one vote for each director being elected by the preferred stock (with no cumulative voting permitted) and to one vote on each other matter submitted for a vote of holders of preferred stock. Each share of auction preferred stock outstanding on the record date entitles the holder thereof to one quarter ( $\frac{1}{4}$ ) of one vote for each director being elected by the preferred stock (with no cumulative voting permitted) and to one quarter ( $\frac{1}{4}$ ) of one vote on each other matter submitted for a vote of holders of preferred stock.

This proxy statement is first being mailed on or about February 29, 2008. The Fund will bear the cost of the annual meeting and this proxy solicitation.

**Annual and Semi annual Reports. The Fund will provide without charge to any shareholder who so requests, a copy of the Fund's annual report for the year ended December 31, 2007 and the Fund's semi annual report for the six months ended June 30, 2007. Requests for copies of such reports should be directed to the Administrator at (888) 878 7845 (toll free). Copies of such reports are also available by accessing the Fund's web site at [www.dnpselectincome.com](http://www.dnpselectincome.com).**

### 1. ELECTION OF DIRECTORS

The board of directors of the Fund is responsible for the overall management and operations of the Fund. Directors are divided into three classes and are elected to serve staggered three year terms. At the meeting, holders of common stock are entitled to elect three directors for a term ending in 2011, one director for a term ending in 2010 and one director for a term ending in 2009, in each case to serve until the annual meeting of shareholders in that year or until their respective successors are elected and qualified. A plurality of votes cast at the meeting by the common stock as to the directors representing the common stock is necessary to elect such directors. Abstentions and broker non votes are counted for purposes of determining whether a quorum is present at the meeting, but will not affect the determination of whether a director candidate has received a plurality of votes cast.

The persons named in the enclosed proxy intend to vote in favor of the election of the persons named below (unless otherwise instructed). Each of the nominees has consented to serve as a director of the Fund, if elected. In case any of the nominees should become unavailable for election for any unforeseen reason, the persons designated in the proxy will have the right to vote for a substitute.

Set forth below are the names and certain biographical information about the directors, director nominees and officers of the Fund. Directors are divided into three classes and are elected to serve staggered three year terms. All of the directors are elected by the holders of the Fund's common stock, except for Mr. Genetski and Ms. Lampton,

who are elected by the holders of the Fund's preferred stock. All of the current directors of the Fund, with the exception of Mr. Partain, are classified as independent directors because none of them are "interested persons" of the Fund, as defined in the Investment Company Act of 1940 (the "1940 Act"). Mr. Partain is an "interested person" of the Fund, as defined in Section 2(a)(19) of the 1940 Act, by reason of his position as President and Chief Executive Officer of the Fund and President, Chief Investment Officer and employee of Duff & Phelps Investment Management Co., the Fund's investment adviser (the "Adviser"). The term "Fund Complex" refers to the Fund and all other investment companies advised by affiliates of Phoenix Investment Partners, Ltd. ("Phoenix Investment Partners" or "PXP").

**Nominees Independent Directors**

Name, Address and Age	Positions Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	by
Connie K. Duckworth(2)(5) c/o Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 53	Director	Nominee for a term expiring in 2011; Director since April 2002	Founder, Chairman and President, Arzu, Inc. (nonprofit corporation created to assist Afghan women through sale of homemade rugs) since August 2003; Member, Eight Wings Enterprises LLC (investor in early-stage businesses) 2002-2004; Advisory Director, Goldman Sachs & Company, December 2000-December 2001 (Managing Director, December 1996-December 2000, Partner 1990-1996, Chief Operating Officer of Firmwide Diversity Committee 1990-1995)	1	Dire Smu Con Con (pac mar and Rus (inv serv com Tru Nor Mut Insu Con Dire Cha Eva Nor Hea Con Mer of C Wha of t of P Dire Her (arc con org



<b>Name, Address and Age</b>	<b>Positions Held with Fund</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Director</b>
Francis E. Jeffries(1) c/o Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 77	Director and Chairman of the Board	Nominee for a term expiring in 2009; Director since January 1987	Retired Chairman of the Board of PXP since May 1997; Chairman of the Board of the Fund since May 2005 (Vice Chairman April 2004-May 2005); Chairman of the Board of DTF Tax-Free Income Inc. (DTF) since September 1991 and Duff & Phelps Utility and Corporate Bond Trust Inc. (DUC) since November 1992 (President of DTF and DUC, January 2000-February 2004); Chairman of the Board of PXP, November 1995-May 1997; Chairman and Chief Executive Officer, Duff & Phelps Corporation, June 1993-November 1995 (President and Chief Executive Officer, January 1992-June 1993); Chairman of the Board of the Adviser, 1988-1993	58
Eileen A. Moran c/o Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 53		Nominee for a term expiring in 2010	Senior Vice President for Strategic Initiatives, PSEG Services Corporation since January 2008; President and Chief Executive Officer, PSEG Resources L.L.C. (investment company) since 1990	3
Christian H. Poindexter(2)(3)(4) c/o Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 69	Director	Nominee for a term expiring in 2011; Director since May 2003	Retired Executive Committee Chairman, Constellation Energy Group, Inc. (public utility holding company) since March 2003 (Executive Committee Chairman, July 2002-March 2003; Chairman of the Board, April 1999-July 2002; Chief Executive Officer, April 1999-October 2001; President, April 1999-October 2000) Chairman, Baltimore Gas and Electric Company, January 1993-July 2002 (Chief Executive Officer January 1993-July 2000; President, March 1998-October 2000; Director, 1988-2003)	3



<b>Name, Address and Age</b>	<b>Positions Held with Fund</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Director</b>
Carl F. Pollard(1)(2) c/o Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 69	Director	Nominee for a term expiring in 2011; Director since April 2002	Owner, Hermitage Farm L.L.C. (thoroughbred breeding) since January 1995; Chairman, Columbia Healthcare Corporation 1993-1994; Chairman and Chief Executive Officer, Galen Health Care, Inc, March-August 1993, President and Chief Operating Officer, Humana Inc. 1991-1993 (previously Senior Executive Vice President, Executive Vice President and Chief Financial Officer)	3

**Continuing Directors-Independent Directors**

<b>Name, Address and Age</b>	<b>Positions Held with Fund</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Director</b>
Stewart E. Conner(5) c/o Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 66	Director	Term expires 2010; Director since April 2004	Attorney, Wyatt Tarrant & Combs LLP since 1966 (Chairman, Executive Committee 2000-2004, Managing Partner 1988-2000)	1
Robert J. Genetski(2)(6) c/o Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 65	Director	Term expires in 2010; Director since April 2001	President, Robert Genetski & Associates, Inc. (economic and financial consulting firm) since 1991; Senior Managing Director, Chicago Capital Inc. (financial services firm) 1995-2001; former Senior Vice President and Chief Economist, Harris Trust & Savings Bank, author of several books; regular contributor to the Nikkei Financial Daily	1



