Mercer

Mercer Global Investments Europe Limited

Remuneration Policy

July 2022

Contents

Introduction

Mercer Global Investments Europe Limited ("MGIE") is authorised and regulated by the Central Bank of Ireland (the "Central Bank") as an investment firm under the European Union (Markets in Financial Instruments) Regulations (the "MiFID II Regulations") which transpose Directive 2014/65/EU ("MiFID II") into Irish law. As a MiFID investment firm, MGIE is subject to Directive (EU) 2019/2034 on prudential requirements of investment firms ("IFD") which came into effect on 26 June 2021 and includes requirements relating to remuneration which apply from remuneration years commencing 1 January 2022.

Scope

The Policy applies to all members of the MGIE board of directors and MGIE staff, including branches, and the Methodologies for the Assessment of Variable Remuneration & Bonuses set out in Appendix 1 apply to all staff receiving variable remuneration. Additional requirements on payment of variable remuneration apply to certain staff whose professional activities have a material impact on the firm's risk profile or the assets it manages. The Policy specifically relates to the remuneration of individual employees. It does not cover costs, charges, fees, commissions or non-monetary benefits (together "inducements") that are paid by MGIE or to MGIE directly and indirectly to non-MGIE employees.

Remuneration Requirements

Remuneration Requirements that are applicable to MGIE include the following:

- MiFID II and all supporting requirements;
- IFD and transposing legislation;
- EBA Guidelines on sound remuneration policies under IFD (the "EBA Guidelines")

As MGIE does not provide services to retail clients / consumers the Central Bank's guidelines on variable remuneration for sales staff will not apply.

General

The purpose of the Remuneration Policy ("Policy") is to assist with MGIE's compliance with the remuneration requirements under MiFID II and IFD, and any additional remuneration requirements that are imposed by ESMA, the EBA or the Central Bank from time to time and the requirements specified below (together, the "Remuneration Requirements").

MGIE ensures that its remuneration arrangements are in compliance with the Remuneration Requirements and that the remuneration arrangements are aligned with conflict of interest and conduct of business obligations so that MGIE's client's interests are not impaired by the remuneration policies and practices adopted by the firm in the short, medium and long term. This Policy and related practices are consistent with and promote sound and effective risk management and are gender neutral.

This Policy is designed to support MGIE's strategic business objectives and core values in an appropriate risk controlled manner, by providing the remuneration mechanisms for MGIE to attract, retain and motivate its colleagues in a manner that is consistent with the expectations of the Remuneration Requirements. In addition to the Remuneration Requirements, under Regulation (EU) 2019/2088 (the "Sustainable Finance Disclosure Regulation"), a financial market participant (such as MGIE) is required to include in its remuneration policy information on the integration of sustainability risks and how the remuneration structure is consistent with the integration of sustainability risks. This is set out in Appendix 3 below. MGIE is wholly owned directly by Mercer Ireland Holdings Limited and is ultimately wholly owned by Marsh McLennan ("MMC"), a company quoted on the New York Stock Exchange.

MGIE - Class 2 Firm under IFD

Due to the nature and the scale of the services provided, MGIE is classified as a Class 2 Investment Firm under IFD. This Policy has been prepared to ensure it is proportionate to the size, internal organisation and nature, as well as to the scope and complexity of the activities carried out.

Meaning of Remuneration

The EBA Guidelines define remuneration as:

> ***"****all forms of fixed and variable remuneration and includes payments and benefits, monetary or non-monetary, awarded directly to staff by or on behalf of investment firms in exchange for professional services rendered by staff, carried interest payments….and other payments made via methods and vehicles which, if they were not considered as remuneration, would lead to a circumvention of the remuneration requirements of IFD".;* ***"***

Fixed remuneration primarily reflects relevant professional experience and organisational responsibility as set out in an employee's job description as part of his or her terms of employment. Variable remuneration reflects a sustainable and risk adjusted performance of the employee, as well as performance in excess of the employee's job description. The fixed component represents a sufficiently high proportion of the total remuneration so as to enable the operation of a fully flexible policy on variable remuneration components, including the possibility of paying no variable remuneration component.

