

MERCER (IRELAND) LIMITED

Terms of business for the provision of regulated investment and insurance services to Corporates, Sponsoring Employers and Trustees of Occupational Pension Schemes.

September 2021

The words “we”, “us”, “our” or “Mercer” refer to Mercer (Ireland) Limited. Mercer is a member of the Marsh & McLennan (MMC) group of companies.

These Terms of Business are effective from their date of issue. Mercer are required to provide you with this document in advance of entering into a business relationship with you. We advise you to read this document carefully.

Note that Mercer will be unable to provide you with any regulated services until necessary anti-money laundering verification checks have been completed.

These Terms of Business are not intended to confer benefit on any third party.

Mercer’s Authorisation

Mercer is authorised by the Central Bank of Ireland (the “CBI”) as an Investment Firm under the European Union (Markets in Financial Instruments) Regulations 2017 (the “MiFID II Regulations”, “MiFID II”).

Mercer is authorised under Section 10 of the Investment Intermediaries Act, 1995 (as amended) (“IIA”) as a Deposit Agent or Deposit Broker.

Mercer is also authorised as an Insurance Intermediary under the European Union (Insurance Distribution) Regulations 2018 (the “IDR”).

In the context of the IDR and IIA authorisations, Mercer is obliged to comply with the CBI’s Consumer Protection Code (the “CPC”) and Minimum Competency Code, both of which offer protection to consumers and can be found on the CBI’s website www.centralbank.ie.

Mercer can be contacted at:

Charlotte House
Charlemont Street
Dublin 2

23/25 South Terrace
Cork

Tel: + 353 1 6039700

Tel: + 353 21 4910900

Classification of Clients

Trustees and Sponsoring Employers of Occupational Pension Schemes

The categorisation criteria set out in the MiFID Regulations (as implemented into Irish law) and the CPC dictate that Occupational Pension Scheme Trustees should be categorised as 'Professional Clients' and 'Consumers' respectively, as determined by the regulations governing the services provided. That is, where MiFID services are provided (i.e. investment advice relating to financial instruments, as defined by MiFID, and receiving / transmitting orders in financial instruments), trustees will be categorised as 'Professional Clients'. On the other hand, where the services are regulated by the CPC (investment advice relating to insurance wrapped collective investment schemes and insurance mediation services), trustees will be categorised as 'Consumers'. Sponsoring employers of occupational pension schemes are not classified for MiFID purposes as Mercer does not provide them with MiFID-regulated services.

However, where Mercer provides insurance mediation services to sponsoring employers or corporates they will be subject to classification as 'Consumers', in accordance with the definition prescribed within the CPC. Refer to 'Section 1 – Our Services' for further details.

Other Clients

Where MiFID regulated services are provided to other clients to whom this document has been issued, such clients will be classified as 'Professional Clients'.

Changing your Categorisation

Clients have a right to request to be treated as Retail Clients. If you wish to change your categorisation please contact your Mercer consultant.

Professional Clients are assumed to have sufficient knowledge and experience to understand the risks in relation to the product or service provided. A similar assumption does not apply to Retail Clients who are entitled to receive more detailed information from Mercer on the nature and risks of financial instruments and our conflicts of interest and best execution policies.

Confirmation of the above can be found on the Central Bank of Ireland website <https://www.centralbank.ie> or by contacting the Central Bank of Ireland at:

Post: Central Bank of Ireland, P.O. Box 559, Dublin 1.

Tel: +353 1 224 6000

Fax: +353 1 671 5550

1. Our Services

We act as consultants and actuaries to trustee clients (i.e. Revenue approved occupational pension schemes and employee profit share schemes) and employers (i.e. corporate entities). We provide a range of services which includes the provision of pension and share scheme administration services, advice on the appropriateness of investments against liabilities, general investment strategy, selection of investment managers and products, periodic performance evaluation, effecting and administering certain types of insurance contracts and advice relating to the provision of employee benefits in Ireland and overseas. Mercer carries out the following regulated activities:

1. The provision of investment advice;
2. Receipt and transmission of orders on behalf of investors, or orders in relation to one or more investment instruments;
3. Insurance mediation and
4. Deposit Agent / Broker

We act as an Insurance Intermediary for the purpose of insurance mediation. When acting as an intermediary, Mercer:

- Is not a tied agent;
- Is acting on behalf of our clients, we do not act on behalf of the insurance company;
- Has no financial interest in any life assurance company;
- Provides recommendations or advice on the basis of ‘*fair analysis*’ of the market to ensure that we assess the market on the basis of an appropriate number of providers and product producers to ensure the most suitable and competitive provider is recommended to clients. Where a ‘fair analysis’ of the market is not carried out, the client will be informed prior to entering any contract.

A full list of Mercer regulated services and products are available at <https://www.mercer.ie/about-merceregulated-in-ireland.html>.

Multi – Party Engagements

Where Mercer enters into an engagement with both a corporate entity and an occupational pension scheme **or** employee profit share scheme associated with that corporate entity, one or both of these parties may be in receipt of services from Mercer as part of this engagement. It is therefore important to highlight which of these entities is defined as Mercer’s “client” with respect to each specific regulated service, as articulated in the following table:

Regulated Activity	Mercer Service	Client	Regulations
Receipt / Transmission of Orders in Financial Instruments	Pension Scheme Administration	Pension Scheme	MiFID II
	Profit Share Scheme Administration	Profit Share Scheme	
Investment Advice	Investment	Pension Scheme	MiFID II / IDR

(Pension Scheme Assets)	Consulting		
Investment Advice Corporate Assets	Investment Consulting	Corporate Entity	MiFID II / IDR
Insurance Mediation (Death in Service)	Insurance Broking	Pension Scheme	IDR
Insurance Mediation (Death in Service)	Insurance Broking International Business	Corporate Entity	IDR
Insurance Mediation (Specified Illness Income Continuance) OR	Insurance Broking	Corporate Entity	IDR
Insurance Mediation (Private Medical Insurance)	Insurance Broking	Corporate Entity	IDR
Insurance Mediation (Private Medical Insurance)	Insurance Broking – International Business	Corporate Entity	IDR
Insurance Mediation (Insured Pensions)	Insurance Broking	Corporate Entity and/or Pension Scheme	IDR

2. Responding to Your Instructions

Any advice and/or recommendations we give you will be confirmed in writing. If you wish to instruct us to buy or sell investments or to effect or administer contracts of insurance on your behalf, we will require written confirmation of all orders. It is integral to Mercer's order execution protocol that we will at all times respond to your instructions on a timely basis.

Mercer will provide services only upon request and, unless otherwise agreed, will not be responsible for keeping previous advices and recommendations under review.

To enable us to provide you with a proper service, we need to be able to contact you from time to time. We will work on the basis that we have your express invitation and authority to do this. If we wish to see you personally, we will of course make an appointment convenient for you beforehand.

3. Our Recommendations

Generally, we do not restrict the type of investments or markets upon which we advise. For example, we may recommend overseas investments, which are denominated in currencies other than Euro. We will advise you about the nature and relevant risks associated with different financial/investment instruments.

The performance of most investments varies over time and cannot be guaranteed. Risks of under-performance and levels of charges by providers also vary. In advising you about an investment or insurance contract, Mercer can in no way guarantee the ability of that insurance company or other provider to meet its obligations under that contract in the future.