<b>Name, Address and Age</b>	<b>Positions Held with Fund</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Director</b>
Nancy Lampton(3)(5)(6) c/o Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 65	Director and Vice Chairman of the Board	Term expires 2009; Director since October 1994	Chairman and Chief Executive Officer, Hardscuffle Inc. (insurance holding company) since January 2000; Chairman and Chief Executive Officer, American Life and Accident Insurance Company of Kentucky since 1971	3
David J. Vitale(1)(5) c/o Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 61	Director	Term expires 2009; Director since April 2000	Senior Advisor to the CEO, Chicago Public Schools since April 2007; Chief Administrative Officer, Chicago Public Schools April 2003-April 2007; Private investor November 2002-April 2003; President and Chief Executive Officer, Board of Trade of the City of Chicago, Inc. March 2001-November 2002; Retired executive 1999-2001; Vice Chairman and Director, Bank One Corporation, 1998-1999; Vice Chairman and Director, First Chicago NBD Corporation, and President, The First National Bank of Chicago, 1995-1998; Vice Chairman, First Chicago Corporation and The First National Bank of Chicago, 1993-1998 (Director, 1992-1998; Executive Vice President, 1986-1993)	3

**Continuing Directors**  **Interested Director**

<b>Name, Address and Age</b>	<b>Positions Held with Fund</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex To Be Overseen by Nominee for Director</b>
Nathan I. Partain Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 51	President, Chief Executive Officer and Director	Term expires 2010; President and Chief Executive Officer since February 2001; Director since May 2007	President and Chief Executive Officer of the Fund since February 2001 (Chief Investment Officer since January 1998; Executive Vice President, April 1998–February 2001; Senior Vice President January 1997–April 1998); President and Chief Investment Officer of the Adviser since April 2005 (Executive Vice President 1997–2005); President and Chief Executive Officer of DTF and DUC since February 2004; Director of Utility Research, Duff & Phelps Investment Research Co. 1989–1996 (Director of Equity Research, 1993–1996 and Director of Fixed Income Research, 1993)	3

- (1) Member of the executive committee of the board of directors, which has authority, with certain exceptions, to exercise the powers of the board between board meetings.
- (2) Member of the audit committee of the board of directors, which makes recommendations regarding the selection of the Fund's independent registered public accounting firm and meets with representatives of that accounting firm to determine the scope of and review the results of each audit.
- (3) Member of the nominating and governance committee of the board of directors, which selects nominees for election as directors, recommends individuals to be appointed by the board as Fund officers and members of board committees and makes recommendations regarding other Fund governance and board administration matters.
- (4) Mr. Poindexter's current term expires in 2009, but he is resigning from that position and standing for election for a full three year term at this meeting in order to align his term on the Fund's board with his terms on the DTF and DUC boards, for which he is also being nominated this year.
- (5) Member of the contracts committee of the board of directors, which makes recommendations regarding the Fund's contractual arrangements for investment management and administrative services, including the terms and conditions of such contracts.
- (6) Elected by the holders of the Fund's preferred stock.

During 2007, the board of directors held five meetings, the audit committee met twice, the nominating and governance committee met twice, the contracts committee met twice and the executive committee did not meet. Each director attended at least 75% in the aggregate of the meetings of the board and of the committees on which he or she served.

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Additional information about the Fund's directors is contained in the Statement of Additional Information (SAI) constituting Part B of the Fund's Registration Statement on Form N 2 filed with the SEC. The most recent post effective amendment to that Registration Statement is available electronically at the SEC's Internet web site, <http://www.sec.gov>. The Fund will also furnish a copy of the SAI portion of the Registration Statement, without charge, to any shareholder who so requests by calling the Administrator at (888) 878 7845 (toll free).

**Officers of the Fund**

The officers of the Fund are elected at the annual meeting of the board of directors of the Fund. The officers receive no compensation from the Fund, but are also officers of the Fund's investment adviser or the Fund's administrator and receive compensation in such capacities. Information about Nathan I. Partain, the President and Chief Executive Officer of the Fund, is provided above under the caption "Continuing Directors Interested Director."

Name, Address and Age	Position(s) Held with Fund and Length of Time Served	Principal Occupation(s) During Past 5 Years
T. Brooks Beittel Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 57	Secretary and Senior Vice President since January 1995; Treasurer, January 1995-September 2002	Senior Vice President of the Adviser since 1993 (Vice President 1987-1993); Secretary of DUC and DTF since May 2005
Joseph C. Curry, Jr. Hilliard Lyons Investment Management 500 West Jefferson St. Louisville, KY 40202 Age: 63	Treasurer since September 2002; Senior Vice President since May 2006 (Vice President, April 1988-May 2006)	Senior Vice President, J.J.B. Hilliard, W.L. Lyons, Inc. since 1994 (Vice President 1982-1994); President, Hilliard-Lyons Government Fund, Inc. since 1986; Vice President and Assistant Treasurer, Senbanc Fund since 1999
Joyce B. Riegel Duff & Phelps Investment Management Co. 55 East Monroe Street Suite 3600 Chicago, IL 60603 Age: 53	Chief Compliance Officer since February 2004	Senior Vice President and Chief Compliance Officer of the Adviser since 2004 (Vice President and Compliance Officer of the Adviser 2002-2004), Chief Compliance Officer of DTF and DUC since 2003. Vice President and Chief Compliance Officer, Stein Roe Investment Counsel LLC 2001-2002
Dianna P. Wengler Hilliard Lyons Investment Management 500 West Jefferson St. Louisville, KY 40202 Age: 47	Vice President since May 2006 (Assistant Vice President, April 2004-May 2006); Assistant Secretary since April 1998	Vice President, J.J.B. Hilliard, W.L. Lyons, Inc. since 1990; Treasurer, Hilliard-Lyons Government Fund, Inc. since 1988 (Vice President since 1985)



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The following table provides certain information relating to the equity securities beneficially owned by each director or director nominee as of December 31, 2007, (i) in the Fund and (ii) on an aggregate basis, in any registered investment companies overseen or to be overseen by the director or nominee within the same family of investment companies as the Fund.

<b>Name of Director or Nominee</b>	<b>Dollar Range of Equity Securities in the Fund</b>	<b>Aggregate Dollar Range of Equity Securities in All Funds Overseen or to be Overseen by Director or Nominee in Family of Investment Companies</b>
<b><i>Independent Directors</i></b>		
Stewart E. Conner	\$10,000 - \$50,000	\$10,001 - \$50,000
Connie K. Duckworth	Over \$100,000	Over \$100,000
Robert J. Genetski	Over \$100,000	Over \$100,000
Francis E. Jeffries	Over \$100,000	Over \$100,000
Nancy Lampton	Over \$100,000	Over \$100,000
Eileen A. Moran	None	Over \$100,000
Christian H. Poindexter	Over \$100,000	Over \$100,000
Carl F. Pollard	Over \$100,000	Over \$100,000
David J. Vitale	\$50,000 - \$100,000	\$50,001 - \$100,000
<b><i>Interested Director</i></b>		
Nathan I. Partain	Over \$100,000	Over \$100,000

As of December 31, 2007, none of the independent directors, or their immediate family members, owned any securities of the Adviser or any person (other than a registered investment company) directly or indirectly controlling, controlled by or under common control with the Adviser.

