

# FINDLAY PARK PARTNERS LLP

## CONFLICTS OF INTEREST POLICY

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When acting for our clients, Findlay Park Partners LLP (“Findlay Park”, “our”, “we”) must always act with the utmost integrity to act in our clients’ best interests, and put the interests of our clients ahead of those of Findlay Park, its partners and employees.

We are required to:

1. Take all appropriate steps to identify conflicts of interest between:
  - a) Findlay Park and its client(s);
  - b) An employee and our client(s);
  - c) Two or more of our client(s)<sup>1</sup>;
  - d) A third-party service provider and our client(s).
2. Maintain and operate effective organisational arrangements with a view to taking all appropriate steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of our clients.
3. Establish, implement and maintain an effective written conflicts of interest policy (“the Conflicts of Interest Policy”) which identifies those conflicts of interest which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients and the procedures which are followed to manage and mitigate such conflicts that cannot be prevented.
4. Make full and fair disclosure to clients of all material facts about their business relationship with us, particularly regarding conflicts of interest

A conflict may arise where Findlay Park and / or its partners and employees:

- are likely to make a financial gain or avoid a financial loss at the expense of the client;
- have an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client’s interest in that outcome;
- have a financial or other incentive to favour the interest of another client or group of clients over the interest of the client;
- carries on or has a significant interest in the same activities as the client;
- receives, or will receive, from a person other than the client, an inducement (other than an acceptable minor non-monetary benefit) in relation to the service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

This document summarises Findlay Park’s Conflicts of Interest Policy and provides key information on how actual and potential conflicts of interest are identified, prevented or managed, documented and monitored within Findlay Park.

### **Identifying, preventing, recording and managing conflicts**

All employees of Findlay Park are required to identify any actual or potential conflicts of interest and report them to Compliance as soon as possible.

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<sup>1</sup> In practice Findlay Park only manages the American Fund.

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Findlay Park maintains and regularly updates records of actual and potential conflicts of interest identified in its conflicts register. These conflicts are managed via our organisational arrangements, systems and controls, and governance framework, to prevent damage to the interests of clients. These include, but are not limited to:

1. The Findlay Park governance structure, including the Findlay Park Risk and Compliance Committee which is responsible for the oversight of conflicts management;
2. Putting in place written policies and procedures to manage conflicts including a Code of Conduct, Order Execution Policy and Order Handling Procedures and Compliance Manual. These policies and procedures are subject to Findlay Park's regular independent review and monitoring processes;
3. Providing training to our staff on conflicts management;
4. Ensuring appropriate segregation of duties between key functions;
5. Regular monitoring by our Compliance department.

We consider these measures appropriate to prevent or manage the conflicts arising to avoid the material risk of damage to client interests.

### **Disclosure**

If Findlay Park's organisational arrangements and all reasonable efforts taken to prevent or manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that the material risks of damage to the interests of a client will be prevented, Findlay Park will clearly disclose the specific description of the nature and sources of the conflict to the client.

Such disclosure will be made prior to the conclusion of a contract, and in a durable medium to the client and include sufficient detail of the conflict and the steps undertaken to mitigate these risks, to enable the client to take an informed decision with respect to the service in the context of which the conflicts of interest arise.

As at the date of this statement, Findlay Park does not have any conflicts where the measures in place do not sufficiently mitigate the conflict and the risk of harm to the client.

In an extreme case where we consider that the conflict of interest is too great and cannot be managed in any other way (including by disclosure), we may decline to act for the client.

### **Summary of conflicts of interest**

A summary of the principal conflicts that exist within Findlay Park, and the steps taken to prevent or mitigate them are set out below.

### **Personal Transactions**

Findlay Park has specific policies on when partners, employees and their connected persons are permitted to undertake personal account transactions. This is in place to ensure that any such dealing does not give rise to a conflict of interest or misuse of insider, proprietary or client confidential information and that clients are not disadvantaged because of these dealings.

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### **Gifts and Entertainment**

Findlay Park restricts the offering and receipt of gifts and entertainment to or from our client(s) and other business parties, to ensure these justifiable in the circumstances and unlikely to influence the professional judgement of the persons concerned. A central record of gifts and entertainment is maintained by the Compliance Department.

### **Inducements**

Findlay Park is dedicated to providing honest, fair and professional services to its clients. For this reason Findlay Park operates on the basic premise that no inducements (monetary and non-monetary benefits) are received in relation to the investment service and /or ancillary service, unless these qualify as an acceptable minor non-monetary benefit (i.e.: they are capable of enhancing the quality of service provided to a client and are of a scale and nature that they could not be judged to impair compliance with Findlay Parks duty to act in the best interests of the client.)

### **Outside Business Interests**

No Findlay Park employee may engage in any additional outside business activities that may conflict with the interests of our client(s) or Findlay Park, including directorships or personal fiduciary appointments, without prior written approval from Compliance and the relevant Executive Committee member. Compliance maintain a register of all outside business interests and evaluate on an annual basis whether any conflicts arise.

### **Order Execution, Aggregation and Allocation**

Findlay Park has a Best Execution Policy and Order Handling Procedures which requires that when placing or executing client orders, we take all sufficient steps to ensure the best possible result is achieved for clients on a consistent basis.

Regular monitoring is carried out by Compliance to ensure that our policies and procedures are followed, they remain effective, and that we continue to provide best execution and fair and equitable allocation for our client(s).

### **Remuneration**

Findlay Park has appropriate remuneration structures in place that ensure that its employees are incentivised to act in the best interests of the client and include qualitative as well as quantitative criteria.

### **Responsible Investment**

Conflicts of interest may arise in relation to responsible investment and sustainability matters.

Conflicts may arise where Findlay Park exercises its active ownership responsibilities, including for example engaging with or voting against the management of an investee company who is also a client. Another example might be a personal relationship between a Board member and a portfolio manager who might typically be involved in a voting decision. Any conflict identified during the exercise of our active ownership responsibilities is escalated to senior management to ensure that we always act in our clients' best interests.

Conflicts of interest may arise with respect to our external commitments and communications on responsible investment and sustainability matters. These include risks of so-called 'greenwashing', whereby the nature or degree of consideration given to responsible investment and sustainability factors is misrepresented to investors or other

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stakeholders. The firm has controls in place to reduce the risk of this conflict, for instance, through the oversight of the Risk and Compliance Committee.

The investment teams' incentives also align with our responsible investment commitments. All Investment team members are incentivised according to three pillars: quality of work, performance, and collaboration. One of the questions under quality of work is: 'Have you considered ESG factors in your research?'. This helps ensure alignment with our commitments, and client communications, on responsible investment matters.

### **Monitoring, Review and Challenge**

A periodic exercise is undertaken to identify actual or potential conflicts of interest within Findlay Park, and these are recorded in the Findlay Park conflicts of interest register which is maintained by the Compliance Department, and reviewed at least annually by the Board of Directors, or upon any material change.

The Findlay Park Risk and Compliance Committee is responsible for overseeing the identification and management of conflicts and maintenance of the conflicts policy.

The Compliance team undertakes periodic monitoring of disclosed conflicts as part of the annual Compliance Monitoring Programme.

**Approved by the Board of Findlay Park Partners**

**20<sup>th</sup> December 2021**