

## Stewardship Code Implementation Questionnaire for Pension Funds

This questionnaire is a supplement to the NAPF's Stewardship made simple guide, which was developed by the NAPF in conjunction with Aviva Investors.

**The CB&I John Brown Pension Scheme has, in consultation with LCP (it's investment advisors), reviewed its obligations under the Stewardship Code. It supports the Code's principles and encourages its manager to apply them as appropriate.**

| Contact details     |   |
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| Fund Name:          | CB&I John Brown Pension Scheme  |
| Contact Name:       | Colin Astin   |
| Position:           | Chairman of Trustee Board   |
| Email:              | <a href="mailto:castin@cbi.com">castin@cbi.com</a>  |
| Telephone:          | -   |
| <b>Principle 1:</b> | <b>Institutional investors should publicly disclose their policy on how they will discharge their Stewardship duties.</b>   |
| Question 1:         | <p>Has the fund chosen to commit to the UK Stewardship Code?</p> <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>If you answer <b>NO</b>, please explain why and/or explain any alternative investment strategy (as may be required under the FSA rules):</p> <p><i><b>This is the end of the questionnaire for those funds to which the UK Stewardship Code does not apply.</b></i></p>   |
| Question 2:         | <p>Which approach has the fund adopted for stewardship?</p> <p><input checked="" type="checkbox"/> The delegated model (delegated to asset managers)<br/> <input type="checkbox"/> The in-house model (managed internally)<br/> <input type="checkbox"/> The outsourced model (using a third-party specialist service)<br/> <input type="checkbox"/> A hybrid approach (partly internally managed and partly outsourced)</p> <p><i>Please give details of your approach:</i></p> <p><b>The Scheme only uses pooled funds, and as a result stewardship responsibilities are delegated to the manager. The Trustee monitors its manager every six months and engages with them annually as part of the regular meeting cycle.</b></p> |
| Question 3:         | <p>Has the fund agreed and published a policy on how it will discharge its stewardship responsibilities?</p> <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> Agreed, but not yet published<br/> <input checked="" type="checkbox"/> The fund intends to use this completed questionnaire as its initial policy on stewardship<br/> <input type="checkbox"/> No – please explain why:</p> <p><i>Please add any additional comments about the fund's policy:</i></p> <p><b>The Trustee has sent a statement of support including this completed Questionnaire to the FRC, for publication on its website.</b></p>   |

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| Question 4: | <p>If applicable, where has the fund published (or where does it intend to publish) its policy on stewardship? Please select all that apply.</p> <p><input type="checkbox"/> Fund website</p> <p><input type="checkbox"/> Annual report</p> <p><input type="checkbox"/> Statement of Investment Principles</p> <p><input checked="" type="checkbox"/> Other – please specify: <b>Via a link on the FRC website</b></p> <p><input type="checkbox"/> Not applicable</p>   |
| Question 5: | <p>To which asset classes does the fund’s policy on stewardship apply?</p> <p><input checked="" type="checkbox"/> Listed UK equities</p> <p><input type="checkbox"/> Listed international equities</p> <p><input type="checkbox"/> Bonds and other fixed income investments</p> <p><input type="checkbox"/> Property</p> <p><input type="checkbox"/> Alternative assets</p> <p><input type="checkbox"/> Other – please specify:</p> <p><i>Please add any comments about the way in which stewardship is applied to various asset classes:</i></p> |
| Question 6: | <p>Please add further comments on how your scheme applies Principle 1:</p>  |

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| <b>Principle 2:</b> | <b>Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.</b>  |
| Question 1:         | <p>Does the fund have a process for managing conflicts of interest which is publicly disclosed?</p> <p><input type="checkbox"/> Yes (please cite where it is disclosed)</p> <p><input type="checkbox"/> No, but it is available on request</p> <p><input checked="" type="checkbox"/> No</p> |
| Question 2:         | <p>Does the fund monitor its external asset managers’ process for managing conflicts of interest?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Not applicable (no external asset managers)</p>                          |
| Question 3:         | <p>Does the fund monitor its asset consultant’s process for managing conflicts of interest?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Not applicable (no asset consultant)</p>                                       |
| Question 4:         | <p>If the fund answered <b>NO</b> to any of the above questions, please explain why:</p> <p><b>The Scheme’s conflicts of interest policy has yet to be formally extended to include the conflicts above.</b></p>   |
| Question 5:         | <p>Please add further comments on how your scheme applies Principle 2:</p> <p><b>n/a</b></p>   |

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| <b>Principle 3:</b> | <b>Institutional investors should monitor their investee companies.</b>   |
| Question 1:         | The fund monitors its investee companies by:<br><input type="checkbox"/> Undertaking direct engagement with companies<br><input checked="" type="checkbox"/> Outsourcing monitoring to asset managers<br><input type="checkbox"/> Outsourcing to another third party<br><input type="checkbox"/> Passive monitoring (eg through online media alerts)<br><input type="checkbox"/> The fund does not monitor investee companies |
| Question 2:         | If the fund outsources the monitoring of investee companies, please explain the extent to which the fund oversees this process:<br><br><b>The Trustee meets annually with its fund manager and reviews the manager on a six monthly basis. One of the areas considered by the Trustee is the extent to which the manager monitors investee companies.</b>   |
| Question 3:         | If the fund does not monitor its investee companies in any way, please explain why:   |
| Question 4:         | Please add further comments on how your scheme applies Principle 3:   |