The following table shows the compensation paid to the Fund's directors during 2007 for service on the board of directors of the Fund and on the boards of directors of other investment companies in the same Fund Complex as the Fund:

### COMPENSATION TABLE (1)

Name of Director	Aggregate Compensation from the Fund	Total Compensation From Fund and Fund Complex Paid to Directors (2)
<b>Independent Directors</b>		
Stewart E. Conner	\$ 53,750	\$ 53,750
Connie K. Duckworth	50,750	50,750
Francis E. Jeffries (2)	112,732	279,000
Robert J. Genetski	50,250	50,250
Nancy Lampton	59,232	118,500
Christian H. Poindexter	50,750	50,750
Carl F. Pollard	56,857	108,100
David J. Vitale	53,732	108,000
<b>Interested Director</b>		
Nathan I. Partain	0	0

- (1) Each director not affiliated with the Adviser receives an annual fee of \$30,000 (and an additional \$6,000 if the director serves as chairman of a committee of the board of directors) plus an attendance fee of \$3,000 for each meeting of the board of directors and \$2,000 for each meeting of a committee of the board of directors attended in person or by telephone. The chairman of the board receives an additional fee of \$50,000 annually. Directors and officers affiliated with the Adviser receive no compensation from the Fund for their services as such. In addition to the amounts shown in the table above, all directors and officers who are not interested persons of the Fund, the Adviser or the Administrator (as defined below) are reimbursed for the expenses incurred by them in connection with their attendance at a meeting of the board of directors or a committee of the board of directors. The Fund does not have a pension or retirement plan applicable to directors or officers of the Fund.
- (2) The Fund Complex includes all funds that are advised by the Adviser or other affiliates of PXP. Mr. Jeffries serves as a director or trustee of 57 other funds in the Fund Complex, and each of Ms. Lampton, Mr. Pollard and Mr. Vitale serves as a director of two other funds in the Fund Complex.

**The board of directors, all of whom are independent directors, unanimously recommends a vote FOR the election of the five nominees for director named above.**

## OTHER BUSINESS

Management is not aware of any other matters that will come before the meeting. If any other business should come before the meeting, however, your proxy, if signed and returned, will give discretionary authority to the persons designated in it to vote according to their best judgment.

## OTHER INFORMATION

**The Adviser and Phoenix Investment Partners.** Duff & Phelps Investment Management Co. serves as the Fund's investment adviser under an investment advisory agreement (the "Advisory Agreement") dated May 1, 1998. The Adviser is a wholly owned subsidiary of Phoenix Investment Partners, which is an indirect, wholly owned subsidiary of The Phoenix Companies, Inc. On February 7, 2008, The Phoenix Companies, Inc. announced its intention to spin off Phoenix Investment Partners to its shareholders in the third quarter of 2008. The address of the Adviser is 55 East Monroe Street, Suite 3600, Chicago, Illinois 60603.

The Adviser (together with its predecessor) has been in the investment advisory business for more than 70 years and as of December 31, 2007, had approximately \$7.3 billion in client accounts under discretionary management.

Under the terms of the Advisory Agreement, the Adviser furnishes continuing investment supervision to the Fund and is responsible for the management of the Fund's portfolio, subject to the overall control of the board of directors of the Fund. Currently, the Adviser has fourteen professionals (i.e., research analysts and portfolio managers), along with support staff, assigned to the operation of the Fund. Twelve of the thirteen professionals have the CFA (Chartered Financial Analyst) designation and two are CPA's (Certified Public Accountant). The Adviser furnishes, at its own expense, office space, equipment and personnel to the Fund in connection with the performance of its investment management responsibilities, and pays all other expenses incurred by it in connection with managing the assets of the Fund not payable by the Fund's administrator pursuant to the administration agreement. The Advisory Agreement also includes the conditions under which the Fund may use any name derived from or similar to "Duff & Phelps." For its services the Adviser receives from the Fund a quarterly management fee, payable out of the Fund's assets, at an annual rate of 0.60 of 1% of the average weekly net assets of the Fund up to \$1.5 billion and 0.50 of 1% of average weekly net assets in excess of \$1.5 billion. For purposes of calculating the management fee, the Fund's net assets are defined as the sum of (i) the aggregate net asset value of the Fund's common stock, (ii) the aggregate liquidation preference of the Fund's preferred stock and (iii) the aggregate proceeds of commercial paper issued by the Fund. The management fee paid by the Fund to the Adviser for 2007 was \$18,035,407.

Except for the expenses borne by the Adviser and the Administrator (as described below) pursuant to their respective agreements with the Fund, the Fund pays all expenses incurred in its operations, including, among other things, expenses for legal, accounting and auditing services, taxes, interest, costs of printing and distributing shareholder reports, proxy materials, prospectuses and stock certificates, charges of custodians, registrars, transfer agents, dividend disbursing agents, dividend reinvestment plan agents and remarketing agents, Securities and Exchange Commission fees, fees and expenses of non interested directors, insurance, brokerage costs, litigation and other extraordinary or non recurring expenses.

The Fund is also a party to a service agreement dated May 1, 1998 (the "Service Agreement") with the Adviser and Phoenix Investment Partners. Under the terms of the Service Agreement, Phoenix Investment Partners makes available to the Adviser the services of its employees and various facilities to enable the Adviser to perform certain

of its obligations to the Fund. However, the obligation of performance under the Advisory Agreement is solely that of the Adviser, for which Phoenix Investment Partners assumes no responsibility, except as described in the preceding sentence. The Adviser reimburses Phoenix Investment Partners for any costs, direct or indirect, that are fairly attributable to the services performed and the facilities provided by Phoenix Investment Partners under the Service Agreement. The Fund does not pay any fees pursuant to the Service Agreement.

The Advisory Agreement and the Service Agreement both provide that the Adviser shall not be liable to the Fund or its shareholders for any loss suffered as a consequence of any act or omission of the Adviser or Phoenix Investment Partners, as the case may be, in connection with the respective agreements except by reason of its willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of reckless disregard of its obligations under the Advisory Agreement.

At the annual meeting held on April 29, 1998, the Fund's shareholders approved the Advisory Agreement for a two year term beginning on May 1, 1998 and ending on April 30, 2000. At a meeting held on October 17, 1997, the Board of Directors of the Fund, including all of the directors who were not interested persons of the Fund or Phoenix Investment Partners in attendance at the meeting voting separately as a class, approved the Service Agreement for a two year term beginning on May 1, 1998 and ending on April 30, 2000, contingent on the above referenced approval of the Advisory Agreement by the shareholders of the Fund. Unless earlier terminated as described below, the Advisory Agreement and the Service Agreement may be continued from year to year, if approved annually (i) by a majority of the directors of the Fund who are not interested persons of the Fund or the Adviser, in the case of the Advisory Agreement, or Phoenix Investment Partners, in the case of the Service Agreement, and (ii) by either the board of directors of the Fund or the holders of a majority of the outstanding shares of the Fund as defined in the 1940 Act. A majority of the outstanding shares of the Fund as defined in the 1940 Act means the following vote of the common stock and the preferred stock voting together as a single class: (i) 67% of the shares represented at a meeting at which more than 50% of the outstanding shares are represented; or (ii) more than 50% of the outstanding shares. At meetings held on January 26, 2000, February 23, 2001, February 22, 2002, February 21, 2003, February 20, 2004, February 18, 2005, February 24, 2006, February 21, 2007 and February 20, 2008, the Board of Directors of the Fund, including all of the directors of the Fund who were not interested persons of the Fund or the Adviser, in the case of the Advisory Agreement, or Phoenix Investment Partners, in the case of the Service Agreement, in attendance at the meeting voting separately as a class, voted to continue the Advisory Agreement and the Service Agreement for an additional one year term. Accordingly, the term of these agreements currently extends to April 30, 2009.

