



Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: Monday, 20 June 2016

Committee:
Pensions Committee

Date: Tuesday, 28 June 2016

Time: 10.00 am

Venue: Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire,
SY2 6ND

You are requested to attend the above meeting.
The Agenda is attached.

Claire Porter
Head of Legal and Democratic Services (Monitoring Officer)

Members of the Committee:

Thomas Biggins
Anne Chebsey
Andrew Davies
Malcolm Pate

Co-opted Members (Voting):

Malcolm Smith
David Wright

Co-opted Members (Non-Voting):

Jean Smith (Pensioner Representative)
Nigel Neat (Employee Representative)
Vacancy (Employee Representative)

Substitute Members of the Committee:

Joyce Barrow (SC)

Roger Evans (SC)

Stuart West (SC)

Michael Wood (SC)

Lee Carter (T&W)

Adrian Lawrence (T&W)

Vacancy (Pensioner Rep)

Vacancy (Employee Rep)

Your Committee Officer is:

Sarah Townsend Committee Officer

Tel: 01743 257721

Email: sarah.townsend@shropshire.gov.uk

AGENDA

1 Election of Chairman

2 Apologies for Absence and Substitutions

3 Appointment of Vice-Chairman

4 Disclosable Pecuniary Interests

Members are reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

5 Minutes (Pages 1 - 8)

The Minutes of the meeting held on 18 March 2016 are attached for confirmation, marked 5.

Contact: Sarah Townsend (01743 257721)

6 Public Questions

To receive any public questions or petitions from the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 5.00 pm on Thursday, 23rd June 2016.

7 Investment Strategy - Next Steps

Mr Louis-Paul Hill, from Aon Hewitt, will present this item.

8 Policy Update - Pensions Administration Strategy (Pages 9 - 28)

The report of the Pension Administration Manager is attached, marked 8.

Contact: Debbie Sharp (01743 252192)

9 Pensions Administration Monitoring (Pages 29 - 36)

The report of the Pension Administration Manager is attached, marked 9.

Contact: Debbie Sharp (01743 252192)

10 Corporate Governance Monitoring (Pages 37 - 84)

The report of the Head of Treasury & Pensions is attached, marked 10.

Contact: Justin Bridges (01743 252072)

11 Exclusion of Press and Public

To consider a resolution under paragraph 10.2 of the Council's Access to Information Procedure Rules that the proceedings of the Committee in relation to Agenda Items 12 to 17 shall not be conducted in public on the grounds that they involve the likely disclosure of exempt information as defined by the categories specified against them.

12 Exempt Minutes (Exempted by Category 3) (Pages 85 - 86)

The exempt Minutes of the meeting held on 18 March 2016 are attached for confirmation, marked 12.

Contact: Sarah Townsend (01743 257721)

13 New Admission Bodies (Exempted by Category 3) (Pages 87 - 90)

The exempt report of the Pension Administration Manager is attached, marked 13.

Contact: Debbie Sharp (01743 252192)

14 Appeals Under The Internal Disputes Resolution Procedure (Exempted by Category 2) (Pages 91 - 92)

The exempt report of the Pension Administration Manager is attached, marked 14.

Contact: Debbie Sharp (01743 252192)

15 LGPS Central - Investment Pooling (Exempted by Category 3) (Pages 93 - 242)

The exempt report of the Head of Treasury & Pensions is attached, marked 15.

Contact: Justin Bridges (01743 252072)

16 Brevan Howard Disinvestment (Exempted by Category 3) (Pages 243 - 246)

The exempt report of Aon Hewitt is attached, marked 16.

Contact: Louis-Paul Hill (0117 900 4440)

17 Investment Monitoring - Quarter to 31 March 2016 (Exempted by Category 3) (Pages 247 - 292)

The exempt report of the Head of Treasury & Pensions is attached, marked 17.

Contact: Justin Bridges (01743 252072)

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Pensions Committee

28 June 2016

10.00 am

MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 18 MARCH 2016 10.00 AM - 12.47 PM

Responsible Officer: Sarah Townsend
Email: sarah.townsend@shropshire.gov.uk Tel: 01743 257721

Present:

Members of the Committee:

Councillor Malcolm Pate (Chairman)
Councillors Anne Chebsey and Andrew Davies

Co-Opted Members (Voting):

Councillors Malcolm Smith and Arnold England (Substitute) (substitute for Charles Smith)

Co-Opted Members (Non-Voting):

Jean Smith

49 **Apologies for Absence and Substitutions**

Apologies for absence were received from Councillors Thomas Biggins, Charles Smith and Mr Nigel Neat.

Councillor Arnold England substituted for Councillor Charles Smith.

Apologies for absence were also received from Councillor Michael Wood (Substitute Member).

50 **Disclosable Pecuniary Interests**

Members were reminded that they must not participate in the discussion or voting on any matter in which they had a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

51 **Minutes**

RESOLVED:

That the Minutes of the meeting held on 27 November 2015 be approved and signed by the Chairman as a correct record.

52 Public Questions

There were no public questions.

53 Aberdeen Fund Management Ltd (Pan European Property)

Mr Dominic Delaforce and Mr Tom Richardson gave a presentation on the performance of the European Property Portfolio.

In terms of Shropshire's performance, it was noted that this had been strong over the last twelve months, with the portfolio outperforming the long term benchmark and the composite index, despite significant transactional activity. This was partly attributed to European Funds performing much better.

It was noted that Shropshire's Portfolio was now 82% weighted to the UK (excluding cash) and that this would continue to grow during 2016 as the strategy was to return capital to the UK from non UK European investments.

In respect of the sale of CG Malls Europe, the Committee questioned what the position would look like had it been made into a buying opportunity. Mr Dominic Delaforce and Mr Tom Richardson stated that they would provide the Head of Treasury and Pensions with the figures.

Finally, it was noted that the priorities in respect of Shropshire's mandate for 2016 were to continue to rationalise the UK element of the portfolio, to continue allocation of capital to the UK market and to monitor European liquidations and the secondary market.

54 BlackRock - Benefits of Diversification

Mr Simon Betteley and Ms Jo Langton from Blackrock, were in attendance to give a presentation on the benefits of diversification. They explained that diversification was about thinking of the outcome and finding a better way to achieve returns with less volatility.

The Committee were shown how different asset classes had behaved in recent years, to demonstrate that they had all seen periods of both good and negative performance. This indicated the problems of being invested in a single asset class and the conclusion was that by being diversified, investors can not only diversify their returns, but also their risk.

55 Investment Strategy and Economic Scenarios

Mr John Belgrove, Mr Louis-Paul Hill and Mr Mark Jeavons from Aon Hewitt, were in attendance to give a presentation on Investment Strategy, Diversification and Economic Scenarios.

The past performance of Shropshire's Fund was considered along with what had driven market performance and the positive and negative factors for the global economy.

Aon Hewitt's own five year economic scenarios were outlined. These were designed to assess the impact on pension funds' funding positions. In addition, and by way of an example, the current investment strategy was compared with an alternative diversified strategy.

The next steps were then detailed, with strategic asset allocation being of the highest importance / impact. The Committee were informed that the investment strategy would be reviewed during 2016 and would take account of funding calculation and goals, investment beliefs and a focus on alternatives.

56 Local Government Pension Scheme Central Update

The Head of Treasury and Pensions gave an update presentation on the Local Government Pension Scheme (LGPS) Central Pool. He explained that Shropshire were looking to pool with eight other Funds in the creation of 'LGPS Central'. The Funds are all based in the Midlands and are working together to create an investment pool of around £35 billion.

A copy of the joint submission to Government in response to the DCLG (Department for Communities and Local Government) issue of 'Local Government Pension Scheme: Investment Reform Criteria and Guidance', was circulated to the Committee.

It was reported that there would be significant one-off set-up and transition costs but that long term savings could be achieved. In terms of the timescale, liquid assets needed to be transferred to pools by 01 April 2018.

The Committee were informed that the LGPS Central Funds had like-minded principles with 'One Fund, One Vote' being a key feature. Six of the Funds had already worked together successfully on recent passive procurement, which had led to significant savings and four Officer Meetings had already been held, with further regular meetings planned.

In response to a query, the Head of Treasury and Pensions explained that individual Pension Funds would not see a dramatic change. However, the pool would be responsible for making investment manager appointments, although individual Funds would retain control over their own strategic asset allocation, utilising managers accepted into the pool. It was reported that the best legal structure for the pool was yet to be decided but a clear process would be required around how decisions are made and legal advice would need to be sought. It was currently expected that a Board would be set up with one elected Member / Officer from each LGPS sitting on the Board to oversee the running of the pool. The pool could not be 'all things to all Funds' and therefore some compromise would be necessary.

With regard to Infrastructure, it was explained that the Government was keen to encourage the LGPS Funds to increase their weighting in infrastructure and for these investments to be in the United Kingdom. However, the Head of Treasury and Pensions commented that investments needed to be suitable and it was essential that projects offered acceptable investment returns and risk levels.

RESOLVED:

Due to the tight Government timetable for responses, certain decisions would need to be made prior to the quarterly Pensions Committee meetings. It was therefore agreed that delegated authority be given to the Head of Finance, Governance and Assurance (Section 151 Officer), in consultation with the Chairman, to progress this work. Members would be provided with a further update on decisions made at the June Pensions Committee meeting.

57 Grant Thornton - Shropshire County Pension Fund Audit Plan 2015/16 and Informing the Audit Risk Assessment for Shropshire County Pension Fund 2015/16

In respect of 'The Audit Plan for Shropshire County Pension Fund' 2015/16, the Committee received the report of the External Auditor, Grant Thornton, (copy attached to the signed Minutes) which set out the audit plan for Shropshire County Pension Fund for the year ending 31 March 2016.

Mr Terry Tobin, Senior Manager for Grant Thornton, was in attendance to present the report. He stated that there were no major changes in terms of accounting requirements and no significant issues had arisen as a result of the audit.

The Committee confirmed that they were happy with the contents of the report.

RESOLVED:

That the contents of the report by the External Auditor, Grant Thornton, be noted.

In respect of the 'Informing the Audit Risk Assessment for Shropshire County Pension Fund' report, the Committee received the report of the External Auditor, Grant Thornton, (copy attached to the signed Minutes) which detailed responses received from the Council's Management in respect of a series of questions relating to the areas of fraud, laws and regulations, going concern, accounting estimates and related party transactions.

Mr Terry Tobin, Senior Manager for Grant Thornton, was in attendance to present the report. He confirmed that he was happy with the responses that had been received.

RESOLVED:

That the contents of the report by the External Auditor, Grant Thornton, be noted.

58 Schedule of Committee and Other Meetings 2016/17

The Committee received the report of the Head of Treasury and Pensions (copy attached to the signed Minutes) which set out a schedule of meetings of the Committee and outside bodies on which the Committee was represented. It also identified which managers and advisers would be attending the respective meetings.

The Committee were reminded that Fund managers and advisers were now only invited to present at Pensions Committee meetings if there were any issues or concerns.

It was also noted that the next meeting of the Pensions Committee, scheduled to be held on 24 June 2016, needed to be cancelled. Committee Members would be advised of the revised date in due course.

RESOLVED:

- (a) That the schedule of Committee meetings for 2016/17, including the Annual Meeting, as set out in the report be agreed.
- (b) That the representation at other conferences and training events as set out in the report be agreed.

59 Pension Fund Treasury Strategy 2016/17

The Committee received the report of the Head of Treasury and Pensions (copy attached to the signed Minutes) which proposed the Pension Fund Treasury Strategy for 2016/17 for the small cash balances that the Administering Authority maintained to manage the day to day transactions of the Fund.

RESOLVED:

- (a) That authority be delegated to the Scheme Administrator (Section 151 Officer) to manage the Pension Funds day to day cash balances.
- (b) That the Pension Fund Treasury Strategy be approved.
- (c) That the Scheme Administrator (Section 151 Officer) be authorised to place deposits in accordance with the Pension Fund's Treasury Strategy.
- (d) That the Scheme Administrator (Section 151 Officer) be authorised to add or remove institutions from the approved lending list and amend cash and period limits as necessary in line with the Administering Authority's creditworthiness policy.

60 Corporate Governance Monitoring

The Committee received the report of the Head of Treasury and Pensions (copy attached to the signed Minutes) which informed Members of Corporate Governance and socially responsible investment issues arising in the quarter 01 October 2015 to 31 December 2015.

RESOLVED:

That the position as set out in the report, Manager Voting Reports (Appendix A) and BMO Global Asset Management Responsible Engagement Overlay Activity Report (Appendix B) be accepted.

61 Pensions Administration Monitoring

The Committee received the report of the Pension Administration Manager (copy attached to the signed Minutes) which provided Members with monitoring information on the performance of and issues affecting the Pensions Administration Team.

The Committee were informed that due to the workload of the Pensions Administration Team, some agency work arrangements had been put in place.

RESOLVED:

- (a) That the position as set out in the report by the Pension Administration Manager be accepted.
- (b) That the GMP (Guaranteed Minimum Pension) Reconciliation exercise be carried out in line with the HMT (Her Majesty's Treasury) recommendations contained within section eight of the report.

62 Training Requirements

The Committee received the report of the Pension Administration Manager (copy attached to the signed Minutes) which provided Members with an update on the training arrangements in place within the Fund and introduced a new Training Policy for approval. The report also covered the training received by Pensions Board Members since its introduction on 01 April 2015.

RESOLVED:

- (a) That the Training Policy (Appendix A) be approved.
- (b) That the Pensions Regulators eLearning programme be completed by the Pensions Committee.
- (c) That the training undertaken so far by the Pensions Board (Appendix D) be noted.
- (d) That the Pension Regulators Survey be noted. (A summary of results could be found in Appendix E and a full report could be found in Appendix F).

63 Exclusion of Press and Public

RESOLVED:

That under paragraph 10.2 of the Council's Access to Information Procedure Rules, the proceedings of the Committee in relation to Minutes 64 to 66, be not conducted in public on the grounds that they might involve the likely disclosure of exempt information as defined by the category specified against them.

64 Exempt Minutes (Exempted by Category 3)

RESOLVED:

That the Exempt Minutes of the meeting held on 27 November 2015 be approved and signed by the Chairman as a correct record.

65 New Admission Bodies (Exempted by Category 3)

The Committee received the exempt report of the Pension Administration Manager (copy attached to the Exempt signed Minutes) which provided Members with details

regarding two admissions under Schedule 2 Part 3 Regulation 1(d)(i) of the Local Government Pension Scheme Regulations 2013. These admissions were due to services transferring from a Scheme Employer under two service contracts.

The report also provided confirmation of a new Schedule 1 Part 1 Scheme Employer (Academies) and a new Schedule 2 Part 2 Scheme Employer (Designated Bodies).

RESOLVED:

That the recommendations in the exempt report by the Pension Administration Manager be approved.

66 Investment Monitoring - Quarter to 31 December 2015 (Exempted by Category 3)

The Committee received the exempt report of the Head of Treasury and Pensions (copy attached to the Exempt signed Minutes) which provided Members with monitoring information on investment performance and managers for the quarter period to 31 December 2015, and reported on the technical meetings held with managers since the quarter end.

RESOLVED:

That the position as set out in the exempt report by the Head of Treasury and Pensions be noted.

(The full version of Minutes 65 and 66 constitutes exempt information under Category 3 of Paragraph 10.4 of the Council's Access to Information Rules and has accordingly been withheld from publication).

Signed (Chairman)

Date:

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Committee and Date

Pensions Committee

28 June 2016

10.00am

POLICY UPDATE - PENSIONS ADMINISTRATION STRATEGY

Responsible Officer Debbie Sharp

e-mail: debbie.sharp@shropshirehire.gov.uk

Tel: (01743)
252192

Fax (01743)
252184

1. Summary

- 1.1 The report outlines the requirement to produce and keep updated certain Policies under the Local Government Pension Scheme legislation and in line with the best practice principles published by the Communities & Local Government Department. This report recommends updates to the Pensions Administration Strategy.

