

Implementation Statement, covering the Plan Year from 1 January 2023 to 31 December 2023 (the “Plan Year”)

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 in its Statement of Investment Principles (“SIP”) during the Plan Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the [guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions \(“DWP’s guidance”\) in June 2022.](#)

1. Introduction

No review of the SIP was undertaken during the Plan Year. The Trustee has, in its opinion, followed all of the policies in the SIP during the Plan Year. No changes were made to the voting and engagement policies in the SIP during the Plan Year, although it was noted that there are limited opportunities to vote and engage with underlying issuers of assets within the Plan’s target investment strategy (ie 100% in LDI, gilts and cash).

The Trustee has, in its opinion, followed the Plan’s voting and engagement policies during the Plan Year.

2. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement.

As part of its advice on the selection and ongoing review of the investment managers, the Plan’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

The Trustee has elected to not select Stewardship Priorities at this point in time given its objective, in early 2024, to secure all DB benefits through a buy-in policy.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to ensure that managers clarify expectations and encourage improvements.

3. Description of voting behaviour during the Plan Year

All of the Trustee’s holdings in listed equities are within pooled funds and the Trustee has delegated to its investment 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 over the Plan Year. However, the Trustee monitors managers’ voting and engagement behaviour on a regular basis and challenges managers where their activity has not been in line with the Trustee’s expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP’s guidance, on the Plan’s funds that hold equities as follows. Note that given the Plan’s extensive list of managers (many of which were sold during the period), we contacted a selection of the Plan’s managers based on two conditions, ie the likelihood that they would hold assets with voting opportunities and the materiality (size) of the allocations.

- Mercator Fund;
- MIRI Strategic Emerging Markets Fund; and
- van Biema Select Japan Engagement Fund.

The following funds have been omitted as they are less likely to satisfy the two conditions described above.

- *TCI Real Estate Partners Fund III;*
- *ICG Senior Debt Partners Fund – SDP 3C;*
- *Davidson Kempner Long Term Distressed Opportunities International IV;*
- *CVC Credit Partners Global Special Situations Feeder Fund II;*
- *The Huron Fund V;*
- *HS Group Sponsor Fund II;*
- *Apollo Overseas Partners IX;*
- *400 Capital Management Asset Based Offshore Term Fund II;*
- *Think Investments Offshore Fund;*
- *Valinor Capital Partners Offshore Fund;*
- *Alphagen Volantis Catalyst Fund II;*
- *Cat Rock Capital Master Fund;*
- *HS Quality Equity Strategy;*
- *Park Presidio Capital Offshore Fund; and*
- *Coatue Offshore Fund.*

As many of these mandates have been exited by the Plan, and due to the Plan's near term objective to secure all DB benefits through a buy-in policy, the Trustee is not intending to provide this information in future Implementation Statements.

In addition to the above, the Trustee contacted the Plan's LDI portfolio manager (Parametric) where the Plan currently invests the majority of its assets, who confirmed that they did not have any assets with voting rights and as such did not have any voting opportunities over the Plan Year.

The Trustee has elected not to select stewardship priorities but is comfortable that the managers policies were broadly aligned with the Trustee's view.

3.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its managers have in place. A summary of each managers voting process can be found below.

Sycalé Advisors (Mercator)

Sycalé generally does not consult with clients before voting. Sycalé typically follows the ISS Governance recommendation but may deviate from their recommendations as the portfolio manager deems appropriate or necessary.

MIRI Capital Management LLC

Generally, MIRI Capital does not consult with clients on voting. It is the policy of MIRI Capital to vote proxies with the intent to maximize value for MIRI Capital's clients. Proxies are an asset of a client, which should be treated by MIRI Capital with the same care, diligence, and loyalty as any asset belonging to a client. To that end, MIRI Capital will vote in a way that it believes, consistent with its fiduciary duty, will cause the value of the issue to increase the most or decline the least. Consideration will be given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote.

MIRI Capital utilizes ISS Proxy Services. Generally, most routine meeting agenda items are voted with ISS consultants' recommendations. MIRI Capital also reviews the ISS upcoming meetings report and it reviews individual agenda items through the ISS user website. The 'Upcoming Meetings' report is automatically sent every Monday via ISS's report schedule application. Proxy voting reports can be run as needed through the website application.

van Biema Value Partners

van Biema is not required to consult with clients before voting. The responsibility for voting proxies has been delegated to Symphony pursuant to the Sub-Advisory Agreement.

van Biema has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies") in a prudent and diligent manner that will serve the client's best interests and is in line with each client's investment objectives. van Biema may take into account all relevant factors, as determined itself, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

In limited circumstances, van Biema may refrain from voting Proxies where it believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to clients. van Biema determines whether and how to vote proxies on a case-by-case basis. Generally, clients may not direct van Biema's vote in a particular solicitation. In making proxy voting decisions, van Biema utilises the services of a proxy advisory firm (the "Proxy Advisor"), which provides recommendations to it regarding proxy votes. van Biema performs an assessment of the recommendations provided by the Proxy Advisor and makes a determination as to how to vote Proxies.

Conflicts of interest may arise between the interests of the clients on the one hand and van Biema or its affiliates on the other hand. If van Biema determines that it may have, or be perceived to have, a conflict of interest when voting Proxies, it will act in the best interests of clients and in accordance with the Proxy voting policies and procedures.

