

MARITIME TRANSPORT SERVICES LTD RETIREMENT & DEATH BENEFITS SCHEME

IMPLEMENTATION STATEMENT FOR SCHEME YEAR ENDED 31 DECEMBER 2020

The Trustee's policy in relation to voting and engagement for the relevant Scheme year is set out in the Statements of Investment Principles dated November 2017 and September 2019. The September 2019 version was updated to include details of the arrangements the Trustee has in place with its investment manager including those relating to voting rights where applicable to the investment held by the Trustee.

In accordance with the Statement of Investment Principles dated September 2019 the Trustee has delegated responsibility for the exercising of rights (including voting rights) attaching to investments to BlackRock the investment manager. The investment manager makes available regular reports to the Trustee Directors detailing their voting activity.

The ability to vote and therefore voting rights are available on the equity holdings in funds held by the Trustee. Those funds are listed below.

Aquila Life European Equity Index Fund
Aquila Life Currency Hedged European Equity Index Fund
Aquila Life UK Equity Index Fund
Aquila Life US Equity Index Fund
Aquila Life Currency Hedged US Equity Index Fund
Aquila Life Japanese Equity Index Fund
Aquila Life Currency Hedged Japanese Equity Index Fund
Aquila Life Pacific Rim Equity Index Fund
Aquila Life Currency Hedged Pacific Rim Equity Index Fund
Aquila Life Emerging Markets Fund

The equity holdings in funds held by the Trustee are all in passive index-tracking funds with BlackRock Investment Management (UK) Limited ("BlackRock"), via an insurance policy.

BlackRock is the legal owner of the securities that are held within the equity funds and has the legal right to the votes and is responsible for exercising those votes. Whilst the Trustee cannot directly influence the voting decisions made it is able to engage with BlackRock in relation to voting and engagement as required. The Trustee board met with BlackRock during the Scheme year to discuss their ESG approach and specifically their stewardship/engagement of underlying holdings.

BlackRock publish details of their voting guidelines which set out their view on key governance issues. Their approach to voting is market specific with the voting decisions made being informed by research and engagement as necessary. BlackRock have provided detailed information to the Trustee setting out their

voting behaviour in respect of each of the equity funds listed above for the relevant Scheme year. This information sets out the votes available and votes made including any abstentions or withheld votes.

BlackRock subscribe to proxy voting advisory services the input from which is used in its process of analysing votes along with many other inputs which together inform their voting decision.

BlackRock publish voting bulletins shortly after any significant votes have taken place. These documents are prepared by Institutional Shareholder Services and provide background to the vote and an explanation of BlackRock's voting decision.

BlackRock have provided the following explanation of their view as to the most significant votes cast during the year and their rationale for their inclusion as significant.

'During the period 1 January 2020 to 31 December 2020, BlackRock Investment Stewardship periodically published detailed explanations of specific key votes in "vote bulletins". These bulletins are intended to explain our vote decision, including the analysis underpinning it and relevant engagement history when applicable, on certain high-profile proposals at company shareholder meetings. We make this information public shortly after the shareholder meeting, so clients and others can be aware of our vote determination when it is most relevant to them. We consider these vote bulletins to contain explanations of the most significant votes for the purpose of the Shareholder Rights Directive II.'

The Trustee has been provided with detailed information for the votes that BlackRock consider to be the most significant votes assessed against the criteria set out above in respect of each of the equity funds listed above for the relevant Scheme year. This information includes a description of the resolutions being voted upon, the votes cast and the rationale for their voting decision with details of any further action that is being taken in relation to company monitoring and engagement. The Trustee is satisfied with the information provided in this respect.

Having reviewed all the supporting information, the Trustee is satisfied with the investment manager's processes for exercising voting rights and that these are consistent with the Statements of Investment Principles, and the Trustee will continue to engage with BlackRock in this respect.

Signed on behalf of the Trustee of the Scheme:

G D Morrison

Graham Morrison