

Annual Implementation Statement

Millennium & Cophorne DC Section Plan

6 April 2020 to 5 April 2021 (the “Plan Year”)

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee, has been followed during the year from 6 April 2020 to 5 April 2021 (the “Plan Year”). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the guidance published by the Pensions Regulator.

The table later in the document sets out how, and the extent to which, the policies in Millennium & Cophorne DC Section Plan (“the Plan”) SIP have been followed.

The statement also describes the voting behaviour carried out by the Plan’s investment managers on the Trustee’s behalf during the Plan Year (including the most significant votes cast by the Trustee or on its behalf) and describes any use of the services of a proxy voter during the Plan Year.

A copy of this implementation statement is available via the link below:

<https://www.millenniumhotels.com/en/corporate/uk-pension-plan/>

The Statement flows directly from and should be read in conjunction with the Plan’s SIP (in place at the Plan Year end signed on December 2020) which is available via the link below:

<https://media.millenniumhotels.com/Live/8/E/4/8E44A561-EBDB-4D96-8325-49BD52703C86/Millennium%20%20Cophorne%20DC%20SIP%20December%202020%20final.pdf?r=201211041900>

The SIP dated September 2020 applied from the start of the Plan Year until the Trustee put in place the revised SIP dated December 2020, which applied for the rest of the Plan Year. The Trustee considered both of these SIPs when preparing this implementation statement.

Investment Objectives of the Plan

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The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Plan included in the SIP are set out below, along with actions taken by the Trustee to meet each objective:

Objective	Action over the Plan Year to meet objective
To provide members with an investment strategy aligned to their needs that will optimise the return on investments in order to build up a savings pot, which will be used in retirement.	The Trustee implemented a new default investment strategy for the Plan following the most recent triennial strategy review, which it believes will be in the best interests of members.
The Trustee is mindful of its responsibility to provide members with an appropriate range of investment funds and a suitable default strategy.	The Trustee also added additional funds to the self-select fund range in order to give members greater choice of how their savings are invested.
The Trustee will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.	
The Trustee recognises that in a defined contribution arrangement, members assume the investment risks themselves. The Trustee further recognises that members are exposed to different types of risk at different stages of their working lifetimes. The Trustee has determined its investment policy in such a way as to address the identified risks.	The Trustee considered risk and return metrics when deciding on a new default investment strategy for the Plan. The Trustee continues to use a lifestyle for the default arrangement, whereby investments are moved into less risky funds as retirement approaches

The policies set out in the SIP are intended to help meet the overall investment objectives of the Plan. Detail on the Trustee's objectives with respect to the default investment strategy and the self-select fund range are outlined in the SIP.

Review of the SIP

During the year to 5 April 2021, the Trustee reviewed and updated the Plan's SIP on two occasions. On both occasions, the process of review involved obtaining formal advice from the Trustee's advisers in relation to any revisions and due consultation with the Principal Employer. In the first update, the SIP was updated in September 2020 to reflect new requirements under The Occupational Pension Scheme (Investment and Disclosure) (Amendment) Regulations 2019 relating to the following:

- How arrangements with the asset managers incentivise the asset managers to align their investment strategy and decisions with the Trustee's policies as set out in the SIP.
- How those arrangements incentivise the asset managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

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- How the method (and time horizon) of the evaluation of asset manager's' performance and the remuneration for asset management services are in line with the Trustee's policies mentioned in the SIP.
- How the Trustee monitors portfolio turnover costs incurred by the asset manager and how they define and monitor targeted portfolio turnover or turnover range.
- The duration of arrangements with the asset managers.

In addition, the SIP was updated following the changes made to the Plan's investment strategy in November 2020 following the triennial investment strategy review of October 2021, as outlined below. The revised SIP was signed on 3 December 2020.

The SIP is reviewed (and if necessary revised) at least every three years and following any significant changes in investment policy.