2. Recommendations

- 2.1 The Committee is asked to approve, with or without comment, the revised Pension Administration Strategy at Appendix A.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Risk management is considered by Committee in making decisions under the governance arrangements outlined.
- 3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
- 3.3 There are no direct environmental, equalities or climate change consequences of this proposal.
- 3.4 The reviewed policies will be issued to employers and published on the Scheme's website.

4. Financial Implications

- 4.1 There are no direct financial implications arising from this report.

5. Background

Pension Administration Strategy

- 5.1 The Local Government Pension Scheme Regulations 2013 enables the Pension Fund Administering Authorities to publish a strategy for the sole purpose of improving the processes with their Fund.
- 5.2 The Shropshire County Pension Fund introduced its Pension Administration Strategy in June 2012 and the latest version was approved at committee in June 2015.

6. Annual Review

- 6.1 The Administration Strategy Statement has been updated to take account of new practices introduced as a result of the embedding changes in legislation from the introduction of the new LGPS last year and other relevant legislation. The revised Statement is attached at **Appendix A**
- 6.2 A consultation has been undertaken with all Fund employers. The comments received back have been responded to and changes made where appropriate.
- 6.3 Following approval these documents will be issued to all employers and published on the website.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Pensions Committee, 26 June 2015- Policies update.
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Cabinet Member

N/A

Local Member

N/A

Appendices

A – Pension Administration Strategy Statement

Shropshire County Pension Fund

PENSION

ADMINISTRATION

STRATEGY STATEMENT

To be agreed by Pensions Committee 28 June 2016



1. INTRODUCTION

Shropshire County Pension Fund (“the Fund”) is responsible for the administration of the Local Government Pension Scheme (“the Scheme”) within the geographical area of Shropshire. The Fund also administers the Scheme on behalf of a number of qualifying employers who are not situated within the Shropshire area. The service is carried out by Shropshire Council (“the administering authority”) on behalf of qualifying employers and ultimately the Scheme members.

This document is the Pensions Administration Strategy Statement which outlines the policies and performance standards towards providing a cost-effective, inclusive and high quality pensions administration service.

Delivery of such an administration service is not the responsibility of one person or one organisation, but is rather the joint working of a number of different stakeholders which between them are responsible for delivering the pensions administration service to meet the diverse needs of the membership and the regulatory requirements.

2. COMPLIANCE

Developed in consultation with employers within the Fund, this statement seeks to promote good working relationships, improve efficiency and ensure agreed standards of quality in delivery of the pension administration service amongst the employers and the Fund. A copy of this strategy is issued to each of the relevant employers and can be found in the employer area of our website.

In no circumstances does this strategy override any provision or requirement of the Regulations nor is it intended to replace the more extensive commentary provided by the Employers’ information on the Funds website and guides provided by the Local Government Association (LGA)

3. REVIEW

The undertakings set out within this Pension Administration Strategy will be reviewed annually by the Fund. The Fund will review this policy statement and make revisions as appropriate following a material change in its policies in relation to any of the matters contained in the strategy. Employers will be consulted and informed of the changes.

4. REGULATORY FRAMEWORK

Regulation 59-(1) of the LGPS Regulations 2013 enables an LGPS administering authority to prepare a document (“the pension administration strategy”) detailing administrative standards, performance measures, data flows and communication with employers.

In addition, Regulation 70.-(1) of the LGPS Regulations 2013 allows an administering authority to recover costs from an employing authority where costs have been incurred because of that employing authority’s level of performance in carrying out its functions under these Regulations. See section on Poor Performance.

This document has been presented, considered and ratified by the Pensions Committee on the 24th June 2016 and, as such, the contents of which apply to all existing and future employers of Shropshire County Pension Fund from that date.

5. SCHEME EMPLOYER DUTIES AND RESPONSIBILITIES

The delivery of a high quality, cost effective administration service is not the responsibility of just the administering authority, but depends on the joint working of the administering authority with a number of individuals employed in different organisations to ensure Scheme members, and other interested parties, receive the appropriate level of service and ensure that statutory requirements are met.

Monthly/Annual Data transfer

The Fund’s preferred method of data collection for employee is via iConnect or an agreed alternative. It is a Fund intention that all employers are using iConnect by March 2018.

Appointing a main contact

Each Employing authority must designate a named individual to act as the main point of contact with regard to any aspect of administering the LGPS and be responsible for ensuring the requirements set out in this strategy are met.

Their key responsibilities will be to:

- to act as a conduit for communications to appropriate staff within the employer - for example, Human Resources, Payroll teams, Directors of Finance;
- to ensure that standards and levels of service are maintained and regulatory responsibility is complied with.
- to ensure that details of all nominated representatives and authorised signatures are correct and to notify the Fund of any changes immediately;
- to arrange distribution of communications literature as and when required;
- to inform the Fund of any alternative service arrangements required;
- to assure data quality and ensure the timely submission of data to the Fund; and
- to assist and liaise with the Fund on promotional activities.

Authorised signatories

Each employer must nominate individuals to act as authorised signatories whose names and specimen signatures will be held by the Pensions and must sign all documents or instructions received from an employer. In signing a document an authorised officer is not merely certifying that the form comes from the employer stated, but also that the information being provided is correct.

Consequently if an authorised signatory is certifying information that someone else has compiled, for example leaving information including a final salary pay, career average pay, assumed pay, (s)he should satisfy him/herself that the information is correct.

It is the employer's responsibility to ensure that details of the authorised signatures are correct, and to notify the Fund of any changes.

Employer Training

The Fund holds annual training for employers where its officers provide information on Fund Finances, Investment Performance, Regulatory changes and also Administration Performance. Attendance by each employer's main contact and Senior Management is actively encouraged. Usually the meeting content is communicated so the relevant

contact details of this nominated person must be kept up-to-date with the Fund. Employers must also

staff can attend. In some instances the training is filmed to enable individuals unable to attend to watch afterwards.

Policy Discretions

Each employer is required by statute to prepare and publish, a written statement of its policy regarding the exercise of certain discretionary functions available to them within the LGPS regulations. The policy statement must be kept under review and, where revisions are made, the revised policy statement must be sent to the Fund and made readily available to all employees within the employing authority within one month of the effective date. The LGA has produced a list of discretions employers have in the LGPS. The document can be found on the website www.lgpsregs.org

Notification of employee's rights

Internal Disputes Resolution Procedure (IDRP)

Under Regulation 72 of The LGPS 2013 regulations any decisions made by an employing authority affecting an employee's rights to membership or entitlement to benefits must be made as soon as is reasonably practicable and notified to the employee in writing including a reference to their right of appeal in line with Regulation 73 of the LGPS regulations. Every notification must;

- Specify the rights under stage 1 and 2 of the appeals procedure quoting the appropriate regulations;
- Specify the time limits within an appeal under either stage must be made and;
- Specify to whom an application for appeal must be made
 - For first stage appeals this must be the nominated person of the employer who made the decision. For second stage appeals this will be the appointed person at the administering authority

Nominated person

Each employing authority is required to nominate and name the person to whom applications under Stage 1 of the Internal Disputes Resolution Procedures should be made. The name, job title and

notify the Fund of any first stage appeals employers receive.

Computer Links

The Fund can provide the links to the Pensions Administration System to appropriate large employers, in order for employing authority staff to produce retirement estimates and enquire on their employees' record of membership. There is a charge for this access.

The Fund will ensure that the Pensions Administration System is available for use during normal office hours with the exception of any necessary scheduled maintenance of the system. Employers must notify the Fund when registered

users leave the organisation or no longer requires access.

6. SERVICE STANDARDS TO SCHEME MEMBERS

Overriding legislation dictates minimum standards that Pension Schemes and Employers should meet in providing certain pieces of information to the various associated parties – not least of which the Scheme member. The LGPS Regulations also identifies a number of requirements for the Fund and Employers, which may not have been all covered in this document.

Some of these performance standards are held within the following tables overleaf but not all:

NEW APPOINTMENTS

EMPLOYERS' RESPONSIBILITY	FUNDS' RESPONSIBILITY
<p>To ensure that pensions information is included as part of any induction process including in contracts of employment and appointment letters.</p> <p>To provide each new employee with a Brief Scheme Guide and New Member Form with their contract of employment. This may be in the form of issuing a paper copy, or PDF or directing all new members to the Funds website where the information can be viewed or downloaded. The most up to date versions can always be found on our website. Employers should ensure that whoever deals with new joiners within their organisation is issuing or directing members to the latest version of both the New Member Form and the Brief Scheme Guide.</p> <p>Employers must also determine the appropriate contribution rate (whether individually or by an automated process on payroll) and the employer must (as soon as is reasonably practicable) notify the employee of the contribution rate to be deducted from the employee's pensionable pay and the date from which the rate is payable. It is for the employer to determine the method by which the notification is given to the employee but the notification must contain a conspicuous statement giving the address from which further information about the decision may be obtained; must notify the employee of the right to appeal and including the process and timescales involved. To apply the correct employee contribution rate according to the scheme the member is in – either the 50/50 or 100/100 scheme. To alter employee contribution rates at all other times in line with the employers' discretionary policy on adjusting employee contribution rates.</p>	<p>To support employers request to attend inductions.</p> <p>To update pension information in accordance with regulatory changes and to keep PDF versions up to date on the Fund website www.shropshirecountypensionfund.co.uk</p>

NEW STARTERS

EMPLOYERS' RESPONSIBILITY	FUNDS' RESPONSIBILITY
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<p>To ensure that all employees subject to automatic/contractual admission are brought into the Scheme from the relevant date, and provide the Pension Administration Team, with accurate details within 4 weeks of their start date by the agreed monthly return format.</p> <p>To assist the Fund in ensuring that all new starters complete the New Member Form containing information including on previous pension schemes and personal details such as their National Insurance Number, Date of Birth and Home Address. New starter information should also be added to the agreed monthly return within four weeks of the employees first pay date.</p> <p>Where there is more than one contract of employment with the same employer, each membership shall be maintained separately and the Fund notified as above.</p> <p>To send the Fund notification in agreed monthly return of any eligible employees subject to automatic entry, who opt out of the scheme within three months of joining.</p>	<p>To accurately record and update associated member records on the pension administration system.</p> <p>To apply for any Transfer Value details within two weeks of receipt of all the relevant information from the member and to produce Membership Certificates and forward them to member's home address, within thirteen weeks of joining the Scheme or as stated within the Regulations.</p> <p>To accurately create member records on the pension administration system within four weeks of receipt of the notification.</p> <p>To accurately record and update member records on the pension administration system within four weeks of receipt of the documents.</p>
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CHANGES IN CIRCUMSTANCES FOR ACTIVE MEMBERS

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To ensure that the Fund is informed of any changes in the circumstances of employees on the agreed monthly return or on the appropriate form within four weeks of the change. Guidance can be found in the Employers Guide at: www.shropshirecountypensionfund.co.uk</p> <p>Changes include:</p> <p>Personal Information:</p> <ul style="list-style-type: none"> • Change of Name • Marital Status • National insurance Number <p>Conditions of employment affecting pensions:</p> <ul style="list-style-type: none"> • Contractual Hours (mandatory for members who meet the underpin requirements only) • Any remuneration changes due to promotion and down grading - pre April 2014 members only) • Full-time equivalent pensionable pay according to the Pre 2014 definition 	<p>To provide template forms and spreadsheets for recording any key changes in circumstance and to provide advice on the secure submission of data electronically.</p> <p>To accurately record and update member records on pension administration systems within four weeks of notification or any shorter period as requested by the employer with regard to specific requirements.</p> <p>To highlight annually if an individual has exceeded their Annual Allowance.</p>

- Actual pensionable pay (including overtime/additional hours) in 100/100 and 50/50 Schemes according to the Post 2014 definition (CARE).
- Employees Contribution Rate
- Employee Number and/or Post Number
- Date Joined Scheme (if adjusted)
- Confirmation of 50/50 or 100/100 scheme entry

NB. An Employee can easily exceed HMRC Annual Allowance if their pay increases. You therefore are asked to inform the Fund of :

- Augmentation,
- Honorariums
- AVC contributions

Further information is available from the fund on this issue or visit the page on 'Monthly returns' on the website www.shropshirecountypensionfund.co.uk

Absence

During periods of reduced or nil pay as a result of sickness, injury or relevant child related leave (i.e. ordinary maternity, paternity or adoption leave or paid shared parental leave and any paid additional maternity or adoption leave) Assumed Pensionable Pay (APP) should be applied for pension purposes.

Employer contributions should be deducted from pay and any APP. If the employee receives no pay the employer contributions should still be deducted from APP.

Should an employee wish to purchase Additional Pension Contribution (APC) or Shared Cost (SCAPC) contract to buy back the pension 'lost' during the absence, the APP amount will need to be calculated and provided to the members employer. Employers must bring to the attention of the member before a period of absence that they can buy back the 'lost' pension. Employers should also direct members to the website www.lgpsmember.org so they can calculate the cost to buy back the 'lost' pension.

Types of absences include:

- Maternity, Paternity and Adoption
- Paid & Unpaid leave of absence
- Industrial Action (SCAPC not available)
- Any other material/authorised period of absence

<p>See section 'ADDITIONAL PENSION CONTRIBUTIONS (APCs) and SHARED COST APC's' for further information.</p>	
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ANNUAL RETURN, VALUATION & ANNUAL BENEFIT STATEMENTS

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To provide the Fund with year-end information to 31 March each year in an approved format no later than 30 April or the next working day.</p> <p>The information should be accompanied by a final statement; balancing the amounts paid during the year with the total amounts on the year-end return data file together with a compliance statement both duly signed by an appropriate officer.</p> <p>To provide any additional information that may be requested for the production of Annual Benefit Statements for service up until the 31st March in each particular year by the 30 April each year.</p> <p>To provide the Fund with up to date and correct information as requested in accordance with agreed timescales and the regulations.</p> <p>To ensure that all errors highlighted from the annual contribution and pensionable pay posting exercise are responded to and corrective action taken promptly.</p>	<p>To process employer year end contribution returns within three months of receipt i.e. 30th April, or within three months of receipt of the information if later.</p> <p>To produce annual benefit statements for all active members by 31st August and to provide Annual Allowance information by the 5th October each year.</p> <p>Statements will also be produced for deferred members, but no information from employers will be required. Employers must ensure that all leavers are notified to the pension's team.</p> <p>To provide data to the Fund Actuary and Government Actuary's Department to enable employer contribution rates to be accurately determined.</p> <p>To provide an electronic copy of the valuation report and contributions certificate to each employer.</p>

RETIREMENT, TRANSFER, DIVORCE ESTIMATES / OUT SOURCINGS etc

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To submit a request using forms PEN010 by post or attaching it to an e-mail.</p> <p>For larger bulk estimates, requests can be made in alternative agreed formats.</p> <p>To provide pay and other relevant data as requested and provided in the format requested at the time either on an individual or group basis for;</p> <ul style="list-style-type: none"> • Employee requests e.g. Transfer requests, divorce requests, retirement. • Actuary Requests e.g. Triennial Valuation, FRS17/IAS 19 • Staff transfers e.g. Outsourcings etc. 	<p>To issue the individual quotations within seven working days of receiving the request or by separate agreed timescales for bulk requests.</p> <p>To provide large employers links to the appropriate software to produce retirement estimates without the resource of Fund staff. (Employers should note there is a charge for this access).</p>

ACTUAL RETIREMENTS

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To submit the appropriate PEN007 form to the Fund as soon as the information is available. The PEN007 form must be completed fully as it confirms the information required to enable the benefits to be calculated and the employer's decision as to the type of benefit is to be paid to member. Evidence of the calculation of final pensionable pay is preferred so the Pensions Team can check the accuracy of the pay provided. If not provided the PEN007 form would be returned if it appeared to be incorrect.</p> <p>Further information can be found in the Employers Guide via www.shropshirecountypensionfund.co.uk</p>	<p>To issue the member with a letter and benefits information within seven days of employer's notification.</p> <p>To make payment of any lump sum within seven working days of receipt of all relevant forms and certificates from the member, if later than retirement date.</p> <p>To pay any pension payment on the 29th of each month into the bank, following retirement, unless this falls on a weekend or bank holiday when the payment will be made on the last working day before.</p>