3.2 Summary of voting behaviour

A summary of voting behaviour over the Plan Year is provided in the table below. In relation to funds that were sold during the Plan Year, as the investment managers were unable to provide voting statistics over part-periods, we have included statistics over the full Plan Year.

	Fund 1	Fund 2	Fund 3
Manager name	Sycal Advisors LLC	MIRI Capital Management LLC	van Biema Value Partners
Fund name	Mercator Fund	MIRI Strategic Emerging Markets Fund	van Biema Select Japan Engagement Fund
Total size of fund at end of the Plan Year	c£417m	c£184m	£0 (Fund was in liquidation)
Value of Plan assets at end of the Plan Year (converted to GBP)	Sold June 2023 (Value when sold – c£13.9m)	c£5.5m	Sold June 2023 (Value when sold – c£7.4m)
Number of equity holdings at end of the Plan Year	25	29	0 (Fund was in liquidation)
Number of meetings eligible to vote	23	34	16
Number of resolutions eligible to vote	273	298	147
% of resolutions voted	100%	88%	100%
Of the resolutions on which voted, % voted with management	90%	82%	97%
Of the resolutions on which voted, % voted against management	10%	18%	3%
Of the resolutions on which voted, % abstained from voting	-	-	-
Of the meetings in which the manager voted, % with at least one vote against management	35%	53%	25%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0%	4%	4%

3.3 Most significant votes

Commentary on the most significant votes over the Plan Year, from the Plan's asset managers who hold listed equities, is set out below.

The Trustee did not inform its managers which votes it considered to be most significant in advance of those votes.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the managers could use the PLSA's criteria¹ for creating this shortlist.

The Trustee has interpreted "significant votes" to mean those that:

- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor; and
- have a high media profile or are seen as being controversial.

The Trustee has reported on two of these significant votes per fund only (where available) as the most significant votes. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee. Some managers below provided incomplete data, and as such we have included the comment "not provided by manager" where relevant.

Mercator Fund

- **Flutter Entertainment Plc, April 2023**
- **Vote cast:** For Resolution.
- **Outcome of the vote:** Passed.
- **Management recommendation:** Against Resolution.
- **Summary of resolution:** Approve transfer of the company's category of listing from a premium listing to standard listing
- **Rationale for the voting decision:** Mercator voted for the resolution as it believed it to enhance the company's business profile in the US and provide shareholders with greater liquidity in its shares.
- **Approximate size of the mandate's holding at the date of the vote:** c5%.
- **The reason the Trustee considered this vote to be "most significant":** Size of the positioning is significant and significant voting impact to shareholders.
- **Next steps:** The additional US listing gives shareholders greater access to the world's deepest and most liquid capital markets.

- **Burford Capital Ltd., June 2023**
- **Vote cast:** For Resolution.
- **Outcome of the vote:** Passed.

¹ [Vote reporting template for pension scheme implementation statement – Guidance for Trustees \(plsa.co.uk\). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.](#)

- **Management recommendation:** Against Resolution.
- **Summary of resolution:** Authorise market purchase of ordinary shares.
- **Rationale for the voting decision:** Mercator voted for the resolution as it believed this vote is in the best interests of its clients.
- **Approximate size of the mandate's holding at the date of the vote:** c4%.
- **The reason the Trustee considered this vote to be "most significant":** Size of the positioning is significant and significant voting impact to shareholders.
- **Next steps:** Mercator believes this resolution has increased long term shareholder value.

MIRI Strategic Emerging Markets Fund

- **NC Holdings Co. Ltd, June 2023**
- **Vote cast:** For Resolution.
- **Outcome of the vote:** Passed.
- **Management recommendation:** For Resolution.
- **Summary of resolution:** Amend articles to restore shareholder authority to vote on income allocation and share buybacks
- **Rationale for the voting decision:** MIRI voted for the resolution to improve deployment of income.
- **Approximate size of the mandate's holding at the date of the vote:** c8%.
- **The reason the Trustee considered this vote to be "most significant":** Size of the positioning is significant.
- **Next steps:** Not provided.

van Biema Select Japan Engagement Fund

- **Japan Securities Finance Co., Ltd, February 2023**
- **Vote cast:** Against Resolution

- **Outcome of the vote:** Passed.
 - **Management recommendation:** Against Resolution.
 - **Summary of resolution:** Appoint three individuals to investigate status of operations and property of the company.
 - **Rationale for the voting decision:** van Biema voted against the resolution as it believes the company disclosed sufficient public information to shareholders.
 - **Approximate size of the mandate's holding at the date of the vote:** c15%.
 - **The reason the Trustee considered this vote to be "most significant":** On grounds that the resolution may have a material impact on the company.
 - **Outcome and next steps:** van Biema will hold regular meetings with management to check if there are any problems with corporate governance.
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- **Japan Securities Finance Co, Ltd, June 2023**
 - **Vote cast:** Against Resolution.
 - **Outcome of the vote:** Passed.
 - **Management recommendation:** Against Resolution.
 - **Summary of resolution:** Amend articles to require individual compensation disclosure for company president.
 - **Rationale for the voting decision:** van Biema voted against the resolution as it believes the governance regarding executive compensation in this company to be appropriately managed by the compensation committee, with proper disclosure of compensation already carried out.
 - **Approximate size of the mandate's holding at the date of the vote:** c10%.
 - **The reason the Trustee considered this vote to be "most significant":** On grounds that the resolution may have a material impact on the company.
 - **Outcome and next steps:** van Biema will hold regular meetings with management to check if there are any problems with corporate governance.