4. Nature & Suitability of Advice - Investments

Nature

When receiving investment advice from Mercer, the advice provided can relate to product offerings from both third parties and Mercer group entities. As such, Mercer does not promote, nor should you consider, the advice provided as being Independent. This conflict is addressed in more detail in our Conflicts of Interest Statement. Refer to the 'Conflicts of Interest' section for further details.

Suitability

Prior to the provision of certain types of investment advice and to enable us to act in your best interest, we may be required to carry out a suitability assessment. The suitability assessment entails gathering facts and information relating to your circumstances including your investment objectives, which enable us to formulate investment recommendations to buy, sell or hold a financial instrument. It is important therefore that all of the information provided by you during the information gathering process is complete and accurate.

On – Going Suitability

Unless otherwise agreed and reflected in the engagement letter governing the provision of services, Mercer will not undertake any periodic assessments as to the on-going suitability of the advice provided. Should any material changes to your circumstances arise in the course of our advice, it is also necessary for you to bring these to the attention of your consultant in a timely manner to ensure that the investment advice we provide is suitable to your needs.

5. Communications

Mercer will communicate with you in English, unless otherwise agreed. Communications will be by letter, e-mail, fax or telephone and our records will be held in a durable medium.

Telephone Recording

Please note that when Mercer provides you with the regulated services listed below, telephone calls to and from Mercer will be recorded for quality assurance, training and regulatory purposes.

Regulated Activity	Mercer Service
Receipt / Transmission of Orders in Financial Instruments	Pension Scheme Administration ----- Profit Share Scheme Administration
Investment Advice	Investment Consulting

Email

The provision by you of an email address for the purposes of carrying on business with us acknowledges that we may communicate with you by the means of electronic communications. You must ensure that Mercer has the most up to date contact information for you at all times.

Any communication or information sent via email to a Mercer employee other than to their corporate email address will be ignored.

Text Message

Mercer will not communicate or accept information/instruction from clients via text message and any information/instruction sent via this medium will be ignored

6. Conflicts of Interest

The nature of Mercer's services and the parties to whom we provide these services is such that potential conflicts of interest are common. The measures we take to manage such potential conflicts of interest are, however, intended to mitigate the risk of actual conflicts arising. Our policy on conflicts of interest sets out the basis on which we manage specific conflicts depending on their nature, significance and the overall circumstances. Disclosure is a key element of our conflicts policy. Our conflicts of interest policy is available on request or on our regulatory disclosures page at: <https://www.mercer.ie/about-mercero/regulated-in-ireland.html>.

7. Order Handling

Mercer is authorised by the CBI to Receive and Transmit Orders relating to financial instruments. We place orders when providing two services:

- Transmitting orders to investment managers in relation to Collective Investment Schemes ("CIS") as part of our Pension Administration and Investment Advisory services; **and**
- Transmitting orders to regulated brokers as part of our Employee Share Scheme Administration service.

When placing orders for CIS with investment managers, the venue for the trade is always through the investment manager / transfer agent for the fund in question. Mercer does not have a choice in terms of selection of venue for placing of orders in relation to CIS. It is Mercer's policy to place orders on a timely basis, in line with the any agreements in place with clients and/or the requirements on order placement as set out by Pensions Act, 1990. Mercer does not attempt to time its order placement to anticipate market movements.

In relation to Mercer's Employee Share Scheme Administration service, orders received are always placed in relation to the shares in the underlying sponsoring company of the scheme (or if the company itself is not a quoted company, it may be in shares of its parent company). Mercer use preferred brokers for specific markets or client appointed brokers if the client requests Mercer to use specific brokers as the venue for the provision of these services. The trustees of the schemes appoint the brokers who provide execution services and safe keeping services to the schemes. Mercer monitors the performance of brokers in the provision of services to the schemes. Mercer does not attempt to time its order placement to anticipate market movements as part of this service. More detail in relation to Mercer's order placement is available on request. Mercer's Order Handling Policy is attached at Appendix 1.

8. Order Execution

As a MiFID firm, Mercer is authorised to receive and transmit orders in relation to one or more financial instruments. Mercer is not authorised to execute client orders. When providing the service of reception and transmission of orders the MiFID II Regulations require that Mercer acts in accordance with the best interests of its clients when transmitting client orders to other entities for

execution.

Mercer only provides services to professional clients and does not receive orders from clients for execution on a trading / execution venue.

Mercer is required to ensure it take all sufficient steps to obtain the best possible result, given the circumstances, for clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of the order, unless there is a specific instruction from a client whereby the firm must execute the order in line with that instruction. Any specific instructions from a client may prevent the firm from taking the steps that it has designed and implemented in this execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

Mercer does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or an execution venue which would infringe on its requirements relating to conflicts of interest or inducements.

Further detail with regard to how Mercer complies with its best execution obligations is set out in our Order Execution Policy, which is attached at Appendix 2.

9. Duty of Disclosure (Insurance Mediation Services)

You must be aware of the duty of disclosure in relation to insurance and the severance consequences of its breach. The duty of disclosure which applies to your policy will depend upon the law(s) of which country is applicable to the Insurance.

Insurance providers require you to provide complete and accurate material information when insurance is first arranged, throughout the life of the policy and at policy renewal. 'Material' in this context refers to all information which prudent Insurers would wish to take into account of when considering whether or not to accept the risk and if so on what terms and at what price. Material information does not necessarily have to increase the risk.

It is important you ensure that all statements you make on proposal forms, claim forms and other documents are full and accurate. Failure to disclose any material information may result in impairment or voiding of coverage. We advise you to review all documentation you receive relating to products / services we provide to or arrange for you and advise us of anything which you believe is not in accordance with the negotiated coverage and terms within thirty days following receipt.

From time to time Mercer may provide services to insurance companies in return for a fee. These services are designed to enhance the products offered by insurers and the service received by our customers. These arrangements do not influence our advice to customers when acting as their insurance intermediary.

A summary of details of all arrangements for any fee, commission, other reward or remuneration paid or provided to us as agreed with a product producer is available at <https://www.mercer.ie/privacy/commission-summary.html??>

From time to time, we may receive minor non-monetary benefits from insurance companies such as minor hospitality (food or a beverage during a business meeting or conference, seminar or other training event). These are not included in the summary of details due to the de minimis value of the benefits and/or the benefit is designed to enhance the quality of the service we provide to you.

Acceptance of any such benefits must be reasonable and of such scale that that it would not influence Mercers behaviour in any way that is detrimental to the interests our clients.

10. Investor Compensation Act, 1998

Mercer is a member of the Investor Compensation Scheme established under the Investor Compensation Act, 1998, (the “Act”). This legislation provides for the establishment of a compensation scheme and the payment, in specified circumstances, of compensation to certain types of clients (known as eligible investors) of authorised investment firms as defined by the Act. The Investor Compensation Company Limited (“ICCL”) was established under the 1998 Act to operate such a compensation scheme. Compensation may be payable where money or investment instruments owed or belonging to clients and held, administered or managed by the firm cannot be returned to those clients for the time being and where there is no reasonably foreseeable opportunity of the firm being able to do so.

A right to compensation will only arise where the Investor Compensation Scheme has been informed by the Central Bank of Ireland that it has determined that the firm cannot meet its obligations arising from investors’ claims and has no reasonable foreseeable opportunity of being able to do so, or, that the firm has been the subject of a Court ruling that prevents it from returning money or investment instruments to investors. In the event that a right to compensation is established for eligible clients, the amount payable is the lesser of 90% of the loss which is recognised as being eligible for compensation or €20,000.