Investment Strategy Review

The default investment strategy was reviewed by the Trustee in 2018 and formal advice was received from the Plan's investment consultant on 12 October 2018. In determining the investment strategy, the Trustee undertook extensive investigations and explicitly considered the demographics of the Plan as well as the trade-off between risk and expected returns when establishing the balance between different kinds of investments. The changes that the Trustee agreed to following this review were:

- The L&G Global Equity Fixed Weights 60:40 Index Fund allocation in the default was replaced with the L&G Diversified Fund, a diversified growth fund ("DGF").
- The Trustee also agreed to replace the L&G Cash Fund with the L&G Sterling Liquidity Fund. The L&G Sterling Liquidity Fund is also a cash fund, but is more diversified and holds longer-term underlying assets which offer higher interest rates to compensate for holding these longer term deposits.
- The default will continue to target annuity purchase given the existence of a Defined Benefit ("DB") underpin.
- The Trustee also agreed to add some further funds to the list of self-select options to give members greater choice when self-selecting.

The Trustee completed the implementation of the new default and self-select funds by the end of 2020.

Assessment of how the policies in the SIP have been followed for the year to 5 April 2021

The information provided in the following table highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP, relating to the Plan as a whole. The Trustee considers that, following the review carried out as part of preparing this statement, it has adhered to all of its policies as set out in the SIP over the course of the Plan Year. We explain in the statement the Trustee's reasoning for this conclusion. The Trustee did not materially deviate from any of the SIP's policies over the Plan Year.

	Requirement	Summary of Trustee Policy	Summary description and evaluation of work undertaken to 5 April 2021
1	Securing compliance with the legal requirements about choosing investments	<p><i>This Statement of Investment Principles (“the Statement”) has been prepared by the Trustee of the Millennium & Copthorne DC Pension Plan (“the Plan”) in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.</i></p> <p><i>In preparing the Statement, the Trustee has obtained and considered written advice from a suitably qualified individual, employed by its investment consultants, Mercer Limited, whom it believes to have a degree of knowledge and experience that is appropriate for the management of the Plan’s investments; and consulted with the Principal Employer, although the Trustee affirms that no aspect of this strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.</i></p> <p><i>SIP Section 1</i></p>	<p>Over the Plan year to 5 April 2021, there were 3 changes made to the default strategy.</p> <p>The new default strategy replaced the L&G Global Equity Fixed Weights 60:40 Index Fund allocation with the L&G Diversified Fund, a diversified growth fund (“DGF”). This change was made to reduce UK-bias and because the LGIM Diversified Fund is expected to produce a similar return to investing in equities over the long-term while exposing investments to less risk.</p> <p>The Trustee also agreed to replace the L&G Cash Fund with the L&G Sterling Liquidity Fund. This change was made as the Sterling Liquidity fund is more diversified and can offer greater potential return than the L&G Cash Fund. In addition, some further funds were added to the list of self-select options to give members greater choice when self-selecting.</p> <p>The Trustee received formal advice from their investment consultant on 12 October 2018 and completed the implementation of the new default and self-select funds in November 2020.</p> <p>No other new investments were implemented over the period covered by this statement.</p>
2	Kinds of investments to be held	<p><i>The Trustee is permitted to invest across a wide range of asset classes, both active and passive.</i></p> <p><i>Actively managed funds will only be included to the extent that the Trustee has a high level of confidence in the investment manager achieving its performance</i></p>	<p>During the period covered by this statement, changes were made to the Plan’s default strategy and self-select fund range. The LGIM All World Equity Fund, The L&G Diversified Fund and the L&G World Emerging Markets Equity Index Fund were added to the self-select range to offer members different kinds of investments to choose from.</p>

