

Stewardship Code

The UK Stewardship Code has been developed by the Financial Reporting Council to set out best practice for institutional holders of equities and how such holders should monitor, engage and intervene on matters that may affect the long term value of companies and the capital invested in them.

Pension Insurance Corporation holds very few equities and is willing to engage directly where it believes it will protect and enhance shareholder value.

Our compliance with the UK Stewardship Code is explained in the table below:

The UK Stewardship Code	How PIC complies
Principle 1	
Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.	Our policy and approach are detailed on this website.
Principle 2	
Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.	<p>We have in place policies to manage conflicts. Broadly we deal with them in the following manner:</p> <ul style="list-style-type: none"> • Internal procedures are in place to identify conflicts • Conflicts are managed by ensuring non-conflicted senior management or Non- Executives of PIC make decisions • The company is notified if we consider PIC has a conflict of interest
Principle 3	
Institutional investors should monitor their investee companies.	<p>PIC holds very few equities. Those it does hold are directly managed by the Investment Executive who monitor closely.</p> <p>Regular meetings are held at which corporate governance and best practice are considered and reviewed.</p>
Principle 4	
Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.	We have regular contact with the CEO and CFO of those companies in which we hold equities. If initial discussions fail to result in improvements; we will contact the Chairman

	<p>of the Board and escalate matters.</p> <p>If matters are not resolved to our satisfaction we will contact the Senior Independent Director (SID).</p> <p>As a last resort we are prepared to call an EGM and propose motions relating to the behaviour we seek to change.</p>
Principle 5	
Institutional investors should be willing to act collectively with other investors where appropriate.	PIC is willing to collaborate with other investors if it believes that is in the interests of shareholders. We also collaborate on a number of issues through our membership of the ABI, CBI and NAPF as well as other informal channels.
Principle 6	
Institutional investors should have a clear policy on voting and disclosure of voting activity.	We consider each vote on its own merits and determine whether to vote or not by. We disclose our vote to the Senior ALM Committee and when appropriate the PIC Board.
Principle 7	
Institutional investors should report periodically on their stewardship and voting activities.	The results of our voting and engagement activities are communicated to our Board and investors regularly.