

## **THE OAKMARK FUNDS**

### **DESCRIPTION OF PROXY VOTING POLICIES, GUIDELINES, AND PROCEDURES**

The Oakmark Funds have authorized Harris Associates L.P. (“Harris”), the Funds’ Adviser, to exercise all voting rights with respect to portfolio securities of the Funds. The Oakmark Funds also have approved Harris’ Proxy Voting Policies, Guidelines, and Procedures. The following is a description of those policies.

#### **General Policy**

We, at Harris, have always believed that proxy voting rights are valuable portfolio assets and an important part of our investment process, and we exercise our voting responsibilities solely with the goal of serving the best interests of our clients as shareholders of a company. We have long been active in voting proxies on behalf of shareholders in the belief that the proxy voting process is a significant means of addressing crucial corporate governance issues and encouraging corporate actions that we believe enhance shareholder value. In determining how to vote on any proposal, we will consider the proposal’s expected impact on shareholder value and will not consider any benefit to us, at Harris, or our employees or affiliates.

We consider the reputation, experience and competence of a company’s management when we evaluate the merits of investing in a particular company, and we invest in companies in which we believe management goals and shareholder goals are aligned. When this happens, by definition, voting with management is generally the same as voting to maximize the expected value of Harris’ investment. Accordingly, on most issues, we cast our votes in accordance with management’s recommendations. This does not mean we do not care about corporate governance. Rather, it is a confirmation that our process of investing with shareholder aligned management is working. However, when we believe management’s position on a particular issue is not in the best interests of the Oakmark Funds and their shareholders, we will vote contrary to management’s recommendation.

#### **Proxy Voting Guidelines**

Our Proxy Committee has established a number of proxy voting guidelines on various issues of concern to investors. We will normally vote proxies in accordance with these guidelines unless we determine that it is in the best economic interests of The Oakmark Funds and fund shareholders to vote contrary to the guidelines. Our voting guidelines generally address issues related to boards of directors, auditors, equity based compensation plans, and shareholder rights.

- With respect to a company’s board of directors, we believe that boards should have a majority of independent directors and that audit, compensation and nominating committees should generally consist solely of independent directors, and we will usually vote in favor of proposals that insure such independence.

- With respect to auditors, we believe that the relationship between an issuer and its auditors should be limited primarily to the audit engagement, although it may include certain closely-related activities such as financial statement preparation and tax-related services that do not raise any appearance of impaired independence.
- With respect to equity based compensation plans, we believe that appropriately designed equity-based compensation plans approved by shareholders can be an effective way to align the interests of long-term shareholders and the interests of management, employees and directors. However, we will normally vote against plans that substantially dilute its clients' ownership interest in the company, provide participants with excessive awards or have inherently objectionable structural features. We will also normally vote in favor of proposals to require the expensing of options.
- With respect to corporate structure and shareholder rights, we believe that all shareholders should have an equal voice and that barriers which limit the ability of shareholders to effect change and to realize full value are not desirable. Therefore, we will normally vote against proposals for supermajority voting rights, against the adoption of poison pill plans, and against proposals for different classes of stock with different voting rights.
- With respect to social responsibility issues, we believe that matters related to a company's day-to-day business operations are primarily the responsibility of management. We are focused on maximizing long-term shareholder value and will normally vote against shareholder proposals requesting that a company disclose or change certain business practices unless we believe the proposal would have a substantial positive economic impact on the company.

### **Conflicts of Interest**

Our Proxy Committee, in consultation with our legal and compliance departments, will monitor and resolve any potential conflicts of interest with respect to proxy voting. A conflict of interest might exist, for example, when an issuer who is soliciting proxy votes also has a client relationship with us, at Harris, when a client of ours is involved in a proxy contest (such as a corporate director), or when one of our employees has a personal interest in a proxy matter. When a conflict of interest arises, in order to insure that proxies are voted solely in the best interests of the Funds and its shareholders, we will vote in accordance with either our written guidelines or the recommendation of an independent third-party voting service. If we believe that voting in accordance with the guidelines or the recommendation of the proxy voting service would not be in the collective best interests of the Oakmark Funds and their shareholders, the Executive Committee of the Board of Trustees of the Funds will determine how shares should be voted.

### **How to Obtain the Oakmark Funds' Proxy Voting Record**

Information regarding how Harris, on behalf of the Oakmark Funds, voted proxies relating to the Funds' portfolio securities for the twelve months ended June 30 is available through a link on the Oakmark Funds' website at [oakmark.com](http://oakmark.com) and on the SEC's website at <http://www.sec.gov>.