

# **Proxy Voting and Class Actions Policies and Procedures**

## **Oak Associates, Ltd.**

Revised: 6.20.21

### **I. BACKGROUND**

In Proxy Voting by Investment Advisers, Investment Advisers Act of 1940 (“Advisers Act”) Release No. 2106 (January 31, 2003), the SEC noted that, “The federal securities laws do not specifically address how an adviser must exercise its proxy voting authority for its clients. Under the Advisers Act, however, an adviser is a fiduciary that owes each of its clients a duty of care and loyalty with respect to all services undertaken on the client’s behalf, including proxy voting. The duty of care requires an adviser with proxy voting authority to monitor corporate events and to vote the proxies.”

Rule 206(4)-6 under the Advisers Act requires each registered investment adviser that exercises proxy voting authority with respect to client securities to:

- Adopt and implement written policies and procedures reasonably designed to ensure that the adviser votes client securities in the clients’ best interests. Such policies and procedures must address the manner in which the adviser will resolve material conflicts of interest that can arise during the proxy voting process;
- Disclose to clients how they may obtain information from the adviser about how the adviser voted with respect to their securities; and
- Describe to clients the adviser’s proxy voting policies and procedures and, upon request, furnish a copy of the policies and procedures.

Additionally, paragraph (c)(2) of Rule 204-2 imposes additional recordkeeping requirements on investment advisers that execute proxy voting authority.

The Advisers Act lacks specific guidance regarding an adviser’s duty to direct clients’ participation in class actions. However, many investment advisers adopt policies and procedures regarding class actions.

### **II. STATEMENT OF POLICY**

1. The CCO delegates decisions with respect to specific proxy issues to the Portfolio Manager who is most familiar with the issuer and its business.
2. Proxies are generally voted according to recommendations made by ISS Governance Services. The Portfolio Manager reviews the issues included in each proxy and may decide to vote the proxies in a manner that differs from an ISS recommendation if such recommendation is deemed not to be in the best interest of the client.

3. A Portfolio Manager deviating from ISS' recommendations must provide the CCO with a written explanation of the reason for the deviation.
4. Oak also seeks to avoid any conflicts that may arise in the review and voting of client proxies. In the event any potential or actual conflict of interest may arise, Oak will disclose the circumstances of any such conflict to client(s) and in most cases either forward the proxy materials to the client to vote, vote according to ISS recommendations or take such other action as may be appropriate under the particular circumstances. Portfolio Managers with a personal conflict of interest regarding a particular proxy vote must recuse themselves and not participate in the voting decision with respect to that proxy.
5. Any attempt to influence the proxy voting process by issuers or others not identified in these policies and procedures should be promptly reported to the CCO. Similarly, any client's attempt to influence proxy voting with respect to other clients' securities should be promptly reported to the CCO.

### **III. PROXY VOTING PROCEDURES**

1. Oak Associates, Ltd. ("Oak") votes proxies with respect to the client securities where expressly given authority in writing.
2. Oak has retained proxy advisory firm, Institutional Shareholder Services (ISS), to assist in voting proxies with respect to client securities. Oak's Chief Compliance Officer ("CCO") and/or designee manages the relationship with ISS and ensures that all proxies are properly voted and appropriate records are being retained.
3. Oak will not neglect its proxy voting responsibilities, but Oak may abstain from voting if it deems that abstaining is in its Clients' best interests. For example, Oak may be unable to vote securities that have been lent by the custodian. The CCO and/or designee will prepare and maintain memoranda describing the rationale for any instance in which Oak does not vote a Client's proxy.
4. ISS will retain the following information in connection with each proxy vote:
  - The issuer's name;
  - The security's ticker symbol or CUSIP, as applicable;
  - The shareholder meeting date;
  - The number of shares that Oak voted;
  - A brief identification of the matter voted on;
  - Whether the matter was proposed by the issuer or a security-holder;
  - Whether Oak cast a vote;
  - How Oak cast its vote (for the proposal, against the proposal, or abstain); and
  - Whether Oak cast its vote with or against management.

