

STATEMENT OF APPLICATION OF THE UK STEWARDSHIP CODE

Principle 1:

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

TPT takes its responsibilities as a shareholder seriously. TPT seeks to adhere to the UK Stewardship Code and monitors and encourages its managers in this respect as well. In practice TPT's policy is to apply the Stewardship Code through its fund managers. TPT has updated its [Voting and Engagement policy](#) to confirm its adherence to the Code. Since late 2009, TPT has taken various steps to ensure that ESG issues are addressed and analysed regularly and in detail in its communications with its fund managers and service providers, be it through meetings or presentations. TPT became a UNPRI signatory in May 2010, which again demonstrates its serious commitment to being a responsible investor.

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.

TPT encourages its fund managers to have adequate and effective policies in place with regards to conflicts of interest. Internally, committee and selection panel members are required to declare any such interest prior to such panel or committee meetings taking place.

Principle 3:

Institutional investors should monitor their investee companies:

On a day to day basis, the responsibility for managing the Fund's holdings is delegated to its fund managers. However, TPT sets out its expectations in terms of Corporate Governance via its Voting and Engagement Policy document and adherence to the NAPF policy guidelines. Through its custodian, Northern Trust, TPT receives voting activity reports. Fund managers are also required to provide half-yearly data regarding their voting activities which gives an understanding of how they voted and why they voted in a particular way. Engagement issues are also covered via this process, which helps TPT understand the fund manager's processes in place for engaging with its investee companies. This data is presented to TPT trustees for review at committee meetings, enabling them to question any issues or ask for an explanation if necessary. An external provider has also been hired to assist with verifying voting information provided by managers on an annual basis.

In addition to the above, TPT officers visit each of its fund managers on a regular basis and ESG/Voting and Engagement questions form a significant part of these meetings. The same is true when each fund manager is required to make a formal presentation to the trustees annually, with any issues being addressed during this time.

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 mentioned above, the main day to day responsibility for interaction with investee companies has been delegated to the fund managers. This includes escalation of their engagement activities as a method of protecting and enhancing shareholder value. This matter is discussed and investigated via regular manager meetings to establish how fund managers achieve this. If they are signatories to the Stewardship Code, then this will be covered via their own individual statement on their websites.

Principle 5:

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

The Trustee is willing to act collectively with other investors if it feels that it is necessary to do so. TPT also hopes that through being a UNPRI signatory it will be able to collaborate with its peers with regards to collective engagement.

Principle 6

Institutional investors should have a clear policy on voting and disclosure activity

As mentioned previously, TPT has its own policies which are contained in the Statement of Investment Principles and Voting and Engagement document. It also expects its fund managers to maintain and disclose such documents. It relies on the disclosure of this information by its fund managers and does not additionally disclose information on their behalf.

Principle 7

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

A report is prepared on a regular basis for the Trustee to examine voting activities of TPT's fund managers. Where possible the TPT will also via its own website, provide links to its investment managers' web pages that disclose those managers' voting activities. TPT will also encourage those managers that don't publicise their voting activities to do so.

Please note that any queries regarding TPT's support of the UK Stewardship Code, should be directed to Nina Shad at nina.shad@thepensiontrust.org.uk.