MGIE ensures a balance between the variable and the fixed component of the total remuneration, taking into account the business activities and associated risks, as well as the impact that different categories of staff have on the risk profile of the firm. Whilst there are no caps in place, any total variable remuneration component greater than 100% of fixed will require approval on a case by case basis by the Remuneration Committee.

Gender Neutral

The Policy and related practices are consistent with the principle of equal pay for male, female and diverse workers for equal work or work of equal value as laid down in Article 157 of the Treaty on the Functioning of the European Union (TFEU) and that are assumed to affect all sexes equally.

This Policy and all related employment conditions that have an impact on pay are gender neutral. This includes, but is not limited to remuneration, including award and payout conditions, recruitment policies, career development and succession plans, access to training and ability to apply for internal vacancies. In order to monitor that gender neutral remuneration policies are applied, MGIE has documented job descriptions for all positions and determined which positions are considered as equal or of equal value per unit of measurement or time rate, taking into account at least the type of activities, tasks and responsibilities assigned to the position or staff member.

Identified Staff

MGIE has processes in place to identify the members of staff whose professional activities have a material impact on the firm's risk profile or of the assets that it manages (identified staff). MGIE will at least annually conduct a self-assessment in order to identify all staff whose professional activities have or may have a material impact on the investment firm's risk profile or of the assets that it manages.

The self-assessment is based on the qualitative and quantitative criteria set out in the EBA Regulatory Technical Standards on identified staff and, if required, additional criteria set forth by the firm that reflect the levels of risk of different activities within the firm and the impact of staff members on the risk profile. When applying quantitative criteria based on staff members remuneration, the fixed remuneration awarded for the preceding financial year and the variable remuneration awarded to staff for the preceding financial year is taken into account. The variable remuneration awarded in the preceding financial year is the variable remuneration awarded in the preceding financial year with reference to previous performance.

When applying quantitative criteria based on staff's remuneration MGIE takes into account all monetary and non-monetary fixed and variable remuneration components awarded for professional services. Routine remuneration packages that are not accounted for on an individual level should be taken into account based on the overall sum broken down by objective criteria to the individual staff member.

MGIE applies quantitative criteria defined in euro, and where remuneration is awarded in a currency other than the euro the applicable thresholds will be converted using the internal Marsh McLennan exchange rate set at the beginning of each year.

The following information will be included in the documentation of the self-assessment done regarding the identification of staff:

a. the rationale underlying the self-assessment and the scope of its application;
b. the approach used to assess the risks emerging from MGIE’s business strategy and activities, including in different geographical locations;
c. how persons working in MGIE or other entities within the scope of consolidation, subsidiaries and branches, including such located in third countries, are assessed;
d. the role and responsibilities of the different corporate bodies and internal functions involved in the design, oversight, review and application of the self-assessment process; and
e. the identification outcome.

MGIE will keep records of the identification process and its results and will be able to demonstrate to the Central Bank of Ireland how staff have been identified according to both the qualitative and quantitative criteria provided for within the RTS on identified staff and any additional criteria used. This will include the number of identified staff including the number of staff identified for the first time, the job responsibilities and activities, the names or another unique identifier and the allocation within MGIE of the identified staff to business areas and a comparison with the results of the previous year’s self-assessment.

This Policy ensures that the identification process of staff whose professional activities have a material impact on the MGIE’s risk profile or of the assets that it manages is consistently applied.

