FCA Chapter 8 Disclosures

Mercer UK
A Marsh Business

April 2026

Contents

Background

The purpose of this document is to set out the MIFIDPRU Chapter 8 Disclosures of Mercer Limited as at 31 December 2025.

1.1 Basis of Disclosures

The disclosures set out in this document are required by the FCA's Prudential Sourcebook for MiFID Investment firms as part of the Investment Firms Prudential Regime (IFPR).

Unless otherwise stated, all figures are based on the audited Annual Report for the year ended 31 December 2025.

1.2 Frequency of Publication

The disclosures will be reviewed at least annually and, if appropriate, more frequently. Disclosures will be published as soon as practicable after the publication of the Annual Report.

1.3 Verification

The information contained in this document has not and is not required to be audited by the Firm's external auditors and does not constitute any form of financial statement. The information should not be relied on in making any judgement on the Firm.

1.4 Media & Location of Publication

The disclosures are published on Mercer Limited´s corporate website.

1.5 Summary of significant changes

Any significant changes to the information disclosed when compared with previous disclosure periods is highlighted in Annex 1 (Where applicable).

Scope and Application

Mercer Limited (the “Firm”), is an FCA regulated entity.

The Firm’s one regulated indirect subsidiary, JLT Wealth Management Limited is non-trading. Marsh & McLennan Companies, Inc. (Marsh) is the ultimate parent of the Firm, and its subsidiaries. The Firm is exempt from the obligation to prepare and deliver group accounts (Companies Act 2006, section 401).

The Board of the Firm do not currently foresee any material practical or legal impediment to the prompt transfer of capital resources or the repayment of liabilities (to the extent of limits associated with regulatory capital requirements).

2.1 Mercer Structure

Mercer is a business of Marsh (NYSE: MRSH), the world’s leading professional services firm in the areas of risk, strategy and people, with 90,000 colleagues and annual revenue of over $24 billion. Through its market-leading businesses including Mercer, Marsh Risk, Guy Carpenter and Oliver Wyman, Marsh helps clients navigate an increasingly dynamic and complex environment.

Mercer provides Health, Wealth and Career based solutions and advice operating across multi-client segments and distribution channels. Mercer believes in building brighter futures by redefining the world of work, reshaping retirement and investment outcomes, and unlocking real health and well-being. Globally Mercer has circa 25,000 employees based in 43 countries and the firm operates in 130 countries. Within the UK, Mercer has circa 2,600 colleagues.

The table below sets out the Firm and its FCA regulated subsidiary as at 31st December 2025:

No.	Entity	Companies House status	FCA Regulatory status
1	Mercer Limited	Active	Authorised - Regulated
2	JLT Wealth Management Limited (Non-Trading)	Active	Authorised - Regulated

Governance Arrangements

3.1 Overview

The Firm maintains a robust corporate governance framework designed to promote effective decision-making, appropriate oversight, and sound risk management. The governance structure is proportionate to the size, nature, and complexity of the Firm's activities and is aligned with applicable regulatory requirements.

The Firm is governed by its Board of Directors (the "Board"), which is responsible for the overall strategic direction, oversight of management, and ensuring the Firm conducts its business in accordance with regulatory obligations and high standards of integrity.

Day-to-day management of the Firm is delegated to the Chief Executive Officer and senior management team. The Board retains responsibility for setting the Firm's strategy, risk appetite, and capital adequacy, and for ensuring that appropriate controls are in place.

3.2 Board Composition and Responsibilities

The Board comprises executive and non-executive directors who collectively possess the appropriate skills and experience, and independence, necessary to discharge their duties effectively. As of 31st December 2025, the Board comprised a Non-Executive Chair, two further independent Non-Executive Directors, the Chief Executive Officer, the Chief Finance Officer, and the Mercer UK Wealth Business Leader. The Board's responsibilities include:

- Setting the Firm's strategy and business objectives
- Ensuring the Firm operates within its approved risk appetite
- Maintaining effective systems and controls
- Overseeing financial performance and capital adequacy
- Ensuring compliance with regulatory obligationsPromoting a culture that supports good conduct and customer outcomes

The Board meets on a regular basis throughout the year to review management information, financial performance, risk exposures and regulatory matters.