Mercer categorises the vast majority of its clients, including trustees of occupational pension schemes, as Professional Clients and as such are likely to be excluded from any entitlement to receive compensation under the Act. Furthermore, clients are not protected under the Act for non-regulated products or services in the event of a failure of a firm and accordingly, any consequential shortfall in monies owed by the firm to its clients for such products and services covered by the Investor Compensation Scheme. A full list of Mercer regulated services and products is available at: <https://www.mercer.ie/about-mercercer/regulated-in-ireland.html>.

Further information is available from the Central Bank of Ireland or the Investor Compensation Company at (01) 224 4955.

11. Right to Cancel

The investment or insurance contracts we recommend may allow the right to cancel during a period known as the “cooling off” period. Details will be included in the particulars of any recommendation we make. We will draw your attention to the relevant notice period allowed for each contract or advise you if no rights apply.

12. Remedies on Default

In the event of default by a client, Mercer may terminate the contract on one month’s notice or such longer term as may be set out and agreed in any agreement in place with the client from time to time. On termination, we will complete all necessary work in relation to outstanding matters, unless otherwise agreed. Our normal basis of remuneration will apply in respect of such work and any expenses necessarily incurred will be added to the fees. Insurance cover may be terminated in the

event of premiums not being paid in accordance with agreed time-frames.

13. Our Charges

Unless otherwise agreed in respect of a service or project, Mercer is remunerated by fees, which are normally based on the time spent and the costs involved in the provision of the agreed service or project. More detail in relation to this matter is set out in our engagement letter with you. Changes in fees will be notified to the customer in advance of their coming into effect.

For certain types of transactions, including the arranging of insurance products for clients, Mercer agrees with a client that it will receive an appropriate amount of commission from a provider in lieu of fees. Commission is fully disclosed to the client in these circumstances.

Charges for Regulated Investment Services

With respect to Investment Services provided by Mercer, certain services (such as pension scheme administration and profit share scheme administration) are provided to clients, where only a certain element of the services are regulated. To this extent the table below positions what proportion of the total cost of the service is associated with the regulated element.

Conversely, in the case of Investment Advisory services, Mercer considers all of the activities undertaken in the provision of these services to be regulated.

Regulated Activity	Mercer Service	Fee Basis	Proportion of Fee Deemed for Regulated Activity
Receipt / Transmission of Orders in Financial Instruments	Pension Scheme Administration	Fixed Fee	5%
	-	-	
	Profit Share Scheme Administration	Fixed Fee	
Investment Advice	Investment Consulting	Fixed Fee	100%
		Time Accrued	

14. Client Verification

Mercer, in its capacity as a financial institution, has legislative obligations under the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010-2021 to ensure that processes are in place to counter money laundering and terrorist financing activities. As such, you will be requested to provide certain documentation to assist Mercer in verifying the persons (legal or otherwise) with whom we are entering into a business relationship. Please note Mercer cannot commence our proposed commercial relationship with you until such documentation has been provided and any delay in providing documentation may lead to a delay in provision of services to you. Mercer will take

necessary steps to verify the veracity of the documentation you provide to us. Your Mercer contact will inform you of the documentary requirements in due course.

15. Complaints

If you wish to make a formal complaint about our service, you may do so using one of the options listed below. Ideally, we prefer to receive complaints in writing as it ensures that we have a clear record of your complaint.

Writing: Mercer (Ireland) Limited, Compliance Department, Charlotte House, Charlemont Street, Dublin 2

Phone: Just Ask Team - 1890 275 275 (Within Ireland) or (+353) (1) 411 8505 (Outside Ireland)

In Person: Please contact your usual Mercer Consultant

Mercer has in place a written procedure for the effective consideration and proper handling of complaints, copy is available upon request. All formal complaints will be acknowledged in writing within 5 business days of receipt and while they are being investigated, the complainant shall receive a regular written update on the progress of the investigation at intervals of not greater than 20 business days. Within 5 business days of the completion of the investigation of a complaint, Mercer shall advise the complainant in writing of the outcome of the investigation.

If the complainant is not satisfied with the outcome, you may be entitled, dependent upon which product / service the client is complaining, to refer the matter to the Financial Services & Pensions Ombudsman, Lincoln House, Lincoln Place, Dublin 2, D02 VH29. Mercer will inform a complainant in writing of their right to refer a complaint to the Ombudsman.

16. Data Protection

Mercer takes its obligations under the Data Protection Acts 1988, 2003 and 2018 (the "Acts") very seriously and strives to ensure that our operational procedures are cognisant of the eight data protection principles prescribed by the Acts.

Purpose

In order to provide you with products and/or services, as detailed in your engagement letter with us, Mercer will need to gather and process Personal Data relating to

- Trustees or
- members of pension schemes and share participation schemes or
- Directors or Beneficial owners of Corporates.

In certain circumstances, when providing insurance services for example, Mercer may also need to gather and process Sensitive Personal Data.

Where Mercer is required to gather and process Sensitive Personal Data or special categories of data, we shall, where required by law, obtain your consent. You have a right to withdraw this consent at any time by notice to Mercer. If you withdraw consent, you must be aware that Mercer may become unable

to continue to provide you with the services, process enquiries and in the case of individual insurance contracts, cover may stop.

Mercer will process your data only for the purposes for which it was gathered and will take all reasonable steps to ensure the accuracy and completeness of the data we retain.

Disclosure

Mercer may need to share your data with third parties, in the following circumstances:

- Group companies – we may share your data with subsidiaries of our parent company Marsh & McLennan Companies, Inc. for the purposes of routine client management, accounting and marketing activities or in connection with services and products provided by such subsidiaries;
- Third party organisations:
 - we may need to share your data with third parties where we have engaged a third party to assist us in the provision of our products and/or services. However, this will relate solely to the provision of the products and/or services specified in your engagement letter with us;
 - we may need to share your data (Personal and/or Sensitive Personal) with organisations with whom we are engaging on your behalf to arrange services, i.e. insurance companies. However, we will obtain your explicit consent when we intend on sharing your Sensitive Personal Data with a third party;
 - we may need to share your data with organisations whom we have engaged to support us in complying with our regulatory obligations; **and**
- Regulatory authorities – in complying with our regulatory obligations, we may be required to share your data with a regulatory authority.

Right of Access

Under the Acts you are entitled to request a copy of your data which we hold. If you wish to make such a request, please do so in writing to: Head of Compliance, Mercer (Ireland) Limited, Charlotte House, Charlemont Street, Dublin 2. We will facilitate your request within forty (40) calendar days of receipt.

Rectification and Erasure

Under the Acts you are entitled to request that we correct and / or erase any of your data which we hold should you identify (i) data which we hold is inaccurate or out-of-date, or (ii) not required for the purposes of the products / services we provide you. If you wish to make such a request, please do so in writing to: Head of Compliance, Mercer (Ireland) Limited, Charlotte House, Charlemont Street, Dublin 2.

17. Necessary Future Changes

We may need to change our operating practices in the future, particularly to accommodate any changes in applicable financial regulation. In the event that any regulatory or legal obligation requires Mercer to amend these Terms of Business, Mercer will provide you with advance written notice of the revised terms.

18. Client Assets

A Client Assets Key Information Document (“CAKID”) is attached as an appendix to this Terms of Business document. The CAKID provides information regarding the arrangements for holding client assets in relation to services regulated by the CBI and constitutes the terms and conditions in relation to the provision of these services.

It is important to note that the Client Assets Regulations do not apply to the pension payroll services offered by Mercer.