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		<p><i>objectives, net of active investment management fees.</i></p> <p><i>SIP Section 3</i></p>	<p>The Trustee continues to offer a range of self-select fund options to members which cover both actively and passively managed funds across a range of asset classes.</p> <p>The Trustee will review the investment approach from time to time, and make changes as and when it is considered appropriate. The fund range and default investment strategy are reviewed on at least a triennial basis.</p>
3	The balance between different kinds of investments	<p><i>To balance the investment needs of members, the Trustee offers a range of self-select funds alongside the default investment strategy. Members can opt out of the default strategy as they have the option to invest in self-select funds. The range of investment options cover multiple asset classes and this balance will determine the expected return on members' assets and should be related to the members' own risk appetites and tolerances.</i></p> <p><i>Section 3</i></p>	<p>The Trustee receives a quarterly monitoring report that monitors the risk and return of all investment options within the Plan.</p> <p>The asset allocation of the default investment strategy is reviewed on a triennial basis. As outlined in the SIP, the Trustee's main objective is to provide members with an investment strategy aligned to the needs of their members that will optimise the return on investments in order to build up a savings pot which will be used in retirement. Changes were made to the default and self-select fund range over the Plan Year, as mentioned above.</p> <p>The Trustee is satisfied that the spread of funds available, and the investment managers' policies on investing in individual securities within each asset type or fund, provides adequate diversification of investments.</p>
4	Risks, including the ways in which risks are to be measured and managed	<p><i>The Trustee recognises that in a defined contribution arrangement, members assume the investment risks themselves. The Trustee further recognises that members are exposed to different types of risk at different stages of their working lifetimes. Broadly speaking, seven main types of financially significant investment risk can be identified: Investment Return Risk, Volatility risk, Market Switching Risk, Environmental, social</i></p>	<p>As detailed in Section 3.1 of the SIP, the Trustee considers both quantitative and qualitative measures of risks as well as how best to manage the various risks facing DC members. The Trustee provides a range of investment options which enable members to reflect in their selection of funds the level of risk they wish to take in light of their own individual circumstances.</p> <p>The Trustee regularly monitors these risks and the appropriateness of the investments in light of the risks described on Section 6 of the SIP. For example, the Trustee keeps a risk register which is reviewed at each quarterly Trustee meeting.</p>

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		<p><i>and governance (ESG) risks, Inflation Risk, Liquidity Risk and Pension Conversion Risk.</i></p> <p><i>SIP Section 3</i></p>	<p>All risks outlined in the SIP were considered when the Trustee selected a new default investment strategy for the Plan.</p>
5	Expected return on investments	<p><i>When deciding on the investment options available to members, the Trustee took into account the expected return on such investments and was mindful to offer a range of funds with varying levels of expected returns for members to choose from.</i></p> <p><i>In designing the default, the Trustee has explicitly considered the trade-off between risk and expected returns.</i></p> <p><i>SIP Sections 3 and 4</i></p>	<p>The investment performance report is reviewed by the Trustee on a quarterly basis; this includes performance figures for the default investment strategy and additional self-select fund choices. The investment performance report includes how each investment manager is delivering against their specific benchmark and target. The value for members assessment of 31 March 2021 concluded that there were no major issues with the performance of any of the Plan's funds.</p> <p>The portfolio components of the default investment strategy are monitored against their respective aims and objectives.</p> <p>The trade-off between risk and return was considered in detail during the triennial investment strategy review of 2018.</p>
6	Realisation of investments	<p><i>When it comes to realisation of investments, the Trustee considers the impact of transaction costs before making any changes.</i></p> <p><i>All funds are daily-priced pooled investment arrangements, with assets invested in regulated markets, therefore should be realisable at short notice, based on members' demand.</i></p> <p><i>SIP Sections 3 and 4</i></p>	<p>All the funds used by the DC Section of the Plan continue to be daily dealt pooled investment vehicles. The Trustee is therefore confident that these assets can be realised at short notice as required and do not have any major concerns surrounding the liquidity of the Plan's investments.</p>