The Advisory Agreement may be terminated without penalty on 60 days' written notice by any party thereto or by a vote of the shareholders of the Fund and would terminate automatically if it were assigned by any party. If the Advisory Agreement were terminated, shareholder approval would be required to enter into a new agreement. The Service Agreement may be terminated without penalty on 60 days' written notice by any party thereto and would terminate automatically if it were assigned by any party unless a majority of the Fund's board of directors, including a majority of the directors who are not interested persons of the Fund or Phoenix Investment Partners, approves continuation of the Service Agreement.

**The Administrator.** J.J.B. Hilliard, W.L. Lyons, Inc. serves as the Fund's administrator (the "Administrator") under an administration agreement (the "Administration Agreement") dated May 1, 1998. The Administrator (together with its predecessors) has been engaged in the investment business as a securities broker dealer and investment adviser since 1854. It also serves as administrator and investment adviser to Hilliard Lyons Government Fund, Inc., a money market mutual fund, and as investment adviser to Senbanc Fund, an open end equity mutual fund. The

Administrator is a wholly owned subsidiary of The PNC Financial Services Group, Inc. (PNC). On November 16, 2007, PNC announced that it had entered into a definitive agreement to sell the stock of the Administrator to Houchens Industries, Inc. The Administrator's principal address is 500 West Jefferson Street, Louisville, Kentucky 40202.

Under the terms of the Administration Agreement, the Administrator provides all management and administrative services required in connection with the operation of the Fund not required to be provided by the Adviser pursuant to the Advisory Agreement, as well as the necessary office facilities, equipment and personnel to perform such services. For its services the Administrator receives from the Fund a quarterly fee at annual rates of 0.25 of 1% of the Fund's average weekly net assets up to \$100 million, 0.20 of 1% of the Fund's average weekly net assets from \$100 million to \$1.0 billion, 0.10 of 1% of average weekly net assets in excess of \$1.0 billion. For purposes of calculating the administrative fee, the Fund's net assets are defined as the sum of (i) the aggregate net asset value of the Fund's common stock, (ii) the aggregate liquidation preference of the Fund's preferred stock and (iii) the aggregate proceeds of commercial paper issued by the Fund. The total administrative fee paid by the Fund to the Administrator for 2007 was \$4,357,081.

The Administration Agreement provides that the Administrator shall not be liable to the Fund or its shareholders for any loss suffered as a consequence of any act or omission of the Administrator in connection with the agreement except by reason of its willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of reckless disregard of its obligations under the agreement.

At a meeting held on October 17, 1997, the board of directors of the Fund, including all of the directors who were not interested persons of the Fund or the Administrator in attendance at the meeting voting separately as a class, approved the Administration Agreement for a two-year term beginning on May 1, 1998 and ending on April 30, 2000, contingent on approval of the Advisory Agreement by the shareholders of the Fund (which approval was granted at the annual meeting held on April 29, 1998). Unless earlier terminated as described below, the Administration Agreement may be continued from year to year, if approved annually (i) by a majority of the directors of the Fund who are not interested persons of the Fund or the Administrator and (ii) by either the board of directors of the Fund or the holders of a majority of the outstanding shares of the Fund as defined in the 1940 Act. The Administration Agreement may be terminated without penalty on 60 days' written notice by any party thereto or by a vote of the shareholders of the Fund. At meetings held on January 26, 2000, February 23, 2001, February 22, 2002, February 21, 2003, February 20, 2004, February 18, 2005, February 24, 2006, February 21, 2007 and February 20, 2008, the Board of Directors of the Fund, including all of the directors of the Fund who were not interested persons of the Fund or the Administrator in attendance at the meeting voting separately as a class, voted to continue the Administration Agreement for an additional one-year term. Accordingly, the term of this agreement currently extends to April 30, 2009.

**Portfolio Transactions.** The Adviser has discretion to select brokers and dealers to execute portfolio transactions initiated by the Adviser and to select the markets in which such transactions are to be executed. In executing portfolio transactions and selecting brokers or dealers, the primary responsibility of the Adviser is to seek the best combination of net price and execution for the Fund. The Fund ordinarily purchases securities in the primary markets, and in assessing the best net price and execution available to the Fund, the Adviser considers all factors it deems relevant, including the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any (for the specific transaction and on a continuing basis).

In selecting brokers or dealers to execute particular transactions and in evaluating the best net price and execution available, the Adviser is authorized to consider [ ]brokerage and research services[ ] (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934 (the [ ]1934 Act[ ])), statistical quotations, specifically the quotations necessary to determine the Fund[ ]s net asset value, and other information provided to the Fund and/or the Adviser (or their affiliates). The Adviser is also authorized to cause the Fund to pay to a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction. The Adviser must determine in good faith, however, that such commission was reasonable in relation to the value of the brokerage and research services provided, viewed in terms of that particular transaction or in terms of all the accounts over which the Adviser exercises investment discretion. The Adviser does not engage brokers whose commissions it believes to be unreasonable in relation to services provided. In addition, the Adviser does not enter into third party commission based arrangements that provide research that the Adviser can purchase directly from a vendor. It is possible that certain of the services received by the Adviser attributable to a particular transaction will benefit one or more other accounts for which investment discretion is exercised by the Adviser.

The Advisory Agreement requires the Adviser to provide fair and equitable treatment to the Fund in the selection of portfolio investments and the allocation of investment opportunities between the Fund and the Adviser[ ]s other investment management clients, but does not obligate the Adviser to give the Fund exclusive or preferential treatment. It is likely that from time to time the Adviser may make similar investment decisions for the Fund and its other clients. In some cases, the simultaneous purchase or sale of the same security by the Fund and another client of the Adviser could have a detrimental effect on the price or volume of the security to be purchased or sold, as far as the Fund is concerned. In other cases, coordination with transactions for other clients and the ability to participate in volume transactions could benefit the Fund.

Although the Fund purchases securities for investment income or capital appreciation, or both, and not for short term trading profits, it may dispose of securities without regard to the time they have been held when such action appears advisable to the Adviser.

During 2007, the Fund paid brokerage commissions aggregating \$764,965 in connection with its portfolio transactions, not including the gross underwriting spread on securities purchased in underwritten public offerings or the spread in over the counter transactions with firms acting as principal.

**Shareholders.** The following table shows shares of common stock of the Fund as to which each director and director nominee, and all directors and executive officers of the Fund as a group, had or shared power over voting or disposition at December 31, 2007. The directors, director nominees and executive officers of the Fund owned no shares of the Fund's remarketed preferred stock or auction preferred stock. Shares are held with sole power over voting and disposition except as noted. The shares of common stock held by each of the persons listed below and by all directors and executive officers as a group represented less than 1% of the outstanding common stock.