ILL HEALTH RETIREMENTS

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY

<p>To determine whether an ill health award is to be made, based on medical evidence and the criteria set in the current LGPS regulations after obtaining an opinion from a Fund approved Independent Medical Registered Practitioner (IMRP) on the appropriate certificate. If an award is made, to then determine which tier 1, 2 or 3 is to be awarded.</p> <p>Arrange for completion of the PEN007 and then submit to the Fund with all related paperwork.</p> <p>To keep a record of all Tier 3 ill health retirements, particularly in regard to arranging the 18 month review. Arranging if necessary with an (IMRP) approved by the Administration Authority for a further medical certificate. To recover any overpayment of pension benefits following a discovery of gainful employment and notify the Fund, where appropriate.</p> <p>To review all Tier 3 ill health retirement cases prior to discontinuance at three years. Further information on Ill health retirements can be found on the employers pages on our website www.shropshirecountypensionfund.co.uk</p>	<p>To calculate and pay required benefits in line with actual retirement timescales.</p> <p>To assist the employer in performing their legislative responsibility to review Tier 3 ill health cases at eighteen months.</p>
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MEMBERS LEAVING EMPLOYMENT BEFORE RETIREMENT	
EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To notify the Fund using the Leavers Form PEN007 form of the employee's date and reason for cessation of membership and all other relevant information on approved forms within four weeks of the event at the latest.</p>	<p>To accurately record and update member records on the pension administration system.</p> <p>To inform members who leave the Scheme, who are not entitled to immediate payment of benefits, the options available and deferred benefit entitlement within one month of receiving all relevant information.</p>

FORMER MEMBERS WITH DEFERRED BENEFITS	
EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To keep adequate records of the following for members who leave the Scheme with deferred benefits as early payment of benefits may be required:</p> <ul style="list-style-type: none"> • Name & Last known address • National Insurance Number • Payroll Number 	<p>To record and update member records on pension administration system.</p> <p>To provide former members, where possible, an annual benefit statement of their deferred benefits updated by accrued annual pensions increase awards.</p> <p>To provide estimates of benefits that may be payable and any</p>

<ul style="list-style-type: none"> • Date of Birth • Last job including job description • Salary details • Date and reason for leaving <p>To determine, following an application from the former employee to have their deferred benefits paid early, as to whether or not they are eligible for early payment on ill health grounds in line with the criteria set in the relevant regulations and after seeking a suitable medical opinion from an (IMRP) approved by the Administering Authority or to determine whether benefits should to be released early and in some cases any actuarial reduction waived on compassionate grounds.</p>	<p>resulting employer costs within seven days of request.</p>
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DEATH IN SERVICE & TERMINAL ILLNESS

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To inform the Fund immediately on the death of an employee, or when a member is suffering from a potentially terminal illness and provide details of next of kin.</p> <p>Further information can be found on the employers pages of our website www.shropshirecountypensionfund.co.uk</p>	<p>To assist employers, employees and their next of kin in ensuring the pension options are made available and that the payment of benefits are expedited in an appropriate and caring manner.</p>

FINANCIAL OBLIGATIONS

EMPLOYERS' RESPONSIBILITY	FUNDS RESPONSIBILITY
<p>To pay the Fund all contributions deducted from payroll (not including AVCs) of its employees and employer contributions and any deficit Lump Sum payments due on a monthly basis, no later than the 19th day of the month following the period of deductions. Further information can be found in the Employer Guide via www.shropshirecountypensionfund.co.uk</p> <p>Each payment must be accompanied by the agreed monthly statement providing;</p> <ul style="list-style-type: none"> • the breakdown of the payment, at employee level (if not using iConnect). • Employee 100/100 (main scheme) 	<p>To allocate the received contributions to each employers record.</p> <p>Interest may be charged for late payment in the following circumstances;</p> <ul style="list-style-type: none"> • Employer contributions (including deficit payment) are overdue if they are received a month later than the due date specified. • All other payments are overdue if they are not received by the due date specified. <p>Inform each employer of any new contribution bandings tables.</p> <p>Inform employers of any rechargeable items as they become due.</p>

<p>contributions</p> <ul style="list-style-type: none"> • Employee 50/50 scheme contributions • Employee additional contributions • Employer contributions • Employer SCAPC contributions • Deficit payment <p>To pay all rechargeable items to the Fund on receipt of the invoice. Benefits will not commence until the invoice is paid.</p>	
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ADDITIONAL PENSION CONTRIBUTIONS (APCs) and SHARED COST APC's (SCAPCs)

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To communicate to employees regarding the option of SCAPC's to cover periods of 'lost pension' and the timeframe they must elect to purchase a SCAPC. Members must elect within 30 days of returning to work following the absence but employers have the discretion to extend this period.</p> <p>To calculate and collect from the employee payroll contributions and to arrange the prompt payment to the Fund, according to the published schedule and to be no later than the 19th of the month following deduction. More information can be found in the Employers Guide on www.shropshirecountypensionfund.co.uk</p>	<p>To provide information on APCs to members/employers through www.shropshirecountypensionfund.co.uk where a modeller can be found.</p>

STANDARDS OF DATA

Overriding Legislation in performing the role of administering the LGPS, The Fund and Employers will comply with the overriding legislation, including:

- the Occupational Pensions Schemes (Disclosure of Information) Regulations 2015;
- The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015
- the Pensions Act 1995, 2004 and 2014;
- any Transitional Regulations currently in place;
- the Discretionary and Compensation Regulations 2006;
- the Data Protection Act 1998;
- the Freedom of Information Act 2000;
- the Disability Discrimination Act 1995;
- the Age Discrimination Act 2006;
- the Finance Act 2004;
- Health and Safety legislation;
- Employment Rights Act 2010;
- HMRC Legislation and Current GAD Guidance
- Public Service Pensions Act 2013

and any future amendments to the above legislation.

Data Protection

To protect any personal information held electronically the Administering Authority is registered under the Data Protection Act 1998. This allows members to check that their details held are accurate. The Fund may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Fund.

Members who wish to apply to access their data on data protection grounds should contact the Data Protection Officer on: **(01743) 252774**

Shropshire Council is the Administering Authority for the Shropshire County Pension Fund and is registered with the Information Commissioner's Office as a Data Controller.

Your information is processed for the sole purpose of administering your pension and your personal details will be retained.

The Fund may, if it chooses, pass certain details to a third party, where the third party is carrying out an

administrative function of the Fund or where we are legally obliged to do so.

Members who wish to see a copy of information held about them by the Shropshire County Pension Fund should make a subject access request under the Data Protection Act 1998 to the Information Governance Team at Shropshire Council. For details ring 01743 252774 or 01743 252179, email information; governance@shropshire.gov.uk or visit the website at: www.shropshire.gov.uk

Secure Data Transfer

The Fund will follow Shropshire Council's data security guidelines when sending any personal data in bulk, including its published data sharing policy. This means that if data is shared:

- We will agree an authentication process and confirm that it is an appropriate person and contact number in the receiving organisation.
- Encryption software will be used, which will be self-extracting, and allow the recipient to open the file,
- Without the need for the software, it should be password protected and we will follow delivery guidelines if the data is sent by courier.
- The appropriate agreed person will confirm the data has been received, request the password and confirm the file is successfully opened.

The full guidelines can be made available on request.

8. FUND ADMINISTRATION PERFORMANCE MEASURES

In

PERFORMANCE MEASURE	TARGET (WORKING DAYS)
Payment of retirement benefits	7 DAYS
Payment of monthly pensions on the appropriate day of the month	1 DAY
Payment of transfer values	7 DAYS
Provision of inward transfer quotes	10 DAYS
Notification of deferred benefits	30 DAYS
Respond to members general postal / email/ telephone enquiries	5 DAYS

All these measures start from the date of receipt of all relevant information. The annual figures for the Fund's performance measures across all employers are recorded in the Annual Report.

Audit

The Fund is subject to an annual audit of its processes and internal controls. Employers are expected to fully comply with any requests for information from both internal and approved external auditors. Any subsequent recommendations will be considered and where appropriate implemented with Employing authority cooperation.

Benchmarking

The Fund will regularly monitor its costs and service performance by benchmarking with other administering authorities. Details of the costs of administration, quality measures and standards of performance will be published in the Annual Report.

9. EMPLOYER PERFORMANCE REPORTING

As part of this Pensions Administration Strategy the Fund will develop, with employer consultation, arrangements for quarterly reporting on key performance measures as contained in section 6 of

this document

This approach to reporting will facilitate early engagement with employers and also provide a mechanism for service level review and recognition of best practice.

Poor Performance

The Fund will seek, at the earliest opportunity, to work closely with employers in identifying areas of poor performance, provide the necessary training and development and to put in place appropriate processes to improve the level of service in the future.

In the event of continued poor performance and a lack of any evidence of any measures being taken to achieve improvement by an employing authority, the Fund will seek to recover any additional costs arising.

Any third party costs or regulatory fines incurred by the Fund as a consequence of administrative failures or poor performance by the employing authority will be recovered from the employer. These may include fines imposed by the Courts, the Pensions Ombudsman or the Pensions Regulator and additional charges in respect of actuarial fees, third party computer charges and additional printing and distribution costs.

In dealing with poor performance the Fund will:

- write to the employer setting out the area (s) of poor performance;
- meet with the employing authority, where possible, to discuss area(s) of poor performance and how these can be addressed;
- issue formal written notice, where no improvement is demonstrated by the employing authority or where there has been a failure to take agreed action by the employing authority;
- Make claim for cost recovery, taking account of time and resources in resolving the specific area(s) of poor performance.
- Will report any claim for the cost of recovery to the Pension Committee at the next available meeting and may form part of the administration report in the Fund's published Annual Report.

Reporting Breaches

The Fund has a procedure to be followed by certain persons in relation to reporting breaches of the law

to the Pensions Regulator. The breaches procedure applies, in the main to;

- all members of the Shropshire Pension Board;
- all officers involved in the management of the Pension Fund including members of the Treasury Team and Pensions Administration Team, and the Head of Finance, Governance³ and Assurance (Section 151 Officer);
- any professional advisers including auditors, actuaries, legal advisers and fund managers; and
- officers of employers participating in the Shropshire County Pension Fund who are responsible for Local Government Pension Scheme matters.

Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.

If a breach needs occurs the breaches policy must be followed. The most up to date breaches policy can be found on the Funds website.

If a breach occurs by an employer the Fund will notify the employer to ensure improvements are made and will record and monitor the breach.

If this failure to comply with the regulations is likely to be of material

10. ASSOCIATED POLICY STATEMENTS

The statement outlines the Fund's policy on:

- Information to members, representatives and employers;
- The format, frequency and method of distributing such information;
- The promotion of the Scheme to prospective members and their employing authorities

Governance Policy

Shropshire Council has delegated to the Pensions Committee various powers and duties in respect of its administration of the Fund.

This statement sets out the scheme of delegation and the terms of reference, structure and operational procedures of the delegation. It also includes

information on how it will exercise certain discretions provided by the scheme.

Employer Discretions

Since 1997, the LGPS Regulations have required every employing authority to:

- issue a written policy statement on how it will exercise the various discretions provided by the Scheme;
- keep it under review;
- revise as necessary.

A list of the Employer discretions can be found on www.lgpsregs.org

The Fund has purchased a template to assist employers when making their policy. A copy of the template can requested from the Pensions Team.

11. Regulations Extracts

Local Government Pension Scheme Regulations 2013: Regulation excerpts related to Exchange of information

80. — (1) A Scheme employer must—
- (a) Inform the appropriate administering authority of all decisions made by the employer under regulation 72 (first instance decisions) or by an adjudicator appointed by the Scheme employer under regulation 74 (applications for adjudication of disagreements) concerning members; and
- (b) give that authority such other information as it requires for discharging its Scheme Functions
- (2) If—
- (a) an administering authority makes any decision under regulations 72 (first instance decisions), 75 (decisions of the adjudicator) or 76 (reference of adjudications to administering authority) about a person for whom it is not the Scheme employer; and
- (b) information about that decision is required by the person's Scheme employer for discharging that employer's Scheme functions, that authority must give that employer that information if asked to supply it.
- (3) Within three months of the end of each Scheme year, each Scheme employer must give a statement to the appropriate administering authority giving the following details in respect of each employee who has been an active member during the Scheme year—
- (a) the employee's name and gender;

- (b) the employee's date of birth and national insurance number;
 - (c) a unique reference number relating to each employment in which the employee has been an active member; and (d) the information relating to the employee for the Scheme year in question for each employment which is specified in paragraph (4).
- (4) The information required by paragraph (3)(d) is—
- (a) the dates of active membership;
 - (b) the pensionable pay received and employee contributions deducted while regulation 9 (contributions) applied;
 - (c) the pensionable pay received and employee contributions deducted while regulation 10 (temporary reduction in contributions) applied;
 - (d) any contributions by the employer in relation to the employee's pensionable pay;
 - (e) any contributions by employee or employer under regulation 16 (additional pension contributions);
 - (f) any contributions by employee or employer under regulation 17 (additional voluntary contributions).

Local Government Pension Scheme Regulations 2013: Regulation excerpts related to Pension administration strategy

59. — (1) An administering authority may prepare a written statement of the authority's policies in relation to such of the matters mentioned in paragraph (2) as it considers appropriate ("its pension administration strategy") and, where it does so, paragraphs (3) to (7) apply.

(2) The matters are—

- (a) procedures for liaison and communication with Scheme employers in relation to which it is the administering authority ("its Scheme employers");
- (b) the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions by—
 - (i) the setting of performance targets,
 - (ii) the making of agreements about levels of performance and associated matters, or
 - (iii) such other means as the administering authority considers appropriate;
- (c) procedures which aim to secure that the administering authority and its Scheme employers comply with statutory

requirements in respect of those functions and with any agreement about levels of performance;

- (d) procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions;
- (e) the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs arising from Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);
- (f) the publication by the administering authority of annual reports dealing with—
 - (i) the extent to which that authority and its Scheme employers have achieved the levels of performance established under sub-paragraph (b), and
 - (ii) such other matters arising from its pension administration strategy as it considers appropriate; and
- (g) such other matters as appear to the administering authority after consulting its Scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

(3) An administering authority must—

- (a) keep its pension administration strategy under review; and
- (b) make such revisions as are appropriate following a material change in its policies in relation to any of the matters contained in the strategy.

(4) In preparing or reviewing and making revisions to its pension administration strategy, an administering authority must consult its Scheme employers and such other persons as it considers appropriate.

(5) An administering authority must publish—

- (a) its pension administration strategy; and
- (b) where revisions are made to it, the strategy as revised.

(6) Where an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its Scheme employers and to the Secretary of State as soon as is reasonably practicable.

(7) An administering authority and its Scheme employers must have regard to the pension administration strategy when carrying out their functions under these Regulations.

(8) In this regulation references to the functions of an administering authority include, where applicable, its functions as a Scheme employer.

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Committee and date
Pensions Committee

28 June 2016

10.00am

PENSIONS ADMINISTRATION MONITORING REPORT

Responsible Officer Debbie Sharp

Email: Debbie.sharp@shropshire.gov.uk

Tel: 01743 252192

Fax: 01743 255901

1. Summary

- 1.1 The report provides Members with monitoring information on the performance of and issues affecting the Pensions Administration Team.

2. Recommendations

- 2.1 Members are asked to accept the position as set out in the report.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 Risk Management

Performance is considered and monitored to ensure regulatory timescales and key performance indicators are adhered to. Administration risks are identified and managed and are reported to committee on an annual basis.