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7	<p>Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments</p>	<p><i>The Trustee recognises that ESG factors, including climate change as financially material considerations. The Trustee's view is that considerations such as these can influence the investment performance of the Plan's portfolio and it is therefore in members' and the Plan's best interests that these factors are taken into account within the investment process and that ESG risks are identified and avoided or mitigated as best as possible.</i></p> <p><i>The Trustee believes that investing with a manager who approaches investments in a responsible way and takes account of ESG-related risks will lead to better risk-adjusted performance as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken.</i></p> <p><i>SIP Section 5</i></p>	<p>The investment performance report is reviewed by the Trustee on a quarterly basis; this includes the fund ratings from the Investment Consultant, including ESG fund ratings.</p> <p>All of the managers remained highly rated by Mercer during the year. The ESG ratings of managers are formally reviewed at least annually and are included in the annual value for members assessment. Where managers were not highly rated from an ESG perspective the Trustee continues to monitor these managers. When implementing a new manager the Trustee considers the ESG rating of the manager.</p> <p>The SIP includes the Trustee's policy on ESG factors, stewardship and Climate Change. This policy sets out the Trustee's beliefs on ESG, including climate change, and the processes followed by the Trustee in relation to voting rights and stewardship. The Trustee keeps its policies under regular review with the SIP subject to review at least triennially.</p>
8	<p>The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments</p>	<p><i>Non-financial matters are not taken into account in the selection, retention and realisation of investments.</i></p> <p><i>SIP Section 5</i></p>	<p>Non-financial considerations were not taken into account in the selection, retention and realisation of investments, in line with the SIP.</p>
9	<p>The exercise of the rights (including voting rights)</p>	<p><i>The Trustee expects the Plan's investment managers to use their influence as major institutional investors to pursue the Trustee's rights and duties as an investor in the pooled</i></p>	<p>The Trustee has delegated the exercise of voting rights to the underlying investment managers, on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the Trustee expects the investment</p>

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	<p>attaching to the investments</p>	<p><i>fund including voting, along with – where relevant and appropriate – engaging with underlying investee companies to promote good governance, accountability, and positive change.</i></p> <p><i>Where the Trustee is specifically invited to vote on a matter relating to corporate policy, the Trustee (having sought advice) will exercise its right in accordance with what it believes to be the best interests of the majority of the Plan’s membership.</i></p> <p><i>SIP Section 5</i></p>	<p>managers to have produced written guidelines of their process and practice in this regard. L&G provide this information on their website along with annual reports on voting activity: https://www.lgim.com/uk/en/capabilities/investment-stewardship/</p> <p>Voting activity carried out over the Plan year on behalf of the Trustee is shown in the Appendix of this Statement. Over the period covered by this Statement, the Trustee has not directly challenged managers on voting activity.</p>
10	<p>Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, Trustee would monitor and engage with relevant persons about relevant matters)</p>	<p><i>The Trustee delegates primary responsibility for its corporate engagement activities to its investment managers. The Trustee believes that the investment managers are best placed to engage with investee companies on their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance. But on occasions, the Trustee may deem it necessary to engage directly with companies on particular ESG-related issues.</i></p> <p><i>There may be occasions when engagement topics identified by the Trustee overlap with engagement efforts of their investment managers, in which case the Trustee will</i></p>	<p>As the Plan invests in pooled funds, the Trustee requires their investment managers to engage with the investee companies on their behalf.</p> <p>Over the Plan Year, the Trustee did not carry out any engagement activities with its investment managers or underlying investee companies.</p>

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		<p><i>seek to undertake joint engagement with their investment managers.</i></p> <p><i>SIP Sections 5</i></p>	
11	<p>How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005</p>	<p><i>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for asset classes being selected.</i></p> <p><i>The Trustee incentivises its investment managers to align their investment strategies with the Trustee's policies mentioned in this SIP.</i></p> <p><i>The fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the Trustee's policies.</i></p> <p><i>SIP Section 2</i></p>	<p>Over the Plan Year, the Trustee made changes to the Plan's investments as outlined on page 2 of this statement.</p> <p>The Trustee believes that the appointments with their investment managers are consistent with their long-term objectives. The Trustee is comfortable that the contractual arrangements in place with investment manager incentivises the managers as no performance fees are awarded and the investment manager knows that it will be replaced if performance is consistently below expectations.</p>
12	<p>How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with</p>	<p><i>The Trustee is a long-term investor. Accordingly, the Trustee does not seek to change the investment arrangements on a frequent basis.</i></p> <p><i>The Trustee's focus is on long-term performance but may put a manager 'on watch' if there are short-term performance concerns</i></p>	<p>The Trustee receives quarterly information from the Plan's investment manager to assess whether the Plan's investments are performing in line with expectations. These reports present performance information over 3 months, 1 year and 3 years. The reports show the absolute performance, performance against the manager's stated target performance (over the relevant time period) on a net of fees basis. It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance. The Trustee also receives and reviews quarterly performance reports from its investment consultant.</p>