Variable Remuneration

In addition to the general requirements under this Policy, variable remuneration awarded and paid to Identified Staff will also comply with the following principles:
(a) where variable remuneration is performance related, the total amount of variable remuneration is based on a combination of the assessment of the performance of Mercer, the individual, of the business unit concerned and of MGIE’s overall results;
(b) when assessing the performance of the individual, both financial and non-financial criteria are taken into account;
(c) the assessment of the performance referred to in point (a) is based on a multi-year period, taking into account MGIE’s business cycle its business risks;
(d) the variable remuneration does not affect MGIE’s ability to ensure a sound capital base;
(e) there is no guaranteed variable remuneration other than for new staff only for the first year of employment of new staff and where MGIE has a strong capital base;
(f) payments relating to the early termination of an employment contract reflect performance achieved over time by the individual and shall not reward failure or misconduct;
(g) remuneration packages relating to compensation or buy out from contracts in previous employment are aligned with MGIE’s long-term interests and are structured to not reward failure;

(h) We have clawback policies for annual bonus awards, equity-based compensation, and for all sign on awards. We expect all awards to include performance conditions. We do not award multi-year cash based awards. The Company may as a matter of policy recoup (or “claw back”) bonuses in the event of misconduct.

(i) the measurement of performance used as a basis to calculate pools of variable remuneration takes into account all types of current and future risks and MGIE’s capital and liquidity requirements;

(j) the allocation of the variable remuneration components takes into account all types of current and future risks;

(k) at least 50 % of the variable remuneration consists of any of the following instruments:

- (i) shares or equivalent ownership interests;
- (ii) share-linked instruments or equivalent non-cash instruments;
- (iii) Additional Tier 1 instruments or Tier 2 instruments or other instruments which can be fully converted to Common Equity Tier 1 instruments or written down and that adequately reflect the credit quality of MGIE as a going concern;
- (iv) non-cash instruments which reflect the instruments of the portfolios managed;

(l) by way of derogation from point (k), where MGIE does not issue any of the instruments referred to in that point, approval may be sought from the Central Bank of Ireland to use alternative arrangements fulfilling the same objectives;

(m) at least 40 % of the variable remuneration is deferred over a three- to five-year period as appropriate, depending on the business cycle, the nature of its business, its risks and the activities of the individual in question, except in the case of variable remuneration of a particularly high amount where the proportion of the variable remuneration deferred is at least 60%.The deferral of the variable remuneration will vest no faster than on a pro-rata basis.

(n) up to 100 % of the variable remuneration is contracted where the financial performance of the investment firm is subdued or negative, including through malus or clawback arrangements subject to criteria set by MGIE which in particular cover situations where the individual in question:

- (i) participated in or was responsible for conduct which resulted in significant losses for MGIE;
- (ii) is no longer considered fit and proper;

(o) discretionary pension benefits are in line with the business strategy, objectives, values and long-term interests of MGIE. Where an employee leaves the investment firm before retirement age, discretionary pension benefits will be held for a period of five years in the form of instruments referred to in point (k). Where an employee reaches retirement age and retires, discretionary pension benefits shall be paid to the employee in the form of instruments referred to in point (k), subject to a five-year retention period.

Employees must not use personal hedging strategies or remuneration and liability-related insurances to undermine the principles referred to in this section.

Variable remuneration is not paid through financial vehicles or methods that facilitate non-compliance with this Policy

For the purposes of point (k) above, the instruments referred to therein are subject to an appropriate retention policy designed to align the incentives of the individual with the longer-term interests of MGIE, its creditors and clients.

Points (k) and (m) above and the requirement of retention and payment of discretionary pension benefits in instruments will not apply where:
a) the value of MGIE's on and off-balance sheet assets is on average equal to or less than EUR 100 million over the four-year period immediately preceding the given financial year;
(b) an individual whose annual variable remuneration does not exceed EUR 50 000 and does not represent more than one fourth of that individual's total annual remuneration.

For the avoidance of doubt, members of the board of directors do not receive any variable remuneration in connection to their role as director.

Governance and Responsibility

The board of directors of MGIE (the "Board") has adopted, maintains and oversees the implementation of the Policy. The Board is responsible for the Policy and MGIE's remuneration arrangements including approval of any subsequent material exemptions made for individual staff members. The senior management team is responsible for the day-to-day implementation of the Policy and the monitoring of compliance risks related to the Policy.

