

UK Stewardship Code Statement of Compliance

Southeastern Overview

Southeastern Asset Management is an independent, global investment firm. Since 1975 we have employed a proven, engaged partnership approach to owning undervalued public companies through long-only equities. We make long-term investments in a concentrated number of strong businesses, managed by good people, trading at deeply discounted prices relative to intrinsic value.

We invest as long-term owners, not short-term traders. As business owners, we engage in collaborative, constructive relationships with our corporate management partners to support long-term value creation. We bring decades of investment experience with an extensive global network of investor and industry contacts, as well as significant, stable, aligned capital.

Our partnership approach extends to our clients through the Longleaf Partners Funds, where we are collectively the largest shareholders, subject to the same fees and results as our partners. This unique partnership between our employees, clients, and company managements, has been key to our long-term success in protecting capital from permanent loss and delivering strong absolute returns.

UK Stewardship Code

As long-term, engaged business owners, Southeastern fully supports the goal of the UK Stewardship Code to enhance the quality of engagement between asset managers and companies to help improve long-term risk-adjusted return to shareholders.

We highlight below how we comply with each of the seven stated principles of the code.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

We make our UK Stewardship Code Compliance Statement, along with our ESG Policy Paper, available publicly on our website. We believe business owners have a responsibility to engage with corporate partners to ensure long-term value creation for shareholders. In the 1973 edition of [The Intelligent Investor](#), Ben Graham admonished investors for not holding corporate management accountable as he wrote, "Ever since 1934 we have argued in our writings for a more intelligent and energetic attitude by stockholders towards their managements."

Given our significant personal stake in our Funds and our concentrated portfolios, Southeastern invests as an engaged owner of a business, not a trader of a security. We often are among a company's largest shareholders and are interested in the long-term success of the business.

As an engaged owner, Southeastern seeks to partner with management. We build collaborative, constructive relationships based on sharing ideas with a common goal of building long-term value per share. Southeastern's engaged ownership benefits our partners. Our 40 years of investment experience and deep industry and investor network yields access to ideas, intelligence and contacts that are helpful to managements as they evaluate and implement plans. Southeastern's long-term approach and stable, aligned capital enables us to provide valuable support.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Our approach to managing conflicts of interest broadly and specific to stewardship is through our unique Code of Ethics, which requires all Southeastern personnel to use the funds managed by Southeastern as the sole medium for investing in publicly offered equity securities, thereby aligning our interests with our clients' and minimizing potential conflicts. Deviations from this investment policy must be either under a delineated exception or approved by the Code Compliance Committee. As required by U.S. federal law, Southeastern's Code of Ethics prohibits our personnel from trading in a company's securities or derivatives thereof, whether on behalf of clients or themselves, while in possession of material, non-public information about the company and from communicating that information to others. We reference our Code of Ethics on our web site and make it available to those who request.

Please see appendices: Code of Ethics and Conflicts of Interest Policies.

Principle 3: Institutional investors should monitor their investee companies.

Business monitoring and manager evaluation is a continual process. Our research analysts monitor our every company we own at a minimum quarterly when new financials are released, as well as any time relevant news occurs that may impact the companies. The quarterly assessment of the business includes testing our thesis against new information and evaluating the intrinsic value.

In addition to quarterly updates on the investment case and value, the team periodically reviews the full case for a business, looking at the history, the primary assumptions, and the primary risks to make sure no new changes have weakened the opportunity. If our

assessment of business or people has changed or deteriorated, the team determines whether efforts to engage with management may help to yield a more successful outcome.

Our monitoring is also done via ongoing interaction with management teams. Our constructive dialogues, often at management's invitation, help us understand the actions our managers are taking to increase value per share and provide a way to suggest new ideas based on our investment experience.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

As discussed under Principle 1 above, we seek to partner with management teams and build collaborative, constructive relationships, based on sharing ideas with a common goal of building long-term value per share. We prefer a behind-the-scenes, collaborative approach to engaging with our corporate partners over the publicly fought, confrontational "activist" strategies that have become increasingly popular.

In cases where our private engagement is not yielding results, we occasionally voice our views publicly if we think our efforts can be successful in either improving a company's ability to achieve long-term success, or protecting shareholders against actions that materially damage value.

An important part of our investment discipline is to consistently challenge and update our investment case and appraisal for each name. If a company has consistently underperformed over 18 months, it generally comes up for review by a "devil's advocate," (DA) or a member of the research team other than the originating analyst, that will take a look at the case and management with fresh eyes. The team will consider pursuing an escalation strategy to increase our engagement efforts along the spectrum illustrated below. In cases where we determine that management is not shareholder oriented and the work to change their thinking or the team will be unsuccessful, we will sell the name.

Levels of Our Engagement with Corporate Partners



Our actions to protect shareholder value extend beyond our specific investments. Southeastern has taken an active stance in advocating for fair and transparent capital market practices. Taking the long-term view to owning businesses requires that we access the capital markets to build equity positions. We believe capital markets exist to facilitate the transfer of capital between long-term investors and businesses. Securities and Exchange Commission (SEC) regulations are designed to promote fair, transparent, and accessible markets. Recent advances in technology, however, have enabled select short-term traders to gain structural advantages over other market participants. In April 2014, we wrote a paper detailing Southeastern’s perspective on market structure and high frequency trading. The paper also covers our engagement with the SEC, the U.S. Department of Treasury, and the CFTC-SEC Advisory Committee on Emerging Regulatory Issues. That paper is available on our website at <http://southeasternasset.com/thought-pieces/southeasterns-perspective-on-market-structure-and-high-frequency-trading>.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

Southeastern uses our extensive global network of investor and industry contacts built over our 40 years of investing to vet, access, and engage with our corporate partners. Maintaining a dialogue, as appropriate, with other stakeholders is often an important part of this process. Southeastern may communicate with other shareholders regarding a specific proposal. (To maintain all regulatory requirements, we will not agree to vote in concert with another shareholder without approval from the Chief Compliance Officer and Legal Counsel.)

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

As an investment adviser registered with the Securities and Exchange Commission under Section 203 of the Investment Advisers Act of 1940 (the “Advisers Act”), we must adopt and implement written policies and procedures that are reasonably designed to ensure that Southeastern votes client securities in the best interest of clients.

Upon request, we will provide any private account client with a copy of these proxy voting policies and procedures, as well as complete information on how we voted proxies of companies in the client’s portfolio.

Pursuant to ESG reporting requirements, as outlined in the Institutional Shareholders’ Committee Statement of Principles – The Responsibilities of Institutional Shareholders and Agents, we provide reports on voting activities to our UK clients on a semi-annual basis. We also publicly file how we vote the U.S. mutual funds that we manage.

Please see appendix Proxy Voting Policy.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

As an agent to institutional shareholders in the UK, it is our responsibility to report to our clients the results of our engagement with investees in accordance with ESG reporting requirements, as outlined in the Institutional Shareholders’ Committee Statement of Principles – The Responsibilities of Institutional Shareholders and Agents. We provide these reports on a semi-annual basis.

All referenced appendices are available upon request.

Further information about Southeastern Asset Management can be found in our ADV Part 2, available at www.adviserinfo.sec.gov. Past performance does not guarantee future results.