3.2 Human Rights Act Appraisal

The recommendations contained in this report are compatible with the Human Rights Act 1998.

3.3 Environmental Appraisal

There is no direct environmental, equalities or climate change consequence of this report.

3.4 Financial Implications

Managing team performance and working with other Administering Authorities ensures costs to scheme employers for Scheme Administration are reduced. However, it must be noted that the introduction of the 2014 LGPS and the increased governance being introduced by the Public Services Pension Act 2013 will increase the resources required by the administration team. Reconciling the Funds Guaranteed Minimum Pension Liabilities with HMRC will have a direct cost for the Fund but if this is not undertaken the Fund risks taking on

financial liabilities it didn't need to and having its data called into question by the Fund Actuary. LGPS having to fully index GMP's will increase costs for the Fund going forward.

4. Performance and Team Update

- 4.1 The team's output and performance level to the end of May 2016 is attached at **Appendix A**.
- 4.2 You will see that Tasks which became due have risen considerably during May. This is due to notification of new starters and leavers through iConnect. As previously reported, iConnect is increasing the number of changes/cases being identified on a monthly basis rather than the Pension's Team having to identify and then collect missing data during year the end process as usually happens.
- 4.3 The team are currently prioritising workloads to ensure all records are processed and at the correct member status in readiness for the data to be sent to the Scheme Actuary for the 2016 Valuation. This means all leavers, transfers and aggregation of records to 31 March 2016 need to be processed by the end of June.
- 4.4 The posting, to each individual member's record, of contributions, CARE pay and pay for Final Salary Benefits also has to be completed for the Valuation Data extract. Due to the introduction of iConnect for Shropshire Council & Telford and Wrekin Council and monthly returns for all other employers, this has been a much smoother process than in previous years. Data cleansing is currently being undertaken. Reports are being worked on to ensure all active records hold all the relevant data.
- 4.5 Test Valuation Extracts have been run and data already provided to the Actuary for some preliminary discussions to take place. Actual data is scheduled to be provided around the end of June.

5. Help Desk Statistics

- 5.1 The following chart shows the number of queries received through the helpline number.

	Feb 2016	Mar 2016	April 2016
Telephone calls received	689	754	844
Queries dealt with by helpdesk at first point of contact %*	98.98%	90.32%	91.95%
Users visiting the Website	Not available**	2217	2825

* Where queries have not been dealt with by helpdesk, this will usually mean that the calls have been picked up by the rest of the team.

***Support for the website is provided to the team by Shropshire Councils web team. This includes providing access to google analytics to track website statistics. In September 2015 it had come to the Funds attention that the website statistics were not being recorded correctly. This issue was raised with the web team and has been an intermittent issue until February 2016 when the web team were able to fix the problem. During this period (Sept 15–Feb 16) the Funds statistics may have been affected due to a configuration issue.*

6 Communications

6.1 **Annual Benefit Statements 2016**

Since the introduction of the 2014 Scheme Annual Benefit Statements have to now be issued by 31 August each year. The Annual Benefit Statements for deferred members are currently being worked on and the statement artwork, along with the accompanying newsletter, is being produced as a joint project with 7 other Funds. Members will be informed that next year's statements will be issued electronically via the Fund website, unless they opt to continue to receive a paper copy of the statement. The deferred benefit statements are currently scheduled to be issued at the end of July 2016. This may slip as recently it has been announced that the negative revaluation is to be applied to the deferred benefits and software will need to be updated to cope.

6.2 Annual Benefit Statements for active members will be issued securely via the Fund's website unless members request a paper copy. Members can view their statement and print a copy via Member Self Service. An email will be sent to all users of Member Self Service once the statements are available. Any members who have yet to register for this service will be sent an activation key. The notes pages to accompany this year's statement have recently been assessed by the Plain English Campaign and their comments, to ensure the notes are easy to understand, are being worked on. The notes pages will be uploaded to Member Self Service for members to view.

6.3 **Annual Report**

Work is underway to prepare the Funds Annual Report for 2015/16. Regulation 57 of the Local Government Pension Scheme (Administration) Regulations 2013 sets out the requirement for and the content of the Fund's Annual Report. In preparation of the report the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) is followed. The report will be submitted for approval at the September 2016 Pensions Committee meeting.

6.4 **Retired Members Meeting**

The Annual Retired Members Meeting is being held on Wednesday 29 June 2016 in the Council Chamber at the Shirehall, Shrewsbury. Along with a Fund update there are guest speakers from Affinity Connect;

covering financial planning, and West Mercia Police; on how members can protect themselves from Fraud. As usual the Pensions Team will be on hand to answer any questions from attendees.

6.5 Members Training Day

The Annual Members training day is taking place on 28 July 2016. The training day will provide training for both Pension Committee and Pension Board members. The agenda for the meeting is currently being prepared and will be circulated to the Committee once available.

6.6 Employers Discretions Policy

Regulation 60 of the Local Government Pension Scheme regulations 2013 state that a Scheme employer must prepare a written statement of its policy in relation to the exercise of its functions under the regulations and share a copy with the administering authority before 1st July 2014. In May 2016 the Fund wrote to the employers who it believed had not yet published a discretions policy. Following this exercise a total of a further 10 discretion polices have been received therefore the total number of policies still outstanding is 39. Employers have been asked to provide a policy by the 30 June 2016 and if after this date, an employer fails to comply with the Regulations, and it is likely to be of material significance it must be reported as a breach to the Pensions Regulator.

7. GMP – Reconciliation

7.1 As previously reported following the end of contracting out in April 2016, HMRC will be sending a statement to all individuals affected stating the amount of COPE (Contracted Out Pension Equivalent) they will receive and who is responsible for paying for it. Ahead of this, HMRC is advising that schemes should reconcile the GMP values they hold for members with those calculated by HMRC or face making overpayments to existing members and even individuals for whom they believe they have no liability.

7.2 The second stage of this project is currently being undertaken by ITM Ltd.

8 CARE Pension Revaluation

8.1 Please note the Government did get the agreement of the House of Commons and the House of Lords for the negative revaluation to be applied the LGPS CARE pension pots. It was also agreed however, that Pensioners who retired during 15/16 will not see a reduction in their benefits as this would have caused an Authorised Payment under HMRC rules.

9. New GAD Factors

9.1 On 29th April, the following pieces of revised guidance were issued by DCLG:

- Individual transfers
- Pension Credits on Divorce
- Pension debits on divorce
- Pensioner cash equivalents on divorce
- Early retirement
- LTA and limit on total amount of benefits
- Scheme pays/ Annual Allowance
- Trivial commutation
- Interfund transfers
- Purchase of Additional Pension
- AVC conversion to Additional Pension
- Inverse commutation
- Flexible Retirement

Further guidance, including transitional and late retirement guidance is still awaited and some processing is having to be backlogged until this is received.

10 Consultation on Amendment Regulations

10.1 On Friday 27th May, DCLG commenced a consultation on draft amendment regulations for the LGPS in England and Wales. Amongst other amendments, the consultation covers Fair Deal and changes to AVC provisions in light of the recent Freedom and Choice reforms. The consultation document is available under Drafts and Consultations on www.lgpsregs.org and on Gov.uk. <http://lgpsregs.org/index.php/dclg-publications/dclg-stat-guidance>. The consultation closes at 12.00am on 20th August 2016 (effectively on the evening of Friday 19th August).

10.2 A response will be sent to the consultation by the Fund officers.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</p>
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<p>Pensions Committee Meeting 18 March 2016 Pensions Administration Report</p>
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<p>Cabinet Member (Portfolio Holder)</p>

<p>NA</p>

<p>Local Member</p>

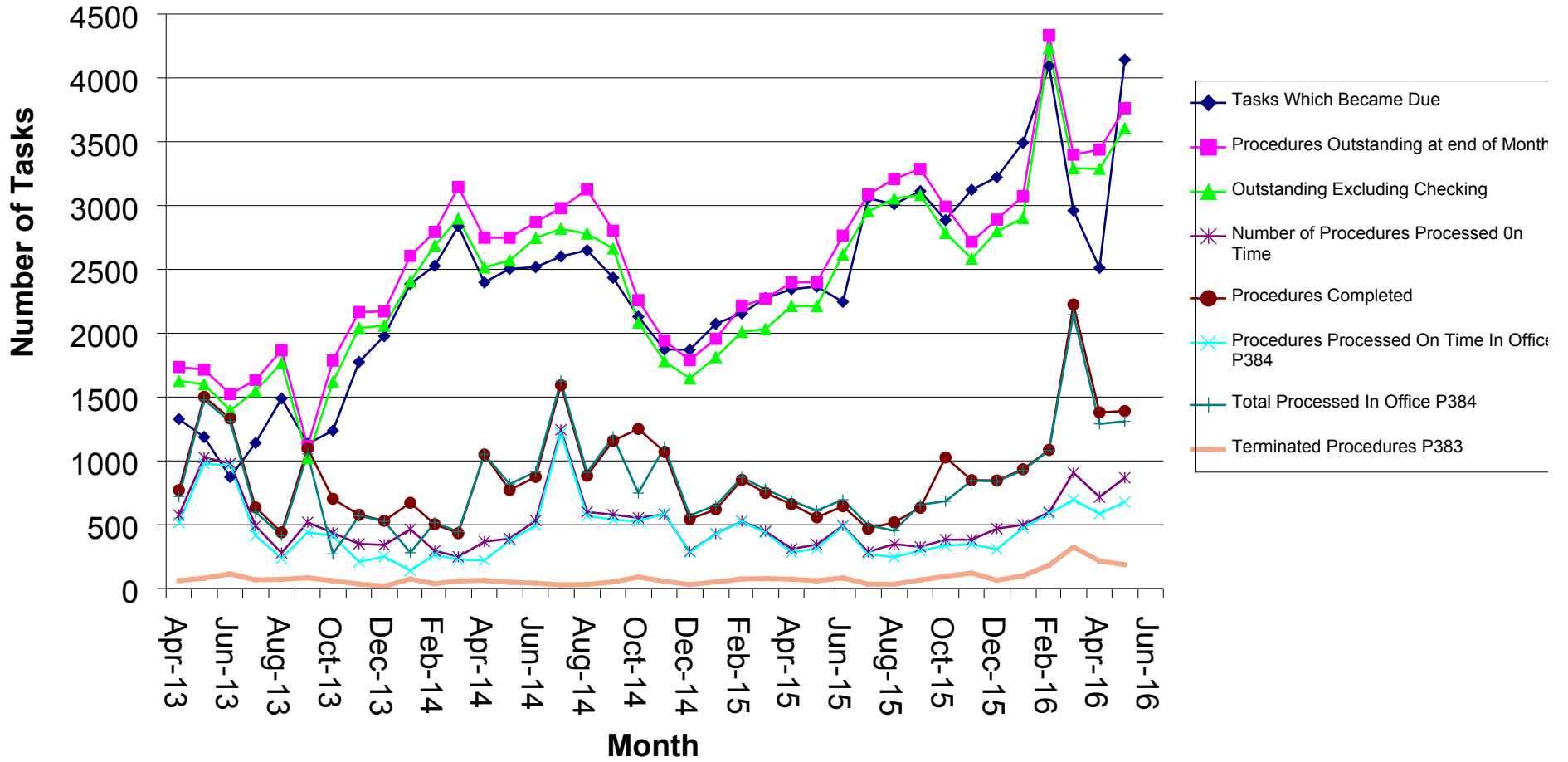
<p>NA</p>

<p>Appendices</p>

<p>Appendix A – Performance Monitoring</p>
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Task Statistics



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<u>Committee and Date</u>
Pensions Committee
28 June 2016
10.00am

CORPORATE GOVERNANCE MONITORING

Responsible Officer Ed Roberts

e-mail: ed.roberts@shropshire.gov.uk

Tel: (01743) 252078 Fax (01743) 255901

1. Summary

- 1.1 The report is to inform members of Corporate Governance and socially responsible investment issues arising in the quarter 1st January 2016 to 31st March 2016.

2. Recommendations

- 2.1 Members are asked to accept the position as set out in the report, Manager Voting Reports at Appendix A and BMO Global Asset Management Responsible Engagement Overlay Activity Report at Appendix B.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Risk Management is part of the Pension Fund's structured decision-making process by ensuring that investment decisions are taken by those best qualified to take them.
- 3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
- 3.3 The Fund's Corporate Governance Policy enables it to influence the environmental policies of the companies in which it invests.
- 3.4 There are no direct Equalities or Community consequences.

4. Financial Implications

- 4.1 There are no direct financial implications arising from this report.

5. Background

- 5.1 The Shropshire County Pension Fund has been actively voting for over fifteen years at the Annual General Meetings and Extraordinary General Meetings of the companies in which it invests. Voting is carried out by individual Fund Managers on all equity portfolios.

5.2 The Fund is also addressing its social responsibility through a strategy of responsible engagement with companies. BMO Global Asset Management provide this responsible engagement overlay on the Fund's UK equities portfolio.

6. Manager Voting Activity

6.1 Details of managers voting activity during the quarter relating to equity portfolios are attached (Appendix A).

7. Responsible Engagement Activity

7.1 During the last quarter BMO Global Asset Management have continued to actively engage with companies on the Fund's behalf. An update on the engagement activities for the quarter is attached at Appendix B in the REO Activity report.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Corporate Governance Monitoring report, Pensions Committee 18 March 2016

Cabinet Member

N/A

Local Member

N/A

Appendices

A. Manager Voting Activity Reports.

B. BMO Global Asset Management Responsible Engagement Overlay Reports.

VOTING POLICY



We introduced our own customised voting policy in the first quarter of 2014, run in parallel with ISS's policy. The majority of areas in which our policy differs from that of ISS are within the smaller company sector, in which we are a leading participant, and relates to capital raising with pre-emptive shareholder rights; these are by their nature often associated with smaller companies. It is not inconceivable that we will make exceptions and vote against our own policy: as with all our voting, we proceed on a case by case basis.

We regard a smaller company as having a market capitalisation of £1.5bn or less.

Below are the specifics of the policy:

Agenda Type	ISS policy	Majedie Policy
Smaller Company Board Structure	Where Non-Executive Directors (NEDs) are members of internal boards, or where members of the board sit on more than one internal committee, this is regarded as being against best practice, and therefore the recommendation is to vote against such proposals.	Give smaller companies greater flexibility in the composition of their boards for practical reasons, given personnel limitations, unless we take issue with one of the board members.
Issuances with Pre-emptive Rights	Proposals of greater than 33% of Issued Share Capital are against best practice and therefore the recommendation is to vote against.	As shareholders we will be given the right to take up the issuance, and therefore will not be diluted. We therefore vote for such proposals.
Issuances without Pre-emptive Rights	Proposals of greater than 10% of Issued Share Capital are against best practice and therefore the recommendation is to vote against.	Vote in line with ISS as such issuances are potentially dilutive for shareholders.
Political Contributions	Vote for.	Vote against. We like to maintain an independent stance.

VOTING SUMMARY

Over the quarter, Majedie Asset Management voted at a total of 39 meetings on 367 resolutions.

Please see below a breakdown of the meetings and resolutions which pertain to the UK Equity Fund.

Number of meetings we voted at this quarter	24	
Number of resolutions	225	
Where we voted in line with Management	220	(97.8%)
Where we have not voted in line with Management	5	(2.2%)
Where we voted against ISS's recommendation	8	(3.6%)

Source: Majedie, ISS (Institutional Shareholder Services)

The table below is a breakdown of the number of resolutions where we have either voted against Management or against the recommendation of ISS.