Mercer will operate the bank account for these services in a similar manner to the regulated client asset regime. However, it is important to note that such funds:

1. Are held separately from regulated client assets;
2. Are held separately from Mercer assets and are subject to a declaration of trust in favour of our clients;
3. Are acknowledged by the banks holding them as being client funds held in trust by Mercer; **and**
4. Will not be protected as regulated client assets.

By agreeing to these Terms of Business you consent to Mercer operating its Client Asset accounts as described in Section 6 of Appendix 3 to these Terms of Business:

Additional Terms & Conditions in relation to client funds held for activities not regulated by the CBI are contained in Appendix 4.

19. Governing Law and Language

These terms of business will be governed by and constructed in accordance with the laws of Ireland and the parties submit to the jurisdictions of the Irish Courts. All Services are conducted through English and contractual terms and conditions are available in English.

Appendix 1 – Order Handling Policy

INTRODUCTION

Mercer (Ireland) Limited (“MIL”, the “Company”) has established and implements this policy to ensure it obtains, for client orders, the best possible result in accordance with its regulatory requirements.

SCOPE

This Policy solely applies to the Pension Administration (“Mercer Services”) and Investment Consulting businesses within MIL and all references to MIL relates solely to these business functions.

REGULATORY REFERENCES

MIL is a MiFID Investment Firm authorised by the Central Bank of Ireland under the European Union (Markets in Financial Instruments), Regulations 2017 (the “MiFID II Regulations”), which transposes Directive 2014/65/EU (“MiFID II”) and the Commission Delegated Directive (EU) 2017/593 into Irish law. MIL is also subject to the Commission Delegated Regulation (EU) 2017/565 which provides obligations with regards to organisational requirements and operating conditions for investment firms.

MIL is authorised to conduct the following Investment Services:

1. Receipt and transmission of orders in relation to one of more financial instruments; **and**
2. Investment advice.

MIL provides these services primarily to Pension Schemes and Employee Share Participation Schemes.

REGULATORY OBLIGATIONS

As a MiFID firm, MIL is authorised to carry out the receipt and transmission of orders in relation to one or more financial instrument. When providing the service of receipt and transmission of orders Commission Delegated Regulation (EU) 2017/565 requires MIL to act in accordance with the best interests of its clients when transmitting client orders to other entities for execution.

SUMMARY OF SERVICES

MIL primarily receives and transmits orders in relation to pooled investment vehicles which do not fall within the best execution requirements. There are certain and very limited circumstances whereby MIL may receive and transmit an order relating to a specific financial instrument. While these transactions are rare, MIL has processes in place to ensure it obtains best execution in relation to these trades. Further details in relation to this are set out below.

MIL is not authorised to execute client orders. MIL only provides services to professional clients and does not receive orders from clients for execution on a trading/execution venue.

MIL does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or an execution venue which would impinge on its requirements relating to conflicts of interest or inducements.

PENSION ADMINISTRATION SERVICES – POOLED INVESTMENT VEHICLES

As part of MIL's Defined Benefit ("DB") and Defined Contribution ("DC") Pension Administration services, MIL receives instructions from clients to place orders with Investment Managers. Such instructions relate to orders to buy or sell units/shares in pooled investment vehicles (such as UCITS/Non-UCITS Collective Investment Schemes ("CIS")) or Unit Linked Funds. This entails transactions which comprise the subscription, redemption or conversion of units in a fund through such funds Transfer Agent at Net Asset Value. Such transactions are not subject to best execution criteria under MiFID II.

When placing orders with Investment Managers, the venue for the trade is always through the Investment Manager or Transfer Agent for the fund in question. Mercer does not have any discretion in terms of selection of venue for the placing of orders in relation to Collective Investment Schemes.

It is MIL's policy to place all orders on a timely basis, in line with the Service Level Agreements in place and/or the requirements on order placement as set out by Pensions Act, 1990 which prescribes that defined contributions due for remission by 21st of each month, be invested within ten days of that date. Mercer does not attempt to time its order placement to anticipate market movements. Its strategy is purely to ensure all orders are placed with investment managers on a timely basis.

The majority of DC clients' scheme members have access to Mercer OneView, an online service, which provides scheme members with the ability to access a range of services on-line, including the ability to send instructions to Mercer in relation to their DC pension. MIL processes these instructions in line with the agreed parameters as agreed with the Pension Scheme trustee. Typically this means instructions from members will be collated on a scheme by scheme basis and processed on a specific dealing day as agreed with the Pension Scheme Trustees. Mercer checks contract notes to ensure the instructions have been carried out.

Monitoring

In relation to the placement of orders in relation to CIS's, all trades are dealt at the Net Asset Value ("NAV") of the fund on the relevant dealing day. The only aspect of the order that MIL can influence is the timeliness. MIL aims to ensure all orders are processed within the timescales as agreed with the client under a service level agreement or as defined in the Pensions Act.

INVESTMENT CONSULTING SERVICES – POOLED INVESTMENT VEHICLES

As part of MIL's Defined Benefit ("DB") and Defined Contribution ("DC") Investment Consulting services, MIL occasionally receive instructions from clients to place orders with Investment Managers. Such instructions relate to orders to buy or sell units/shares in pooled investment vehicles (such as UCITS/Non-UCITS Collective Investment Schemes) or Unit Linked Funds. This entails transactions which comprise the subscription, redemption or conversion of units in a fund through such fund's Transfer Agent at Net Asset Value. Such transactions are not subject to best execution criteria under MiFID II.

When placing orders with Investment Managers, the venue for the trade is always through the Investment Manager or Transfer Agent for the fund in question. Mercer does not have any discretion in terms of selection of venue for the placing of orders in relation to Collective Investment Schemes.

PENSION ADMINISTRATION & INVESTMENT CONSULTING SERVICES – DEFINED BENEFIT SEGREGATED MANDATES

MIL has a very small number of segregated clients whereby it facilitates the transfer of money flows to the client’s Investment Manager (“IM”) for investment in line with the client’s mandate, which has been agreed between the client and the IM. In the majority of cases this is an administrative task whereby MIL passes on the funds for the IM to invest in line with the client’s mandate. This activity does not fall under the MiFID II best execution requirements as MIL does not know how the funds will be invested – this is the role of the IM. However, there may be a small number of occasions where this transfer may relate to an investment in one specific financial instrument. It is in these cases that MIL is subject to MiFID’s best execution requirements.

AVAILABILITY OF THIS POLICY

This policy is provided to all clients before the provision of relevant services and is also available online as part of our regulated Terms of Business at <https://www.mercer.ie/about-mercero/regulated-in-ireland.html>.

POLICY REVIEW AND APPROVAL

This Policy was prepared by the Risk & Compliance Function and will be reviewed on at least an annual basis. Any amendments will be approved by both the Executive Risk Committee (“ERC”) and the Board Risk & Compliance Committee (“BRCC”), prior to the approval by the Board of Directors.

RECORD RETENTION

All documentation subject to this Policy will be retained in a durable medium for at least seven years.

Version Control:

Version	Prepared by	Reviewed By	Approved By	Effective date
Version 1	Risk & Compliance	Risk Committee	Board of Directors	January 2018
Version 2	Compliance	----	Board Risk Committee	May 2019
Version 3	Compliance	ERC & BRCC	Board of Directors	August 2020
Version 4	Compliance	ERC & BRCC	Board of Directors	August 2021

Appendix 2 – Order Execution Policy

INTRODUCTION

Mercer (Ireland) Limited (“MIL”, the “Company”) has established and implements this policy to ensure it obtains, for client orders, the best possible result in accordance with its regulatory requirements.

