

Implementation Statement for the MiTek UK Retirement & Death Benefits Plan

Covering 1 May 2020 to 30 April 2021

1. Background

The Trustee of the MiTek UK Retirement & Death Benefits Plan (“the Plan”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the Plan’s Statement of Investment Principles (“SIP”) during the previous Plan year, in relation to engagement and voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used.

This is the first implementation statement produced by the Trustee.

This statement should be read in conjunction with the SIP and has been produced in accordance with **The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018** and the subsequent amendment in **The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**.

A copy of the most recent SIP can be found at:

<https://www.mitek.co.uk/download/fy20-statement-of-investment-principles/>

2. Voting and Engagement

The Trustee is keen that its manager is a signatory of the UK Stewardship Code, which is the case.

All of the Trustee’s holdings are within pooled funds and the Trustee has delegated to its investment manager the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee has not directly used proxy voting services over the year.

The Plan’s funds are:

- M&G Discretionary Fund
- M&G Long Dated Corporate Bond Fund
- M&G Index-Linked Passive Fund
- M&G Cash Fund

The Trustee was unable to include voting data for the underlined funds as they are predominantly fixed income and do not hold physical equities.

3. Description of investment manager’s voting processes

M&G

M&G state:

“An active and informed voting policy is an integral part of our investment philosophy. In our view, voting should never be divorced from the underlying investment management activity. By exercising our votes, we seek both to add value to our clients and to protect our interests as shareholders. We consider the issues, meet the management if necessary, and vote accordingly.

Voting decisions are taken in the best interests of clients and decision-making takes into account a wide range of factors. Whilst we do not solicit clients' views, we would take them into account should they be known to us.

We use the research services of ISS and IVIS. Our voting is instructed through the ISS voting platform, ProxyExchange. We use the ISS custom service to flag resolutions that do not meet our policy guidelines. Voting decisions are taken by the Sustainability and Stewardship at M&G often in consultation with Fund Managers. Some routine resolutions are voted by ISS on our behalf when clear criteria have not been met.”

4. Summary of voting behaviour over the year

A summary of the investment manager’s voting behaviour over the period is provided in the tables below:

	Summary Info
Manager name	M&G
Fund name	Discretionary Fund
Approximate value of Trustees’ assets	Mitek section c.£11.8m as at 30 April 2021 TBS section c.£10.4m as at 30 April 2021
Number of meetings eligible to vote	1662
Number of resolutions eligible to vote	21407
% of resolutions voted	74.97
% of resolutions voted with management	94.69
% of resolutions voted against management	5.31
% of resolutions abstained	0.84
% of meetings with at least one vote against managements	36.82
% of resolutions voted contrary to the proxy adviser recommendation	4.33

5. Most significant votes over the year

Most significant votes for the M&G Discretionary Fund

Vote 1

Company name	Glencore
Date of vote	29/04/2021
Summary of the resolution	Approve Remuneration Report/ Approve Remuneration Policy/ Approve Incentive Plan
How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes
Rationale for the voting decision	Proposed remuneration structures are sig larger than previous remuneration proposals
Outcome of the vote	Not in a position to provide
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Not in a position to provide
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	Remuneration

Vote 2

Company name	Hutchison China Mediatech
Date of vote	28/04/2021
Summary of the resolution	Accept Financial Statements and Statutory Reports
How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes
Rationale for the voting decision	Concern over remuneration
Outcome of the vote	Not in a position to provide
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Not in a position to provide
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	Remuneration

Vote 3

Company name	Total SA
Date of vote	29/05/2020
Summary of the resolution	Instruct Company to Set and Publish Targets for Greenhouse Gas (GHG) Emissions Aligned with the Goal of the Paris Climate Agreement and Amend Article 19 of Bylaws Accordingly
How you voted	Abstain
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes
Rationale for the voting decision	Concern that resolution is able to be implemented in a way that is not detrimental to shareholders' interests
Outcome of the vote	Not in a position to provide
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Not in a position to provide
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	Environmental and social

Vote 4

Company name	Balfour Beatty Plc
Date of vote	25/06/2020
Summary of the resolution	Approve Remuneration Report
How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Not recorded
Rationale for the voting decision	Opposition due to concern that remuneration is excessive given the dividend cut and current market conditions
Outcome of the vote	Not in a position to provide
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Not in a position to provide
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	Remuneration

Vote 5

Company name	Unilever NV
Date of vote	21/09/2020
Summary of the resolution	Amend Articles Re: Unification
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	Supportive, as in our view it is in shareholders' interests
Outcome of the vote	Not in a position to provide
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Not in a position to provide
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	Corporate structure