RESOLUTION	AGAINST MANAGEMENT	AGAINST ISS
Routine/Business	2	2
Remuneration	1	3
Board election & related proposals	1	0
Capitalisation	0	3
Miscellaneous	1	0
Reorg. and Mergers	0	0
Shareholder proposals	0	0
Total	5	8

Sources: Majedie, ISS (Institutional Shareholder Services)

VOTING BREAKDOWN

SECURITY	MEETING DATE	MEETING TYPE	MAJEDIE VOTE	IN LINE WITH ISS
CareTech Holdings (1)	01 Mar 2016	AGM	Against Resolutions 2, 9	Yes
Chemring	08 Feb 2016	EGM	Voted for all	Yes
Chemring	21 Mar 2016	AGM	Voted for all	Yes
Conygar Investment Company (2)	03 Feb 2016	AGM	Voted for all	No
DiamondCorp	07 Jan 2016	EGM	Voted for all	Yes
Home Retail	25 Feb 2016	EGM	Voted for all	Yes
Home Retail	25 Feb 2016	EGM	Voted for all	Yes
ITE	28 Jan 2016	AGM	Voted for all	Yes
ITM Power	16 Feb 2016	EGM	Voted for all	Yes
Johnston Press	21 Mar 2016	EGM	Voted for all	Yes
Lonmin (3)	28 Jan 2016	AGM	Voted for all	No
Paragon Group of Companies	11 Feb 2016	AGM	Voted for all	Yes
Patisserie Holdings (4)	27 Jan 2016	AGM	Voted for all	No
Premier Farnell	16 Mar 2016	EGM	Voted for all	Yes
Rakuten (5)	30 Mar 2016	AGM	Abstention on Resolution 3b	Yes
Randstad Holding	31 Mar 2016	AGM	Voted for all	Yes
RM (6)	23 Mar 2016	AGM	Voted for all	No
Royal Dutch Shell	27 Jan 2016	EGM	Voted for all	Yes
RPC Group	04 Jan 2016	EGM	Voted for all	Yes
RWS Group (7)	09 Feb 2016	AGM	Voted for all	No
Sage	01 Mar 2016	AGM	Voted for all	Yes
Thomas Cook (8)	23 Feb 2016	AGM	Against Resolution 13	No
Tullett Prebon	24 Mar 2016	EGM	Voted for all	Yes
Urban&Civic (9)	10 Feb 2016	AGM	Against Resolution 21	No
Vertu Motors	31 Mar 2016	EGM	Voted for all	Yes

Source : ISS (Institutional Shareholder Services)

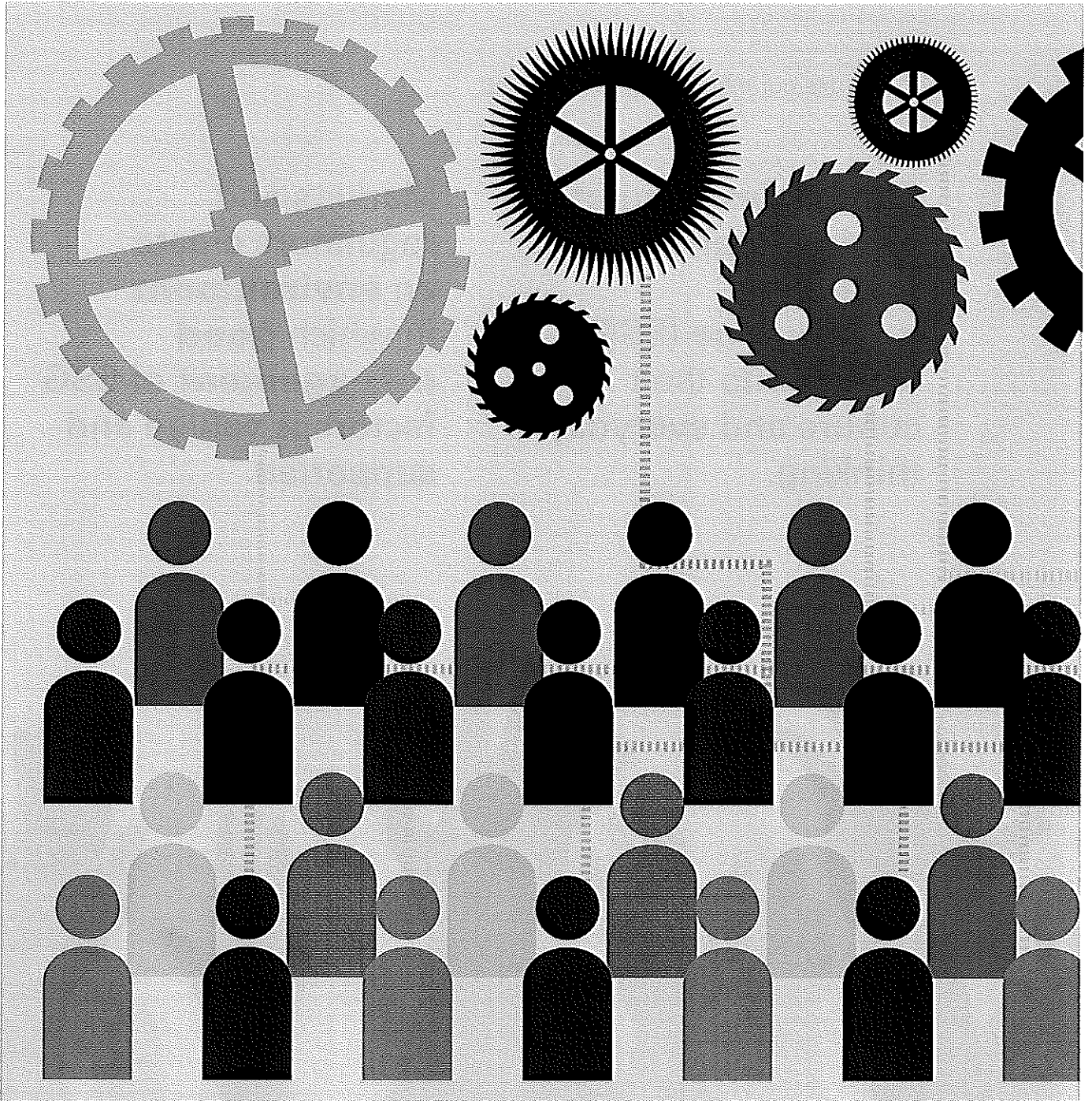
VOTING NOTES

- 1) CareTech Holdings: on Resolution 2, ISS recommended a vote against the remuneration report as the Chairman, Farouq Sheikh, received an increase of approximately 60% in his basic salary during the year under review with no explanation. ISS notes that an increase in base salary should be accompanied by a proper explanation for shareholders. We agreed and voted against. ISS also recommend a vote against the issuance of 20% equity without pre-emptive rights as it exceeds the recommended limit of 10%. We agreed and voted against.
- 2) Conygar Investment Company: Nigel Hamway serves on both the Audit Committee and the Remuneration Committee. Whilst we would prefer to see directors serve on only one committee, we acknowledge that smaller companies need to be permitted greater leeway in the composition of their boards, so we chose to vote in favour.
- 3) Lonmin: ISS recommended a vote against the Remuneration Report owing to the LTIP performance conditions being overly generous. Whilst we agree that targets are narrow and not very challenging, we note that in 2015 the management voluntarily gave up their bonus and no shares were awarded. We also note that the management took up rights in full during the recent rights issue. We are supportive of what the management are trying to achieve. Overall we approve of the Remuneration Report and therefore voted in favour, however, there is a meeting scheduled with the Chairman in the next few weeks at which we will discuss the proposed targets.
- 4) Patisserie Holdings: Luke Johnson serves on both the Audit Committee and the Remuneration Committee. Whilst we would prefer to see directors serve on only one committee, we acknowledge that smaller companies need to be permitted greater leeway in the composition of their boards, so we chose to vote in favour.
- 5) Ratuken: ISS recommended an abstention on the appointment of Statutory Auditor, Takahide Uchida, in line with their usual policy. The company viewed the appointment as an outsider, but Takahide Uchida is a former employee of Sumitomo Mitsui Financial Group, which is a major lender to Rakuten. He later served as a managing director at Daiwa SB Investments. Therefore we chose to vote in line with ISS.
- 6) RM Group: We advised the company that we considered the report needed improvement on the remuneration disclosures. The Company Secretary, Greg Davidson, liaised with the Remuneration Committee and replied that the Remuneration Committee had carefully considered our feedback both this year and in the previous year and amended this year's report accordingly. However, the company remained concerned about commercial sensitivity during a period of change so while targets for the CEO were disclosed, the numerical details were not. However, the Remuneration Committee will consider our feedback further well in advance of next year's report. We decided to vote in favour but will change our stance if no adjustment is made.
- 7) RWS Group: ISS recommended a vote against the re-election of Elisabeth Lucas as potential independence issues have been identified. Elisabeth Lucas serves on the Audit and Remuneration Committees. Whilst we would prefer to see directors serve on only one committee, we acknowledge that smaller companies need to be permitted greater leeway in the composition of their boards. We also note ISS's comment that RWS is a member of the FTSE AIM market and therefore is not expected to comply with the provisions of the UK Corporate Governance Code. Therefore we chose to vote in favour.

- 8) Thomas Cook: we voted in line with Majedie policy with regard to political donations.
- 9) Urban & Civic: we voted in line with Majedie policy with regard to political donations.

Corporate governance and active ownership

Q1 2016 quarterly report



Our mission

To use our influence to ensure that:

Companies integrate **environmental, social and governance (ESG)** factors into their culture and everyday thinking.

Markets and regulators create an **environment** in which **good management** of ESG factors is valued and supported.



Our focus



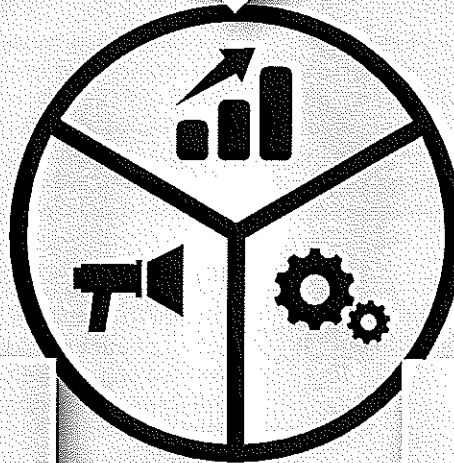
Creating Sustainable Value:

Ensuring that boards and management are best equipped to create resilient and long-term growth.

We want to safeguard and grow our clients' assets by ensuring that companies are well positioned for sustainable growth.

To be successful in the long term, companies need to have people at the top who are able to deliver sustainable value.

We engage directly and collaboratively with them to highlight key challenges and opportunities in their sector and support strategies that can deliver long-term success.



Influencing the Debate:

Identifying and engaging on key themes and emerging governance topics.

We use our scale to influence markets and the regulatory environment to ensure that issues impacting the value of our clients' investments are recognised and appropriately managed. We identify key themes and emerging governance topics so that we can understand these risks and opportunities and react accordingly. This includes working with governments, regulators and other decision-makers to promote a certain course of action and often collaborating with others to effect change.



Improving Companies:

Protecting and enhancing our clients' assets by supporting change and holding management accountable for their decisions.

As steward of our clients' assets, we believe that real change is best achieved through being an engaged and active owner. In doing so, our investment process includes an assessment of how well companies incorporate relevant environmental, social and governance factors into their everyday thinking. We act on our analysis and engage with companies to improve their performance to protect client assets. Voting is also an important tool, which we use to hold management to account.

Thought leadership - Q1 2016

Corporate Governance Annual Report 2015

On the 13th April, we launched our fifth Corporate Governance Annual Report which is on our website.

This is our primary document demonstrating to our clients the highlights and activities during 2015 on various environmental, social and governance themes. The report includes many specific examples of company engagement, voting and changing market practice. The report will be available on our website: <http://www.lgim.com/uk/en/capabilities/corporate-governance/>

LGIM Climate Change Policy

As a global long-term investor, LGIM is committed to address the issue of climate change. We believe that recognising the potential risks and providing solutions to mitigate downside risks is firmly part of our fiduciary duty of managing our clients' assets.

We have published our climate change policy which is available on our website: http://www.lgim.com/library/capabilities/LGIM_Climate_Change_Policy_April_2016.pdf

In this policy, we have made a commitment to work with policy makers, develop our own capacity to assess climate change related risks and opportunities, engage in companies in which we invest, report to clients on our actions and provide investment solutions that are in line with low-carbon opportunities. We will continue to provide an update on our activities in this important area going forward.

Royal Dutch Shell acquisition of BG Group

At Shell's EGM in January, we voted against the acquisition of BG Group by Royal Dutch Shell following extensive engagement last year.

We had 10 separate meetings with members of the board and management, including the chairman on the acquisition. The meetings were held in order to gain a better understanding of the long-term merits and risks of the transaction. We discussed a number of issues in these meetings including the cultural integration of the two companies, the expected financial return and the ongoing rationale for pursuing the takeover given the material change in the macroeconomic environment.

The rationale behind our vote centered on the terms of the deal. This included an increase in the risk profile of the company and concerns around the financial commitments by Shell (dividend, share buyback and disposal).

Diversity in the workplace

Legal and General Group Plc has been awarded a Gold banding for gender in the Business in the Community Diversity and Wellbeing Benchmark 2015, the UK's most comprehensive benchmark for workplace gender and race diversity.

In addition, we signed up to the "Women in Finance Charter" organised by HM Treasury to reflect the government's aspiration to see gender balance at all levels across financial services. On the 8th March, we were invited to No.10 Downing Street to meet the Prime Minister and celebrate International Women's Day for our work in promoting diversity.

Institute of Chartered Secretaries and Administration (ICSA) Conference

At the ICSA annual conference held in London ExCel, we chaired a panel discussion examining the relationship between the chairman and company secretaries. There were over 500 attendees at the event.

This session highlighted the complementary nature of the two different positions in order to ensure boards operate efficiently and create a good corporate governance framework. Furthermore, the speakers highlighted that at times, tension can exist between these collaborative roles.

Given that the majority of those attending the conference were company secretaries, practical and real-life examples were given to help aid understanding on how disputes can be resolved and to optimise the dynamics in the relationship.

International Corporate Governance Network in Frankfurt

We attended the ICGN conference in Frankfurt in March, along with over 150 global investors and companies.

The conference focussed on the how the German governance structure, with its dual board and high levels of employee representation, compared with other governance models in the context of global markets. There was a robust discussion on the importance of corporate culture, how the dual board structure works in practice and the need for stewardship codes.

POLICY AND PRACTICE

We aim to maximise and protect shareholder value on behalf of our clients by exercising their voting rights. We also engage with companies both directly and collaboratively with other investors to reduce risks of corporate failure and promote best practice. We comply with the principles set out in the UK Stewardship Code and are a signatory to the UN Principles of Responsible Investment (PRI)

<http://www.lgim.com/uk/en/capabilities/corporate-governance/>

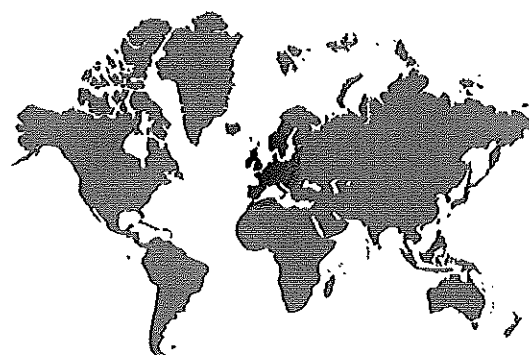
In order to demonstrate key governance issues, voting statistics are divided up into main voting categories. We engage on a range of environmental, social, governance (ESG) and financial issues and integrate all components where appropriate.

All votes in the UK, North American and Japan markets are publicly disclosed on our website along with our voting policies.

LGIM votes in all major developed markets including: Europe, North America, Japan and Asia Pacific, and have minimised abstentions. We also vote in the major emerging markets and have started reporting on our activities in this region.