5. The CCO and the applicable Portfolio Manager are responsible for identifying possible conflicts of interest that exist between the interests of Oak and its clients prior to the time Oak casts its vote. This examination includes a review of the relationship of Oak with the issuer of each security to determine if the issuer is a client of Oak or has some other relationship with Oak or its employees that may create a material conflict of interest.
6. ISS also maintains policies and practices that are designed to neutralize and guard against conflicts of interest that could arise between the issuer of the proxy and ISS or ISS' affiliates. In certain instances, ISS may engage a qualified third party to perform a proxy analysis and issue a vote recommendation as a further safeguard to avoid the influence of a potential conflict of interest.
7. On a weekly basis, Oak will send a file to ISS, indicating the list of securities, shares held and accounts to which shares correspond.
8. Oak's designee receives automated alerts from ISS on a weekly basis, which serves as notification for refer ballots to be reviewed and voted by the Portfolio Manager.
9. One of Oak's Portfolio Managers reviews the ISS recommendations for each proxy and determines whether to vote consistent with or against ISS' recommendations.
10. The Portfolio Manager instructs the designee how to vote each proxy and the designee submits the votes to ISS electronically.
11. Oak performs a quarterly reconciliation of ballots voted and ballots held to ensure that votes are not missed.

#### **IV. SECURITY LENDING**

1. Oak is the investment adviser to the Oak Associates Funds, which participate in a Security Lending Program that is administered by US Bank. The Funds maintain a separate Security Lending Policy.
2. In advance of each proxy meeting, the record date determines how many shares a beneficial owner may vote. The bank then transmits a daily file to ISS identifying shares currently on loan including notification of how many shares may be voted. Only shares that are not on loan as of that date may be voted.
3. Oak may determine that a material vote would be necessary and has the option to vote all shares of a particular security by requesting a recall of those shares two weeks in advance of the record date.
4. These procedures have no impact on the ballot decisions a Portfolio Manager makes when voting proxies.

## **V. CLASS ACTIONS**

Oak does not direct clients' participation in class actions. The CCO will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients.

## **VI. DISCLOSURE**

Oak will make available these policies and procedures on the Oak Associates, Ltd. website at [www.oakltd.com](http://www.oakltd.com).

Oak will disclose a concise summary of the firm's proxy voting policy and procedures and indicate in its Form ADV Part 2A that clients may contact Client Services via e-mail or by telephone in order to obtain information on how Oak voted such client's proxies, and to request a copy of these policies and procedures.. If a separate account client requests this information, Client Services will prepare a written response to the client that lists, with respect to each voted proxy that the client has inquired about, (1) the name of the issuer; (2) the proposal voted upon; and (3) how Oak voted the client's proxy.

Oak's Form ADV disclosures will be amended whenever these policies and procedures are updated.

As a matter of policy, Oak does not disclose how it expects to vote on upcoming proxies. Additionally, Oak does not disclose the way it voted proxies to unaffiliated third parties without a legitimate need to know such information.

## **VII. RECORDKEEPING**

The CCO has overall responsibility for maintaining files and records regarding Oak's proxy policies and procedures in an appropriate manner and for the required period, i.e., two years on-site in Oak's offices and at least an additional four years off-site in secure and accessible facilities. Oak will retain the following records relating to proxy voting:

- Copies of all proxy voting policies and procedures required by Rule 206(4)-6;
- A copy of each proxy statement that the adviser receives regarding client securities. However, Oak may satisfy this requirement by relying on a third party to retain a copy of the proxy statement on the Oak's behalf, so long as Oak has obtained an undertaking from the third party to provide a copy of the proxy statement promptly upon request. Oak may also satisfy this requirement by relying on proxy statements available from the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system;

- A record of each vote cast by Oak on behalf of a client. Oak may satisfy this requirement by relying on a third party to retain, on Oak's behalf, a record of each vote cast, so long as Oak has obtained an undertaking from the third party to provide a copy of the record promptly upon request;
- A copy of any document created by Oak that (a) was material to deciding how to vote proxies on behalf of a client, or (b) memorializes the basis for a proxy voting decision; and
- A copy of each written request for information regarding how Oak voted proxies on behalf of a client, and a copy of any associated written response by Oak to any written or oral client request for such information.

## **VIII. ANNUAL AND ONGOING REVIEW**

The CCO will review on an annual basis the adequacy of the firm's proxy voting policies and procedures. The CCO will conduct periodic due diligence over the proxy service provider's practices.