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| <b>Principle 4:</b> | <b>Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.</b>  |
| Question 1:         | Does the fund have its own policy or guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value?<br><input type="checkbox"/> Yes – please cite if/where it is disclosed:<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> Not applicable (this function is outsourced to the asset manager) |
| Question 2:         | Does the fund have a clear understanding of its asset managers’ guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value?<br><input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> Not applicable (no external asset managers)                                    |
| Question 3:         | If the fund answered <b>NO</b> to any of the above questions, please explain why:  |
| Question 4:         | Please add further comments on how your scheme applies Principle 4:  |

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| <b>Principle 5:</b> | <b>Institutional investors should be willing to act collectively with other investors where appropriate.</b>  |
| Question 1:         | Does the fund support the principle of collective engagement?<br><input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| Question 2:         | Does the fund itself undertake collective engagement?<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> This function is outsourced to the asset manager<br><input type="checkbox"/> This function is outsourced to a third party |

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| Question 3: | Does the fund monitor its managers' use of collective engagement?<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><input type="checkbox"/> Not applicable<br>If <b>YES</b> , please give brief details of the fund's monitoring process: |
| Question 4: | If you answered <b>NO</b> to any of the above questions, please explain why:<br><b>Whilst the Trustee supports the principle of collective engagement, it does not currently believe that this is sufficiently material to warrant formal monitoring.</b>             |
| Question 5: | Please add further comments on how your scheme applies Principle 5:   |

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| <b>Principle 6:</b> | <b>Institutional investors should have a clear policy on voting and disclosure of voting activity.</b>  |
| Question 1:         | Does the fund have its own voting policy?<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> This function is outsourced to asset managers   |
| Question 2:         | Does the fund publicly disclose its voting policy?<br><input type="checkbox"/> Yes – please cite where it is disclosed:<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> Not applicable, this function is outsourced   |
| Question 3:         | If the fund answered <b>NO</b> to Question 1 or Question 2, please explain why:   |
| Question 4:         | Does the fund delegate any voting to its asset managers?<br><input checked="" type="checkbox"/> Yes, all voting is delegated to asset managers<br><input type="checkbox"/> Yes, some voting is delegated to asset managers<br><input type="checkbox"/> This function is outsourced to the proxy voting agency or another third party<br><input type="checkbox"/> No |
| Question 5:         | Where the fund outsources voting to its asset managers, does the fund monitor the voting activity of its managers?<br><input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| Question 6:         | Does the fund publicly disclose its voting activity?<br><input type="checkbox"/> Yes – please cite where it is disclosed:<br><input type="checkbox"/> Not currently, but intends to do so – please note from when:<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> Not applicable, this function is outsourced                                |
| Question 7:         | If the fund answered <b>NO</b> to Question 5 or Question 6, please explain why:   |
| Question 8:         | Please add further comments on how your scheme applies Principle 6:   |

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| <b>Principle 7:</b> | <b>Institutional investors should report periodically on their stewardship and voting activities.</b>  |
| Question 1:         | Does the fund review its internal and/or external asset managers' stewardship reports and if so how often?<br><input type="checkbox"/> Yes, Quarterly<br><input checked="" type="checkbox"/> Yes, Annually<br><input type="checkbox"/> Yes, Every 2 – 3 years<br><input type="checkbox"/> No, Never  |
| Question 2:         | Does the fund make such reports available to members?<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |
| Question 3:         | Does the fund make these publicly available?<br><input type="checkbox"/> Yes – please cite where it is disclosed:<br><input checked="" type="checkbox"/> No  |
| Question 4:         | Will the fund require verification of the asset managers' stewardship activities?<br><input type="checkbox"/> Yes, will require formal certification (eg SAS70 or AAF01/06) of asset managers' activities<br><input type="checkbox"/> Yes, will require internal audit (but not formal certification) of asset managers' activities<br><input checked="" type="checkbox"/> No, verification will not be required   |
| Question 5:         | If the fund answered <b>NO</b> to any of the above questions, please explain why:<br><b>Whilst the Trustee does not publish the manager's stewardship reports, these are available to members via the internet on the manager's website.</b><br><br><b>The Trustee does not believe that independent verification of the manager's stewardship is proportionate and relies on its manager's ordinary disclosures and reports for compliance with this principle.</b> |
| Question 6:         | Please add further comments on how your scheme applies Principle 7:  |

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| <b>General comments</b> |
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| If you have any general comments on the Stewardship Code and how you apply its Principles, please add them here: |
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