

FMC Technologies Pension Plan

Implementation Statement covering the Plan year from 1 January 2021 to 31 December 2021.

Introduction

The Trustee of the FMC Technologies Pension Plan (the “Plan”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies set out in the Statement of Investment Principles (SIP) during the year.

The statement is also required to include a description of the voting behavior during the year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during the year.

No changes were made to the voting and engagement policies in the SIP during the year. These policies were formally reviewed when the SIP was updated on 21 December 2020 to reflect the appointment of a new Fiduciary Manager and changes to the investment strategy.

The Trustee has, in its opinion, complied with the Plan’s voting and engagement policies during the year.

Description of voting behavior during the year

All of the Trustee’s holdings in listed equities are within pooled funds and the Trustee has delegated, to the asset managers, the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services during the year.

The Trustee does not wish to interfere with the day-to-day investment decisions of its asset managers. However, the Trustee, with support from the Fiduciary Investment Manager, does encourage its asset managers to comply with the principles outlined in the UN’s Principles for Responsible Investing and the UK Stewardship Code where this is appropriate for their mandate.

We do this primarily by requesting that the managers report on their voting activity, making it clear that compliance with these principles is expected. Based on their reporting, we believe that the managers have complied.

In this section we have sought to include voting data on the 20 funds the Scheme was invested with during 2021 that hold equities.

The Trustee was unable to include voting data for two managers, one of which has wound down its business and the other of which does not provide such information.

The Trustee will continue to work with its Fiduciary Investment manager and asset managers with the aim of providing fuller voting information in future implementation statements.

A summary of voting behavior over the year is provided in the table below

	SUMMARY
Managers Reported	18
Total Equity Managers	20
Total Meetings eligible to vote	502
Total resolutions voted on	5140
Average % of resolutions voted on that were eligible to vote	93%
Of the resolutions voted, % vote with management	88%
Of the resolutions voted, % vote against management	5%
Of the resolutions voted, % vote abstained from voting	7%
Percentage of meetings with at least once against management	28%

	Manager 1	Manager 2	Manager 3	Manager 4	Manager 5	Manager 6	Manager 7	Manager 8	Manager 9	Manager 10
What was the total size of the fund/mandate as at the end of the Reporting Period?	\$2.0 billion	\$105.2 Million	\$1.1 billion	\$548 million	\$1.56 billion	¥15.8 billion	\$115.5 million	\$896 million	\$13.6 billion	\$58 million
Total size of Scheme assets invested in the fund/mandate as at the end of the Reporting Period (if known)?	£8,539,123	£17,630,779	£13,702,961	£14,405,926	£11,201,336	£0	£11,215,811	£16,018,795	£14,916,427	£8,377,351
How many meetings were you eligible to vote at?	17	46	55	34	2	3	27	13	64	67
How many resolutions were you eligible to vote on?	17	493	728	264	6	27	269	88	484	541
What % of resolutions did you vote on for which you were eligible?	100%	100%	100%	100%	100%	100%	90%	100%	100%	97%
Of the resolutions on which you voted, what % did you vote with management?	100%	96%	98%	84%	83%	96%	86%	92%	91%	90%
Of the resolutions on which you voted, what % did you vote against management?	0%	4%	2%	15%	17%	4%	13%	6%	4%	9%
Of the resolutions on which you voted, what % did you abstain from voting?	0%	0%	0%	1%	0%	0%	1%	2%	5%	0%
In what % of meetings, for which you did vote, did you vote at least once against management?	0%	11%	18%	53%	50%	33%	48%	15%	20%	30%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	N/A	ISS / Use our own Policy	ISS	ISS	ISS Corporate Solutions, Inc & Glass Lewis Japan	N/A	ISS Proxy Services-Standard voting policy	N/A	ISS, Glass Lewis, and SES (for India Holdings) standard voting policy.	N/A
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser (if applicable)?	N/A	8%	8%	0%	0%	N/A	6%	N/A	14%	N/A