SCOPE

This Policy solely applies to the Share Scheme Administration business within MIL and all references to MIL relates solely to MIL’s Share Scheme Administration business.

REGULATORY REFERENCES

MIL is a MiFID Investment Firm authorised by the Central Bank of Ireland under the European Union (Markets in Financial Instruments), Regulations 2017 (the “MiFID II Regulations”), which transposes Directive 2014/65/EU (“MiFID II”) and the Commission Delegated Directive (EU) 2017/593 into Irish law. MIL is also subject to the Commission Delegated Regulation (EU) 2017/565 which provides obligations with regards to organisational requirements and operating conditions for investment firms.

MIL is authorised to conduct the following Investment Services:

1. Receipt and transmission of orders in relation to one or more financial instruments; and
2. Investment advice.

MIL provides these services primarily to Pension Schemes and Employee Share Participation Schemes.

BEST EXECUTION OBLIGATIONS

As a MiFID firm, MIL is authorised to receive and transmit orders in relation to one or more financial instruments. MIL is not authorised to execute client orders. When providing the service of reception and transmission of orders the Commission Delegated Regulation (EU) 2017/565 requires that MIL acts in accordance with the best interests of its clients when transmitting client orders to other entities for execution.

MIL only provides services to professional clients and does not receive orders from clients for execution on a trading/execution venue.

MIL is required to ensure it take all sufficient steps to obtain the best possible result for clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of the order, unless there is a specific instruction from a client whereby the firm must execute the order in line with that instruction. Any specific instructions from a client may prevent the firm from taking the steps that it has designed and implemented in this execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

MIL does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or an execution venue which would infringe on its requirements relating to conflicts of interest or inducements.

BROKER SELECTION / COMMISSION

MIL is not involved in or permitted to select Brokers on behalf of clients. As part of the client onboarding process the MIL Consultant discusses the client's preferred Broker.

In some circumstances a client may have a Corporate Broker with whom they already have a relationship with and wish to incorporate the service offering to the same Broker. There may also be cases where a client will ask MIL to assess Broker charges in order for them to assess and assist their broker selection process.

Under no circumstances does MIL recommend or nominate a Broker to a client. MIL merely provides the requested information to the client who makes the ultimate decision.

In all circumstances clients agree the broker commission/charges as part of their own broker selection process.

Clients send MIL formal documentation setting out their nominated Broker. In line with the overall service offering provided, MIL sets up the safe keeping account with the nominated Broker prior to the first share purchase.

MIL only transmits orders to the Brokers selected by clients.

BEST EXECUTION MONITORING

Price

When transmitting orders to Brokers, MIL records the placement time and asks the Broker how the trade will be executed e.g. Volume Weighted Average Price ("VWAP") for large orders or Spot Deal for smaller orders. This enables MIL determines the appropriate benchmark for monitoring the price. When MIL receives the trade confirmation it compares the price against the relevant benchmark and also takes into account the time of placement. Any price deviations outside set tolerances are queried with the relevant Broker until MIL reaches a satisfactory response. The rationale and other relevant information in relation to the execution of the order/price are maintained on file.

Commission

As broker commission/charges are agreed at the outset between the client and the broker it is MIL's responsibility to ensure that the actual broker charges are in line with what was agreed and set out in the relevant Rate Card. MIL monitors this on a trade by trade basis. Any exceptions or deviations from the Rate Card are promptly followed up by MIL with the relevant broker. The rationale and other relevant information are maintained on file.

Broker Policies

As part of its oversight model, on an annual basis, MIL receives confirmation from its clients' appointed Brokers that they have a MiFID II compliant best execution policy in place and that there were no material exceptions identified in consideration of orders executed on behalf of MIL/its clients.

Foreign Exchange Transactions

Where the executing entities use their discretion in executing Foreign Exchange transactions, such transactions are executed in line with the best execution policies of the executing entities

TOP FOUR BROKERS

The following is the current list of top four (4) brokers as selected by MIL's clients:

1. CIBC World Markets Inc.
2. J&E Davy, trading as Davy
3. Cantor Fitzgerald Ireland Limited
4. Brewin Dolphin Wealth Management Limited

AVAILABILITY OF THIS POLICY

This policy is provided to all clients before the provision of relevant services and is also available online as part of our regulated Terms of Business at <https://www.mercer.ie/about-mercero/regulated-in-ireland.html>.

POLICY REVIEW AND APPROVAL

This Policy was prepared by the Compliance Function and will be reviewed on at least an annual basis. Any amendments will be approved by both the Executive Risk Committee ("ERC") and the Board Risk & Compliance Committee ("BRCC"), prior to approval by the Board of Directors.

RECORD RETENTION

All documentation pertaining to this policy will be retained for a period of at least seven years.

Version Control:

Version	Prepared by	Reviewed By	Approved By	Effective date
Version 1	Risk & Compliance	Risk Committee	Board of Directors	January 2018
Version 2	Compliance	ERC & BRCC	Board of Directors	August 2019
Version 3	Compliance	ERC & BRCC	Board of Directors	August 2020
Version 4	Compliance	ERC & BRCC	Board of Directors	August 2021

Appendix 3 – Client Assets Key Information Document

The Mercer (Ireland) Limited (“Mercer”) Client Assets Key Information Document (“CAKID”) has been drawn up pursuant to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Investment Firms) Regulations 2017 (the “Regulations”).

1. Overview

Please note that the provisions of this CAKID apply only to client monies held in relation to activities that are regulated by the Central Bank of Ireland. These activities are the administration of;

- a. Defined Contribution pension schemes;
- b. Defined Benefit pension schemes;
- c. AVC Pension schemes; **and**
- d. Employee Share Participation schemes.

The CAKID and the provisions contained therein do not apply to pension payroll services as these services are not regulated under the Client Assets Regulations. The arrangements in relation to these services are outlined in Appendix 4.

2. An explanation of the Regulations

Mercer (Ireland) Limited (“Mercer”) is authorised by the Central Bank of Ireland as an investment firm under the Markets in Financial Instruments Directive ‘MiFID’. As a MiFID investment firm Mercer is required to comply with the Regulations. Furthermore, the Central Bank has issued a Guidance document to assist investment firms in complying with the Regulations. In relation to client assets, Mercer is therefore required to adhere to the obligations imposed by both the Regulations and the guidance. Here is a link to both the Regulations and the Guidance:

[Client Asset Regulations](#)

[Client Assets Guidance](#)

In general, the purpose of the client asset regime is to safeguard client assets by ensuring firms adhere to general principles and prescriptive requirements. The objectives of the client asset regime are: (1) maintaining public confidence in the financial system; (2) minimising the risk of loss or misuse of client assets by authorised entities by having stronger systems and controls in place to protect the ownership rights of clients.; and (3) in the event of the insolvency of an entity, enabling the efficient and cost effective return of those assets to clients.

In order to achieve the above, Mercer is responsible for ensuring that its policies and procedures are sufficiently robust and complete, taking into consideration the risks posed to client assets by its

business. However, it is important to note that it is never possible to fully eliminate all risks relating to client assets, e.g. fraud, negligence.

The Regulations are set out under the following seven headings which the Central Bank regards as the seven core Client Asset Principles of a client asset regime:

2.1. Segregation

Mercer is required to physically hold client assets separate from its' own assets and maintain accounting segregation between its' own assets and client assets.

