

Conflicts of Interest

Policy

Longview pays due regard to the interests of clients and aims to treat them fairly at all times. Longview has implemented systems and controls to identify, prevent and manage conflicts of interest. Longview manages conflicts of interest fairly, both between itself and its clients and between two or more clients.

Longview's staff must at all times take all appropriate steps to identify conflicts between Longview and its client(s) or between two clients. In addition, Longview's staff must take all appropriate steps to identify other conflicts of interest such as those posed by political and charitable contributions. If a member of staff perceives there to be a (potential) conflict of interest they should notify Compliance immediately. Compliance keeps a log of all conflicts and potential conflicts and how they are managed and mitigated.

Examples of where conflicts of interest exist or may potentially arise include but are not limited to;

- Brokers: broker selection and payment of commission to brokers;
- Dealing and Investment Decisions: allocation of aggregated client orders, dealing errors;
- Staff: personal account dealing undertaken by members of staff;
- Staff: gifts, entertainment or inducements offered or received by Longview and its staff;
- Staff: outside business interests must not affect the ability of a member of staff to make judgements or decisions in the best interests of Longview and its clients;
- Staff: political contributions or charitable donations to persons or in relation to persons who are in positions to influence decisions to retain Longview;
- Operations: Longview votes with its own interests which may conflict with the interests of clients.

Longview has established a policy for each of the above areas. For example, to address the potential voting conflict, we have established a Shareholder Activism policy. The Head of Compliance in London and the Compliance Officer in Guernsey are responsible on a day to day basis for implementing these policies, but other individuals or teams are responsible for managing relevant conflicts to the extent that they do not pose a material risk to clients.

Procedure

All staff should notify Compliance if they think there is a conflict of interest or the potential for a conflict of interest, outlining the reasons for the perceived conflict.

Compliance will investigate the concern and, if there is an actual or potential conflict of interest, it will discuss this with the relevant person(s).

If it is felt that the conflict of interest can be prevented or managed, Compliance will implement the appropriate systems and controls to mitigate the risk.

If it is felt that the conflict of interest cannot be managed, to an extent that is sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, then Compliance and relevant person(s) will decide whether the conflict should be disclosed to the client, disclosed on the Form ADV or if the activity causing the conflict should cease.

Where a disclosure is made, it must be made in a durable medium and in sufficient detail to enable the client to take an informed decision with respect to the service. Disclosure should only be required when all other attempts at

mitigating or managing the conflict have been exhausted. It must therefore clearly state that the organisational and administrative arrangements established by the Firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented.

For SEC registered advisers such as Longview, these disclosures take place in Form ADV Parts 1 and 2, respectively.

Compliance retains a record of actual and potential conflicts of interest.

To meet these requirements, Longview has the following arrangements in place:

- Robust governance is achieved by key business decisions being taken by the Boards of Directors of both Longview Partners (Guernsey) Limited and Longview Partners (UK) Limited (“the Boards”), as well as (on a day-to-day basis) the Executive Committees of Longview London and Longview Guernsey, and the maintenance of appropriate records of such decisions;
- Compliance reports directly to the the Boards generally and the Executive Committees on a day-to-day basis;
- Rules to control or mitigate conflicts of interest are laid out in the standard employment terms and conditions, including the Staff Undertaking and the various policies it covers;
- A record of all conflicts of interest is maintained by Compliance. Longview has clear defined reporting lines, and an up-to-date organisational chart is maintained by Compliance;
- Remuneration or compensation arrangements are designed to mitigate potential conflicts arising. Investment management activity is based on a team approach, therefore members of staff are encouraged to act appropriately and not take inappropriate risks;
- All staff receive training in respect of conflicts of interest; and
- All staff are required to provide a quarterly attestation of compliance with the Firm’s compliance procedures, and to complete all forms required by Compliance to manage conflicts of interest, such as those involving personal account dealing, outside business interests and political contributions, among others.

All conflicts of interest identified and the management of these conflicts are periodically monitored by the Compliance department as part of the risk-based Compliance Monitoring Programme.