	<b>Shares of common stock</b>
Stewart E. Conner	2,000
Connie K. Duckworth (1)	10,000
Robert J. Genetski	10,000
Nancy Lampton (1)(2)	74,631
Francis E. Jeffries (2)	44,001
Eileen A. Moran	0
Nathan I. Partain (1)(2)	20,546
Christian H. Poindexter (1)(2)	10,000
Carl F. Pollard	40,000
David J. Vitale	5,250
Directors and officers as a group (14 persons)(1)(2)	223,648

- (1) Ms. Duckworth, Ms. Lampton, Mr. Partain and Mr. Poindexter had shared power to vote and/or dispose of 10,000, 69,200, 8,130 and 10,000, respectively, of the shares listed. The directors and executive officers had shared power to vote and/or dispose of 104,050, in the aggregate, of the shares listed as owned by the directors and executive officers as a group.
- (2) Mr. Jeffries, Ms. Lampton, Mr. Partain and Mr. Poindexter disclaim beneficial ownership of 8,033, 69,200, 8,130 and 10,000, respectively, of the shares listed. The directors and executive officers disclaim beneficial ownership of 102,083 in the aggregate, of the shares listed as owned by the directors and executive officers as a group.

At February 29, 2008, no person was known by the Fund to own beneficially 5% or more of the outstanding shares of the Fund (as determined in accordance with Rule 13d 3 under the 1934 Act).

**Section 16(a) Beneficial Ownership Reporting Compliance.** Section 16(a) of the 1934 Act requires the Fund's officers and directors, and persons who own more than 10% of a registered class of the Fund's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the New York Stock Exchange. Officers, directors and greater than 10% shareholders are required by Securities and Exchange Commission regulations to furnish the Fund with copies of all Section 16(a) forms they file. Based solely on a review of the copies of Section 16(a) forms furnished to the Fund, or written representations that no Forms 5 were required, the Fund believes that during 2007 all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with.

**Report of the Audit Committee.** The audit committee is composed of four directors and acts under a written charter that was originally adopted by the board of directors on April 25, 2000 and was most recently amended on August 18, 2006. A copy of the audit committee charter is available on the Fund's website at [www.dnpselectincome.com](http://www.dnpselectincome.com) and in print to any shareholder who requests it. Each of the members of the audit

committee is independent as defined in the listing standards of the New York Stock Exchange. In connection with the audit of the Fund's 2007 audited financial statements, the audit committee: (1) reviewed and discussed the Fund's 2007 audited financial statements with management, (2) discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended (AICPA, *Professional Standards*, Vol.1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, (3) received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as adopted by the Public Company Accounting Oversight Board in Rule 3600T, and (4) discussed with the independent registered public accounting firm its independence from the Fund and its management. Based on the foregoing reviews and discussions, the audit committee recommended to the board of directors that the Fund's audited financial statements be included in the Fund's Annual Report to Shareholders for filing with the Securities and Exchange Commission.

The Audit Committee

Carl F. Pollard, Chairman

Connie K. Duckworth

Robert J. Genetski

Christian H. Poindexter

**Independent Registered Public Accounting Firm.** The 1940 Act requires that the Fund's independent registered public accounting firm be selected by the vote, cast in person, of a majority of the members of the board of directors who are not interested persons of the Fund. In addition, the listing standards of the New York Stock Exchange vest the audit committee, in its capacity as a committee of the board of directors, with responsibility for the appointment, compensation, retention and oversight of the work of the Fund's independent registered public accounting firm. In accordance with the foregoing provisions, the firm of Ernst & Young LLP (Ernst & Young), which has served as the Fund's independent public accountants since June 12, 2002, has been selected as independent registered public accounting firm of the Fund to perform the audit of the financial books and records of the Fund for the year ending December 31, 2008. A representative of Ernst & Young is expected to be present at the meeting of shareholders and will be available to respond to appropriate questions and have an opportunity to make a statement if the representative so desires.

**Audit and Non Audit Fees.** The following table sets forth the aggregate audit and non audit fees billed to the Fund for each of the last two fiscal years for professional services rendered by the Fund's principal accountant.

	<b>Fiscal year ended December 31, 2007</b>	<b>Fiscal year ended December 31, 2006</b>
Audit Fees (1)	\$62,000	\$113,500
Audit-Related Fee (2)(6)	12,700	12,800
Tax Fees (3)(6)	29,800	31,500
All Other Fees (4)(6)	0	0
Aggregate Non Audit Fees (5)(6)	42,500	44,300

(1) Audit Fees are fees billed for professional services rendered by the Fund's principal accountant for the audit of the Fund's annual financial statements and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements.

(2) Audit Related Fees are fees billed for assurance and related services by the Fund's principal accountant that are reasonably related to the performance of the audit of the Fund's financial statements and are not reported under the caption "Audit Fees." These services included: (i) services related to the performance of

periodic agreed upon procedures relating to the Fund's leverage, at a cost of \$12,800 in the year ended December 31, 2006 and \$6,700 in the year ended December 31, 2007; and (ii) in 2007 only, services related to the review of the Fund's underlying documentation for open tax years in conjunction with FIN 48, at a cost of \$6,000.

- (3) Tax Fees are fees billed for professional services rendered by the Fund's principal accountant for tax compliance, tax advice and tax planning. In the year ended December 31, 2006, such services consisted of preparation of the Fund's annual federal and state income tax returns and excise tax returns (for a fee of \$13,500) and consulting work regarding the tax treatment of contingent payment debt and trust preferred instruments (for a fee of \$18,000). In the year ended December 31, 2007, such services consisted of preparation of the Fund's annual federal and state income tax returns and excise tax returns (for a fee of \$14,800) and consulting work regarding the tax treatment of contingent payment debt and trust preferred instruments (for a fee of \$15,000).
- (4) All Other Fees are fees billed for products and services provided by the Fund's principal accountant, other than the services reported under the captions "Audit Fees," "Audit Related Fees" and "Tax Fees."
- (5) Aggregate Non Audit Fees are fees billed by the Fund's accountant for services rendered to the Fund, the Adviser and any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund. During both years shown in the table, no portion of such fees related to services rendered by the Fund's accountant to the Adviser or to any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund.
- (6) No portion of these fees was approved by the audit committee after the beginning of the engagement pursuant to the waiver of the pre approval requirement for certain de minimis non audit services described in Section 10A of the 1934 Act and applicable regulations.

**Pre Approval of Audit and Non Audit Services.** Each engagement of the Fund's independent registered public accounting firm to render audit or non audit services to the Fund is either (i) pre approved by the Fund's audit committee or the chairman of the audit committee, to whom the committee has delegated the authority to grant such pre approvals between scheduled meetings of the committee, or (ii) entered into pursuant to pre approval policies and procedures established by the audit committee. A copy of the audit committee's pre approval policies and procedures is attached as Exhibit A to this proxy statement. The Fund's audit committee is also required to pre approve its accountant's engagements for non audit services rendered to the Adviser and any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund, if the engagement relates directly to the operations and financial reporting of the Fund. In deciding whether to grant pre approval for such non audit services, the audit committee or the chairman of the audit committee, as the case may be, considers whether the provision of such non audit services is compatible with maintaining the independence of the Fund's accountants.