The Regulations provide that money received by Mercer for investment in an activity that is not a regulated financial service should not be deposited in a client asset account. Mercer has arrangements in place for client assets held in relation to its non-regulated business. These arrangements are outlined in Appendix 4.

2.2. Designation and Registration

Mercer ensures that client assets are clearly identified in its internal records and in the records of third parties. Client assets are clearly identifiable from Mercer's own assets.

In this regard, Mercer obtains a 'Fund Facilities Letter' in advance of opening a client asset account with any third party in respect of client funds. This letter governs the relationship between Mercer and the third party.

2.3. Reconciliation

Mercer maintains accurate books and records to enable it at any time and without delay to provide an accurate record of the client assets held by it for each client and the total held in the client asset account. In addition, Mercer performs a daily reconciliation between its internal records and those external records of any third party with whom client assets are held.

Mercer commences an investigation into the cause of any difference in the reconciliation within one working day, identifies the cause of the reconciliation difference within five working days and resolves any reconciliation difference identified as soon as practicable.

2.4. Daily Calculation

Each working day, Mercer is required to ensure that the aggregate balance on its client asset bank account as at the close of business on the previous working day is equal to the amount it should be holding on behalf of its clients. The Regulations therefore eliminate the requirement for Mercer to retain a buffer; i.e. a Mercer's Client Money Resource should only contain what it is required to hold for its clients on a given day.

2.5. Client Disclosure and Client Consent

Mercer has prepared this CAKID in order to inform clients on how and where its client assets are held and the resulting risks thereof. This CAKID also provides details of the circumstances in which the Regulations will apply and will not apply.

2.6. Risk Management

Mercer applies systems and controls that identify risks in relation to client assets and has implemented mitigating controls to manage these risks.

Mary O'Malley has been appointed to the role of Head of Client Asset Oversight ("HCAO"). The HCAO is responsible for ensuring that Mercer complies with its obligations under the Regulations.

In addition, Mercer has adopted a Client Asset Management Plan ("CAMP"). The CAMP is drafted in accordance with the Regulations and documents Mercer's business model and related risks in respect of the safeguarding of client assets and the controls in place to mitigate these. The CAMP will be reviewed and updated at least annually or more frequently if there is a change to Mercer's business which affects the way in which client assets are held.

2.7. Client Asset Examination

Mercer engages Deloitte to report at least on an annual basis on Mercer's safeguarding of client assets. Deloitte provides an assurance report with regard to certain matters which are specified in the Regulations.

3. An explanation of what constitutes client assets under the Regulations.

For the purposes of your engagement with Mercer, Client Assets are assets held that are directly related to the provision of a regulated service. The only such services currently provided by Mercer are the receipt and transmission of orders and processing of monies in relation to the administration of;

- Defined Contribution pension schemes;
- Defined Benefit pension schemes;
- AVC Pension schemes; **and**
- Employee Share Participation schemes.

The only assets held by Mercer in connection with these services are cash in client money bank accounts. Mercer does not hold any investment instruments on behalf of clients.

4. The circumstances in which the Regulations apply and do not apply.

The CAKID and the provisions contained therein do not apply to any service provided by Mercer other than those outlined in the previous paragraph. For the avoidance of doubt, the pension payroll services offered by Mercer are not subject to the Regulations. Mercer will operate the bank account for these activities in a similar manner to the regulated client asset regime. However, it is important to note that such assets;

- a. Are held separately from regulated client assets;
- b. Are held subject to a declaration of trust in favour of our clients;
- c. Are acknowledged by the bank holding them as being client assets held on trust by us; **and**
- d. Will not be protected as regulated client assets.

5. An explanation of the circumstances in which an investment firm will hold client assets itself, hold client assets with a third party and hold client assets in another jurisdiction.

Mercer acts as consultants and actuaries to trustee clients and employers. We provide a range of services which include the provision of pension and share scheme administration services, advice on the appropriateness of investments against liabilities, general investment strategy, selection of investment managers and products, periodic performance evaluation, effecting and administering certain types of insurance contracts and advice relating to the provision of employee benefits in Ireland and overseas.

In this regard, Mercer carries out the following regulated activities:

- The provision of investment advice;
- Receipt and transmission of orders on behalf of investors, or orders in relation to one or more investment instruments; **and**
- Insurance mediation.

Mercer holds client assets in respect of the above regulated activities for its pension administration business and employee share scheme business.

The regulated client assets which Mercer holds are limited to client funds which is defined as any money, to which our client is beneficially entitled, received from or on behalf of a client or held by us on behalf of a client and includes (without limitation):

- Client funds held by or with a nominee.
- In the case of money that is comprised partly of client funds and partly of funds of any other type, that part of the money that is client funds.

Client assets do not include money which relates exclusively to an activity which is not a regulated financial service.

Mercer does not hold client financial instruments as client assets.

Mercer does not currently outsource any of its responsibilities under the Regulations. Should the position change in this regard then Mercer's Client Asset Management Plan will be updated accordingly.

Mercer only uses banks to hold client assets. A list of Third Party banks used is maintained by Mercer's Treasury team. Persons authorised on the client asset bank accounts are detailed on the appropriate Bank Mandate submitted to each bank.

6. The arrangements applying to the holding of client assets and the relevant risks associated with these arrangements

By agreeing to these Terms of Business you consent to Mercer operating its Client Asset accounts as described in this Section 6

Banking Arrangements

Client assets are held in conglomerate bank current accounts and deposit/market accounts with nominated banks. These bank accounts are client asset accounts for the purposes of the Regulations. The conglomerate bank current accounts are pooled current accounts currently held

with both Ulster Bank Limited and Barclays Bank Ireland plc. Your assets are pooled with the assets of other clients in our Client Asset accounts.

By agreeing to these Terms of Business, you agree that your assets will be pooled with the assets of other clients.

Mercer maintains a cash book which identifies the balance of each individual pension and share scheme account and records all schemes' receipts and payments as well as providing a balance on any particular day. The Regulations require Mercer to reconcile client asset bank accounts each working day and prepare a daily calculation to ensure the total cash held in client assets bank accounts meets the requirements of the Regulations.

The risk arises here that if all client assets are held in one bank and that bank fails, then all client assets will be lost. In order to mitigate this risk Mercer, at its discretion, appoints a number of different banks to hold client assets. Therefore, the risk in the case of bank default is diluted. If a bank which holds client assets should default and therefore be unable to repay the client assets, then the loss of client assets will be pro-rated across all client asset balances based on the balance held by Mercer immediately prior to such default.

Nominated Bank Accounts

Mercer, at its discretion, appoints a number of different banks to hold client assets. The criteria for the selection of banks include the need to minimise the possible loss of client assets due to bank failure/credit risk and provide diversification. Client assets will be held in Euro with financial institutions authorised and regulated in Ireland or other EU states. Client assets held on behalf of pension schemes with UK members will be held in Sterling with financial institutions authorised and regulated in Ireland or other EU states. Client asset bank accounts held outside of Ireland will be subject to the law, including legal and regulatory regimes, of the relevant EU state. Skill, care and due diligence is exercised in selecting all credit institutions, and on-going periodic review is performed by Mercer on these institutions.