<u>Board Composition as at 31 December 2025</u>

Name	Position(s) held	Number of other Directorships
Ashok Gupta	Board Chair Risk Committee Chair Nominations Committee Chair Remuneration Committee member Audit Committee member	2 external to Marsh, (non-executive roles)
Diana Brightmore-Armour	Independent Non-Executive Director Audit Committee Chair Nominations Committee member Remuneration Committee member	1 external to Marsh (executive role) and 1 Marsh group company (non-executive role)
Maureen Erasmus	Non-Executive Director Nominations Committee member Remuneration Committee Chair	3 external to Marsh (non-executive roles)

	Risk Committee member	
Benoit Hudon	Executive Director Chief Executive Officer	3 Marsh group companies (executive roles)
Tony O´Dwyer	Executive Director Chief Finance Officer	30 Marsh group companies (executive roles, most of these companies are dormant or do not trade)
Phil Parkinson	Executive Director Wealth Business Leader	2 Marsh group companies (executive roles)

3.3 Senior Management and SMCR

The Firm operates in accordance with the Senior Managers and Certifications Regime ("SMCR"). Senior Management Functions ("SMF") are clearly allocated and documents in Statements of Responsibilities, ensuring clear accountability for key areas of the business.

The Board is supported by senior management, including:

- The Chief Executive Officer, responsible for the execution of strategy and day-to-day operations
- The Chief Finance Officer, responsible for financial management, capital adequacy, and prudential reporting
- The Compliance functions, responsible for regulatory compliance and oversight

3.4 Governance Committees

To support effective governance, the Board has established committees responsible for specific areas of oversight. These include a Risk Committee, Audit Committee, Remuneration Committee and Nominations Committee.

Each committee operates under documented terms of reference and reports regularly to the Board.

<u>Audit Committee</u>
The Audit Committee provides independent oversight of the Firm's financial reporting and internal control environment. The Committee reviews financial statements, accounting policies, and the integrity of financial reporting processes. It also oversees the relationship with external auditors, including reviewing audit plans, findings, and recommendations. Where appropriate, the Committee also monitors the effectiveness of internal audit activities and the implementation of remedial acitons arising from audit findings.

<u>Nominations Committee</u>
The Nominations Committee is chaired by an independent Non-Executive Director and meets twice a year. It has oversight responsibility for Board effectiveness (including ensuring diversity of thought, experience, and expertise), succession planning, director appointments and inductions and annual board evaluations.

<u>Risk Committee</u>
The Risk Committee is responsible for overseeing the Firm's risk management framework. The Committee reviews key risk exposures, risk monitoring, and risk assessment processes.

<u>Remuneration Committee</u>
The Remuneration Committee oversees the Firm's remuneration policies and practices to ensure they promote sound and effective risk management and do not encourage excessive risk-taking. The

Committee reviews remuneration structures for senior management and key personnel and ensures alignment with applicable regulatory requirements and the Firm's long-term objectives. The Committee ensures that remuneration arrangements are consistent with the Firm's risk profile, business strategy, and the need to promote fair outcomes for clients. The Committee is chaired by an independent Non-Executive Director and is composed of two other independent Non-Executive Directors.

3.5 Board Diversity

The Board recognises the importance of diversity in supporting effective decision-making and sound governance. The Firm seeks to promote a diverse composition of its Board, including diversity of skills, experience, background and perspective, as well as gender and other characteristics. Appointments to the Board are made on merit, against objective criteria, and with due regard to the benefit of diversity. The Firm's diversity objectives include maintaining an appropriate balance of executive and non-executive directors and ensuring that the Board collectively possesses the necessary breadth of expertise to oversee the Firm's activities effectively. Progress against these objectives is considered as part of the Board's periodic effectiveness reviews. The current board structure satisfies the firms objectives and diversity targets.

3.6 Review of Governance Arrangements

The Board reviews the effectiveness of the Firm's governance arrangements periodically to ensure they remain appropriate in light of the Firm's business activities, regulatory expectations and industry best practice.

The Firm is committed to maintaining high standards of governance and continuously improving its governance framework in line with regulatory developments and business needs.

