

Appendix 3 – Pension Fund Top Equity Ten Holdings – Responsible Investment Activity - Quarter ending 31 December 2009

Top Ten Holdings & Percentage of Total Equities of Fund	Fidelity – Details of Responsible Investment Engagement	Capital International – Details of Responsible Investment Engagement	LAPFF Engagement
1. Shell 'B' Ord (0.65%)	No specific details received but see note below.	Capital have reported that they have not undertaken any engagement on an environmental, social or governance basis in quarter 3.	<p>Responsible investment group Fair Pensions is working with institutional investors to submit shareholder resolutions at Shell's AGM on 18<sup>th</sup> May &amp; BP's AGM on 15<sup>th</sup> April .</p> <p>The resolutions will push Shell &amp; BP on the long term challenges arising from their investment in controversial Canadian oil( Tar ) sands.</p> <p>LAPFF began engaging with both companies on this issue in 2008.</p> <p>LAPFF will be issuing a draft statement on its position in the near future and intends issuing voting alerts to its members 15 days prior to each companies AGM. This will give LAPFF the opportunity to review each companies meeting materials which will be made available 21 days before the AGM's.</p>

<b>Top Ten Holdings &amp; Percentage of Total Equities of Fund</b>	<b>Fidelity – Details of Responsible Investment Engagement</b>	<b>Capital International – Details of Responsible Investment Engagement</b>	<b>LAPFF Engagement</b>
2. BP (0.61%)	"	"	"
3. Vodafone (0.60%)	"	"	No engagement this quarter.
4. HSBC (0.43%)	"	"	"
5. E.ON (0.41%)	"	"	"
6. Roche Holdings (0.40%)	"	"	"
7. SMC Corp (0.36%)	"	"	"
8. Imperial Tobacco(0.35%)	"	"	"
9. BNP Paribas (0.33%)	"	Meeting held October. Discussed microfinance(offering small personal loans)Paribas interested in acting in an intermediary capacity, but its agency network negated more direct provision of small personal loans.  Management advised that a recent rights issue would be used to repay the French state for support provided during the banking crisis.  Regarding shareholder representation and influence on the board-BNP advised that shareholder representatives were present at every board meeting and were entitled to voice their opinion.	"
		Capital advised BNP that their voting decisions were taken internally rather	

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10. BAE Systems (0.33%)	“	than following recommendations of a third party provider, any questions on resolutions would be sent to the company, that said Capital requested direct communication from the company ahead of the AGM.	“
		Capital have reported that they have not undertaken any engagement on an environmental, social or governance basis in quarter.	

**Note:**

Fidelity explain that their engagement with companies is channelled primarily through their team of equity analysts. This contact includes quarterly face-to-face meetings with the CEO or FD, monthly contact with the Investor Relations team, periodic site visits to see the company's operations and attendance at analyst days hosted by the company. Dialogue encompasses all aspects of a company's business including strategy, operations, trading, governance, shareholder rights, environmental and social policies. Where there is a divergence of views or a matter of particular importance arises, FIL's corporate finance team may become involved. Matters involving corporate finance might include board and management composition, corporate strategy, specific corporate transactions and legal matters. FIL's proxy voting function also forms part of the corporate finance team and has a particular focus on remuneration-related issues.