**Nomination of Directors.** The nominating and governance committee is composed of three directors and acts under a written charter that was adopted by the board of directors on February 21, 2003 and most recently amended on February 24, 2006. A copy of the charter is available on the Fund's website at [www.dnpselectincome.com](http://www.dnpselectincome.com) and in print to any shareholder who requests it. None of the members of the nominating and governance committee are "interested persons" of the Fund as defined in section 2(a)(19) of the 1940 Act. In identifying potential director nominees, the nominating and governance committee considers candidates recommended by one or more of the following sources: the Fund's current directors, the Fund's officers, the Fund's shareholders and any other source the committee deems appropriate. The committee may, but is not required to, retain a third party search firm at the Fund's expense to identify potential candidates. Shareholders wishing to recommend candidates to the nominating and governance committee should submit such recommendations to the Secretary of the Fund, who

will forward the recommendations to the committee for consideration. In evaluating potential director nominees, including nominees recommended by shareholders, the nominating and governance committee considers such qualifications and skills as it deems relevant but does not have any specific minimum qualifications that must be met by a nominee. The committee considers, among other things:

- whether the candidate will qualify as a director who is not an "interested person" of the Fund;
- the absence of any real or apparent conflict of interest that would interfere with the candidate's ability to act in the best interests of the Fund and its shareholders;
- the contribution that the candidate can make to the board of directors by virtue of his or her education, business experience and financial expertise;
- the interplay of the candidate's skills and experience with the skills and experience of other board members;
- whether the candidate is willing to commit the time necessary to attend meetings and fulfill the responsibilities of a director; and
- the candidate's personality traits, including integrity, independence, leadership, sound business judgment and the ability to work effectively with the other members of the board of directors.

With respect to the renomination of incumbent directors, past service to the board is also considered. Ms. Moran was recommended to the Fund's nominating and governance committee by a number of independent directors of the Fund.

**Shareholder Communications with the Board of Directors.** The board of directors has adopted the following procedures for shareholders to send communications to the board of directors. Shareholders may mail written communications to the full board, to committees of the board or to specified individual directors in care of the Secretary of the Fund, 55 East Monroe Street, Suite 3600, Chicago, Illinois 60603. All shareholder communications received by the Secretary will be forwarded promptly to the full board, the relevant board committee or the specified individual directors, as applicable, except that the Secretary may, in good faith, determine that a shareholder communication should not be so forwarded if it does not reasonably relate to the Fund or its operations, management, activities, policies, service providers, board, officers, shareholders or other matters relating to an investment in the Fund or is purely ministerial in nature. Each of the Fund's directors is encouraged to attend the annual meeting of shareholders. All of the Fund's directors attended the May 11, 2007 annual meeting of shareholders.

**Shareholder Proposals.** Any shareholder proposal to be considered for inclusion in the Fund's proxy statement and form of proxy for the 2009 annual meeting of shareholders should be received by the Secretary of the Fund no later than November 1, 2008. Under the circumstances described in, and upon compliance with, Rule 14a 4(c) under the 1934 Act, the Fund may solicit proxies in connection with the 2008 annual meeting which confer discretionary authority to vote on any shareholder proposals of which the Secretary of the Fund does not receive notice by January 20, 2009.

**Solicitation of Proxies.** Proxies will be solicited by mail. Proxies may be solicited by Fund personnel personally or by telephone, telegraph or mail, but such persons will not be specially compensated for such services. The Fund

will inquire of any record holder known to be a broker, dealer, bank or other nominee as to whether other persons are the beneficial owners of shares held of record by such persons. If so, the Fund will supply additional copies of solicitation materials for forwarding to beneficial owners, and will make reimbursement for reasonable out of pocket costs. In addition, the Fund may hire a proxy solicitor to assist the Fund in the solicitation of proxies at a fee of approximately \$20,000, plus out of pocket expenses.

**General.** A list of shareholders entitled to be present and vote at the annual meeting will be available at the offices of the Fund, 55 East Monroe Street, Suite 3600, Chicago, Illinois 60603, for inspection by any shareholder during regular business hours for ten days prior to the date of the meeting.

Failure of a quorum to be present at the annual meeting will necessitate adjournment and will give rise to additional expense.

**ALL SHAREHOLDERS ARE REQUESTED TO SIGN, DATE AND MAIL PROXIES PROMPTLY IN THE RETURN ENVELOPE PROVIDED.**

February 29, 2008

**EXHIBIT A**

**DNP SELECT INCOME FUND INC.**

**AUDIT AND NON-AUDIT SERVICES PRE-APPROVAL POLICY**  
**(as adopted on February 19, 2008)**

**I. Statement of Principles**

Under the Sarbanes Oxley Act of 2002 (the "Act"), the Audit Committee of the Board of Directors of DNP Select Income Fund Inc. (the "Fund") is responsible for the appointment, compensation and oversight of the work of the independent auditor. As part of this responsibility, the Audit Committee is required to pre approve the audit and non audit services performed by the independent auditor in order to assure that they do not impair the auditor's independence from the Fund. To implement these provisions of the Act, the Securities and Exchange Commission (the "SEC") has issued rules specifying the types of services that an independent auditor may not provide to its audit client, as well as the Audit Committee's administration of the engagement of the independent auditor. Accordingly, the Audit Committee has adopted this Audit and Non Audit Services Pre Approval Policy (this "Policy"), which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditor may be pre approved.

The SEC's rules establish two different approaches to pre approving services, which the SEC considers to be equally valid. Proposed services either: may be pre approved without consideration of specific case by case services by the Audit Committee ("general pre approval"); or require the specific pre approval of the Audit Committee ("specific pre approval"). The Audit Committee believes that the combination of these two approaches in this Policy will result in an effective and efficient procedure to pre approve services performed by the independent auditor. As set forth in this Policy, unless a type of service has received general pre approval, it will require specific pre approval by the Audit Committee if it is to be provided by the independent auditor. Any proposed services exceeding pre approved cost levels or budgeted amounts will also require specific pre approval by the Audit Committee.

For both types of pre approval, the Audit Committee will consider whether such services are consistent with the SEC's rules on auditor independence. The Audit Committee will also consider whether the independent auditor is best positioned to provide the most effective and efficient service, for reasons such as its familiarity with the Fund's business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance the Fund's ability to manage or control risk or improve audit quality. All such factors will be considered as a whole, and no one factor should necessarily be determinative.

Under the SEC's rules, the Audit Committee must pre approve non audit services provided not only to the Fund but also to the Fund's investment adviser and other affiliated entities that provide ongoing services to the Fund if the independent accountant's services to those affiliated entities have a direct impact on the Fund's operations or financial reporting.

The Audit Committee is also mindful of the relationship between fees for audit and non audit services in deciding whether to pre approve any such services and may determine, for each fiscal year, the appropriate ratio between the total amount of fees for audit, audit related and tax services (including any audit related or tax service fees

for affiliates that are subject to pre approval) and the total amount of fees for certain permissible non audit services classified as "all other" services (including any such services for affiliates that are subject to pre approval).

The appendices to this Policy describe the audit, audit related, tax and "all other" services that have the general pre approval of the Audit Committee. The term of any general pre approval is 12 months from the date of pre approval, unless the Audit Committee considers a different period and states otherwise. The Audit Committee will annually review and pre approve the services that may be provided by the independent auditor without obtaining specific pre approval from the Audit Committee. The Audit Committee will add to or subtract from the list of general pre approved services from time to time, based on subsequent determinations.

The purpose of this Policy is to set forth the procedures by which the Audit Committee intends to fulfill its responsibilities. It does not delegate the Audit Committee's responsibilities to pre approve services performed by the independent auditor to management.

The independent auditor has reviewed this Policy and believes that implementation of this Policy will not adversely affect the auditor's independence.