The risk arises here that if client assets are held in a bank that fails, then client assets held in that bank will be lost. Mercer mitigates this risk by appointing at its discretion a number of different banks to hold client assets which dilutes the risk in the case of bank default. If a bank which holds client assets should default and it is unable to repay monies held in the client asset account held with that bank, the loss of client assets will be pro-rated across all client assets balances based on the balance held by Mercer immediately prior to such default.

By agreeing to these Terms of Business, you agree that your assets may be held outside Ireland.

Arrangement in case of Bank Default/Error or Omission

To mitigate the risk that a bank which holds client assets should default and therefore be unable to repay the client assets then the loss of client assets will be pro-rated across all client assets balances based on the balance held by Mercer immediately prior to such default. Mercer will inform clients in writing as soon as we become aware of such a situation and outline what steps we will take to attempt to recover client assets and procedures to continue to operate the client asset accounts in an orderly manner. Mercer will inform the Central Bank of Ireland in the case of such a

default. Mercer will not be liable for any client loss incurred in the case of a bank default. Mercer will not be liable in the case of any error or omission by a bank.

Legal Title

The banks that hold client assets have confirmed to Mercer that these funds are held in designated trust accounts and as such the funds held are beneficially owned by the trustees. Mercer acts as nominee only in relation to these accounts and does not have any title to these funds and they are not included in its balance sheet. Neither can any examiner, liquidator nor receiver of Mercer have any claim to the funds in the conglomerate account. Mercer has received written confirmation from these banks that they have no right of set-off on these accounts against any funds that might be due by Mercer to them or any potential creditor of Mercer or any other Mercer group company.

These controls mitigate the risk of either Mercer or any liquidator or receiver attempting to utilise client assets to offset other obligations.

Receipts

Mercer will issue clients with a receipt for all funds received by way of cheque or other payable order, except where the funds are received in settlement of a specific contract note or invoice issued by Mercer to the client.

Statements

Mercer will issue clients with a statement in respect of client assets held on their behalf by Mercer on an annual basis, detailing the balance on the account as at the end of the reporting period, and interest credited to the account during that period.

Interest

No interest is paid to Defined Contribution / AVC Pension Schemes or Share Schemes. Interest earned on Client Asset accounts in relation to these services is retained by Mercer for its own benefit.

Interest is allocated to Defined Benefit Pension Schemes on a quarterly basis in arrears based on the end of day cash book balance of the pension scheme. The interest allocated is calculated at the ECB base rate less 1.5% to take account of the costs of maintaining the client funds accounts and associated risks involved. In cases where the ECB rate falls below 1.5%, Mercer reserves the right to retain any shortfall from future interest.

By agreeing to these Terms of Business you agree with how we treat interest earned on Client Asset accounts.

Internal Controls

In order to mitigate operational risk, including the risk of fraud, and to ensure that client assets are safeguarded and properly managed, Mercer has developed a system of controls around the operation of the client asset accounts, the main features of which are as follows:

Overdrafts: Negative balances or overdrafts are prohibited on client asset accounts. Requests to pay out funds that exceed the balance of the client assets cash book balance will be rejected where they would create a negative balance or overdraft. Requests for payments will be processed on receipt against the current funds.

Payment may only be made against cleared funds and cheque receipts can take up to 5 working days to clear. In cases where client fund payments have been made by Mercer to a third party and the receipts that funded those payments are subsequently returned unpaid or otherwise declined, then Mercer reserves the right to recover such payment from the third party. The client will be liable for any loss incurred due to non-recovery of such funds.

Receipts: Client assets are lodged to the client assets bank accounts as soon as possible, but no later than one business day following receipt. The Mercer administrator of the pension or share scheme will identify the appropriate scheme that the client assets relate to and allocate the receipt to that scheme. If receipts are not allocated to the appropriate scheme within 5 working days then these funds can be returned to the sender. Mercer does not accept cash receipts or post-dated cheques.

All direct credit transfers of client assets from clients to Mercer must be made to the Mercer conglomerate current account as advised by Mercer. Please quote scheme name in the transfer details. Clients must not send client assets to the Mercer corporate bank account currently with Citi Bank.

Clients must not send mixed remittances i.e. client asset funds and payment of Mercer fees together in the one payment.

Payments: Payment requests to Mercer Treasury are originated by the Mercer pension or share scheme administration department either in paper form or using our internal electronic system. Payment requests are initiated by an administrator, checked by a second administrator and approved by a third administrator.

In certain instances Mercer has a separate agreement with clients that allows it to withdraw client funds for the settlement of Mercer fees.

Data Protection

Mercer will not disclose details of client asset accounts and transactions to any third party unless legally obliged to do so or as outlined below.

Mercer may share data with other group companies of our parent company Marsh & McLennan Companies, Inc.

Mercer is obliged to provide details of clients' assets and transactions and supporting documentation to the auditors of pension schemes. In addition, Mercer is required under the Regulations to have client assets audited by Mercer's auditors (currently Deloitte) and therefore will provide the auditor with the necessary details for them to do so. Also, Mercer's banks may request confirmation from Mercer that funds held in the client asset accounts are beneficially owned by pension schemes or share schemes. In this case Mercer will only provide the bank with the scheme name, date of entry to the client asset arrangements, Pension Board number and where applicable the tax reference number. Where appropriate, Mercer may report certain transactions to the Central Bank of Ireland.

Appendix 4: Arrangements in Relation to Client Funds held for activities not regulated by the Central Bank of Ireland

1. Overview

It is important to note that the Client Assets Regulations (the “Regulations”) do not apply to the pension payroll services offered by Mercer.

Mercer will operate the bank account for these services in a similar manner to the regulated client asset regime. However, it is important to note that such funds;

- a. Are held separately from regulated client assets;
- b. Are held separate from Mercer assets and are subject to a declaration of trust in favour of our clients;
- c. Are acknowledged by the banks holding them as being client funds held in trust by Mercer;
and
- d. Will not be protected as regulated client assets.

The following section outlines the key arrangements in relation to client funds held for activities not regulated by the Central Bank of Ireland.

2. Banking Arrangements

Client funds are held in conglomerate bank current accounts and deposit/market accounts with nominated banks. The conglomerate bank current accounts are pooled current accounts currently held with both Ulster Bank Limited and Barclays Bank Ireland plc.

Mercer maintains a cash book which identifies the balance of each individual pension scheme account and records all schemes’ receipts and payments as well as providing a balance on any particular day. Mercer reconciles client fund bank accounts each working day.

The risk arises that if all client funds are held in one bank and that bank fails, then all client funds will be lost. In order to mitigate this risk Mercer, at its discretion, appoints a number of different banks to hold client funds under trust. Therefore, the risk in the case of bank default is diluted. If a bank which holds client funds should default and therefore be unable to repay the client funds, then the loss of client funds will be pro-rated across all client funds balances based on the balance held by Mercer immediately prior to such default.

3. Nominated Bank Accounts

Mercer, at its discretion, appoints a number of different banks to hold client funds. The criteria for the selection of banks include the need to minimise the possible loss of client funds due to bank failure/credit risk, obtain a rate of return on client funds and provide diversification. Client funds will be held in Euro with financial institutions authorised and regulated in Ireland or other EU states.

Client funds held on behalf of pension schemes with UK members will be held in Sterling with financial institutions authorised and regulated in Ireland or other EU states. Client funds bank accounts held outside of Ireland will be subject to the law, including legal and regulatory regimes, of the relevant EU state. Skill, care and due diligence is exercised in selecting all credit institutions, and on-going periodic review is performed by Mercer on these institutions.

