

Marshall Holdings Limited Pension Plan Implementation Statement for the year ended 31 December 2020

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of Marshall Holdings Limited Pension Plan (“the Plan”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan’s investments, and engagement activities during the year ended 31 December 2020 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

During the reporting year, the Plan’s Statement of Investment Principles was reviewed and amended from September 2020. This review was initiated by the Trustees’ to update the Plan’s policies to reflect the additional investment disclosure requirements introduced by the Pension Regulator, prior to the 1 October 2020 deadline.

The Trustees updated voting and engagement policies

The Trustees updated their voting and engagement policies in September 2020 to include the following additional wording:

- Updated wording regarding the Plan’s policy in relation to the exercise of rights:

As the Plan invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. The Trustees have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan’s investments to the Investment Managers. The Trustees encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustees require the Investment Managers to report on significant votes made on behalf of the Trustees.

If the Trustees become aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustees’ expectation and the investment mandate guidelines provided, then the Trustees may consider terminating the relationship with that Investment Manager.

- Investment Managers’ decision making:

The Trustees encourage the Investment Managers to make decisions in the long-term interests of the Plan. The Trustees expect engagement with management of the underlying issuers of debt or equity and the exercising of voting rights. This expectation is based on the belief that such engagement can be expected to help Investment Managers to mitigate risk and improve long term returns. As covered in more detail in the responsible investment section of the SIP, the Trustees also require the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustees believe these factors could have a material financial impact in the long-term. The Trustees therefore make decisions about the retention of Investment Managers accordingly.

Manager selection exercises

One of the ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, there have been no such manager selection exercises.

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Plan has specific allocations to public equities through its investments in pooled equity funds. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below.

Newton UK Opportunities Fund

Voting Information

The manager voted on 100% of resolutions of which they were eligible out of 773 eligible votes.

Investment Manager Client Consultation Policy on Voting

Where Newton plan to vote against management on an issue, it often engages with the company in order to provide an opportunity for its concerns to be allayed. In such situations, it would not be a surprise should Newton vote against. Newton only communicates its voting intentions ahead of the meeting direct to the company and not to third parties. Newton alert a company regarding an action it has taken at its annual general meeting (AGM) through an email, to explain its thought process. Newton then often hold a call with the board/investor relations teams to gain a better understanding of the situation and communicate further. This can often be in tandem with the sponsoring global industry analyst.

Overall, Newton prefer to retain discretion in relation to exercising its clients' voting rights and have established policies and procedures to ensure the exercise of global voting rights. Newton believe the value of its clients' portfolios can be enhanced by the application of good stewardship. This is achieved by engagement with investee companies and through the considered exercise of voting rights. Newton's understanding of a company's fundamental business enables

it to assess the appropriate balance between the strict application of corporate governance policies and taking into account a company's unique situation.

Investment Manager Process to determine how to Vote

Newton's head of responsible investment (RI) is responsible for the decision-making process of the RI team when reviewing meeting resolutions for contentious issues. Newton do not maintain a strict proxy voting policy. Instead, it prefers to take into account a company's individual circumstances, its investment rationale and any engagement activities together with relevant governing laws, guidelines and best practices.

Contentious issues may be referred to the appropriate industry analyst for comment and, where relevant, Newton may confer with the company or other interested parties for further clarification or to reach a compromise or to achieve a commitment from the company.

Voting decisions are approved by either the deputy chief investment officer or a senior investment team member (such as the head of global research). For the avoidance of doubt, all voting decisions are made by Newton.

It is only in the event of a material potential conflict of interest between Newton, the investee company and/or a client that the recommendations of the voting service used (Institutional Shareholder Services, or the ISS) will take precedence. It is also only in these circumstances when Newton may register an abstention given its stance of either voting in favour or against any proposed resolutions. The discipline of having to reach a position of voting in favour or against management ensures Newton do not provide confusing messages to companies.

Research ahead of voting decisions; regional distinction:

Newton employ a variety of research providers that aid it in the vote decision-making process, including proxy advisors such as ISS. Newton utilise ISS for the purpose of administering proxy voting, as well as its research reports on individual company meetings.

Voting decisions take into account local market best practice, rules and regulations while also supporting Newton's investment rationale. For example, when voting on the election of directors in Japan, Newton are unlikely to vote against a board chair should the board not be majority independent given that only recently the corporate governance code has recommended boards appoint independent directors. However, in the UK, where majority independent boards are well established and expected by investors, Newton are likely to vote against the chair and non-independent directors. This being said, Newton frequently vote against executive pay at US companies despite it being accepted US market practice of granting significant awards of free shares as Newton believe executive pay should be aligned with performance.

How does this manager determine what constitutes a 'Significant' Vote?

Newton regard material issues as all votes against management, including where Newton support shareholder resolutions that the company's management are recommending voting against. As active managers, Newton invest in companies that it believes will support the long term performance objectives of clients. By doing so, Newton are making a positive statement about the business, the management of risks and the quality of management. Voting against management, therefore, is a strong statement that Newton think there are areas for improvement. As such, by not supporting management, Newton think that this is material, which is different to a passive investor where there is no automatic assumption of a positive intent in ownership. As such, Newton report publicly its rationale for each instance where it has voted against the recommendation of the underlying company's management. At the fund level, Newton consider each instance of voting against management to be significant but if required to prioritise these instances,

Newton take an objective approach that includes the fund's weighting in each security. This reflects Newton's investment process and ensures the prioritised list includes those instances that could be most impactful to the long term value to the fund as well as those that may have an immediate impact to the fund.

Does the manager utilise a Proxy Voting System? If so, please detail

Newton utilise ISS for the purpose of administering proxy voting (notification and lodgement of votes), as well as its research reports on individual company meetings. Only in the event where Newton recognises a potential material conflict of interest do Newton follow the voting recommendations of ISS.

