The Barnett and Hall Retirement Benefits Scheme

STATEMENT OF INVESTMENT PRINCIPLES

1 Introduction

This statement has been prepared by the Trustees of the Barnett and Hall Retirement Benefits Scheme ("the Scheme") to set down the principles governing decisions about investments for the Scheme to comply with the following legislation:

- Pensions (Northern Ireland) Order 1995 ("the Act"), as amended.
- The Occupational Pension Schemes (Investment) Regulations (Northern Ireland) 2005, as amended by the Occupational Pension Schemes (Charges and Governance) Regulations (Northern Ireland) 2015; and
- Subsequent legislation.

Prior to preparing this Statement the Trustees have taken appropriate professional advice from their consultant, Mercer Limited ("Mercer"). Where matters described in this Statement may affect the Plan's funding policy, input has also been obtained from the Plan Actuary. The Trustees will obtain similar advice whenever they review this Statement. The Trustees have also consulted with the sponsoring employer.

The Scheme is exempt approved and provides final salary related benefits.

2 Investment Objectives and Risk

2.1 Investment Objectives

The Trustee's objective is to invest the Scheme's assets in the best interest of the members and beneficiaries, and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries. The Trustees have agreed a number of objectives to help guide them in their strategic management of the assets. The Trustees key investment objectives are as follows:

- to ensure that the Scheme can meet its obligations to the beneficiaries of the Scheme;
- to pay due regard to the level and incidence of the employer's contribution payments.

The objectives highlight the twin concerns of meeting the obligations of the Scheme while paying due regard to the pension cost.

change, present risks and opportunities that increasingly may require explicit consideration.

The Trustees have given the investment managers full discretion when evaluating ESG issues and in exercising voting rights and stewardship obligations attached to the Plan's investments, including engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest and risks, in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. Equity managers who are FCA registered are expected to report on their adherence to the UK Stewardship Code on an annual basis.

The Trustees do not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the investment managers' general policies on stewardship, as provided to the Trustees from time to time, considering the long-term financial interests of the beneficiaries.

The Trustees consider how ESG, climate change and stewardship is integrated within Mercer's investment processes and those of the investment managers in the monitoring process. The ESG ratings of the investment managers are monitored by Mercer and presented to the Trustees on request.

Investment Restrictions

The Trustees have not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in future.

Member views

Member views are not currently taken into account when determining the investment strategy, underlying manager structure or selection, retention or realisation of investments. The Trustees will review this position periodically.

6 Additional Voluntary Contributions

The Scheme has available an AVC arrangement with Standard Life Investments for members who wish to enhance their retirement benefits. The Trustees believe this to be an appropriate vehicle for this purpose.

7 Investment Manager Appointment, Engagement and Monitoring

7.1 Aligning Investment Manager Appointments with Investment Strategy

The investment manager is appointed by the Trustees based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and desired risk characteristics.

- The investment manager appointed has been reviewed and the Trustees have decided to terminate the mandate.

8 Compliance with this Statement

The Trustees will formally review this statement as required in conjunction with their advisers.

9 Review of this Statement

The Trustees will review this Statement in response to any material changes to any aspects of the Scheme, its liabilities, finances and the attitude to risk of the Trustees and the sponsoring Company, which they judge to have a bearing on the stated Investment Policy.

Any such review (which will occur at least on an annual basis) will again be based on written, expert investment advice and will be in consultation with the Company.

This statement has been agreed by the Trustees on ...30/09/2020.....

Signed on behalf of the Trustees of the Barnett and Hall Retirement Benefits Scheme:

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