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	issuers of debt or equity in order to improve their performance in the medium to long-term.	<i>SIP Section 6</i>	The Trustee's responsibilities include assessing the quality of the performance and processes of the Investment Managers by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Consultant.
13	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement].	<p><i>The investment manager is remunerated by ad valorem charges based on the value of the assets that it manages on behalf of the Plan. None of the underlying managers in which the Plan's assets are invested have performance-based fees which could encourage the manager to make short term investment decisions to hit their targets.</i></p> <p><i>The Trustee therefore considers the method of remunerating fund managers to be consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.</i></p> <p><i>SIP Sections 2</i></p>	<p>The Trustee has considered the long term investment performance of the investment managers on a quarterly basis, as well as their Investment Consultant's views of the investment manager, and is comfortable that the longer term performance and forward-looking capabilities remained suitable.</p> <p>The Trustee is satisfied that the investment fund managers' short term performance will not impact long-term goals. In particular, none of the funds have performance fees in place.</p>
14	How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted	<i>The Trustee does not currently monitor portfolio turnover costs for the funds in which the Plan is invested, although notes that the performance monitoring which it</i>	Over the year covered by this Statement, the Trustee considered the levels of transaction costs as part of their annual Chair's Statement and value for member's assessment.

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	<p>portfolio turnover or turnover range.</p>	<p><i>receives is net of all charges, including such costs.</i></p> <p><i>Given that the Plan invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Plan.</i></p> <p><i>SIP Section 6</i></p>	<p>The Trustee found that the transaction costs reported were reasonable, but note the challenges in assessing these costs due to the lack of an industry-wide benchmarks for such transaction costs.</p>
<p>15</p>	<p>The duration of the arrangement with the asset manager.</p>	<p><i>The Trustee is a long-term investor and is not looking to change the investment arrangements on a frequent basis; therefore, there is no set duration for the manager appointments. The Trustee will retain an investment manager unless: there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager; the manager appointment has been reviewed and the Trustee has decided to terminate.</i></p> <p><i>SIP Section 2.3</i></p>	<p>The investment performance of all funds is reviewed by the Trustee on a quarterly basis; this includes how each investment fund manager is delivering against their specific targets.</p> <p>The Trustee continues to use L&G as the sole investment manager of the Plan.</p>

Appendix: Investment Manager Voting Summary

The Plan is invested solely in pooled investment vehicles and therefore the Trustee cannot directly exercise its voting rights. The Trustee has therefore delegated the exercising of voting rights to its investment managers.

As stated in the SIP: “The Trustee expects the Plan's investment managers to use their influence as major institutional investors to pursue the Trustee's rights and duties as an investor in the pooled fund including voting, along with – where relevant and appropriate – engaging with underlying investee companies to promote good governance, accountability, and positive change. Where the Trustee is specifically invited to vote on a matter relating to corporate policy, the Trustee (having sought advice) will exercise its right in accordance with what it believes to be in the best interests of the majority of the Plan's membership”.

The following funds that were available to members of the Plan (either as self-select funds or within the default) over the Plan Year hold equities:

- LGIM Global Equity Fixed Weights (60:40) Index Fund
- LGIM Diversified Fund
- LGIM Ethical UK Equity Index Fund
- LGIM World Emerging Markets Equity Index Fund
- LGIM All World Equity Index Fund

The Trustee is comfortable that the stewardship and engagement carried out on behalf of the Plan over the Plan Year was sufficient.

