

Shareholder Rights Directive Annual Disclosure

Longview Partners LLP (the “Firm”) makes the below annual disclosure under obligations arising from Article 3g(1)(b) of the revised Shareholder Rights Directive (EU 2017/828) (“SRD”) for the period up to 31 December 2021.

How has Longview’s engagement policy been implemented in a way that meets the below requirements.

COBS 2.2B.5R (1) (b)

Under obligations arising from the revised Shareholder Rights Directive (EU 2017/828) (“SRD II”), a firm which trades shares on regulated and comparable markets, is required to either develop and publicly disclose an engagement policy as prescribed in COBS 2.2B.6R or disclose a clear and reasoned explanation of why it has chosen not to do so.

The Firm has disclosed publicly on this website its policies on Responsible Investment and Engagement, and Shareholder Activism (Proxy Voting and Class Actions) which have been implemented over the period. Further, we are required to disclose on an annual basis how the Firm’s engagement policy has been implemented in a way that meets the requirements in COBS 2.2B.7R.

Please see below details in respect of the Firm’s implementation of its engagement policy in relation to calendar year 2021.

General description of voting behaviour.

COBS 2.2B.7R (1)

Our policy on the exercise of voting rights on behalf of our clients is outlined in our Shareholder Activism Policy mentioned above. During the period, Longview’s voting behaviour has been to act in accordance with the above-mentioned policy which it believes is designed to ensure it operates in its client’s best interests on engagement related matters.

Our records for the period under review show that votes against management generally stemmed from our stance on executive compensation, corporate governance, board structure and shareholder proposals related to racial equity audits; and increased disclosures on GHG targets, alignment with the Paris Agreement and diversity and inclusion issues.

How has Longview cast votes in the general meetings of companies in which it holds shares.

COBS 2.2B.7R (2)

As outlined above, Longview has cast votes in the general meetings of companies in which it holds shares operating in accordance with its Shareholder Activism (Proxy Voting and Class Actions) Policy as disclosed

separately. Please see table overleaf for illustrative examples based on those votes deemed significant in nature.

An explanation of Longview’s most significant votes.

COBS 2.2B.7R (1)

Longview defines a significant vote as one where we have voted against management, or where >15% of total votes were against management or where we voted against our proxy adviser’s recommendation. We confirm that we have applied this chosen approach consistently. Please see the table below for specific details and commentary on individual votes.

Longview’s use of the services of proxy advisors.

COBS 2.2B.7R (1)

On behalf of our Institutional clients, we employed the services of the voting agency Glass Lewis & Co (“Glass Lewis”), an external provider of proxy voting research and advice. To inform their research, Glass Lewis uses publicly available sources of information such as stock exchanges, regulators, companies directly or other forms of direct procurement. Glass Lewis is a founding member of the industry group that created the Best Practice Principles for Providers of Shareholder Voting Research & Analysis (“BPP”) in 2013 and has reported against the BPP since 2014. The BPP was updated in 2019 to take into account the reporting requirements of the SRD II. Glass Lewis’ signatory statement can be found here. In the UK, Glass Lewis must register with the FCA to join the official list of Proxy Advisors.

Glass Lewis voted on our clients’ behalf at all relevant company meetings during 2021.

Using the Longview Partners Investments Global Equity (Currency Unhedged) pooled vehicle (a Luxembourg based SICAV fund) as a representative account, Longview has cast the following significant votes in the general meetings of companies in which it holds shares:

Voting Subject		Vote Cast	Commentary	Reason for Vote Significance
Category	Description			
Board Related	Election of Directors	For	Longview agreed with Glass Lewis's assessment that this proposal was supportable.	>15% of total votes were against management
Board Related	Election of Directors	Against	Serves on too many boards	Longview has voted against management
Board Related	Election of Directors	Against	Serves on too many boards	Longview has voted against management
Board Related	Election of Directors	Against	Serves on too many boards	Longview has voted against management and >15% of total votes were against management

Board Related	Election of Directors	For	Longview agreed with Glass Lewis's assessment that this proposal was supportable.	>15% of total votes were against management
Board Related	Election of Directors	Against	CFO on board	Longview has voted against management
Board Related	Election of Directors	Against	Director serves on excessive audit committees	Longview has voted against management and >15% of total votes were against management
Board Related	Election of Directors	Against	Affiliate/Insider on compensation committee	Longview has voted against management and >15% of total votes were against management
Board Related	Election of Directors	Against	Serves on too many boards	Longview has voted against management and >15% of total votes were against management
Board Related	Election of Directors	For		Longview has voted against Glass Lewis
Board Related	Election of Directors	Against	In-line with Glass Lewis Policy	Longview has voted against management
Board Related	Election of Directors	Against	In-line with Glass Lewis Policy	Longview has voted against management
Board Related	Election of Directors	Against	In-line with Glass Lewis Policy	Longview has voted against management
Board Related	Election of Directors	Against	In-line with Glass Lewis Policy	Longview has voted against management
Board Related	Election of Directors	For	Glass Lewis recommended to withhold votes for the election of the CEO and principal financial officer, because she is treated as CFO despite not being formally designated as such. Longview engaged with the company to discuss and concluded that this was not a material issue.	Longview has voted against Glass Lewis
Board Related	Election of Directors	For	In-line with Glass Lewis Policy	>15% of total votes were against management
Board Related	Election of Directors	For	In-line with Glass Lewis Policy	Longview has voted against management
Board Related	Shareholder Proposal Regarding Independent Board Chair	For	An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda without the management conflicts that a CEO or other executive insiders often face, leading to a more proactive and effective board of directors; and the presence of an independent chair fosters the creation of a	Longview has voted against management and >15% of total votes were against management