The risk arises here that if client funds are held in a bank that fails, then client funds held in that bank will be lost. Mercer mitigates this risk by appointing at its discretion a number of different banks to hold client funds which dilutes the risk in the case of bank default. If a bank which holds client funds should default and it is unable to repay monies held in the client asset account held with that bank, the loss of client assets will be pro-rated across all client funds balances based on the balance held by Mercer immediately prior to such default.

4. Arrangement in case of Bank Default/Error or Omission

To mitigate the risk that a bank which holds client funds should default and therefore be unable to repay the client funds then the loss of client assets will be pro-rated across all client funds balances based on the balance held by Mercer immediately prior to such default. Mercer will inform clients in writing as soon as we become aware of such a situation and outline what steps we will take to attempt to recover client funds and procedures to continue to operate the client fund accounts in an orderly manner. Mercer will not be liable for any client loss incurred in the case of a bank default. Mercer will not be liable in the case of any error or omission by a bank.

5. Legal Title

The banks that hold client funds have confirmed to Mercer that these funds are held in designated trust accounts and as such the funds held are beneficially owned by the underlying clients. Mercer acts as nominee only in relation to these accounts and does not have any title to these funds and they are not included in its balance sheet. Neither can any examiner, liquidator nor receiver of Mercer have any claim to the funds in the conglomerate account.

Mercer has received written confirmation from these banks that they have no right of set-off on these accounts against any funds that might be due by Mercer to them or any potential creditor of Mercer or any other Mercer group company.

These controls mitigate the risk of either Mercer or any liquidator or receiver attempting to utilise client funds to offset other obligations.

6. Interest & Bank Charges

Monies held by Mercer in relation to pension payments will not earn interest.

Mercer reserves the right to allocate to clients charges charged by banks in relation to client funds held in such banks.

7. Internal Controls

In order to mitigate operational risk, including the risk of fraud, and to ensure that client funds are safeguarded and properly managed, Mercer has developed a system of controls around the operation of the client funds accounts, the main features of which are as follows:

Overdrafts: Negative balances or overdrafts are prohibited on client funds accounts. Requests to pay out funds that exceed the balance of the client funds cash book balance will be rejected where they would create a negative balance or overdraft. Requests for payments will be processed on receipt against the current funds.

Payment may only be made against cleared funds and cheque receipts can take up to 5 working days to clear. In cases where client fund payments have been made by Mercer to a third party and the receipts that funded those payments are subsequently returned unpaid or otherwise declined, then Mercer reserves the right to recover such payment from the third party. The client will be liable for any loss incurred due to non-recovery of such funds.

Receipts: Client funds are lodged to the client funds bank accounts as soon as possible, but no later than one business day following receipt. The Mercer payroll administrator will identify the appropriate scheme that the client funds relate to and allocate the receipt to that scheme. If receipts are not allocated to the appropriate scheme within 5 working days, then these funds can be returned to the sender. Mercer does not accept cash receipts or post-dated cheques.

Clients must not send mixed remittances i.e. client asset funds and payment of Mercer fees
Payments: Payment requests to Mercer Treasury are originated by the Mercer payroll administration department either in paper form or using our internal electronic system. Payment requests are initiated by an administrator, checked by a second administrator and approved by a third administrator.

Data Protection

Mercer will not disclose details of client funds accounts and transactions to any third party unless legally obliged to do so or as outlined below. Mercer may share data with other group companies of our parent company Marsh & McLennan Companies, Inc. In addition, Mercer may outsource the functions of Mercer Treasury to a third party.

Mercer is obliged to provide details of clients' funds and transactions and supporting documentation to the auditors of pension schemes. Also, Mercer's banks may request confirmation from Mercer that funds held in the client fund accounts are beneficially owned by pension schemes. In this case Mercer will only provide the bank with the scheme name, date of entry to the client funds arrangements, Pension Board number and where applicable the tax reference number. Where appropriate, Mercer may report certain transactions to the Central Bank of Ireland.

Appendix 5: Definitions

MiFID - means **Directive 2014/65/EU** on the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, **Commission Delegated Regulation (EU) 2017/565** of 25 April 2016 as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of Directive 2014/65/EU and **Commission Delegated Regulation (EU) 2017/593** of 7 April 2016 as regards the safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits.

CAR - Client Asset Requirements under S.I. No. 60 of 2007 European Communities (Markets in Financial Instruments) Regulations 2007 - imposed by the Central Bank of Ireland under regulation 79 of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. 60 of 2007) on investment firms that hold client assets.

Client Assets - as defined in the CAR regulations, consist of client funds and client financial instruments.

Client Funds - as defined in the CAR regulations, consist of funds which, in the course of carrying on investment services, a firm receives or holds for or on behalf of clients. Funds, in turn, include cash, cheques or other payable orders together with units in a qualifying money market fund and current and deposit accounts maintained with eligible credit institutions or relevant parties.

Consumer - (as defined by the Central Bank of Ireland's Consumer Protection Code) – means any of the following:

- a. a person or group of persons, but not an incorporated body with an annual turnover in excess of €3 million in the previous financial year (for the avoidance of doubt a group of persons includes partnerships and other unincorporated bodies such as clubs, charities and trusts, not consisting entirely of bodies corporate); or
- b. incorporated bodies having an annual turnover of €3 million or less in the previous financial year (provided that such body shall not be a member of a group of companies having a combined turnover greater than the said €3 million);

and includes where appropriate, a potential 'consumer' (within the meaning above).

Personal Data - means data relating to a living individual who is or can be identified either from the data or from the data in conjunction with other information.

Professional Client (as defined by Annex II of MiFID – Directive 2014/65/EC) - a professional client is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. The following should all be regarded as professionals:

1. Entities which are required to be authorised or regulated to operate in the financial markets, e.g. credit institutions, investment firms, insurance companies, collective investment schemes and management companies of such schemes, pension funds and management companies of such funds, commodity and commodity derivatives dealers, other institutional investors;
2. Large undertakings meeting two of the following size requirements on a company basis: balance sheet total of €20,000,000, net turnover of €40,000,000 or own funds of €2,000,000;
3. National and regional governments, public bodies that manage public debt; **and**
4. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

Retail Client - all clients that are not Professional Clients.

Sensitive Personal Data - means data relating to a person's racial origin; political opinions or religious or other beliefs; physical or mental health; sexual life; criminal convictions or the alleged commission of an offence; trade union membership. You have additional rights in relation to the processing of any such data.

Mercer - Mercer (Ireland) Limited.

Mercer Treasury - the department within Mercer that controls and manages client assets and client fund bank accounts.

Appendix 6

List of Client Asset Bank Accounts

	Trading Name	Registered Address	Internet Address	Extent of Mercer's liability in the event of 3 rd party default	Related Party (Y/N)	Investor Compensation Scheme
1	Ulster Bank Limited	Ulster Bank Group Centre George's Quay Dublin 2	https://www.ulsterbank.ie/	None	No	N/A*
2	ING Bank NV London Branch	ING Commercial Banking 60 London Wall London EC2M 5TQ United Kingdom	https://www.ing.com/Home.htm	None	No	N/A*
3	Danske Bank A/S – Irish Branch	3 Harbourmaster Place IFSC Dublin 1	https://danskeci.com/ie	None	No	N/A*
4	Barclays Bank Ireland plc	Two Park Place, Hatch Street, Dublin 2	https://www.barclays.ie/	None	No	N/A*

* No retail client assets held by Mercer (Ireland) Limited

For further information, please contact your local Mercer office:

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