

**BANCROFT FUND LTD.
AUTOMATIC DIVIDEND INVESTMENT AND
CASH PAYMENT PLAN AUTHORIZATION FORM**

The undersigned holder(s) of shares of beneficial interests ("Shares") of Bancroft Fund Ltd. (the "Fund") elect to participate in the Fund's Automatic Dividend Investment and Cash Payment Plan (the "Plan") which is attached as Appendix A. The undersigned hereby authorizes American Stock Transfer & Trust Company (the "Agent") to reinvest dividends and distributions paid by the Fund on its Shares now or hereafter registered in the name(s) of the undersigned, and/or to make cash purchases in the Fund's Shares with funds received from the undersigned, as designated below. This authorization shall remain in effect until termination by the undersigned holder(s) by written notice to the Agent.

The foregoing authorization is subject, in all respects, to the terms and conditions of participation in the Plan set forth as Appendix A, which the undersigned has received, read and agrees to be bound by. In particular, the undersigned holder(s) acknowledges and understands that the Plan may be amended from time to time in accordance with amendment provisions set forth in the Plan with notice to Participants but without a Participant's express consent.

This form is for use by shareholders who have (or will have) shares registered in their own name or in the name of the Agent. Please print and sign your name(s) exactly as your shares are registered. All persons whose names appear on the Share certificates must sign.

Current Shareholder:

- Check here if you wish to enroll Shares that you own in the automatic dividend reinvestment portion of the Plan.
- Check here if you wish to make a cash purchase of Shares and indicate the amount of cash purchase on your enclosed check or money order (\$100 - \$10,000) \$_____.
- Check here if you wish to both (i) enroll Shares that you own in the automatic dividend reinvestment portion of the Plan, and (ii) make a cash purchase of Shares and indicate the amount of cash purchase on your enclosed check or money order (\$100 - \$10,000) \$_____.

All participants - Please indicate your participation below:

- Full dividend reinvestment on all shares.
- Cash purchases only (no dividend reinvestment).
- Full dividend reinvestment on all shares and cash purchases.

Please Print your Address

Please Print Name(s) as Shown on Share Certificate

Please Print your Phone Number

Shareholder Signature
SSN or Tax Id Number _____

Date

Joint Shareholder Signature
SSN or Tax Id Number _____

INSTRUCTIONS: Please send this Authorization Form along with your check or money order made payable to "American Stock Transfer & Trust Company, LLC", to the Agent:

American Stock Transfer & Trust Company
P.O. Box 922
Wall Street Station
New York, NY 10269-0560
Attn: Dividend Reinvestment Department

Questions? Please call the Agent toll-free: (877) 208-9514

**Bancroft Fund Ltd.
Automatic Dividend Investment and Cash Payment Plan
Amended effective as of November 18, 2007**

This Automatic Dividend Investment and Cash Payment Plan (the “Plan”) governs all the dividends and distributions paid by Bancroft Fund Ltd. (the “Fund”) to those shareholders (“Participants”) participating in the Plan.

Participants must own shares of beneficial interest of the Fund to participate in the Plan. Each Participant in the Plan has elected to invest all the dividends and distributions paid by the Fund on or with respect to the Fund shares beneficially owned by such Participant automatically in additional shares from the date of such Participant’s election to participate in the Plan until the Plan or such election is terminated as set forth below. Participants in the Plan may also purchase additional shares of the Fund through the Plan.

Authorization. The Fund’s transfer agent, American Stock Transfer & Trust Company (“AST”), is authorized to act as each Participant’s agent as follows:

- A.** AST is authorized to establish an account in the Participant’s name (an “Account”).
- B.** AST is authorized to take into each Participant’s Account all dividends and distributions paid by the Fund on all Fund shares held in such Participant’s name now or in the future and on all additional Fund shares (including fractions) held by AST in such Participant’s Account.
- C.** If the Fund declares a dividend or distribution payable in newly issued Fund shares, AST shall take the dividend or distribution attributable to the shares beneficially owned by each Participant and add them to such Participant’s Account.
- D.** If the Fund declares a dividend or distribution payable in cash, AST shall take the dividend or distribution attributable to the shares beneficially owned by each Participant and add such cash to such Participant’s Account. As soon as practicable after each such cash payment is made to each Participant’s Account, AST shall use the funds in such Participant’s Account to buy on the NYSE Amex (or such other principal market where such shares are trading) as many additional full shares of the Fund (plus a fractional interest in one share computed to three decimal places) as are available at prices which when added to brokerage commissions, are less than the net asset value per share of the Fund. If, before AST has completed the purchase of all shares for all Participants with respect to such distribution or dividend, the market price, when added to brokerage commissions to purchase shares, equals or exceeds such net asset value, then AST shall pay the remaining proceeds of the distribution or dividend to the Fund and each Participant shall receive the balance of such distribution or dividend in newly issued Fund shares at net asset value.
- E.** Each Participant may also voluntarily purchase additional shares through the Plan by delivering a check payable to AST for at least \$100, but not more than \$10,000 in any month for deposit into such Participant’s Account. Within 30 days, AST will combine all similar moneys received by Participants and purchase Fund shares in the open market. Checks must be payable in U.S. Funds. Checks received drawn on a foreign bank will be returned to the participant.
- F.** AST may mingle the cash in a Participant’s Account with similar funds of other Participants for whom AST acts as agent under the Plan. The cost of the shares and any fractional interests AST buys for a Participant’s Account in connection with a particular dividend or distribution or cash purchase shall be determined by the average cost per share, including

