

Proxy Voting Policy

Delegation of Responsibility for Proxy Voting

The Board delegates all responsibility for proxy voting with respect to portfolio holdings of the Funds to Harbor Capital Advisors, Inc. ("Harbor Capital"). Harbor Capital may vote, abstain from voting, or take no action on proxies for the Funds in any manner consistent with Harbor Capital's proxy voting policy, provided that at all times such action of Harbor Capital is deemed to be in the best interests of the Funds and their shareholders. Harbor Capital may further delegate its duties and responsibilities for proxy voting of Fund portfolio holdings to any subadviser (each a "Subadviser") that is retained by Harbor Capital to manage all or any segment of the assets of the Funds.

The Board may revoke all or part of such delegation at any time. In the event that the Board revokes the delegation of proxy voting responsibility that has been made to Harbor Capital, the Trust will assume full responsibility for ensuring that proxies are voted in the best interests of the Funds and their shareholders.

Harbor Capital generally delegates proxy voting responsibility to each Subadviser with respect to the portion of the Fund's assets allocated by Harbor Capital to the Subadviser. Each Subadviser is subject to a fiduciary duty to act in the best interests of the Fund when managing a portion of that Fund's assets and, therefore, is obligated to vote proxies in a manner which is consistent with that fiduciary duty. It is Harbor Capital's policy that it will only delegate proxy voting authority to a Subadviser which Harbor Capital reasonably believes will be able to exercise that proxy voting authority in a manner which is in the best interests of the Fund.

The Harbor Target Retirement Funds are managed directly by Harbor Capital. Shares of other Harbor funds held by the Harbor Target Retirement Funds are voted as described below under "Voting for a Fund That Invests in Other Harbor Funds."

For the proxy voting policy of each Subadviser, please see Appendix A to Harbor Funds Statement of Additional Information.

Oversight of Subadvisers

Harbor Capital has delegated to the Proxy Voting Committee of Harbor Capital (the "Proxy Voting Committee") the responsibility of reviewing the proxy voting policies and procedures and proxy voting guidelines of each Subadviser (the "Subadviser Proxy Voting Guidelines") that will vote proxies on behalf of the Funds. The Proxy Voting Committee must determine that the Subadviser Proxy Voting Guidelines are reasonably designed to ensure that the Subadviser would be able to administer the proxy voting process generally and vote proxies specifically in a manner which would be in the best interests of the respective Fund before Harbor Capital will delegate proxy voting responsibility to a Subadviser. The Proxy Voting Committee will review any material amendments to the Subadviser Proxy Voting Guidelines to ensure that the guidelines continue to meet that standard. In addition, each Subadviser must accept delegation of this responsibility to it.

The Proxy Voting Committee does not normally review individual voting decisions by a Subadviser but considers their voting record as part of its overall assessment of the Subadviser's performance.

While the Proxy Voting Committee does retain the right to override any proxy voting decision by a Subadviser when the Proxy Voting Committee believes that a voting decision would not be in the best interests of the Fund, the Proxy Voting Committee does not expect to be able to normally exercise that authority except in the unusual circumstance where the Subadviser consults with the Proxy Voting Committee prior to casting a vote.

The Subadvisers engaged by Harbor Capital operate independently of each other and it is feasible that the Subadvisers will come to different voting decisions on the same or similar proposals. As long as a Subadviser is acting in the best interests of the Fund when making their proxy voting decisions, Harbor Capital believes that the Fund will, as a whole, benefit from the Subadviser applying its own analysis to the proxy voting decision.

Conflicts of Interest

The Board recognizes that in unusual circumstances, a conflict of interest in how proxies are voted may appear to exist, such as when Harbor Capital or a Subadviser knowingly does business with a particular proxy issuer or closely affiliated entity or has actual knowledge of a material business arrangement between a particular proxy issuer or closely affiliated entity.

The Board generally delegates all responsibility for resolving conflicts of interest to Harbor Capital (or the applicable Subadviser), provided that Harbor Capital's (or the Subadviser's) proxy voting policy (as approved by the Board) includes acceptable alternative voting procedures for resolving material conflicts of interest, such as the procedures described above. Some examples of alternative voting procedures for resolving conflicts of interest may include the following:

- Causing the proxies to be "echo voted" or "mirror voted" in the same proportion as the votes of other proxy holders that are not Fund shareholders;
- Causing the proxies to be voted in accordance with the recommendations of an independent service provider that Harbor Capital or the Subadviser may use to assist it in voting proxies;
- Notifying the Board of the conflict of interest and seeking a waiver of the conflict to permit Harbor Capital or the Subadviser to vote the proxies as it chooses under its usual policy; or
- Forwarding the proxies to the Board so that the Board may vote the proxies itself.

Delegation of proxy voting responsibility to the Subadvisers should generally adequately address any possible conflicts of interest of Harbor Capital since each Subadviser operates independently from Harbor Capital and votes proxies in accordance with its own proxy voting policies and procedures. As part of the Proxy Voting Committee's review of a Subadviser's Proxy Voting Guidelines, the Proxy Voting Committee ensures that the Subadviser has implemented procedures that are reasonably designed to monitor and resolve conflicts of interest in the proxy voting process. In addition, the Proxy Voting Committee may assess whether any business or other relationships between Harbor Capital and a portfolio company could have influenced an inconsistent vote on that company's proxy by a Subadviser. Such assessment would normally occur only after the proxies were voted by the Subadviser and voting results were shared with Harbor Capital.

Voting for a Fund That Invests in Other Harbor Funds

Certain Harbor funds (the "acquiring funds") may, from time to time, own shares of other Harbor funds (the "underlying funds"). If an underlying fund submits a matter to a vote of its shareholders, votes for and against such matters on behalf of the acquiring funds will be cast in the same proportion as the votes of the other shareholders in the underlying funds. This is known as "echo voting" and is designed to avoid any potential conflict of interest.

Proxy Voting Information

Information regarding how each Fund voted proxies relating to securities held by the Fund during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling Harbor Funds' toll-free number at 800-422-1050; (2) on Harbor Funds' website at harborfunds.com; and (3) on the SEC's website at sec.gov.