The Board is responsible for approving this Policy and any further amendments to the Policy. The implementation of the Policy is subject to a central and independent internal review by control functions at least annually. Staff engaged in control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, regardless of the performance of the business areas they control. The remuneration of senior officers in the risk management and compliance functions is directly overseen by the remuneration committee.

The Board has established a remuneration committee which is gender balanced and exercises competent and independent judgement on this Policy and related practices including the incentive for managing risk, capital and liquidity.

The remuneration committee is responsible for the preparation of decisions regarding remuneration, including decisions which have implications for the risk and risk management of MGIE and which are to be taken by the Board. The Chair and the members of the remuneration committee are non-executive members of the board. The remuneration committee may also include one or more employee representatives. When preparing decisions, the remuneration committee shall take into account the public interest and the long-term interests of shareholders, investors and other stakeholders of MGIE.

The Remuneration Committee will determine and oversee the remuneration of the executive members of Board and oversee directly the remuneration of the senior officers in the independent control functions, including the compliance function and the risk management function.

The human resources function participates in and informs on the drawing up and the evaluation of this Policy, including the remuneration structure, remuneration levels and incentive schemes, in a way that would not only attract and retain staff but also assure that the remuneration policy is aligned with the firm's risk profile.

The risk management function will assist in and inform on the definition of suitable risk-adjusted performance measures (including ex post adjustments), as well as in assessing how the variable remuneration structure affects the firm's risk profile and culture. The risk management function will validate and assess risk adjustment data as well as be invited to attend the meetings of the remuneration committee on this matter.

The compliance function will analyse how the remuneration policy affects MGIE's compliance with legislation, regulations, internal policies and risk culture and will report all identified compliance risks and issues of non-compliance to the Board. The findings of the compliance function will be taken into account by the supervisory function during the approval, review procedures and oversight of the remuneration policy.

The internal audit function will carry out an independent review of the design, implementation and effects of the remuneration policies on MGIE's risk profile and the way these effects are managed.

No individual is allowed to be involved in designing their own compensation plans.

Internal Transparency

This Policy will be internally disclosed to all staff and accessible for all staff at all times. Staff are informed about the characteristics of their variable remuneration, as well as the process and criteria that will be used to assess the impact of their professional activities on the risk profile of the firm and their variable remuneration. In particular, the appraisal process with regard to the individual's performance is properly documented and transparent to the staff concerned.

Version Control:

Version	**Prepared by**	**Reviewed by**	**Approved by**
September 2020	Compliance	Human Resources	Board
March 2021	Compliance / Responsible Investment	Human Resources	Board
July 2021	Compliance	Human Resources	Board 5 July 2021
August 2022 – Appendix 2 update	Human Resources	Compliance	Board August 2022

Appendix 1

Criteria for Determining Client Best Interest and MGIE's Long-Term Interests

Mercer aims to provide competitive total remuneration in order to attract, motivate and retain experienced and talented individuals at all levels of the organisation who will enhance Mercer's financial and strategic position and who reflect and promote high standards of ethics and business conduct.

Mercer has considered the extent to which its remuneration policies could influence its staff in their decisions, and has designed its remuneration policies to minimise any excessive risk-taking by Relevant Persons. A robust performance management process forms part of the annual remuneration review in order to reward success as well as to avoid the possibility of payment for failure and so as to avoid actual or potential conflicts of interest. The various remuneration components are combined to ensure an appropriate and balanced remuneration package. The intention to only reward performance is reflected in the policy of not guaranteeing any level of annual pay increase, nor paying sign-on bonuses or guaranteeing bonuses, other than only in exceptional circumstances for new hires and then only at minimum levels and for a single year. Exceptional circumstances would include compensating for the loss of a bonus or deferred incentive from an individual's current employer.