## **II. Delegation**

As provided in the Act and the SEC's rules, the Audit Committee may delegate either type of pre approval authority to one or more of its members who are not "interested persons" under the Investment Company Act of 1940. The member to whom such authority is delegated must report, for informational purposes only, any pre approval decisions to the Audit Committee at its next scheduled meeting. In accordance with the foregoing provisions, the Audit Committee has delegated pre approval to its Chairman, Carl F. Pollard, and to any successor Chairman who is not an "interested person."

## **III. Audit Services**

The annual audit services engagement terms and fees will be subject to the specific pre approval of the Audit Committee. Audit services include the annual financial statement audit and other procedures required to be performed by the independent auditor to be able to form an opinion on the Fund's financial statements. These other procedures include information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control, and consultations relating to the audit. The Audit Committee will monitor the audit services engagement as necessary, but no less than on a semiannual basis, and will also approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Fund structure or other items.

In addition to the annual audit services engagement approved by the Audit Committee, the Audit Committee may grant general pre approval to other audit services, which are those services that only the independent auditor reasonably can provide. Other audit services may include statutory audits and services associated with SEC registration statements (on Forms N 1A, N 2, N 3, N 4, etc.), periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings.

The Audit Committee has pre approved the audit services in Appendix A. All other audit services not listed in Appendix A must be specifically pre approved by the Audit Committee.

#### **IV. Audit-Related Services**

Audit related services are assurance and related services that are reasonably related to the performance of the audit or review of the Fund's financial statements or that are traditionally performed by the independent auditor. Because the Audit Committee believes that the provision of audit related services does not impair the independence of the auditor and is consistent with the SEC's rules on auditor independence, the Audit Committee may grant general pre approval to audit related services. Audit related services include, among others, accounting consultations related to accounting, financial reporting or disclosure matters not classified as "audit services"; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities; agreed upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters; and assistance with internal control reporting requirements under form N SAR.

The Audit Committee has pre approved the audit related services in Appendix B. All other audit related services not listed in Appendix B must be specifically pre approved by the Audit Committee.

#### **V. Tax Services**

The Audit Committee believes that the independent auditor can provide tax services to the Fund such as tax compliance, tax planning and tax advice without impairing the auditor's independence, and the SEC has stated that the independent auditor may provide such services. Hence, the Audit Committee believes it may grant general pre approval to those tax services that have historically been provided by the auditor, that the Audit Committee has reviewed and believes would not impair the independence of the auditor, and that are consistent with the SEC's rules on auditor independence. The Audit Committee will not permit the retention of the independent auditor in connection with a transaction initially recommended by the independent auditor, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committee will consult with the Fund's Administrator or outside counsel to determine that the tax planning and reporting positions are consistent with this Policy.

Pursuant to the preceding paragraph, the Audit Committee has pre approved the tax services in Appendix C. All tax services involving large and complex transactions not listed in Appendix C must be specifically pre approved by the Audit Committee, including: tax services proposed to be provided by the independent auditor to any executive officer or director of the Fund, in his or her individual capacity, where such services are paid for by the Fund.

#### **VI. All Other Services**

The Audit Committee believes, based on the SEC's rules prohibiting the independent auditor from providing specific non audit services, that other types of non audit services are permitted. Accordingly, the Audit Committee believes it may grant general pre approval to those permissible non audit services classified as all other services that it believes are routine and recurring services, would not impair the independence of the auditor and are consistent with the SEC's rules on auditor independence.

The Audit Committee has pre approved the "all other" services in Appendix D. Permissible "all other" services not listed in Appendix D must be specifically pre approved by the Audit Committee.

A list of the SEC's prohibited non audit services is attached to this Policy as Appendix E. The SEC's rules and relevant guidance should be consulted to determine the precise definitions of these services and the applicability of exceptions to certain of the prohibitions.

#### **VII. Pre-Approval Fee Levels or Budgeted Amounts**

Pre approval fee levels or budgeted amounts for all services to be provided by the independent auditor will be established annually by the Audit Committee. (Note that separate amounts may be specified for services to the Fund and for services to other affiliated entities that are subject to pre approval.) Any proposed services exceeding these levels or amounts will require specific pre approval by the Audit Committee. The Audit Committee is mindful of the overall relationship of fees for audit and non audit services in determining whether to pre approve any such services. For each fiscal year, the Audit Committee may determine the appropriate ratio between the total amount of fees for audit, audit related and tax services for the Fund (including any audit related or tax services fees for affiliates that are subject to pre approval), and the total amount of fees for services classified as "all other" services (including any such services for affiliates that are subject to pre approval).

#### **VIII. Procedures**

All requests or applications for services to be provided by the independent auditor that do not require specific approval by the Audit Committee will be submitted to the Fund's Administrator and must include a detailed description of the services to be rendered. The Administrator will determine whether such services are included within the list of services that have received the general pre approval of the Audit Committee. The Audit Committee will be informed on a timely basis of any such services rendered by the independent auditor.

Requests or applications to provide services that require specific approval by the Audit Committee will be submitted to the Audit Committee by both the independent auditor and the Fund's Administrator, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence.

The Audit Committee has designated the Fund's Administrator to monitor the performance of all services provided by the independent auditor and to determine whether such services are in compliance with this Policy. The Administrator will report to the Audit Committee on a periodic basis on the results of its monitoring. Both the Administrator and any member of management will immediately report to the Chairman of the Audit Committee any breach of this Policy that comes to their attention.

#### **IX. Additional Requirements**

The Audit Committee has determined to take additional measures on an annual basis to meet its responsibility to oversee the work of the independent auditor and to assure the auditor's independence from the Fund, such as reviewing a formal written statement from the independent auditor delineating all relationships between the independent auditor and the Fund, consistent with Independence Standards Board Standard No. 1 ("Independence Discussions with Audit Committees," as adopted by the Public Company Accounting Oversight Board in Rule 3600T), and discussing with the independent auditor its methods and procedures for ensuring independence.

**Appendix A****Pre Approved Audit Services for Fiscal Year 2008**

Dated: February 19, 2008

Service	Range of Fees(1)	
	The Fund	Affiliates(2)
1. Services required under generally accepted auditing standards to perform the audit of the annual financial statements of the Fund, including performance of tax qualification tests relating to the Fund's regulated investment company status and issuance of an internal control letter for the Fund's Form N-SAR	(3)	N/A
2. Reading of the Fund's semi-annual financial statements	(4)	N/A
3. Services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters, consents), and assistance in responding to SEC comment letters	(4)	N/A
4. Consultations by the Fund's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard setting bodies (Note: Under SEC rules, some consultations may be "audit-related" services rather than "audit" services)	(4)	N/A
(1) In addition to the fees shown in the table, the Audit Committee has pre approved the reimbursement of the reasonable out of pocket expenses incurred by the independent accountant in providing the pre approved services.		
(2) These affiliates include the Fund's investment adviser (excluding sub advisers) and any entity controlling, controlled by or under common control with the adviser that provides ongoing services to the Fund. The Fund's Audit Committee must pre-approve non-audit services provided not only to the Fund but also to the adviser and such other affiliated entities, where such entities provide ongoing services to the Fund and the independent accountant's services to such entities have a direct impact on the Fund's operations or financial reporting.		
(3) The fee for this pre approved service is not shown in the table because the 2008 engagement letter has not yet been finalized. The comparable fee for this service for the year ended December 31, 2007 was \$62,000. When the fee is determined in connection with the finalization and signing of the 2008 engagement letter, such fee will become part of this Pre Approval Policy.		
(4) Fees for services designated with a (4) shall either be included in the fee approved for item 1 of this Appendix A or may be separately charged, provided that the aggregate separate charges for all services designated with a (4) in Appendices A and B may not exceed 10% of the fee approved for item 1 of this Appendix A.		