			thoughtful and dynamic board that is not dominated by the views of senior management.	
Compensation	Remuneration Report	For	Longview agreed with Glass Lewis's assessment that this proposal was supportable.	>15% of total votes were against management
Compensation	Advisory Vote on Executive Compensation	For	Longview agreed with Glass Lewis's assessment that this proposal was supportable.	>15% of total votes were against management
Compensation	Approval of the 2021 Stock Plan	Against	Cost of plan is excessive	Longview has voted against management and >15% of total votes were against management
Compensation	Advisory Vote on Executive Compensation	For	Continued alignment of pay with performance and the absence of particularly egregious pay practices.	>15% of total votes were against management
Compensation	Remuneration Report (Advisory)	For	The remuneration report provides comprehensive disclosure of the Company's executive compensation policies and structure, which generally appear to satisfy best practice guidelines.	>15% of total votes were against management
Compensation	Advisory Vote on Executive Compensation	Against	In-line with Glass Lewis Policy	Longview has voted against management and >15% of total votes were against management
Compensation	Amendment to the 2020 Equity Incentive Plan	For	In-line with Glass Lewis Policy	>15% of total votes were against management
Compensation	Shareholder Proposal Regarding Racial Equity Audit	For	In-line with Glass Lewis Policy	Longview has voted against management and >15% of total votes were against management
Compensation	Advisory Vote on Executive Compensation	For	In-line with Glass Lewis Policy	>15% of total votes were against management
SHP: Compensation	Shareholder Proposal Regarding Racial Equity Audit	For	The requested audit would help to identify and mitigate potentially significant risks	Longview has voted against management and >15% of total votes were against management
SHP: Environment	Shareholder Proposal Regarding Annual Shareholder Vote on Emissions Reduction Plan	Against	In-line with Glass Lewis Policy	>15% of total votes were against management

SHP: Environment	Shareholder Proposal Regarding Report on GHG Targets and Alignment with Paris Agreement	For	In-line with Glass Lewis Policy	Longview has voted against management and >15% of total votes were against management
SHP: Governance	Shareholder Proposal Regarding Reducing Ownership Threshold Required to Act by Written Consent	For	The Company's 20% ownership threshold is too high to provide shareholders with a meaningful right to action by written consent	Longview has voted against management and >15% of total votes were against management
SHP: Governance	Shareholder Proposal Regarding Independent Chair	For	An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda	Longview has voted against management
SHP: Governance	Shareholder Proposal Regarding EEO-1 Reporting	For	EEO-1 reports provide shareholders with standardised and comparable information concerning a company's workforce diversity	Longview has voted against management
SHP: Governance	Shareholder Proposal Regarding Right to Act by Written Consent	Against	Given the Company's existing shareholder rights, which include proxy access and a 15% threshold for calling a special meeting, we are unconvinced that adoption of this proposal is necessary at this time.	>15% of total votes were against management
SHP: Governance	Shareholder Proposal Regarding Right to Act by Written Consent	For	Shareholder action by written consent enables shareholders to take action on important issues that arise between annual meetings	Longview has voted against management and >15% of total votes were against management
SHP: Governance	Shareholder Proposal Regarding Political Contributions and Expenditures Report	For	Increased disclosure would allow shareholders to more fully assess risks presented by the Company's indirect political spending	Longview has voted against management and >15% of total votes were against management
SHP: Governance	Shareholder Proposal Regarding Recapitalisation	For	Allowing one vote per share generally operates as a safeguard for common shareholders	Longview has voted against management and >15% of total votes were against management

SHP: Governance	Shareholder Proposal Regarding Third-Party Review and Report on Whistleblower Policies	For	Ensuring efficacy of whistleblower policies mitigates risks and benefits the Company and its shareholders	Longview has voted against management
SHP: Governance	Shareholder Proposal Regarding Right to Call Special Meetings	Against	The Company already has in place a 15% threshold for the calling of a special meeting	>15% of total votes were against management
SHP: Social	Shareholder Proposal Regarding Lobbying Report	For	Increased disclosure would allow shareholders to more fully assess risks presented by the Company's lobbying activities	Longview has voted against management
SHP: Social	Shareholder Proposal Regarding Diversity and Inclusion Report	For	Enhanced disclosure would allow shareholders a better understanding of how the issue of diversity was being managed	Longview has voted against management
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