Mercer will ensure that its remuneration policy is in line with the business strategy, objectives, values and long-term interests of the firm, as well as to avoid actual or potential conflicts of interest. In particular:

- Remuneration awards are flexed in line with Mercer Group's performance and profitability, thereby aligning the interests of employees with those of the Group's shareholders.
- Additionally, Mercer may, from time to time, issue long term incentive/equity participation plans. These plans typically involve a multi-year horizon so as to defer remuneration and operate as a retention mechanism, including the forfeiture of awards upon voluntary termination of employment or termination for cause. The objective achieved via these plans is that a meaningful percentage of an employee's expected total remuneration is both tied to the overall success of Mercer and the Group, and focused over a multi-year time period.
- No staff member or person having a conflict of interest with such a staff member will be involved in assessing their own remuneration or that of a person they have a conflict of interest with.

Mercer's remuneration arrangements encourage and promote behaviour in line with its core values and with those set out in Marsh McLennan's' 'The Greater Good' code of conduct, and reward individuals who consistently demonstrate these behaviours in their day to day actions. Such values include:

- Create breakthrough impact for clients - We put our clients' interests ahead of our own, helping them overcome challenges and realize new opportunities. We are inventive and tireless on their behalf.
- Embrace innovation and the digital future - We believe that everything we do can be done better, and that we can shape our industries through innovation and thought leadership.

- Be a great place to work - We invest in the lifelong learning and success of our colleagues, promote an open, inclusive and diverse environment and give back to the communities in which we work and live.
- Drive growth and create value - We deliver operational excellence and make value-based decisions to strengthen the firm.

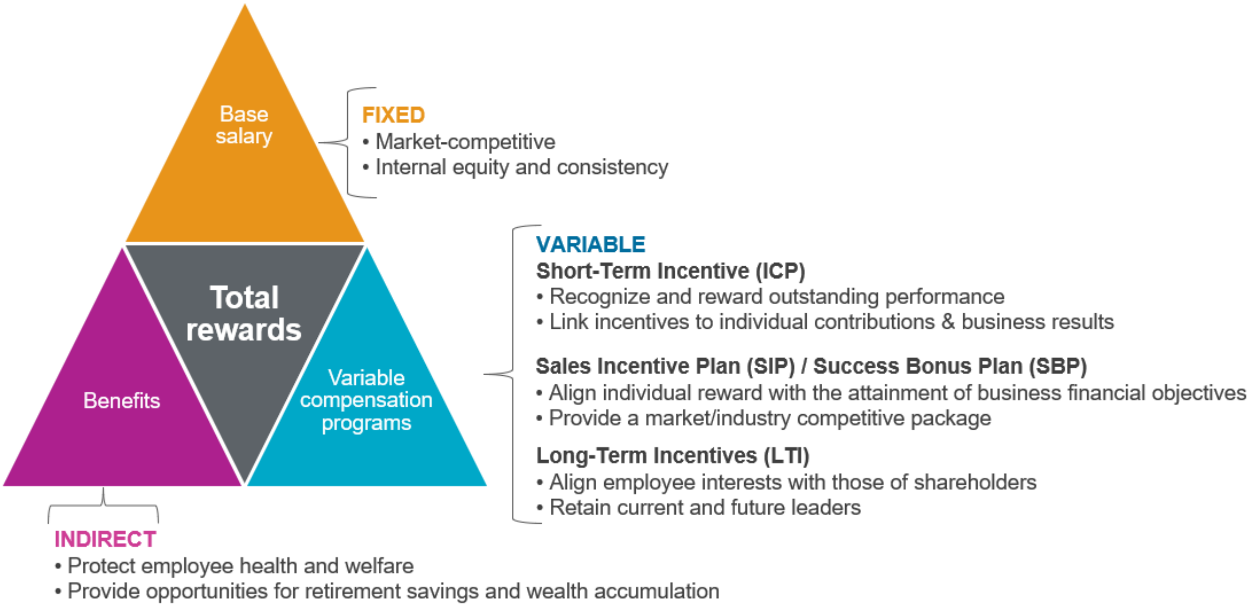
Employees are assessed throughout the year and rated based on both the overall performance of the business (global/regional/market/geography/line of business depending on seniority of role), their individual performance and behavioural and technical competencies, and relative to their peers, against their goals. Mercer uses a 'Balanced Scorecard' approach to setting and measuring against performance goals. The goal setting framework covering: Financials, Clients, People ensures a holistic approach to measuring and rewarding performance.