Regional updates

UK



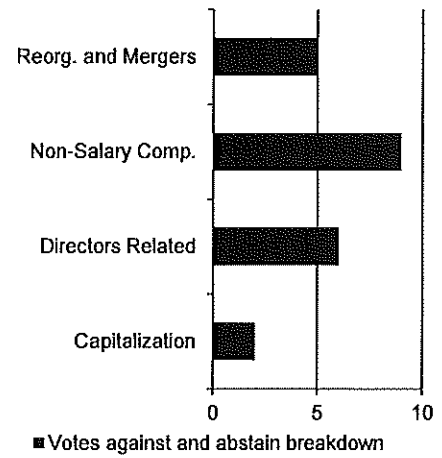
KEY COMPANY ENGAGEMENTS ON E (ENVIRONMENTAL), S (SOCIAL), G (GOVERNANCE) AND F (FINANCIAL) TOPICS

Rolls Royce	We engaged with Rolls Royce on several occasions during the quarter. We met the remuneration committee chairman to discuss the proposed changes for 2016, as well as our views for the remuneration committee to consider when they undertake a wider executive remuneration policy review during this year. Alongside LGIM's Active Equities and Fixed Income teams, we met the CFO on how management are addressing the issues facing Rolls Royce as well as the company's balance sheet and credit rating position. We also engaged with the chairman on board composition and our views on the role of the senior independent director (SID). It was subsequently announced that a recently appointed non-executive director (NED), with considerable engineering and operational experience, would take up the role of SID at the company's AGM in May. In April we also attended the company's governance day which provided an insight into the board and its key committee's approach.
Market cap: £12.6bn	
Industrials	
Compass Group	The remuneration committee used discretion in altering the normal early leaver provisions in respect of an LTIP award made to an outgoing executive director. Specifically, the committee had chosen to dis-apply the pro-rating for the time in service. This is against LGIM's voting policy. We engaged with the company on this matter and told them that we intended to vote against the remuneration report at the AGM. Subsequently, the company put out a statement that pro-ration of the award would be applied to the award. Consequently, we voted for the remuneration report at the AGM.
Market cap: £20.1bn	
Consumer Services	
National Grid	A meeting was held with the company's newly appointed CEO to discuss the company's performance and the strategic opportunities for the future. This included investments in renewables and disruptive technologies that will help the company make the transition to a low carbon economy. Furthermore, the new CEO gave his insight in to battery technology and described the need for an evolution of the culture in the sector to embrace innovation. A follow up meeting with the Head of Sustainability was also held to provide further information on how the current strategy is linked to its sustainability goals. This included climate change and how the company engages with regulators more generally on its business operations.
Market cap: £36.3bn	
Utilities	

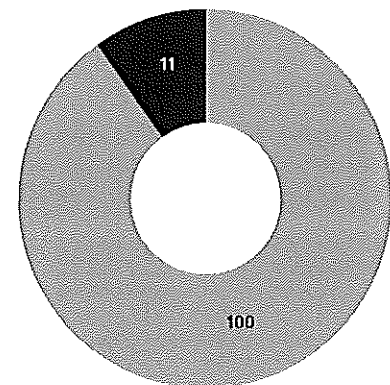
Q1 2016 VOTING SUMMARY UK

Proposal category	UK		
	For	Against	Abstain
Anti-takeover Related	51		
Capitalisation	247	2	
Directors Related	504	6	
Non-Salary Comp.	116	9	
Reorg. and Mergers	33	5	
Routine/Business	341		
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related			
SH-Health/Environ.			
SH-Other/misc.			
SH-Routine/Business			
Social Proposal			
Total	1292	22	0
Total resolutions		1314	
No. AGMs		78	
No. EGMs		32	
No. of companies voted		100	
No. of companies where voted against/abstain at least one resolution		11	
% no. of companies where at least one vote against		11	

Voting issue breakdown (against and abstain)



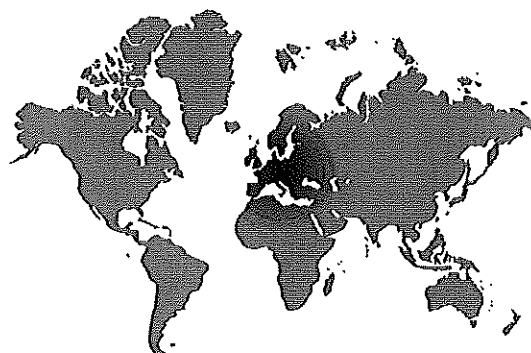
Number of companies voted against/abstain



'11% votes against 100 companies in the UK'

Regional updates

EUROPE



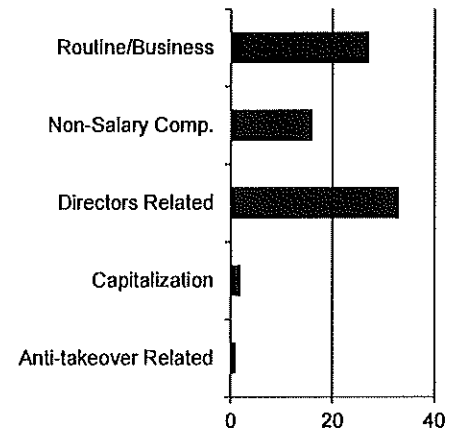
KEY COMPANY ENGAGEMENTS ON E (ENVIRONMENTAL), S (SOCIAL), G (GOVERNANCE) AND F (FINANCIAL) TOPICS

Volkswagen	<p>In September 2015 we wrote to Volkswagen following the disclosure of the emissions scandal from the US market. Volkswagen is a controlled company, with voting share primarily held by Porsche and two other shareholders. In our letter we set out our expectations for governance change and requested a meeting with the company. In January 2016 we met with the chairman. We asked about the chairman and board's responsibilities in overseeing the company's response, changes to management and the board, and the relationships and dynamics between the larger shareholders, management and working councils. We reiterated our concerns with the lack of independent representation on the board and the importance of the board holding management to account. We also discussed the company's investment in electric vehicles and innovations in the auto sector</p>
Market cap: EUR 66.2bn	
Automobiles	
Renault	<p>The Volkswagen emissions' scandal shook the global automotive sector in 2015. During the quarter we engaged with Renault on the review procedures and governance framework they have in place to prevent similar events occurring, as well as how the company is preparing for 'real-world' testing conditions. We also discussed the governance agreements with the French State and Nissan and how these agreements were in the interests of all Renault shareholders, the structure and disclosure of the CEO's remuneration and the company's investments in electric vehicles, including new generation batteries, where the company has a prominent market position.</p>
Market cap: EUR 26bn	
Automobiles	
ABB	<p>Despite owning a collection of market-leading businesses in structurally attractive markets, the company has underperformed its peers in recent years. We engaged with the new chairman following him being in the role for one year. We discussed how he had reshaped the board by introducing four new non-executive directors with skillsets that align with the company's long-term strategy, the board's approach to capital allocation, ABB's organisational structure and the timeframe for the strategic review being undertaken. We will continue to engage with the company on these topics.</p>
Market cap: CHF 47.1bn	
Industrials	
Eni	<p>A meeting was held with the chairman to discuss the transition from being an executive director to a part-time non-executive position. We discussed the conflicts and perception of non-independence due to the change in the role. Furthermore, we examined the board composition and requested a better understanding of the diversity of the directors. The chairman highlighted that there was a good mixture of skills and experience ranging from individuals who ran global businesses, NGOs and those with experience in their sector. We also discussed the decision by the board to cut the dividend in March 2015. The chairman explained the comprehensive discussions undertaken by the board in making that decision and how not doing so would destroy shareholder value for the long term. Lastly, the company discussed its approach to climate change and strategy to transition towards a low carbon economy</p>
Market cap: EUR 52.2bn	
Oil and Gas	

Q1 2016 VOTING SUMMARY EUROPE

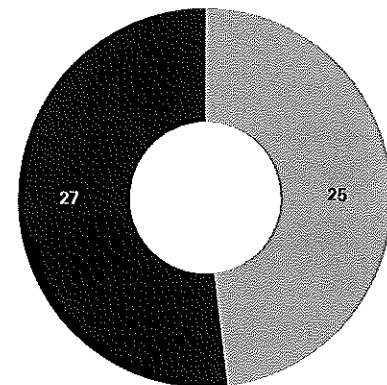
Proposal category	EUROPE		
	For	Against	Abstain
Anti-takeover Related		1	
Capitalisation	83	2	
Directors Related	400	33	
Non-Salary Comp.	62	16	
Reorg. and Mergers	7		
Routine/Business	277	24	3
SH-Compensation	2		
SH-Corp Governance			
SH-Dirs' Related	2		
SH-Health/Environ.	2		
SH-Other/misc.	11		
SH-Routine/Business	4		
Social Proposal			
Total	850	76	3
Total resolutions		929	
No. AGMs		46	
No. EGMs		7	
No. of companies voted		52	
No. of companies where voted against/abstain at least one resolution		27	
% no. of companies where at least one vote against		52	

Voting issue breakdown (against and abstain)



■ Votes against and abstain breakdown

Number of companies voted against/abstain



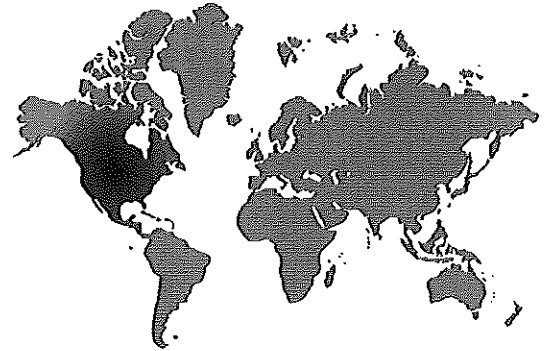
■ Number of companies supported

■ Number of companies where voted against/abstain at least one resolution

'52% votes against 52 companies in Europe

Regional updates

NORTH AMERICA



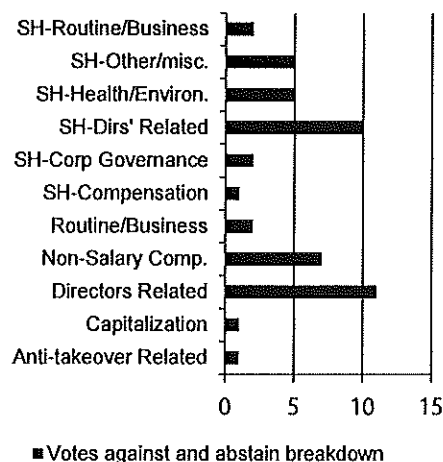
KEY COMPANY ENGAGEMENTS ON E (ENVIRONMENTAL), S (SOCIAL), G (GOVERNANCE) AND F (FINANCIAL) TOPICS

Apple	<p>Our engagement efforts with the company have recently stalled, therefore we escalated our voting action this year. For the second year we voted against the 'say on pay' as concerns around structure remain and we also voted against the chair of the compensation committee, Ms Jung, due to these concerns and also due to being unable to engage with Ms Jung to discuss these. We voted in favour of the greenhouse gases emissions resolution as climate change issues continue to be a priority. However, we voted against the diversity proposal as the company does have good policies in place across the company on this issue and so we did not feel that this proposal added value. Finally, we voted in favour of the proxy access proposal as we advocate a shareholder being able to nominate at least two board members and this isn't currently allowed.</p>
Market cap: \$520bn	
Technology	
Omnicom Group	<p>Our first engagement effort with the company resulted in a detailed discussion around board tenure and refreshment. The company has at present an average board tenure of 18 years which is concerning. After a majority supported shareholder proposal in 2015 to split the chair and CEO roles, the company has responded by replacing its lead director and strengthening this role as well as putting in place a board refreshment timeline. However, we still have concerns with the executive structure and believe the roles should be split. We shall continue to engage with the company to push for further change to bring it into line with governance best practice. This links in with our thought piece on US board tenure which is available on our website</p>
Market cap: \$19.8bn	
Media	

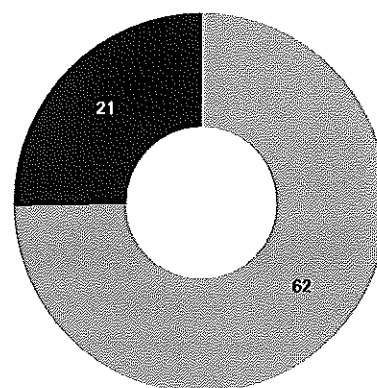
Q1 2016 VOTING SUMMARY NORTH AMERICA

Proposal category	NORTH AMERICA		
	For	Against	Abstain
Anti-takeover Related	12	1	
Capitalisation	16	1	
Directors Related	450	11	
Non-Salary Comp.	83	7	
Reorg. and Mergers	10		
Routine/Business	68	2	
SH-Compensation		1	
SH-Corp Governance		2	
SH-Dirs' Related	1	10	
SH-Health/Environ.	4	5	
SH-Other/misc.	3	5	
SH-Routine/Business	2	2	
Social Proposal	2		
Total	651	47	0
Total resolutions		698	
No. AGMs		51	
No. EGMs		11	
No. of companies voted		62	
No. of companies where voted against/abstain at least one resolution		21	
% no. of companies where at least one vote against		34	

Voting issue breakdown (against and abstain)



Number of companies voted against/abstain

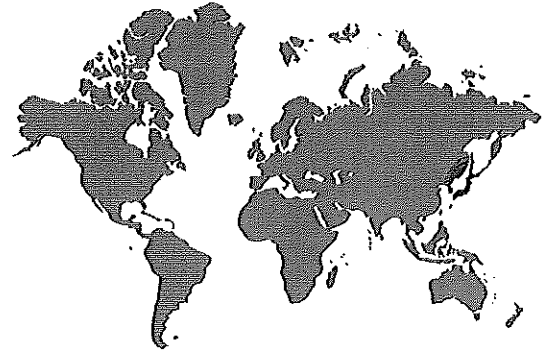


- Number of companies supported
- Number of companies where at least one resolution was voted against/abstain at least one resolution

'34% votes against 62 companies in North America'

Regional updates

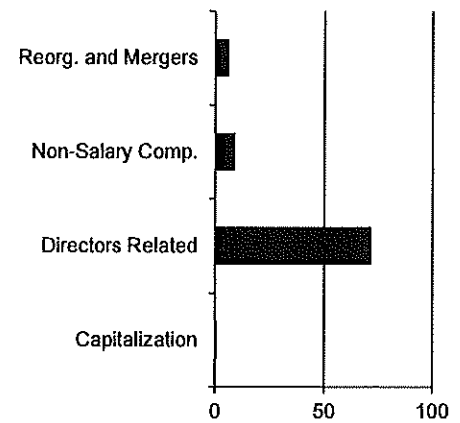
JAPAN



Q1 2016 VOTING SUMMARY JAPAN

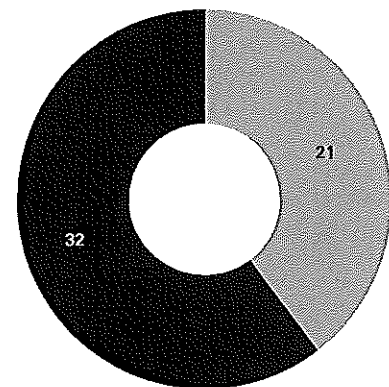
Proposal category	JAPAN		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation		1	
Directors Related	459	72	
Non-Salary Comp.	41	9	
Reorg. and Mergers	24	6	
Routine/Business	47		
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related			
SH-Health/Environ.			
SH-Other/misc.			
SH-Routine/Business			
Social Proposal			
Total	571	88	0
Total resolutions		659	
No. AGMs		53	
No. EGMs		0	
No. of companies voted		53	
No. of companies where voted against/abstain at least one resolution		32	
% no. of companies where at least one vote against		60	

Voting issue breakdown (against and abstain)



■ Votes against and abstain breakdown

Number of companies voted against/abstain



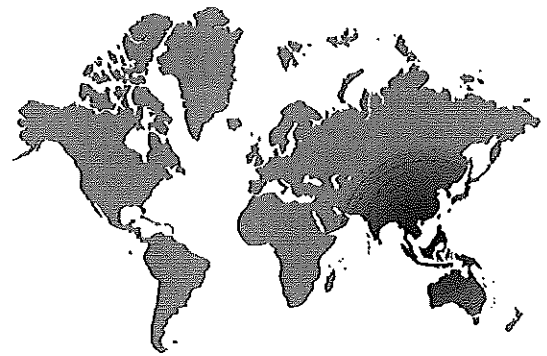
■ Number of companies supported

■ Number of companies where voted against/abstain at least one resolution

'60% votes against 53 companies in Japan'

