

# 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 2023.

## **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 2023.

## **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 clients’ 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 in relation to various environmental, social and governance 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 below 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 withheld; 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 2023.

***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			
SHP: Compensation	Shareholder Proposal Regarding Severance Approval Policy	For	Shareholders should be consulted before the company enters into severance agreements that provide benefits exceeding 2.99 times salary and bonus	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	Remuneration Report	For	Longview agreed with the proposal	>15% of total votes were against management or withheld
Board Related	Election of Directors	For	Longview agreed with the proposal	>15% of total votes were against management or withheld
SHP: Compensation	Shareholder Proposal Regarding Severance Approval Policy	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
Board Related	Election of Directors	For	Longview agreed with the proposal and engaged with the company on their disclosure of clinical trials in Russia.	Longview has voted against Glass Lewis' recommendation
Compensation	Advisory Vote on Executive Compensation	Against	Pay and performance disconnect	Longview has voted against management and >15% of total votes were against management or withheld
Changes to Company Statutes	Permit Shareholders to Call Special Meetings	Abstain	A 10% threshold for calling a special meeting is appropriate	Longview has voted against management (abstained)
SHP: Governance	Shareholder Proposal Regarding Right to Call Special Meetings	For	A 10% threshold for calling a special meeting is appropriate	Longview has voted against management and >15% of total votes were against management or withheld
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 and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Political Contributions and Expenditures Report	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Board Oversight of Staffing and Patient Safety	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld

Board Related	Election of Directors	For	Longview agreed with the proposal and intended to engage with the company on the issues raised by Glass Lewis.	Longview has voted against Glass Lewis' recommendation
SHP: Social	Shareholder Proposal Regarding Lobbying Report	For	Increased disclosure would allow shareholders to more fully assess the risks presented by the company's lobbying activities	Longview has voted against management and >15% of total votes were against management or withheld
Board Related	Election of Directors	Against	Serves on too many boards	Longview has voted against management and >15% of total votes were against management or withheld
Board Related	Election of Directors	Against	Board refreshment concerns; Insufficient board gender diversity	Longview has voted against management and >15% of total votes were against management or withheld
Board Related	Election of Directors	Against	Serves on too many boards	Longview has voted against management
Compensation	Advisory Vote on Executive Compensation	Against	Concerning pay practices; Grants are excessive	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Lobbying Report	For	Increased disclosure would allow shareholders to more fully assess the risks presented by the company's lobbying activities	Longview has voted against management and >15% of total votes were against management or withheld
Board Related	Election of Directors	Against	Serves on too many boards	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	Advisory Vote on Executive Compensation	Against	Concerning pay practices; Grants are excessive	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Compensation	Shareholder Proposal Regarding Severance Approval Policy	For	Shareholders should be consulted before the company enters into severance agreements that provide benefits exceeding 2.99 times salary and bonus	Longview has voted against management and >15% of total votes were against management or withheld

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 and >15% of total votes were against management or withheld
Board Related	Amendment to Articles Regarding Officer Exculpation	Against	Amendment is not in best interests of shareholders	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	Advisory Vote on Executive Compensation	For	Longview agreed with the proposal	>15% of total votes were against management or withheld
Compensation	Advisory Vote on Executive Compensation	Against	Concerning pay practices	Longview has voted against management
Changes to Company Statutes	Adoption of Federal Forum Provision	Against	Amendment is not in best interests of shareholders	Longview has voted against management
Board Related	Amendment to Articles Regarding the Exculpation of Officers	Against	Amendment is not in best interests of shareholders	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Compensation	Shareholder Proposal Regarding Compensation in the Event of a Change in Control	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
Board Related	Election of Directors	Against	Insufficient board gender diversity	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern	For	Longview believes additional disclosures on human rights issues will provide shareholders with greater transparency and understanding of its operations in countries of significant human rights concern.	Longview has voted against management and against Glass Lewis' recommendation
SHP: Social	Shareholder Proposal Regarding Human Rights Impact Assessment	For	An independent review of human rights considerations in advertising could benefit shareholders	Longview has voted against management and >15% of total votes were against management or withheld

