

OCM GOLD FUND

Proxy Voting Policies

In order to maintain a relative consistency of proxy votes, OCM has adopted Proxy Voting Policy Guidelines (summarized below) that address the majority of issues currently presented by either management or shareholder proponents. The ultimate goal of the Guidelines is to exercise the right of shareholders in support of sound corporate governance and ethical responsibility within the companies in which OCM has invested. Accordingly, the Guidelines seek to promote accountability of corporate management and directors, align the economic interests of management with those of shareholders, and enhance the disclosure of a company's business and operations. The Guidelines are reviewed and revised periodically, as appropriate, and you may obtain a complete copy of these Guidelines by contacting the Fund by mail or by telephone at 1-800-779-4681.

- Directors, auditors and independence. Generally, OCM will support the election of directors provided that a majority of the board is non-management independent directors and that all major committees (audit, compensation & nominating) of the board are composed of only independent directors. Special circumstances such as the repeated failure of the board to act in response to the persistent underperformance of management; repeated refusal to adopt proposals supported by a majority of shareholders; and, a director engaged in multiple (more than six) directorships may result in the withholding of election support. Independence from conflict is also important in the ratification of auditors. OCM expects explicit conformance with the separation of consulting businesses from auditing functions (Sarbane-Oxley Act) and further supports the rotation of audit firms every ten years as an added element of maintaining independence.
- Corporate structure and shareowner rights. Recognizing that management requires significant latitude to conduct the business of the corporation, OCM does not condone any policy or action that may sacrifice or limit shareowner rights. The adoption or expansion of devices designed to perpetuate directors or disenfranchise shareowners will result in a negative vote by OCM. Thus, we prefer the annual election of all directors rather than a staggered board. We favor cumulative voting and oppose supermajority provisions. We are decidedly against poison pills and other management entrenchment devices. We generally vote against proposals seeking authorization to increase shares since these are often the precursor of new stock option programs and are dilutive to shareholders.
- Executive and director compensation. We strongly believe that management has been hired to work for the owners of the company, the shareholders. They should be well compensated for their efforts and rewarded for their success, but they are not entitled to expropriate shareholder wealth. Management proposals to adopt or amend executive compensation plans are reviewed on a case-by-case basis with a bias against stock options and omnibus plans that link multiple and varied benefits into

one bundled program. OCM supports fair and competitive compensation linked to stated performance standards and equity ownership but is opposed to preferential treatment, excessive dilution of share ownership and exorbitant severance packages. OCM also supports the annual “say on pay” by shareholders. Shareholder proposals on this topic are varied in resolve and are generally supported by OCM unless the proposal seeks to establish an absolute prohibition or cap on a particular form of compensation. The independence of the board’s compensation committee is vital in effectuating balanced, fair and competitive awards for management performance.

- Social responsibility issues. Due to the non-binding nature of most shareholder proposals, unless totally unreasonable or deemed to result in a negative economic impact on corporate profitability or shareholder value, OCM generally supports proposals such as those that request expanded disclosure, the adoption of principles establishing minimum standards of conduct for U.S. corporations operating in foreign jurisdictions, the confidentiality of proxy voting and the prohibition of discrimination based on race, creed, color or sexual orientation.