	Manager 11	Manager 12	Manager 13	Manager 14	Manager 15	Manager 16	Manager 17	Manager 18		
What was the total size of the fund/mandate as at the end of the Reporting Period?	\$3.0 billion	£58 million	\$1.4 billion	\$10 billion	\$3.0 billion	£10.5 million	\$31 million	\$5.5 billion		
Total size of Scheme assets invested in the fund/mandate as at the end of the Reporting Period (if known)?	£8,969,050	£883,529	£5,512,375	£8,638,022	£5,734,965	£10,583,533	£10,261,459	£1,847,686		
How many meetings were you eligible to vote at?	24	7	18	12	9	21	75	8		
How many resolutions were you eligible to vote on?	364	62	238	286	42	312	918	1		
What % of resolutions did you vote on for which you were eligible?	91%	100%	100%	100%	98%	100%	100%	0%		
Of the resolutions on which you voted, what % did you vote with management?	99%	100%	100%	98%	93%	100%	83%	0%		
Of the resolutions on which you voted, what % did you vote against management?	0%	0%	0%	2%	2%	0%	13%	0%		
Of the resolutions on which you voted, what % did you abstain from voting?	None	0%	0%	0%	5%	0%	4%	100%		
In what % of meetings, for which you did vote, did you vote at least once against management?	0%	0%	0%	N/A	N/A	100%	44%	33%		
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Glass Lewis, Proxy Edge	ISS	N/A	ISS	N/A	N/A	Glass Lewis, plus their climate voting policy overlay.	ISS		
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser (if applicable)?	0%	16%	N/A	6%	N/A	N/A	9%	N/A		

Most significant votes over the year

Below is a sampling of the most significant votes over the period. This sampling aims to provide insight into the broad range of issues on which portfolio managers voted, including decisions related to: mergers and acquisitions; board composition; executive compensation and alignment; share issuance; and environmental and social impact. Selecting samples this way addresses the regulators' focus on managers' engagement in a wide range of important issues, in addition to the potential impact on their portfolios. We selected votes pertaining only to significant positions in managers' portfolios, though we prioritized to highlight a broad swath of issues, and to highlight that managers often vote against executive management and against proxy consultants' recommendations.

Company 1, July 2021

The manager voted in support of management approving the formation of a Joint Holding Co. with another company. The manager believes the formation is beneficial to shareholders considering the complementarity of business strengths of the two companies to a positive outcome for the company's long-term future development. The vote carried. The vote is significant based on position size, 18.5%, and impact.

Company 2, June 2021

Manager in agreement with management recommendations. The vote carried. The vote is significant based on position size, 12.0%, and impact.

Company 3, April 2021

The manager voted against the election of the company's board of directors. This is an example of a manager's vote against based on concern about the board's non-independence. The manager held a 1.1% position. Significant due to the dissent level, shareholder proposals we voted FOR, times we voted against management or ISS, historical votes on similar proposals, and overall relevance to the strategy.

Company 4, May 2021

Manager voted against issuance of Equity or Equity-Linked Securities without Preemptive Rights and Authorize Reissuance of Repurchased Shares. The manager voted against it because this clause has become symbolic, and Company 4 is extremely unlikely to use these rights. They also engaged with the company and could not find comfort in explaining why they needed this provision to stay in place. The position was 7.5% of the portfolio. Vote passed.

Company 5, February 2021

The manager voted against the renewal of policies regarding large-scale purchases of the company shares (Anti-Takeover Defense Measures). The vote passed 55%. The manager will continue its engagement activities to urge the company management to increase its shareholder value without depending on the anti-takeover measures—0.8% position.

Company 6, May 2021

The proxy service provider recommends voting against management on four separate items: directors re-election, remuneration policy, capital creation without preemptive rights, and equity financing plan. The manager reached out to Company management and made an introduction between the CEO and our proxy service provider. The CEO committed to improving communication with the proxy service provider going forward—a 1.8% position.