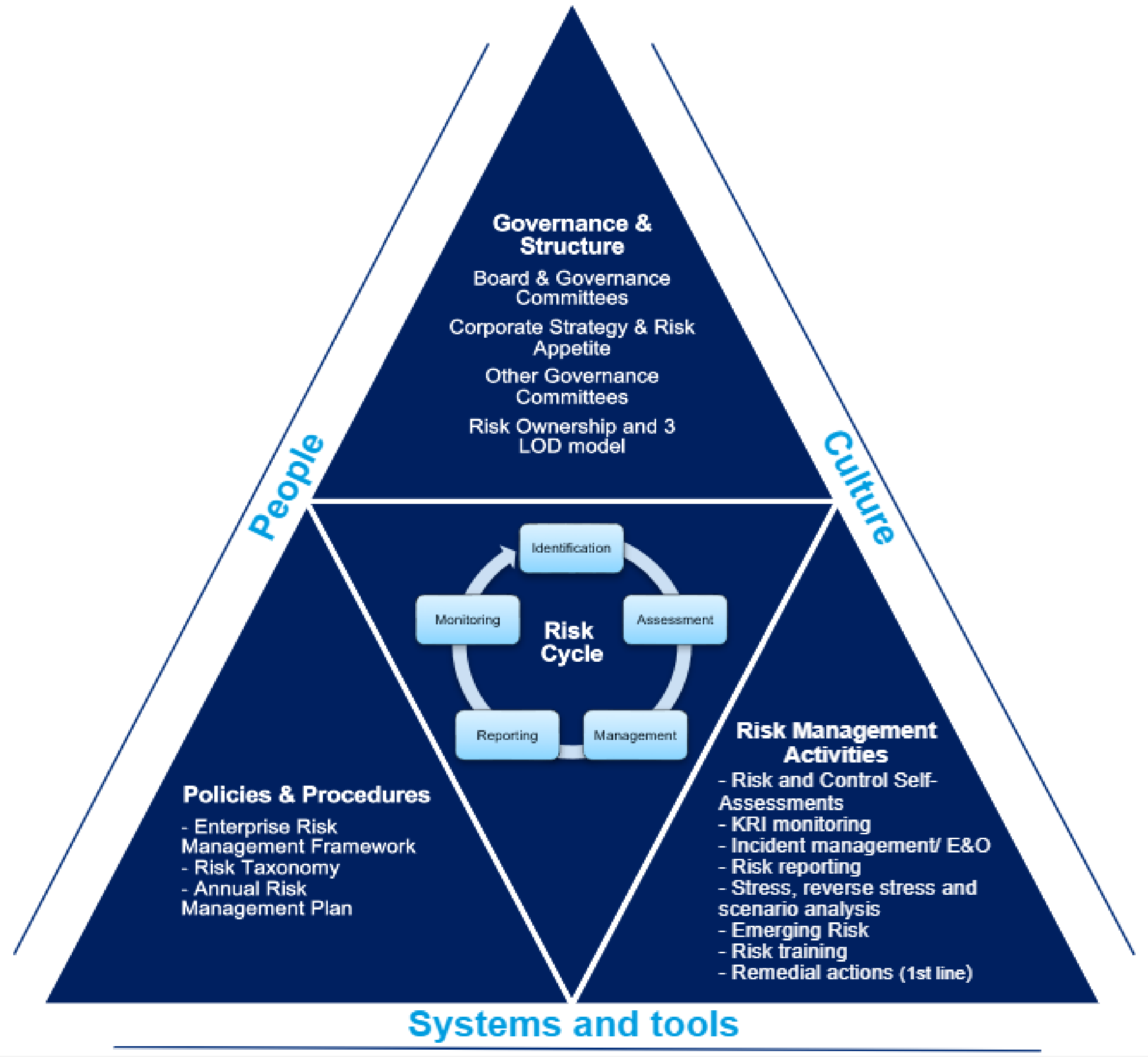
3.7 Conflicts of Interest

The Firm maintains a conflicts of interest policy designed to identify, manage, and where necessary disclose conflicts that may arise during business. Directors and employees are required to disclose potential conflicts and act in the best interests of clients and the integrity of the market. Directors are obligated to declare any actual or potential conflicts of interest (including details of any other directorships)in advance of any discussion on the relevant topic. The remaining Directors may agree that the conflicted Director may participate in the discussion, but in the ordinary course, such Director cannot participate in a vote pertaining to that topic.