Regional updates

ASIA PACIFIC



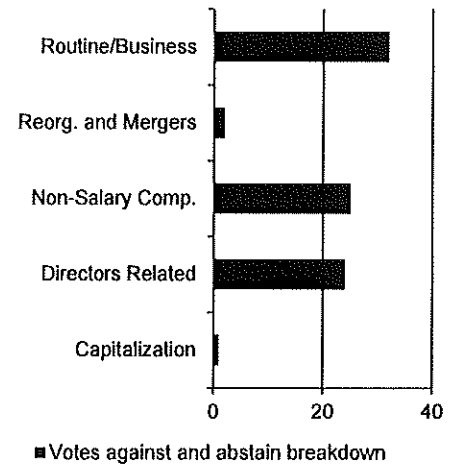
KEY COMPANY ENGAGEMENTS ON E (ENVIRONMENTAL), S (SOCIAL), G (GOVERNANCE) AND F (FINANCIAL) TOPICS

Samsung Electronics	<p>We met with Samsung Electronics to discuss proposed amendments to their governance structure in February of this year. A number of positive changes were apparent following our discussions with the company in previous years. For example, the company has reduced the number of shares the board can issue without shareholder approval. This is a key protection for minority shareholders and prevents your holding from being diluted. At the AGM the articles of association were changed to allow an individual other than the CEO to become chairman. Whilst the CEO and chairman positions are still combined, we welcomed the introduction of the ability to split the positions in the future. We discussed in some detail the skill sets of the board and encouraged the appointment of independent non-executive directors with international expertise.</p>
Market cap: KRW 202.11tn	
Technology	

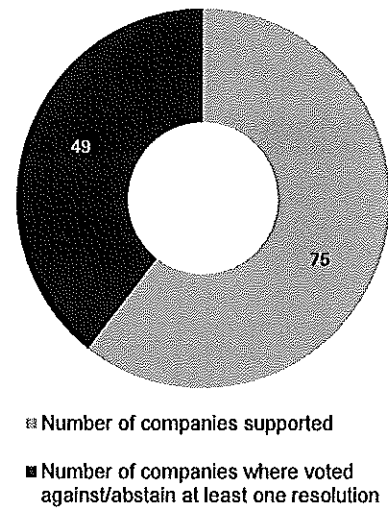
Q1 2016 VOTING SUMMARY ASIA PACIFIC

Proposal category	ASIA PACIFIC		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation	4	1	
Directors Related	272	24	
Non-Salary Comp.	108	25	
Reorg. and Mergers	13	2	
Routine/Business	288	32	
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related			
SH-Health/Environ.			
SH-Other/misc.			
SH-Routine/Business			
Social Proposal			
Total	685	84	0
Total resolutions		769	
No. AGMs		118	
No. EGMs		13	
No. of companies voted		124	
No. of companies where voted against/abstain at least one resolution		49	
% no. of companies where at least one vote against		40	

Voting issue breakdown (against and abstain)



Number of companies voted against/abstain



'40% votes against 124 companies in Asia Pacific'

CONTACT US

For further information on anything you have read in this report or to provide feedback, please contact us at corporategovernance@lgim.com. Please visit our website www.lgim.com/corporategovernance where you will also find more information including frequently asked questions.

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M0871



Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

DENTSPLY International Inc.

Meeting Date: 01/11/2016

Country: USA

Primary Security ID: 249030107

Meeting ID: 1018640

Record Date: 12/02/2015

Meeting Type: Special

Ticker: XRAY

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Issue Shares in Connection with Acquisition	Mgmt	For	For
2	Adopt Second Amended and Restated Certificate of Incorporation	Mgmt	For	For
3	Advisory Vote on Golden Parachutes	Mgmt	For	For
4	Approve Omnibus Stock Plan	Mgmt	For	For
5	Adjourn Meeting	Mgmt	For	For

Monsanto Company

Meeting Date: 01/29/2016

Country: USA

Primary Security ID: 61166W101

Meeting ID: 1018561

Record Date: 12/01/2015

Meeting Type: Annual

Ticker: MON

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Gregory H. Boyce	Mgmt	For	For
1b	Elect Director David L. Chicoine	Mgmt	For	For
1c	Elect Director Janice L. Fields	Mgmt	For	For
1d	Elect Director Hugh Grant	Mgmt	For	For
1e	Elect Director Arthur H. Harper	Mgmt	For	For
1f	Elect Director Laura K. Ipsen	Mgmt	For	For
1g	Elect Director Marcos M. Lutz	Mgmt	For	For
1h	Elect Director C. Steven McMillan	Mgmt	For	For
1i	Elect Director Jon R. Moeller	Mgmt	For	For
1j	Elect Director William U. Parfet	Mgmt	For	For
1k	Elect Director George H. Poste	Mgmt	For	For
1l	Elect Director Robert J. Stevens	Mgmt	For	For
1m	Elect Director Patricia Verduin	Mgmt	For	For
2	Ratify Deloitte & Touche LLP as Auditors	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Monsanto Company

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
4	Amend Executive Incentive Bonus Plan	Mgmt	For	For
5	Report on Effectiveness and Risks of Glyphosate Use	SH	Against	Against
6	Report on Lobbying Payments and Policy	SH	Against	For
7	Require Independent Board Chairman	SH	Against	Against

Rockwell Automation, Inc.

Meeting Date: 02/02/2016

Country: USA

Primary Security ID: 773903109

Meeting ID: 1020177

Record Date: 12/07/2015

Meeting Type: Annual

Ticker: ROK

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
A1	Elect Director Keith D. Nosbusch	Mgmt	For	For
A2	Elect Director William T. McCormick, Jr.	Mgmt	For	For
B	Ratify Deloitte & Touche LLP as Auditors	Mgmt	For	For
C	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
D	Amend Omnibus Stock Plan	Mgmt	For	For
E	Adopt the Jurisdiction of Incorporation as the Exclusive Forum for Certain Disputes	Mgmt	For	For

Sally Beauty Holdings, Inc.

Meeting Date: 02/02/2016

Country: USA

Primary Security ID: 79546E104

Meeting ID: 1018821

Record Date: 12/04/2015

Meeting Type: Annual

Ticker: SBH

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director Katherine Button Bell	Mgmt	For	For
1.2	Elect Director Christian A. Brickman	Mgmt	For	For
1.3	Elect Director Marshall E. Eisenberg	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Sally Beauty Holdings, Inc.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.4	Elect Director Robert R. McMaster	Mgmt	For	For
1.5	Elect Director John A. Miller	Mgmt	For	For
1.6	Elect Director Susan R. Mulder	Mgmt	For	For
1.7	Elect Director Edward W. Rabin	Mgmt	For	For
2	Ratify KPMG LLP as Auditors	Mgmt	For	For

Accenture plc

Meeting Date: 02/03/2016

Country: Ireland

Primary Security ID: G1151C101

Meeting ID: 1018752

Record Date: 12/07/2015

Meeting Type: Annual

Ticker: ACN

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Jaime Ardila	Mgmt	For	For
1b	Elect Director Dina Dublon	Mgmt	For	For
1c	Elect Director Charles H. Giancarlo	Mgmt	For	For
1d	Elect Director William L. Kimsey	Mgmt	For	For
1e	Elect Director Marjorie Magner	Mgmt	For	For
1f	Elect Director Blythe J. McGarvie	Mgmt	For	For
1g	Elect Director Pierre Nanterme	Mgmt	For	For
1h	Elect Director Gilles C. Pelisson	Mgmt	For	For
1i	Elect Director Paula A. Price	Mgmt	For	For
1j	Elect Director Arun Sarin	Mgmt	For	For
1k	Elect Director Wulf von Schimmelmann	Mgmt	For	For
1l	Elect Director Frank K. Tang	Mgmt	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
3	Amend Omnibus Stock Plan	Mgmt	For	For
4	Amend Qualified Employee Stock Purchase Plan	Mgmt	For	For
5	Approve KPMG LLP as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For
6	Provide Proxy Access Right	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Accenture plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
7A	Require Advance Notice for Shareholder Proposals	Mgmt	For	For
7B	Amend Articles	Mgmt	For	For
8A	Amend Articles - Board Related	Mgmt	For	For
8B	Establish Range for Size of Board	Mgmt	For	For
9	Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights	Mgmt	For	For
10	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Mgmt	For	For
11	Authorize Open-Market Purchases of Class A Ordinary Shares	Mgmt	For	For
12	Determine the Price Range at which Accenture Plc can Re-issue Shares that it Acquires as Treasury Stock	Mgmt	For	For

Visa Inc.

Meeting Date: 02/03/2016

Country: USA

Primary Security ID: 92826C839

Meeting ID: 1018715

Record Date: 12/07/2015

Meeting Type: Annual

Ticker: V

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Lloyd A. Carney	Mgmt	For	For
1b	Elect Director Mary B. Cranston	Mgmt	For	For
1c	Elect Director Francisco Javier Fernandez-Carbajal	Mgmt	For	For
1d	Elect Director Alfred F. Kelly, Jr.	Mgmt	For	For
1e	Elect Director Robert W. Matschullat	Mgmt	For	For
1f	Elect Director Cathy E. Minehan	Mgmt	For	For
1g	Elect Director Suzanne Nora Johnson	Mgmt	For	For
1h	Elect Director David J. Pang	Mgmt	For	For
1i	Elect Director Charles W. Scharf	Mgmt	For	For
1j	Elect Director John A. C. Swainson	Mgmt	For	For
1k	Elect Director Maynard G. Webb, Jr.	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Visa Inc.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
3	Amend Omnibus Stock Plan	Mgmt	For	For
4	Amend Executive Incentive Bonus Plan	Mgmt	For	For
5	Ratify KPMG LLP as Auditors	Mgmt	For	For

Compass Group plc

Meeting Date: 02/04/2016

Country: United Kingdom

Primary Security ID: G23296190

Meeting ID: 1019571

Record Date: 02/02/2016

Meeting Type: Annual

Ticker: CPG

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Remuneration Report	Mgmt	For	For
3	Approve Final Dividend	Mgmt	For	For
4	Elect Nelson Silva as Director	Mgmt	For	For
5	Elect Johnny Thomson as Director	Mgmt	For	For
6	Elect Ireena Vittal as Director	Mgmt	For	For
7	Re-elect Dominic Blakemore as Director	Mgmt	For	For
8	Re-elect Richard Cousins as Director	Mgmt	For	For
9	Re-elect Gary Green as Director	Mgmt	For	For
10	Re-elect Carol Arrowsmith as Director	Mgmt	For	For
11	Re-elect John Bason as Director	Mgmt	For	For
12	Re-elect Susan Murray as Director	Mgmt	For	For
13	Re-elect Don Robert as Director	Mgmt	For	For
14	Re-elect Paul Walsh as Director	Mgmt	For	For
15	Reappoint KPMG LLP as Auditors	Mgmt	For	For
16	Authorise the Audit Committee to Fix Remuneration of Auditors	Mgmt	For	For
17	Authorise EU Political Donations and Expenditure	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Compass Group plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
18	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For
19	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For
20	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For
21	Authorise the Company to Call General Meeting with 14 Working Days' Notice	Mgmt	For	For

Franklin Resources, Inc.

Meeting Date: 02/17/2016

Country: USA

Primary Security ID: 354613101

Meeting ID: 1022060

Record Date: 12/21/2015

Meeting Type: Annual

Ticker: BEN

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Peter K. Barker	Mgmt	For	For
1b	Elect Director Mariann Byerwalter	Mgmt	For	For
1c	Elect Director Charles E. Johnson	Mgmt	For	For
1d	Elect Director Gregory E. Johnson	Mgmt	For	For
1e	Elect Director Rupert H. Johnson, Jr.	Mgmt	For	For
1f	Elect Director Mark C. Pigott	Mgmt	For	For
1g	Elect Director Chutta Ratnathicam	Mgmt	For	For
1h	Elect Director Laura Stein	Mgmt	For	For
1i	Elect Director Seth H. Waugh	Mgmt	For	For
1j	Elect Director Geoffrey Y. Yang	Mgmt	For	For
2	Ratify PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For
3	Report on and Assess Proxy Voting Policies in Relation to Climate Change Position	SH	Against	Against

Grupo Financiero Banorte S.A.B. de C.V.

Meeting Date: 02/19/2016

Country: Mexico

Primary Security ID: P49501201

Meeting ID: 1024431

Record Date: 02/08/2016

Meeting Type: Special

Ticker: GFNORTE O

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Grupo Financiero Banorte S.A.B. de C.V.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Ordinary Business	Mgmt		
1	Approve Cash Dividends	Mgmt	For	For
2	Authorize Board to Ratify and Execute Approved Resolutions	Mgmt	For	For

Sands China Ltd.

Meeting Date: 02/19/2016

Country: Cayman Islands

Primary Security ID: G7800X107

Meeting ID: 1024773

Record Date: 02/05/2016

Meeting Type: Special

Ticker: 1928

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Amendment of the Terms of the Equity Award Plan of the Company	Mgmt	For	Against

The Walt Disney Company

Meeting Date: 03/03/2016

Country: USA

Primary Security ID: 254687106

Meeting ID: 1023272

Record Date: 01/04/2016

Meeting Type: Annual

Ticker: DIS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Susan E. Arnold	Mgmt	For	For
1b	Elect Director John S. Chen	Mgmt	For	For
1c	Elect Director Jack Dorsey	Mgmt	For	For
1d	Elect Director Robert A. Iger	Mgmt	For	For
1e	Elect Director Maria Elena Lagomasino	Mgmt	For	Against
1f	Elect Director Fred H. Langhammer	Mgmt	For	For
1g	Elect Director Aylwin B. Lewis	Mgmt	For	For
1h	Elect Director Robert W. Matschullat	Mgmt	For	For
1i	Elect Director Mark G. Parker	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

The Walt Disney Company

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1j	Elect Director Sheryl K. Sandberg	Mgmt	For	For
1k	Elect Director Orin C. Smith	Mgmt	For	For
2	Ratify PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	Against
4	Reduce Supermajority Vote Requirement	Mgmt	For	For
5	Reduce Supermajority Vote Requirement	SH	Against	For
6	Report on Lobbying Payments and Policy	SH	Against	For

Samsung Electronics Co., Ltd.

Meeting Date: 03/11/2016

Country: South Korea

Primary Security ID: Y74718100

Meeting ID: 1027683

Record Date: 12/31/2015

Meeting Type: Annual

Ticker: A005930

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Financial Statements and Allocation of Income	Mgmt	For	For
2.1.1	Elect Lee In-ho as Outside Director	Mgmt	For	For
2.1.2	Elect Song Gwang-su as Outside Director	Mgmt	For	For
2.1.3	Elect Park Jae-wan as Outside Director	Mgmt	For	For
2.2.1	Elect Yoon Bu-geun as Inside Director	Mgmt	For	For
2.2.2	Elect Shin Jong-gyun as Inside Director	Mgmt	For	For
2.2.3	Elect Lee Sang-hun as Inside Director	Mgmt	For	For
2.3.1	Elect Lee In-ho as Member of Audit Committee	Mgmt	For	For
2.3.2	Elect Song Gwang-su as Member of Audit Committee	Mgmt	For	For
3	Approve Total Remuneration of Inside Directors and Outside Directors	Mgmt	For	For
4	Amend Articles of Incorporation	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

The Cooper Companies, Inc.

