

# **ASA Gold and Precious Metals Limited**

## **Proxy Voting Policies and Procedures**

The following is a statement of the proxy voting policies and procedures of ASA Gold and Precious Metals Limited (“ASA”).

### **Proxy Administration**

ASA’s portfolio is primarily comprised of holdings in precious metals companies, and thus proxy voting will be done on proposals made by these issuing companies (“portfolio company” or “portfolio companies”).

Authority and responsibility to vote proxies with respect to ASA’s portfolio securities has been delegated to Merk Investments LLC (the “Adviser”). In evaluating proxy proposals, the Adviser may consider information from various sources, including the Board of Directors (“Board”) of ASA presenting a proposal, as well as independent sources. The ultimate decision rests with the Adviser, who is accountable to the Board.

The Adviser understands its proxy voting responsibilities and that proxy voting decisions may affect the long-term interests of ASA’s shareholders. The Adviser attempts to process every proxy vote it receives on behalf of ASA. However, voting proxies for shares of certain non-U.S. companies may involve significantly greater effort and cost than voting proxies for shares of U.S. companies. There may be situations where the Adviser may not or cannot vote a proxy. For example, the Adviser may receive proxy material too late to act upon or the cost of voting may outweigh the benefit of voting. In addition, the Adviser may not receive proxy materials when it holds depository receipts, (“ADRs”) as opposed to the underlying securities. Certain issuers do not instruct the holding banks to solicit proxies from depository receipt holders.

### **General Principles**

For the purposes of ASA, a “portfolio company” is defined as a company in which ASA holds securities or assets.

In voting proxies, the Adviser will act solely in the best economic interests of ASA’s shareholders with the goal of maximizing the value of ASA’s portfolio. These policies and procedures are designed to promote accountability of a portfolio company’s management and board to its shareholders and to align the interests of those portfolio companies and their management with those of

shareholders. These policies and procedures recognize that a portfolio company's managers are entrusted with the day-to-day operations of the company, as well as longer-term strategic planning, subject to the oversight of that company's board.

ASA believes that the quality and depth of a portfolio company's management and its board is an important consideration in determining the desirability of an investment. Accordingly, the recommendations of the portfolio company's board on many issues are given substantial weight in determining how to vote a proxy. However, each issue is considered on its own merits, and the position of the portfolio company's board will not be supported whenever it is determined not to be in the best interests of ASA and its shareholders.

### **Specific Policies**

#### **A. Routine Matters**

1. **Election of Directors.** In general, the Adviser will vote in favor of the board's director nominees if they are running unopposed. ASA believes that the board is in the best position to evaluate the qualifications of its directors and the needs of a particular board. Nevertheless, the Adviser will vote against, or withhold its vote for, any nominee whom the Adviser considers is not qualified or appears to lack sufficient independence. When the board's nominees are opposed in a proxy contest, the Adviser will evaluate which nominee's publicly-announced management policies and goals are most likely to maximize shareholder value, as well as the past performance of the incumbent.
2. **Ratification of Selection of Auditors.** In general, the Adviser will rely on the judgment of the board in selecting the independent auditors. Nevertheless, the Adviser will examine the recommendation of the board in appropriate cases (e.g., where there has been a change in auditors based upon a disagreement on accounting matters).
3. **Stock Option and Other Equity Based Compensation Plan Proposals.** The Adviser will generally approve the board's recommendations with respect to the adoption or amendment of stock option plans and other equity based compensation plans, provided that the total number of shares reserved under all of a company's plans is reasonable and not excessively dilutive.

**B. Acquisitions, Mergers, Reincorporations, Reorganizations and Other Transactions**

Because voting on transactions such as acquisitions, mergers, reincorporations and reorganizations involve considerations unique to each transaction, ASA does not have a general policy in regard to voting on those transactions. The Adviser will vote on a case-by-case basis on each transaction.

**C. Changes in Capital Structure**

The Adviser evaluates proposed capital actions on a case-by-case basis and will generally defer to the business analysis of the portfolio company's board in support of such actions. In cases where proposed capital actions support proxy defenses or act to reduce or limit shareholder rights, particular consideration will be given to all the effects of the action, and the Adviser's vote will be made in a manner consistent with the objective of maximizing long-term shareholder value for ASA.

**D. Anti-Takeover Proposals**

In general, the Adviser will vote against any proposal which the Adviser believes would materially contribute to preventing a potential acquisition or takeover of the portfolio company, including proposals to:

- Stagger the board;
- Introduce cumulative voting;
- Introduce unequal voting rights;
- Create supermajority voting;
- Establish preemptive rights.

In general, the Adviser will vote in favor of any proposals to reverse the above.

**E. Shareholder Proposals Involving Social, Moral or Ethical Matters**

In general, the Adviser will vote in accordance with the recommendation of the portfolio company's board on issues that primarily involve social, moral or ethical matters, although exceptions may be made in certain instances where the Adviser believes a proposal has substantial economic implications.

## **F. Conflict of Interest**

Any actual or potential conflicts of interest between the Adviser and the Company's shareholders arising from the proxy voting process will be addressed by the Adviser and the Adviser's application of its proxy voting procedures pursuant to the delegation of proxy voting responsibilities to the Adviser. In the event that the Adviser notifies the CCO that a conflict of interest cannot be resolved under the Adviser's Proxy Voting Procedures, the CCO is responsible for notifying the Chair of the Board of the irreconcilable conflict of interest and assisting the Chair with any actions she or he determines are necessary.

A "conflict of interest" includes, for example, any circumstance when the Company, the Adviser or one or more of their affiliates (including officers, directors and employees) knowingly does business with, receives compensation from, or sits on the board of, a particular issuer or closely affiliated entity, and therefore, may appear to have a conflict of interest between its own interests and the interests of Company shareholders in how proxies of that issuer are voted. Situations where the issuer seeking the proxy vote is also a client of the Adviser are deemed to be potential conflicts of interest. Potential conflicts of interest may also arise in connection with consent solicitations relating to debt securities where the issuer of debt is also a client of the Adviser.

In cases of a conflict of interest, a record shall be maintained confirming that the Adviser's vote was made solely in the interests of ASA and without regard to any other consideration.

## **G. Recordkeeping**

The Adviser uses ProxyEdge, a third party automated proxy voting service. Where appropriate, rationales for "No" votes cast by the Adviser will be supported by footnoted documentation on ProxyEdge. According to the Proxy Edge website, this service is a "suite of electronic voting services that help simplify the management of institutional proxies. The system manages the process of meeting notifications, voting, tracking, mailing, reporting, record maintenance and even vote disclosure rules enacted by the SEC."

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