Risk Management Objectives and Policies

4.1 Risk Management Framework

Marsh UK's Enterprise Risk Management (ERM) Framework is designed to ensure that a formal process is in place to identify, assess, manage, report on, and monitor the risks to which it is exposed. The following diagram provides an overview of the Firm's ERM Framework. It summarises the key elements of the ERM Framework, necessary to embed risk across the Firm.



To support the effective embedding of the ERM Framework, the following components have been developed:

• Clear **Governance and Structure**, including appropriate risk governance bodies and embedding of the Three Lines of Defence Model.

• The necessary **Policies & Procedures** to help ensure consistency and clarity.

• **Risk Management activities**, which are the toolkit of activities/ processes through which risks are identified, assessed, managed, reported on and monitored in practice.

4.2 Risk Governance

The risk governance structure provides a strong foundation for the management of risk throughout the firm. Risk management related matters are escalated through the governance channels as appropriate. Risk governance bodies exist at various levels, starting with line of business risk committees (or similar management bodies), the Executive Risk Committee ("ERC") as well as the Risk Committee, which is a Board Committee.

4.3 Roles and Responsibilities and Three Lines of Defence

Clearly articulated and well understood roles and responsibilities across the first line, the second line and third line of defence is critical to effective risk management. Marsh in the UK is organised according to three lines of defence model (3LoD). The First line is ultimately responsible for owning their risks (including identifying, assessing, and managing their risks), with the Risk Function (second line) providing guidance, advice, challenge, and market insights. The Third line undertakes regular reviews and testing which provide important insights on areas where controls should be improved.

4.4 Risk Appetite and Risk Escalation

The Firm's Risk Appetite Statements ("RAS") set the extent and nature of risks the Board is prepared to accept in order to achieve its strategic goals and objectives. They are therefore an important mechanism through which management and colleagues can make informed risk decisions, in a consistent and relatively easy to understand manner, by considering the Firm's appetite for and attitude to risk. It provides a benchmark through which to assess whether any residual risk exposure is within acceptable levels and what response might be needed in respect of new and existing risks (e.g. investment in improved controls). The RAS will be ratified by the Board on an annual basis.

Adherence to Risk Appetite is reviewed and monitored through the RCSA process, KRI monitoring and Risk reporting to UK Risk Committees and the Board. In particular, the risk committees receive reporting on risks, including those outside of appetite. The committees provide oversight and challenge on any (remedial) actions required in response to breaches or near-breaches of appetite. There are defined criteria for the escalation of risks, with Risk Owners ultimately responsible for ensuring potential/ near/ actual breaches of appetite are escalated through the appropriate channels in a timely manner.

4.5 Risk Profile

Risk identification is the structured understanding of the current and emerging risks facing the Firm, helping to build a sound understanding of the Firm's overall risk profile. This includes risks arising from, as well as risks to, its strategy (including competitiveness risks and financial risks), objectives, business plans and business activities, as well as external threats. The Firm is exposed to a variety of risks because of its business activities and the markets in which it operates. Exposure to risk is therefore unavoidable. In line with the business profile, the risk profile is predominantly driven by operational risk, that is, risks arising from people, processes, or systems. This includes cyber, data & privacy and third party & outsourcing risks. Given that many of the Firm's core services relate to providing consulting services, some of which are regulated activities, client service, legal/ Error & Omission and regulatory risks also apply.

Categories of risk specified by MIFIDPRU 8.2.1 (see section 5 regarding own funds requirements):

Concentration Risk

Concentration risk may arise from dependencies and exposure to a concentration of a single or small group of (connected) clients, suppliers, and other counterparties or insufficient diversification of assets. Mercer considers concentration risk as part of the assessment of other existing risks (similar to reputational risk), rather than it being considered a stand-alone risk. This includes as part of Financial Risk and Strategic Risk. Given that Mercer does not trade on its own account/ book, its exposure to concentration risk in respect of its investment assets is limited. Mercer does monitor and manage its concentration risk with respect to clients. The most relevant concentration risk from counterparties/ suppliers relates to banking relationships. Treasury closely monitor and manage Mercer's banking relationships, with cash held with high-grade banks and well-diversified AAA rated Money Market Funds, in line with strict criteria, to minimise the concentration risk. The credit rating, total assets and total equity of banks are also actively monitored to ensure the banks remain within the Firm's criteria.

Liquidity Risk

Liquidity Risk is the risk that a firm, although solvent, either does not have sufficient financial resources to enable it to meet its obligations as they fall due or can secure such resources only at an excessive cost.