**Appendix B****Pre Approved Audit Related Services for Fiscal Year 2008**

Dated: February 19, 2008

Service	Range of Fees <sup>(1)</sup>	
	The Fund	Affiliates <sup>(2)</sup>
1. Issuance of annual agreed-upon procedures letters relating to the preferred stock or commercial paper, if any, issued by the Fund	(3)	N/A
2. Agreed-upon or expanded audit procedures related to accounting records required to respond to or comply with financial, accounting or regulatory reporting matters	(4)	N/A
3. Consultations by the Fund's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies (Note: Under SEC rules, some consultations may be "audit" services rather than "audit-related" services)	(4)	N/A
4. General assistance with implementation of the requirements of SEC rules or listing standards promulgated pursuant to the Sarbanes-Oxley Act	(4)	N/A

(1) In addition to the fees shown in the table, the Audit Committee has pre approved the reimbursement of the reasonable out of pocket expenses incurred by the independent accountant in providing the pre approved services.

(2) These affiliates include the Fund's investment adviser (excluding sub advisers) and any entity controlling, controlled by or under common control with the adviser that provides ongoing services to the Fund. The Fund's Audit Committee must pre-approve non-audit services provided not only to the Fund but also to the adviser and such other affiliated entities, where such entities provide ongoing services to the Fund and the independent accountant's services to such entities have a direct impact on the Fund's operations or financial reporting.

(3) The fee for this pre approved service is not shown in the table because the 2008 engagement letter has not yet been finalized. The comparable fee for this service for the year ended December 31, 2007 was \$6,700. When the fee is determined in connection with the finalization and signing of the 2008 engagement letter, such fee will become part of this Pre Approval Policy.

(4) Fees for services designated with a (4) shall either be included in the fee approved for item 1 of Appendix A or may be separately charged, provided that the aggregate separate charges for all services designated with a (4) in Appendices A and B may not exceed 10% of the fee approved for item 1 of Appendix A.

**Appendix C****Pre Approved Tax Services for Fiscal Year 2008**

Dated: February 19, 2008

Service	Range of Fees <sup>(1)</sup>	
	The Fund	Affiliates <sup>(2)</sup>
1. Preparation of federal and state tax returns, including excise tax returns, and review of required distributions to avoid excise tax	(3)	N/A
2. Consultations with the Fund's management as to the tax treatment of transactions or events	(4)	N/A
3. Tax advice and assistance regarding statutory, regulatory or administrative developments	(4)	N/A
(1)	In addition to the fees shown in the table, the Audit Committee has pre approved the reimbursement of the reasonable out of pocket expenses incurred by the independent accountant in providing the pre approved services.	
(2)	These affiliates include the Fund's investment adviser (excluding sub advisers) and any entity controlling, controlled by or under common control with the adviser that provides ongoing services to the Fund. The Fund's Audit Committee must pre-approve non-audit services provided not only to the Fund but also to the adviser and such other affiliated entities, where such entities provide ongoing services to the Fund <i>and</i> the independent accountant's services to such entities have a direct impact on the Fund's operations or financial reporting.	
(3)	The fee for this pre approved service is not shown in the table because the 2008 engagement letter has not yet been finalized. The comparable fee for this service for the year ended December 31, 2007 was \$29,800. When the fee is determined in connection with the finalization and signing of the 2008 engagement letter, such fee will become part of this Pre Approval Policy.	
(4)	Fees for services designated with a (4) shall either be included in the fee approved for item 1 of this Appendix C or may be separately charged, provided that the aggregate separate charges for all services designated with a (4) in this Appendix C may not exceed 10% of the fee approved for item 1 of this Appendix C.	

**Appendix D**

**Pre Approved  All Other  Services for Fiscal Year 2008**

Dated: February 19, 2008

Service	Range of Fees(1)	
	The Fund	Affiliates(2)
None		

- (1) In addition to the fees shown in the table, the Audit Committee has pre approved the reimbursement of the reasonable out of pocket expenses incurred by the independent accountant in providing the pre approved services.
- (2) These affiliates include the Fund's investment adviser (excluding sub advisers) and any entity controlling, controlled by or under common control with the adviser that provides ongoing services to the Fund. The Fund's Audit Committee must pre-approve non-audit services provided not only to the Fund but also to the adviser and such other affiliated entities, where such entities provide ongoing services to the Fund and the independent accountant's services to such entities have a direct impact on the Fund's operations or financial reporting.

**Appendix E**

**Prohibited Non Audit Services**

- ¢ Bookkeeping or other services related to the accounting records or financial statements of the audit client
- ¢ Financial information systems design and implementation
- ¢ Appraisal or valuation services, fairness opinions or contribution-in-kind reports
- ¢ Actuarial services
- ¢ Internal audit outsourcing services
- ¢ Management functions
- ¢ Human resources
- ¢ Broker dealer, investment adviser or investment banking services
- ¢ Legal services
- ¢ Expert services unrelated to the audit

**DNP SELECT INCOME FUND INC.**

**PROXY SOLICITED BY MANAGEMENT FROM COMMON SHAREHOLDERS  
FOR MEETING TO BE HELD ON MAY 9, 2008**

Stewart E. Conner and Robert J. Genetski or either of them, each with full power of substitution, are authorized to vote all shares of common stock of DNP Select Income Fund Inc. owned by the undersigned at the meeting of shareholders to be held May 9, 2008, and at any adjournment of the meeting. They shall vote in accordance with the instructions set forth on the reverse side hereof.

**If no specific instructions are provided, this proxy will be voted FOR proposal 1 and in the discretion of the proxies upon such other business as may properly come before the meeting.**

(Continued and to be signed on other side.)

DNP SELECT INCOME FUND INC.  
P.O. BOX 11435  
NEW YORK, NY 10203-0435

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Please Vote, Date, and  
\_\_\_\_ Sign and Return Promptly \_\_\_\_\_ Votes must be indicated  
in the Enclosed Envelope (x) in Black or Blue ink

**Your Board of Directors unanimously recommends a vote FOR the following proposal.**

1. Election of directors:

FOR ALL \_\_\_\_ WITHHOLD \_\_\_\_ \*EXCEPTIONS \_\_\_\_  
FOR ALL

Nominees: Connie K. Duckworth, Francis E. Jeffries, Eileen A. Moran,  
Christian H. Poindexter and Carl F. Pollard

**(INSTRUCTIONS: To withhold authority to vote for any nominee, mark the Exceptions box and write the name of that nominee in the space provided below.)**

\*Exceptions \_\_\_\_\_

To change your address, please mark this box. \_\_\_\_

To include any comments, please mark this box. \_\_\_\_

**IMPORTANT:** Please sign exactly as your name or names appear on the shareholder records of the Fund. If you sign as agent or in any other representative capacity, please state the capacity in which you sign. Where there is more than one owner, each should sign.

Date:

Share Owner sign here

Co-Owner sign here