Meeting Date: 03/14/2016

Country: USA

Primary Security ID: 216648402

Meeting ID: 1025295

Record Date: 01/19/2016

Meeting Type: Annual

Ticker: COO

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director A. Thomas Bender	Mgmt	For	For
1.2	Elect Director Michael H. Kalkstein	Mgmt	For	For
1.3	Elect Director Jody S. Lindell	Mgmt	For	For
1.4	Elect Director Gary S. Petersmeyer	Mgmt	For	For
1.5	Elect Director Allan E. Rubenstein	Mgmt	For	For
1.6	Elect Director Robert S. Weiss	Mgmt	For	For
1.7	Elect Director Stanley Zinberg	Mgmt	For	For
2	Ratify KPMG LLP as Auditors	Mgmt	For	For
3	Amend Omnibus Stock Plan	Mgmt	For	For
4	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For

Carlsberg

Meeting Date: 03/17/2016

Country: Denmark

Primary Security ID: K36628137

Meeting ID: 1023733

Record Date: 03/10/2016

Meeting Type: Annual

Ticker: CARL B

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Receive Report of Board	Mgmt		
2	Accept Financial Statements and Statutory Reports; Approve Discharge of Management and Board	Mgmt	For	For
3	Approve Allocation of Income and Dividends of DKK 9.00 Per Share	Mgmt	For	For
4a	Approve Remuneration of Directors	Mgmt	For	For
4b	Amend Articles Re: Director Age Limit	Mgmt	For	For
4c	Amend Articles Re: Change from Bearer Shares to Registered Shares	Mgmt	For	For
5a	Reelect Flemming Besenbacher as Director	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Carlsberg

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
5b	Reelect Lars Sorensen as Director	Mgmt	For	For
5c	Reelect Richard Burrows as Director	Mgmt	For	For
5d	Reelect Donna Cordner as Director	Mgmt	For	For
5e	Reelect Elisabeth Fleuriot as Director	Mgmt	For	For
5f	Reelect Cornelis van der Graaf as Director	Mgmt	For	For
5g	Reelect Carl Bache as Director	Mgmt	For	For
5h	Reelect Soren-Peter Olesen as Director	Mgmt	For	For
5i	Reelect Nina Smith as Director	Mgmt	For	For
5j	Reelect Lars Stemmerik as Director	Mgmt	For	For
6	Ratify KPMG as Auditors	Mgmt	For	For

Kasikornbank PCL

Meeting Date: 03/30/2016

Country: Thailand

Primary Security ID: Y4591R100

Meeting ID: 1030960

Record Date: 03/10/2016

Meeting Type: Annual

Ticker: KBANK

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Minutes of Previous Meeting	Mgmt	For	For
2	Acknowledge Directors' Report	Mgmt		
3	Accept Financial Statements	Mgmt	For	For
4	Approve Allocation of Income and Dividend Payment	Mgmt	For	For
5.1	Elect Banthoon Lamsam as Director	Mgmt	For	For
5.2	Elect Nalinee Paiboon as Director	Mgmt	For	For
5.3	Elect Saravoot Yoovidhya as Director	Mgmt	For	For
5.4	Elect Piyasvasti Amranand as Director	Mgmt	For	For
5.5	Elect Kalin Sarasin as Director	Mgmt	For	For
5.6	Elect Sara Lamsam as Director	Mgmt	For	For
6	Approve Names and Number of Directors Who Have Signing Authority	Mgmt	For	For
7	Approve Remuneration of Directors	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Kasikornbank PCL

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
8	Approve KPMG Phoomchai Audit Ltd. as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For
9	Amend Articles of Association: Board-Related	Mgmt	For	For
10	Other Business	Mgmt		

Credicorp Ltd.

Meeting Date: 03/31/2016

Country: Bermuda

Primary Security ID: G2519Y108

Meeting ID: 1025180

Record Date: 02/10/2016

Meeting Type: Annual

Ticker: BAP

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Present 2015 Annual Report	Mgmt		
2	Approve Audited Consolidated Financial Statements of Credicorp and its Subsidiaries for FY 2015, Including External Auditors' Report	Mgmt	For	For
3	Approve PricewaterhouseCoopers as External Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For

Vote Summary Report

Reporting Period: 01/01/2016 to 03/31/2016

Institution Account(s): Investec Funds Series iii - Global Dynamic

Amdocs Limited

Meeting Date: 02/03/2016

Country: Guernsey

Meeting Type: Annual

Ticker: DOX

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1.1	Elect Robert A. Miticucci as a Director	Mgmt	For	For	Refer	For
1.2	Elect Adrian Gardner as a Director	Mgmt	For	For	Against	Abstain
1.3	Elect John T. McLennan as a Director	Mgmt	For	For	Against	For
1.4	Elect Simon Olswang as a Director	Mgmt	For	For	Against	Abstain
1.5	Elect Zohar Zisapel as a Director	Mgmt	For	For	Against	For
1.6	Elect Julian A. Brodsky as a Director	Mgmt	For	For	Against	For
1.7	Elect Clayton Christensen as a Director	Mgmt	For	For	Against	For
1.8	Elect Efi Geiman as a Director	Mgmt	For	For	For	For
1.9	Elect James S. Kahan as a Director	Mgmt	For	For	Against	For
1.10	Elect Richard T.C. Lefave as a Director	Mgmt	For	For	For	For
1.11	Elect Giora Yaron as a Director	Mgmt	For	For	For	For
2	Approve Dividends	Mgmt	For	For	For	For
3	Accept Consolidated Financial Statements and Statutory Reports	Mgmt	For	For	For	For
4	Approve Ernst & Young LLP as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For	For	For

Vote Summary Report

Reporting Period: 01/01/2016 to 03/31/2016

Institution Account(s): Investec Funds Series iii - Global Dynamic

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Institution Account(s): 5984 -Shropshire County Pension Fund

Apple Inc.

Meeting Date: 02/26/2016	Country: USA	Primary Security ID: 037833100
Record Date: 12/28/2015	Meeting Type: Annual	Ticker: AAPL
Primary CUSIP: 037833100	Primary ISIN: US0378331005	Primary SEDOL: 2046251
Shares Voted: 18,650		

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1.1	Elect Director James Bell	Mgmt	For	For	For
1.2	Elect Director Tim Cook	Mgmt	For	For	For
1.3	Elect Director Al Gore	Mgmt	For	For	For
1.4	Elect Director Bob Iger	Mgmt	For	For	For
1.5	Elect Director Andrea Jung	Mgmt	For	For	For
1.6	Elect Director Art Levinson	Mgmt	For	For	For
1.7	Elect Director Ron Sugar	Mgmt	For	For	For
1.8	Elect Director Sue Wagner	Mgmt	For	For	For
2	Ratify Ernst & Young LLP as Auditors	Mgmt	For	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For
4	Amend Omnibus Stock Plan	Mgmt	For	For	For
5	Create Feasibility Plan for Net-Zero GHG Emissions, Including for Major Suppliers	SH	Against	Against	Against
6	Adopt Policy to Increase Diversity of Senior Management and Board of Directors	SH	Against	Against	Against
7	Report on Guidelines for Country Selection	SH	Against	Against	Against
8	Adopt Proxy Access Right	SH	Against	For	Against

Applied Materials, Inc.

Meeting Date: 03/10/2016	Country: USA	Primary Security ID: 038222105
Record Date: 01/14/2016	Meeting Type: Annual	Ticker: AMAT
Primary CUSIP: 038222105	Primary ISIN: US0382221051	Primary SEDOL: 2046552
Shares Voted: 125,100		

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1a	Elect Director Willem P. Roelandts	Mgmt	For	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Institution Account(s): 5984 -Shropshire County Pension Fund

Applied Materials, Inc.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1b	Elect Director Xun (Eric) Chen	Mgmt	For	For	For
1c	Elect Director Aart J. de Geus	Mgmt	For	For	For
1d	Elect Director Gary E. Dickerson	Mgmt	For	For	For
1e	Elect Director Stephen R. Forrest	Mgmt	For	For	For
1f	Elect Director Thomas J. Iannotti	Mgmt	For	For	For
1g	Elect Director Susan M. James	Mgmt	For	Against	For
1h	Elect Director Alexander A. Karsner	Mgmt	For	For	For
1i	Elect Director Adrianna C. Ma	Mgmt	For	For	For
1j	Elect Director Dennis D. Powell	Mgmt	For	For	For
1k	Elect Director Robert H. Swan	Mgmt	For	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For
3	Ratify KPMG LLP as Auditors	Mgmt	For	For	For
4	Proxy Access	SH	Against	For	Against

Samsung Electronics Co., Ltd.

Meeting Date: 03/11/2016

Country: South Korea

Primary Security ID: Y74718100

Record Date: 12/31/2015

Meeting Type: Annual

Ticker: A005930

Primary CUSIP: Y74718100

Primary ISIN: KR7005930003

Primary SEDOL: 6771720

Shares Voted: 4,775

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1	Approve Financial Statements and Allocation of Income	Mgmt	For	For	For
2.1.1	Elect Lee In-ho as Outside Director	Mgmt	For	For	For
2.1.2	Elect Song Gwang-su as Outside Director	Mgmt	For	For	For
2.1.3	Elect Park Jae-wan as Outside Director	Mgmt	For	For	For
2.2.1	Elect Yoon Bu-geun as Inside Director	Mgmt	For	For	For
2.2.2	Elect Shin Jong-gyun as Inside Director	Mgmt	For	For	For
2.2.3	Elect Lee Sang-hun as Inside Director	Mgmt	For	For	For
2.3.1	Elect Lee In-ho as Member of Audit Committee	Mgmt	For	For	For

Vote Summary Report

Date range covered: 01/01/2016 to 03/31/2016

Institution Account(s): 5984 -Shropshire County Pension Fund

Samsung Electronics Co., Ltd.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
2.3.2	Elect Song Gwang-su as Member of Audit Committee	Mgmt	For	For	For
3	Approve Total Remuneration of Inside Directors and Outside Directors	Mgmt	For	For	For
4	Amend Articles of Incorporation	Mgmt	For	For	For

Shropshire County Council

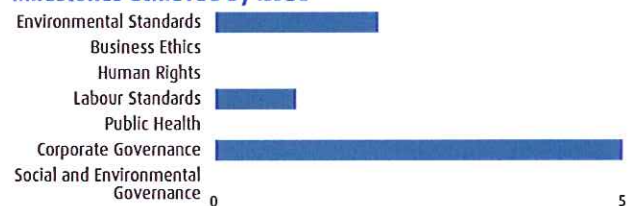
Q1 2016

The purpose of the **reo**[®] (responsible engagement overlay)^{*} service is to engage with companies held in portfolios with a view to promoting the adoption of better environmental, social and governance (ESG) practices. The **reo**[®] approach focuses on enhancing long-term investment performance by making companies more commercially successful through safer, cleaner, and more accountable operations that are better positioned to deal with ESG risks and opportunities. Through a combination of constructive dialogue and active share voting, **reo**[®] works to drive behavioural change with companies, and records successful outcomes as 'milestones' – changes in corporate policies or behaviour following intervention.

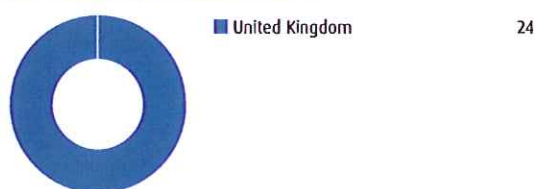
Companies engaged this quarter

Companies engaged	24
Milestones achieved	8
Countries covered	1

Milestones achieved by issue



Companies engaged by country



Companies engaged by issue^{***}



Engagements and Your Fund: Red rated

The table below highlights the companies with which we have engaged on your behalf in the past quarter and which you currently hold within your portfolio. The table is split by ESG risk rating. For full details of our engagements with companies please refer to the online *reo*® client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged						
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Social and Environmental Governance
Northgate PLC	United Kingdom	Industrials		RED						●	●

ESG Risk Rating: Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

Top quartile: GREEN Second quartile: YELLOW Third quartile: ORANGE Bottom quartile: RED

Engagements and Your Fund: Orange rated

The table below highlights the companies with which we have engaged on your behalf in the past quarter and which you currently hold within your portfolio. The table is split by ESG risk rating. For full details of our engagements with companies please refer to the online *reo*® client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged							
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Social and Environmental Governance	
BP PLC	United Kingdom	Energy	✓	ORANGE	●						●	●
European Bank for Reconstruction & Development	United Kingdom	Financials		ORANGE	●							
International Consolidated Airlines Group SA	United Kingdom	Industrials		ORANGE							●	
Laird PLC	United Kingdom	Information Technology		ORANGE							●	
Sports Direct International PLC	United Kingdom	Consumer Discretionary		ORANGE	●				●			

ESG Risk Rating: Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

Top quartile: GREEN Second quartile: YELLOW Third quartile: ORANGE Bottom quartile: RED

Engagements and Your Fund: Yellow rated

The table below highlights the companies with which we have engaged on your behalf in the past quarter and which you currently hold within your portfolio. The table is split by ESG risk rating. For full details of our engagements with companies please refer to the online *reo*® client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged						
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Social and Environmental Governance
Anglo American PLC	United Kingdom	Materials	✓	YELLOW	●	●	●	●			
Burberry Group PLC	United Kingdom	Consumer Discretionary		YELLOW	●			●			
GlaxoSmithKline PLC	United Kingdom	Information Technology	✓	YELLOW					●		
Merlin Entertainments PLC	United Kingdom	Consumer Discretionary		YELLOW						●	●
Tesco PLC	United Kingdom	Consumer Staples	✓	YELLOW	●			●			
WS Atkins PLC	United Kingdom	Industrials		YELLOW						●	●

ESG Risk Rating: Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

Top quartile: GREEN Second quartile: YELLOW Third quartile: ORANGE Bottom quartile: RED

Engagements and Your Fund: Green rated

The table below highlights the companies with which we have engaged on your behalf in the past quarter and which you currently hold within your portfolio. The table is split by ESG risk rating. For full details of our engagements with companies please refer to the online *reo*® client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged						
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Social and Environmental Governance
AstraZeneca PLC	United Kingdom	Health Care		GREEN					●		
BG Group PLC	United Kingdom	Energy		GREEN						●	●
BT Group PLC	United Kingdom	Telecommunication Services		GREEN		●					
Capita PLC	United Kingdom	Industrials		GREEN						●	●
Go-Ahead Group PLC	United Kingdom	Industrials		GREEN						●	●
J Sainsbury PLC	United Kingdom	Consumer Staples		GREEN				●			
SABMiller PLC	United Kingdom	Consumer Staples		GREEN						●	●

ESG Risk Rating: Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

Top quartile: GREEN Second quartile: YELLOW Third quartile: ORANGE Bottom quartile: RED

Milestones and Your Fund

The table below highlights the companies with which we have recorded milestones on your behalf in the past quarter and which you currently hold within your portfolio. Milestones are engagement outcomes which we have identified and is rated on the extent to which it protects investor value. For full details of our engagements which led to these milestones please refer to the online *reo*® client portal.

Name	Country	Sector	Priority company	ESG Rating	Themes engaged							
					Environmental Standards	Business Ethics	Human Rights	Labour Standards	Public Health	Corporate Governance	Social and Environmental Governance	
Anglo American PLC	United Kingdom	Materials	✓	YELLOW	●							
Rio Tinto Ltd	United Kingdom	Materials		YELLOW	●							
Anglo American PLC	United Kingdom	Materials	✓	YELLOW				●				
Chemring Group PLC	United Kingdom	Industrials		YELLOW							●	
Laird PLC	United Kingdom	Information Technology		ORANGE							●	
Lavendon Group PLC	United Kingdom	Industrials		ORANGE							●	
Lowland Investment Company PLC	United Kingdom	Financials		NONE							●	
Topps Tiles PLC	United Kingdom	Consumer Discretionary		YELLOW							●	

ESG Risk Rating: Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

Top quartile: GREEN Second quartile: YELLOW Third quartile: ORANGE Bottom quartile: RED

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of the Local Government Act 1972.

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of the Local Government Act 1972.

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