The Firm's business activities do not involve taking deposits; maturity transformation; taking positions against its balance sheet; or holding collateral; and it is not party to the payment and settlement system. Instead, the business is one of simple cash flow, with liquidity risk management focused on balancing its income and expenditure. Accordingly, the Firm's liquidity risk management framework is aligned to the nature and relatively low complexity of the liquidity risks it faces.

It has a variety of systems and controls designed to help senior management identify, measure, monitor and mitigate liquidity risk. Careful monitoring of revenue and expenditure is a core component of the Firm's understanding and management of its liquidity risk, with a number of key performance indicators monitored.

4.6 Assessing the effectiveness of risk management processes

The Risk function regularly considers the effectiveness of the ERMF and associated processes, as part of the annual planning process. As part of the annual planning process, the Risk Function considers any activity that can be developed and enhanced, which are then discussed and agreed with key stakeholders including the Executive and Board Risk Committees.

The risk management framework and underlying risk management activities are considered to continue to be in line with the expected maturity for an organisation of Mercer's size, nature and complexity. A strong framework is in place, with a clear view of the top risks and good interaction with and engagement from the business, including in the oversight and management of risk.

Own Funds Threshold and Liquidity Requirement

5.1 Overview

The Firm's Own Funds are exclusively Common Equity Tier 1. As at 31 December 2025 and during the year, the Firm complied with regulatory own funds requirements in accordance with the rules set out in the FCA's Investment Firms Prudential Regime (IFPR). Tier 1 capital consists of Share Capital, Share Premium and Audited Reserves less disallowable assets.

5.2 Own funds composition

COMPOSITION OF REGULATORY OWN FUNDS (OF1)

	Item	Amount (GBP'000's)	Reference per Financial Statements
1	Own Funds	460,716	
2	Tier 1 Capital	1,260,455	
3	Common Equity Tier 1 Capital	1,260,455	
4	Fully paid-up capital instruments	224,403	Note 25
5	Share premium	632,003	Note 26
6	Retained earnings	314,476	Note 26
7	Accumulated other comprehensive income		
8	Other reserves	89,573	Note 26
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) Total deductions from common equity tier 1	(799,739)	Notes 29 & 16
19	CET1: Other capital elements, deductions, and adjustments		
20	Additional tier 1 capital	0	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) total deductions from additional tier 1		
24	Additional Tier 1: Other capital elements, deductions, and adjustments		
25	Tier 2 Capital	0	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) Total deductions from tier		
29	Tier 2: Other capital elements, deductions, and adjustment		

5.3 Reconciliation of Regulatory Own Funds to Balance sheet in Audited Financial Statements

The table below shows a reconciliation of own funds in the balance sheet. The information in the table reflects the balance sheet in the audited financial statements at 31 December 2025.

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements (OF2)

		A	B	C
	GBP'000's	Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross reference to template OF1
		31-Dec-25	31-Dec-25	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible Fixed Assets	485,083		11
2	Tangible Fixed Assets	3,962		
3	Fixed Asset Investments	37,095		
4	Debtors: amounts falling due after more than one year	316,458		
5	Debtors: amounts falling due within one year	463,172		
6	Cash at bank & in hand	54,079		
7	Pension Asset	315,880		11
8	TOTAL Assets	1,675,729		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors: amounts falling due within one year	(299,614)		
2	Creditors: amounts falling due after more than one year	-		
3	Deferred Tax	(63,411)		
4	Other provisions	(25,241)		
5	Post retirement medical benefit	(21,138)		
6	TOTAL liabilities	(409,404)		
Shareholders' Equity				
1	Called up share capital	224,403		4
2	Share premium account	632,003		5
3	Other reserves	89,036		8
4	Profit and loss account	317,883		6
5	TOTAL Shareholders' Equity	1,266,325		

Own funds: main features of own instruments issued by the firm
Share Capital - allotted, called up and fully paid ordinary shares of £1.00 each. There is only one class of share. Share premium account - represents the premium received above the par value on ordinary share capital transactions.