Newton do not maintain a rigid voting policy with any proxy voting service provider.

Top Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Royal Bank of Scotland Plc	<ol style="list-style-type: none"> 1) Approve Remuneration Policy 2) Advisory Vote to Ratify Named Executive Officers' Compensation 3) Elect Directors 	AGAINST	9.9% AGAINST Approve Remuneration Policy 9.6% AGAINST Advisory Vote to Ratify Named Executive Officers' Compensation 3.2% AGAINST Elect Director 3.8% AGAINST Elect Director 3.2% AGAINST Elect Director 3.2% AGAINST Elect Director 0.7% AGAINST Elect Director
The high level of support for the remuneration related resolutions suggests that few shareholders were concerned with the departed CEO's departure pay. Newton will continue to monitor remuneration arrangements and seek to ensure these are aligned with performance.			
Unilever Plc	<ol style="list-style-type: none"> 1) Advisory Vote to Ratify Named Executive Officers' Compensation 2) Re-elect non-executive directors 	AGAINST	4.5% AGAINST approve remuneration report 2.1% AGAINST re-elect director 1.8% AGAINST re-elect director
The vote outcome was such that the company is unlikely to instigate further consultation with shareholders on this matter. Newton will continue to monitor the company's pay structure and exercise its stewardship responsibilities in line with its beliefs and expectations.			
Intertek Group Plc	<ol style="list-style-type: none"> 1) Approve Remuneration Policy 2) Advisory Vote to Ratify Named Executive Officers' Compensation 3) Elect Directors 	AGAINST	42.9% AGAINST Approve Remuneration Policy 2.2% AGAINST Advisory Vote to Ratify Named Executive Officers' Compensation 8.3% AGAINST Elect Director 8.2% AGAINST Elect Director 8.3% AGAINST Elect Director 8.3% AGAINST Elect Director

<p>The vote outcome will be of concern to the remuneration committee and board. It is expected that either specific engagement efforts or direct changes to the remuneration policy will occur over the coming months.</p>			
<p>Alphabet Inc.</p>	<ol style="list-style-type: none"> 1) Amend the omnibus stock compensation plan 2) Advisory vote to ratify named executive officers' compensation 3) Re-election of three board directors 4) Election of another board director. <p>In addition, Newton supported the following shareholder proposals:</p> <ul style="list-style-type: none"> • Approve recapitalization plan for all stock to have one-vote per share, • Report on arbitration of employee-related claims, • Establishment of a human rights risk oversight committee, • Report on takedown requests, • Require independent Director nominee with human and/or civil rights experience • Require a majority vote for the election of directors, • Assess feasibility of including sustainability as a performance measure for senior executive compensation, • Report on whistleblower policies and practices. 	<p>AGAINST management proposals and FOR the shareholder proposals</p>	<p>17.5% AGAINST the omnibus stock plan</p> <p>25.2% AGAINST advisory vote to ratify named executive officers' compensation</p> <p>18.3%, 23.0%, 11.3% and 12.3% AGAINST the re-election/election of the four board directors</p> <p>Shareholder proposals</p> <ul style="list-style-type: none"> • 31.7% FOR - Approve recapitalization plan for all stock to have one-vote per share, • 16.4% FOR report on arbitration of employee-related claims, • 16.5% FOR establishment of a human rights risk oversight committee, • 11.7% FOR report on takedown requests, • 29.5% FOR - Require a majority vote for the election of directors, • 9.2% FOR requirement for independent Director nominee with human and/or civil rights experience, • 13.3% FOR Assess feasibility of including sustainability as a performance measure for senior executive compensation, • 5.3% FOR report on whistleblower policies and practices
<p>The vote results from many of the resolutions demonstrates the views of a significant number of minority shareholders, which will help support future engagement efforts to improve governance arrangements and practices as well as social issues faced by the company.</p>			

Morgan Stanley Global Brands Fund

Voting Information

The manager voted on 100% of resolutions of which they were eligible out of 454 eligible votes.

Investment Manager Client Consultation Policy on Voting

Morgan Stanley Investment Management (MSIM) does not consult with clients before voting securities held in pooled vehicles.

Investment Manager Process to determine how to Vote

MSIM Affiliates will vote proxies in a prudent and diligent manner and in the best interests of clients, including beneficiaries of and participants in a client's benefit plan(s) for which the MSIM Affiliates manage assets, consistent with the objective of maximizing long-term investment returns ("Client Proxy Standard"). In addition to voting proxies at portfolio companies, MSIM routinely engages with the management or board of companies in which MSIM invest on a range of environmental, social and governance issues.

How does this manager determine what constitutes a 'Significant' Vote?

Votes against management or in support of shareholder resolutions are potentially significant.

Does the manager utilise a Proxy Voting System? If so, please detail

MSIM has retained research providers to analyse proxy issues and to make vote recommendations on those issues. While MSIM review the recommendations of one or more research providers in making proxy voting decisions, MSIM are in no way obligated to follow such recommendations. MSIM votes all proxies based on its own proxy voting policies in the best interests of each client. In addition to research, ISS provides vote execution, reporting, and recordkeeping services to MSIM.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
RELX Plc	Approve Increase in Borrowing Limit Under the Company's Articles of Association	Against	Passed

Continue to engage on the topics.			
Reckitt Benckiser Group Plc	Approve Remuneration Report	Against	Passed
Continue to engage on the topics.			
Davide Campari-Milano SpA	Approve Stock Option Plan	Against	Passed
Continue to engage on the topics.			
British American Tobacco plc	Approve Remuneration Report	Against	Passed
Continue to engage on the topics.			
Fox Corporation	Approve Remuneration Report	Against	Passed
Continue to engage on the topics.			