brokerage commission, of all shares bought by AST for all Participants for whom AST acts under the Plan in connection with such dividend or distribution or cash purchase, as the case may be.

G. Whenever AST receives or purchases shares or fractional interests for a Participant's Account, AST will send the Participant a confirmation of the transaction as soon as practicable. AST will hold such shares and fractional interests as such Participant's agent in AST's name or the name of AST's nominee. AST will not transfer a Participant's shares until such Participant so requests in writing or until a Participant's Account is terminated as stated below. AST will not send share certificates to a Participant. AST will vote any shares held in a Participant's Account in accordance with any proxy returned to the Fund by such Participant with respect to Participant's shares of the Fund then held in such Participant's Account.

H. A Participant may instruct AST at any time to liquidate all or any portion of Participant's shares of the Fund then held in such Participant's Account. AST will combine all liquidation requests it receives from Participants on a particular day and will then sell shares of the Fund that are subject to liquidation requests on the AMEX (or such other principal market where such shares are trading). The amount of proceeds a Participant receives shall be determined by the average sales price per share, after deducting brokerage commissions, of all shares sold by AST for all Participants who have given AST liquidation requests on such day.

I. Currently AST does not impose a service charge for serving as a Participant's agent and maintaining a Participant's Account, except that a Participant's Account will be charged a \$1.25 service fee for each cash purchase transaction on a Participant's behalf pursuant to paragraph E. AST may, in addition, charge a Participant for extra services performed at such Participant's request. The Fund reserves the right to amend the Plan in the future to impose an additional service charge.

J. A Participant may deposit with AST certificates of the Fund that such Participant now holds, to be added to such Participant's Account. A one-time fee of \$7.50 is charged for this service.

K. AST will be liable only for willful misconduct or gross negligence in acting as a Participant's agent under the Plan.

Certificates. If a Participant holds more than one certificate registered in similar but not identical names or if more than one address is shown for a Participant on the Fund's records, all of such Participant's Fund shares must be put into the same name and address if all such shares are to be covered by one Account. Additional shares subsequently acquired by a Participant otherwise than through the Plan will be covered by such Participant's Account if and when they are registered in the same name and address as the shares in such Account.

Income Tax. Participation in the Plan for automatic investment of dividends and distributions and cash purchases of shares does not relieve a Participant of any income tax which may be payable by such Participant with respect to such dividends and distributions and on expenses incurred by the Fund on such Participant's behalf.

Amendments and Change of Agent.

1. The Fund may amend the terms of this Plan and may change the agent which acts for all Participants in the Plan at any time by giving written notice thereof to each Participant at his or her address as shown on AST's records. Any such change shall be effective on any date specified in such notice which is more than 30 days after mailing of such notice.

2. In connection with any dividend or distribution under Paragraph D above, the Fund will change the price at which shares are issued to Participants if the net asset value of the shares is less than 95% of the market price of on any trading day in which shares are

issued at net asset value, unless the Fund's Board of Trustees (the "Board") obtains a legal opinion from independent counsel that the issuance of shares at net asset value under these circumstances will not have a material adverse effect upon the federal income tax liability of the Fund.

3. The Board may not authorize issuance of shares offered to Participants only, if such issuance is at a price less than net asset value, without the prior specific approval of the Fund's shareholders or of the Securities and Exchange Commission.

Termination. Participants may terminate their Account at any time by delivering written notice to AST prior to the record date of any dividend or distribution which request either liquidation or a transfer of shares. AST or the Fund may terminate all authorizations for any reason at any time by sending written notice addressed to Participants at their addresses as shown on AST's records, and such termination shall be effective on any date specified in such notice that is more than 30 days after mailing of such notice. Following the date of termination, AST shall (i) send the Participant at such Participant's address shown on AST's records the proceeds of liquidation, or (ii) transfer a Participant's shares held in such Participant's Account to a financial institution specified in the Participant's written notice.