Company 7, March 2021

The manager voted for the adoption of a simple majority rule and voted with the recommendation of the Proxy service provider. Elimination of the supermajority vote would enhance shareholder rights. Motion carried. The position was 0.8% of the portfolio.

Company 8, June 2021

The manager voted to approve Executive Share Options Plan. As a pre IPO investor, we are happy to support the management's ongoing restoration of shareholder value—the significance of voting against the ISS recommendation, which was against and position size. The position was 3.3% of the portfolio.

Company 9, March 2021

Manager voted shares in approval of Advisory Vote to Ratify Named Executive Officers' Compensation. New Chairman is an industry expert, and to appoint him as Chairman was a significant coup and value-enhancing appointment. An appropriate remuneration structure was required to attract a person of that caliber. As a 20% shareholder, we were happy to support as we encouraged the company to deliver value for shareholders—the significance of voting against the ISS recommendation, which was against and position size. The position was 9% of the portfolio.

Votes in relation to assets other than listed equity

The following comments were provided by the Scheme's asset managers, who don't hold listed equities, but invest in assets that had voting opportunities during the period:

- Private Capital Manager 1: The Fund's investment strategy is to invest in collective investment schemes managed by third party managers and does not include direct investments in public or private companies. As such, the Fund does not have a voting policy.
- Private Capital Manager 2: In voting proxies, Private Capital Manager 2 is guided by general fiduciary principles. Private Capital Manager 2's goal is to act prudently and solely in the best interest of the Clients. Private Capital Manager 2 attempts to consider all aspects of its vote that could affect, as applicable, the value of an issuer, the issuer's securities or the value of a Client Account. Private Capital Manager 2 votes proxies in the manner that it believes is consistent with efforts to achieve a Client Account's stated objectives, including maximizing the value of its portfolio.
- Private Capital Manager 3's clients primarily invest in loans and other debt investments. The holders of loans and debt investments are generally not entitled to vote on corporate matters, but in certain instances may be entitled to vote in connection with amendments or waivers under the relevant credit documents, or in connection with corporate events such as a merger or restructuring ("Corporate Actions").
- Private Capital Manager 4: Throughout its 30-year history as a leader in private equity investing, Private Capital Manager 4 has worked closely with the portfolio companies of the private equity funds it manages, to introduce and implement ESG best practices. Today those companies together employ hundreds of thousands of people across the globe, lending scope and scale to Private Capital Manager 4's efforts to promote diversity, encourage sustainability, and enhance local economies. Just as we take care of our own people, we seek to help portfolio companies take care of theirs. Our industry-leading ESG reporting program for portfolio companies is a rich resource for Private Capital Manager 4 and for the companies themselves to enable them to perform better and create value.

Where Private Capital Manager 4-managed private equity funds own a controlling equity stake in, or can exercise influence over the operations of, portfolio companies, Private Capital Manager 4 seeks to integrate, engage, and be transparent regarding ESG matters.

- Private Capital Manager 5: The Firm takes its voting responsibilities seriously and will exercise reasonable care to monitor corporate events and to cast votes in a manner that it believes is in the best interest of the Client Accounts and ultimately maximizes the value of Client Account investments.
- Public Credit Manager 1: Although the Fund does not invest in equities, we do invest in distressed affordable and senior housing. Through our involvement, we are able to steer change via the operator through infusion of capital or restructurings in order to protect the well-being of residents/patients.
- Public Credit Manager 2 has elected to use the ISS Sustainability Policy as our starting point for decisions on proxy voting. ISS provides us with analysis and voting recommendations in accordance with our Proxy Voting Guidelines and includes sustainability criteria to inform our decision-making process. The final decision on how to vote on any shareholder matter rests with the investment team. Public Credit Manager 2 may also engage other Proxy Advisory firms as appropriate for proxy voting research and other services.

In the case of the pooled investment arrangements, the policy on social, environmental, governance and ethical considerations is set by the pooled investment arrangement managers, who also exercise the rights attaching to investments (including voting rights), on behalf of all participants in these funds.

20 of the managers will vote on behalf of their investors.