Appendix 2

Methodologies for the Assessment of Variable Remuneration & Bonuses

Remuneration is governed at a global level with local management leadership team meetings to discuss and review remuneration, for example during our year-end performance review process. Mercer adopts the most conservative stance of only paying discretionary or formula bonuses based on income earned by Mercer in each calendar year.

Mercer's total rewards structure is comprised of fixed, variable and indirect remuneration. Eligibility for variable pay rewards will differ by colleague's role and level within the organisation, with senior colleagues eligible to participate in Mercer's Long-Term Incentive programme.



One third of rewards provided under the SIP and SBP are deferred under the terms of these plans. LTI is awarded in year one and vests over a three year period. LTI may be awarded in restricted stock units, performance stock units, stock options and/or restricted cash.

Eligibility is communicated to each colleague in contracts of employment and/or side letters, with details of the relevant plan(s) available in the plan policy documentation.

The Remuneration Committee ("RemCo") and Human Resources with advice from Mercer's Chief Compliance Officer, will regularly review the appropriateness of Mercer's reward structures, particularly of variable remuneration, to ensure they promote sound and effective risk management and do not reward failure, that they do not encourage risk-taking that exceeds the level of tolerated risk for the firm and so as to avoid actual or potential conflicts of interest. Variable pay plans will be assessed against the remuneration principles and the Committee will determine if those plans are appropriately balanced from a risk perspective in terms of both the ratio between fixed and variable compensation and the structure and period of deferrals (both cash and stock), and make recommendations to the Board of Directors for changes where the Committee deems this appropriate. The Remuneration Committee on behalf of the Board will review and finally approve the individual remuneration of all Code Staff.

As a subsidiary company of Marsh McLennan, the firm broadly adheres to Marsh McLennan rules regarding remuneration and is subject to oversight by Marsh McLennan's Compensation Committee.

MGIE's Executive Risk Committee, as part of the Internal Capital Adequacy Assessment Programme, will at least annually consider the implications on capital, liquidity and risks associated with variable remuneration, to ensure that it does not limit the firm's ability to strengthen its capital base, and that any performance measure used to calculate variable remuneration components or pools thereof take account of and adjust for current and future risks.

Mercer follows the guiding principles established by Marsh McLennan for its compensation design, decisions and actions. The four principles are:

- **Aligning with stockholder value creation** with a focus on balancing risk and reward in compensation programmes, policies and practices;
- **Supporting a strong performance culture** through short-term and long-term variable compensation, with the ability to differentiate among individuals based on actual results;
- **Setting target compensation at competitive levels in markets where we operate**, with flexibility to recognise different business models and markets for talent; and
- **Maximising colleagues' perceived value of our programmes** through transparent processes and communication.

Appendix 3

Integration of Sustainability Risks

As well as the methodologies outlined above, the performance management process (and therefore the remuneration arrangements) also integrate non-financial methodologies in order to promote sound and effective risk management with respect to sustainability risks. This ensures that MGIE's remuneration structure does not encourage excessive risk-taking with respect to sustainability risks and is linked to risk-adjusted performance.

In order to achieve this, specific sustainability goals have been developed as disclosed in Mercer's sustainable investment policy and are included in MGIE's employees' goals and objectives. All employees of MGIE are expected to support the business in undertaking its activities in a responsible manner through the inclusion of sustainability considerations in their roles and in their decision making process. Specifically for employees involved in investment decision making activities, those employees are expected to implement the key principles embedded in Mercer's sustainable investment policy which they are subject to.

These sustainability related goals will also be considered as part of the individual assessment referred to Appendix 1 above.