

The Faculty of Advocates Retirement and Death Benefits Plan

Trustee Implementation Statement

Background and Trustee Policy

1. As a defined benefit pension scheme Faculty of Advocates Retirement Defined Benefit Scheme ("FOA"), requires our investment managers to confirm their adherence with the Trustees policy on shareholder engagement. As set out in the Statement of Investment Principles ("SIP"), dated August 2020, the Trustees have the following policy: -

1.1. Shareholder Engagement

The Trustees have considered the Institutional Shareholders' Committee code and their policy is to adopt the code and delegate responsibility for implementation to the Investment Manager.

The Trustee considers the Investment Managers existing shareholder engagement policy to be appropriate for the current objectives of the Scheme. Should the Trustees wish to pursue a specific shareholder engagement policy in regards to a specific company, industry or broad governance item this will be communicated to the Investment Manager.

In order to monitor the shareholder engagement actions of the Investment Manager the Trustee requires them to provide an annual disclosure of their shareholder engagement activities.

Please refer to appendix 1 for a full copy of the SIP statement.

Investment Manager Policy

2. Our Investment Managers, LGT Vestra LLP have advised they adopt the current policy in regards to the Shareholder Engagement and voting rights: -

2.1. Shareholder Engagement

As a wealth manager, our primary duty is to maximise investment returns for our clients whilst operating within the confines of our contractual obligations and the objectives, goals and other parameters we have agreed with our clients. We look to achieve this through our sound and thorough approach to identifying suitable investment opportunities.

Investment opportunities are identified through comprehensive financial analysis but other aspects of the company or fund may be given consideration. Those factors include:

- Corporate governance
- Strategy
- Culture
- Non-financial performance and risks
- Capital structure
- Social and environmental impact

The significance assigned to these factors is considered on a case-by-case basis at the discretion of our in-house Research team.

2.2. Voting Rights

LGT Vestra supports clients in exercising their right to vote where deemed appropriate. From time to time, our research analysts identify a significant issue which could have an impact on

the holdings of our clients. When this occurs, LGT Vestra exercises the vote on behalf of shares held by our clients through our nominee. Where clients identify a vote where they wish to exercise their rights, they may instruct us to vote on their behalf and we will cast a vote for the shares held by them through our nominee.

Where necessary or appropriate, we endeavour to engage with investee companies regarding significant votes. Records of our votes on behalf of particular clients are available to those clients upon request.

We do not currently use the services of proxy advisers, however, in 2021, we will be using a proxy adviser for our engagement activities. Details will be communicated in due course.

We regularly report investment activity to our clients, and where it is requested by a client, we report details of our voting activities.

Please refer to appendix 2 for full details of our stewardship policy, or refer to the following weblink

https://www.lgtvestra.com/shared/.content/publikationen/lgt-vestra-downloads/annual_reports/LGT-Vestra-Stewardship-Policy_en.pdf

Compliance statement

3. During the period, the Investment Managers have confirmed they have been in full compliance with both the Trustee's policy set out under item 1, and their own internal policies as detailed in item 2.

Over the period our Investment Managers have confirmed they were in compliance with this policy at all times.

Voting actions during period

4. During the period the Investment Managers have advised that they undertook the following significant votes during the period.

None

5. The Investment Manager defines significant votes as ones that directly affect shareholders equity holdings or value. For example, stock splits, mergers and acquisitions, rights issues. For bond holders, significant votes relate to changes to covenants and other related protections.

Future changes in Investment Manager processes

6. The Investment Managers have advised that from Q3 2021 onwards they will be working with ISS (Institutional Shareholder Services), who will provide proxy-voting services. This will enable the Investment Manger to vote systematically on issues across all equity and investment trust holdings on our approved lists at AGMs and EGMs.

Such issues include voting against excessive remuneration, regular change of auditors, entrenched boards, board diversity, accountability and responsibility of the board on other ESG topics as well as advocating ESG disclosures.

The results of the Investment Mangers voting policy is to be published annually, as this will allow clients to better understand the breakdown of votes by theme, and whether we have voted against/for the proposals.