SHP: Misc	Shareholder Proposal Regarding Algorithm Disclosures	For	Additional disclosure could help mitigate regulatory and reputational risks	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Misc	Shareholder Proposal Regarding Alignment of YouTube Policies With Legislation	For	Additional disclosure will help shareholders better understand regulatory risks faced by the company	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Governance	Shareholder Proposal Regarding Assessment of Audit and Compliance Committee	For	An independent evaluation of audit committee could benefit shareholders	Longview has voted against management
SHP: Governance	Shareholder Proposal Regarding Shareholder Approval of Advance Notice Provisions	For	Shareholders should approve provisions that could potentially limit their rights	Longview has voted against management
SHP: Governance	Shareholder Proposal Regarding Recapitalization	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 or withheld
Board Related	Election of Directors	Against	Insufficient board gender diversity; Multi-class share structure with unequal voting rights	Longview has voted against management and >15% of total votes were against management or withheld
Board Related	Election of Directors	Against	Affiliate/Insider on compensation committee	Longview has voted against management
Compensation	Amendment to the 2021 Stock Plan	Against	Pace of historical grants; Excessive cost compared to enterprise value	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	Advisory Vote on Executive Compensation	Against	Excessive compensation	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Lobbying Report	For	Increased disclosure would allow shareholders to more fully assess the risks presented by the company's indirect lobbying	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Report on Risks from Abortion-Related Information Requests	For	An evaluation of how the company can protect sensitive user data could mitigate risk to shareholders	Longview has voted against management

SHP: Social	Shareholder Proposal Regarding Racial Equity Audit	For	The requested audit could help to identify and mitigate potentially significant risks	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Report on Political Expenditures and Values Congruency	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
SHP: Compensation	Shareholder Proposal Regarding Severance Approval Policy	For	Shareholders should be consulted before the company enters into severance agreements that provide benefits exceeding 2.99 times salary and bonus	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Report on Supply Chain Due Diligence	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Report on Human Rights Risks from Supply Chain Employee Misclassification	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Paid Sick Leave	For	Adoption could help mitigate human capital management-related risks	Longview has voted against management and >15% of total votes were against management or withheld
Board Related	Election of Directors	Against	Serves on too many boards	Longview has voted against management
Board Related	Election of Directors	Against	Affiliate/Insider on compensation committee	Longview has voted against management
Board Related	Election of Directors	For	Longview agreed with the proposal	>15% of total votes were against management or withheld
Board Related	Election of Directors	For	Longview agreed with the proposal	>15% of total votes were against management or withheld
Board Related	Election of Directors	For	Longview believes that the benefit of the CEO being on the Board outweighs the issues outlined by Glass Lewis	>15% of total votes were against management or withheld and Longview voted against Glass Lewis' recommendation
Board Related	Election of Directors	For	Longview agreed with the proposal	>15% of total votes were against management or withheld

Board Related	Election of Directors	Withhold	Ongoing compensation concerns; Insufficient response to shareholder dissent	Longview has voted against management and >15% of total votes were against management or withheld
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Board Related	Election of Directors	Withhold	Ongoing compensation concerns; Insufficient response to shareholder dissent	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	Advisory Vote on Executive Compensation	Against	Insufficient response to shareholder dissent; Pay and performance disconnect	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	Amendment to the 2020 Equity Incentive Plan	Against	Excessive overhang	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Compensation	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	For	Increased disclosure would allow shareholders to fully understand the steps the company is taking to ensure equitable compensation	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Governance	Shareholder Proposal Regarding Independent Chair	Against	Longview believes that the benefit of retaining one individual as both Chair and CTO outweighs the issues raised by Glass Lewis.	>15% of total votes were against management or withheld and Longview voted against Glass Lewis' recommendation
Board Related	Election of Directors	Against	Serves on too many boards	Longview has voted against management



SHP: Social	Shareholder Proposal Regarding Risks of Developing Military Weapons	For	Additional disclosure could help shareholders understand financial and reputational risks from the company's work with the military	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Misc	Shareholder Proposal Regarding Report on Tax Transparency	For	Additional disclosure could help mitigate regulatory and reputational risks	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Report on AI Misinformation and Disinformation	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld

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