Overview of Legal & General Investment Management's (LGIM) approach to voting and engagement (provided by the manager)

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LGIM's policy on consulting with clients before voting

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries."

LGIM's process for deciding how to vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

Use of proxy voting services

LGIM's Investment Stewardship team uses Institutional Shareholder Services, Inc. (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

Processes for determining the most significant votes

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

The Trustee believes its own understanding of a "most significant" vote is aligned with the information provided by LGIM

Voting summary for the 12 months period to 31 March 2021

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A summary of the voting behaviour over the one year period to 31 March 2021 of the Plan's funds in the default and self-select fund range is provided in the table below.

Manager	Fund	Votes cast						Most significant votes
		Total Meetings	Total Resolutions	% Voted on	% votes with management	% votes against management	% abstained votes	
LGIM	Global Equity Fixed Weights (60:40) Index Fund	3,641	44,680	100%	83.6%	16.3%	0.2%	<p>Vote example 1 Company: Barclays Date: 07/05/2020 Resolution: Barclays' Commitment in Tackling Climate Change Vote: For Rational: Resolution has the backing of ShareAction Outcome: Pass</p> <p>Vote example 2 Company: Procter & Gamble Date: 13/10/2020 Resolution: Report on effort to eliminate deforestation. Vote: For Rational: Deforestation is one of the key drivers of climate change. Therefore, a key priority issue for LGIM is to ensure that investee companies are not contributing to deforestation Outcome: Pass</p> <p>Vote example 3 Company: Cardinal Heath Date: 04/11/2020 Resolution: Ratify Executive Officer's compensation Vote: Against Rational: Bonus was excessive as The Compensation Committee excluded a large settlement cost from the earnings calculations, which resulted in executive pay being boosted. Outcome: Pass</p>
	Diversified Fund	11,362	115,604	99.0%	81.7%	17.7%	0.6%	<p>Vote example 1 Company: Lagardère Date: 05/05/2020</p>

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Resolution: Activist Amber Capital proposed 8 new directors to the Supervisory Board, as well as to remove all the incumbent directors.

Vote: For of five of the Amber-proposed candidates and Against five of the incumbent Lagardère SB directors.

Rational: Proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures. LGIM engaged with both Amber Capital, and also Lagardère, where they spoke to the incumbent SB Chair.

Outcome: Did not pass

Vote example 2

Company: Imperial Brands

Date: 03/02/2021

Resolution: Approve Remuneration Report and Approve Remuneration Policy.

Vote: Against

Rational: New CEO appointed with significantly higher base salary than predecessor despite having no previous experience in this sector or at a FTSE100 company

Outcome: Pass

Vote example 3

Company: Procter & Gamble

Date: 13/10/2020

Resolution: Report on effort to eliminate deforestation.

Vote: For

Rational: Deforestation is one of the key drivers of climate change. Therefore, a key priority issue for LGIM is to ensure that investee companies are not contributing to deforestation

Outcome: Pass

Ethical UK
Equity

336

5,109

100%

93.8%

6.2%

0.0%

Vote example

Company: Barclays

Date: 07/05/2020

Resolution: Barclays' Commitment in Tackling Climate Change

Vote: For

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							Rational: Resolution has the backing of ShareAction Outcome: Pass
World Emerging Market Equity	3,998	36,036	99.9%	85.2%	13.4%	1.4%	According to LGIM, there were no significant votes made in relation to the securities held by this fund during the reporting period.
All World Equity Fund	6,779	70,672	99.9%	83.3%	16.0%	0.8%	Vote example Company: Procter & Gamble Date: 13/10/2020 Resolution: Report on effort to eliminate deforestation. Vote: For Rational: Deforestation is one of the key drivers of climate change. Therefore, a key priority issue for LGIM is to ensure that investee companies are not contributing to deforestation Outcome: Pass