5.4 Own Funds Requirement

K Factor Requirement (“KFR”) and Fixed Overhead Requirement (“FOR”)

GBP’000’s	31-Dec-25
Σ K-AUM, K-CMH and K-ASA	20,966
Σ K-DTF and K-COH	14
Σ K-NPR, K-CMG, K-TCD and K-CON	0
Total KFR	20,980
FOR	110,638

5.5 Approach to assessing the adequacy of own funds

The internal capital adequacy and risk assessment (“ICARA”) is the core risk management process for FCA investment firms. The ICARA is an assessment of the harm a firm may pose to clients and markets as part of its ongoing business and during wind-down.

The Firm will review the adequacy of the ICARA at least once every 12 months and following any material change in the firm’s business or operating model. Key risks and harms are reviewed regularly by senior Risk Owners and various governance bodies, with controls operated to reduce risks where appropriate. The ICARA document and associated external disclosures has been reviewed in detail by senior management, the Risk Committee, and the Board.

The analysis of the ICARA and the quarterly regulatory reporting ensures that the firm is compliant and will continue to comply, with overall financial adequacy rules.

Disclosure of Remuneration Policy and Practices

6.1 Remuneration Practices

Remuneration arrangements are designed to attract, retain, and motivate talented colleagues while complying with overall Marsh policies, local legal and regulatory requirements.

The Firm follows the guiding principles established by Marsh for its compensation design, decisions, and actions. These principles are in line with our commitment to creating value for our shareholders, while also ensuring a balanced approach to managing risk and reward in our compensation programs, policies, and practices. The Firm aims to foster a strong performance culture by offering both short-term and long-term variable compensation, with the ability to differentiate among individuals based on actual results. Our target compensation levels are set competitively in the markets that the Firm operates in, with flexibility to recognise different business models and markets for talent. Furthermore, the Firm strives to maximise the perceived value of our programs by maintaining transparent processes and utilising effective communications.

6.2 Remuneration Governance

The Remuneration Committee, together with the Board, will ensure that our remuneration policies and practices promote sound and effective risk management, are compliant with relevant legal and regulatory requirements, do not reward failure or irresponsible business conduct and promote awareness of risk and prudent risk taking that is in line with the level of tolerated risk of the Firm. Additionally, our remuneration policies align with the business strategy, objectives, values, and long-term interests of the Group, while supporting the fair treatment of clients and incorporating measures to avoid conflicts of interest.

Remuneration plans are reviewed on a regular basis to ensure their effectiveness and sustainability. The Firm 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 account for and adjust for current and future risks.

The Remuneration Committee oversees the list of Material Risk Takers (MRTs) and their remuneration structures. The Firm has identified its MRTs, defined as a colleague whose professional activities have a material impact on the risk profile of the Firm. The types of roles identified are non-executive directors, Senior Management, and other staff, for example, Business Leaders of Business Units carrying out regulated investment activities and individuals with managerial responsibility for a control function.

For further detail on the Remuneration Committee refer the Governance section above.

6.3 Fixed and Variable Remuneration

Mercer’s remuneration principles are focused on paying for performance, and differentiating rewards based on achieved results and demonstrated behaviours. The remuneration approach seeks to remain competitive in the context of the broader colleague value proposition, be competitive with similar sized organisations and Mercer competitors and keep pace with market conditions, At the same time, it seeks to manage operational expenditures while safeguarding the long-term interests of Mercer, its clients, and its shareholders. Mercer offers colleagues both fixed and variable pay opportunities while operating a pay for performance philosophy, with higher performance resulting in higher pay.

The most common example of fixed pay is Base Salary. Mercer defines Base Salary to be the fixed level of compensation paid to an employee in return for work performed. Base salary is set at the appropriate level in order to be market competitive and attract and retain key talent for the Firm.

Mercer’s incentive schemes are designed to reward and incentivise standout performance and to align the success of Mercer with that of the individual colleague. Our remuneration design and structure focus on all elements of total compensation. Our variable remuneration includes short term and long-term incentives where appropriate. All Colleagues may be eligible to receive various forms of variable remuneration depending on role and seniority.

Common examples of our short-term variable remuneration include our annual discretionary bonus plans, sales incentive plans, recognition schemes / spot bonus awards, referral bonuses, retention bonuses, hiring / sign-on bonuses, project bonuses and severance payments. Short term variable remuneration is generally payable in cash.

For our long-term incentives, Marsh maintains multiple stock-based payment arrangements under which certain employees may be awarded restricted stock units, stock options and other forms of stock-based benefits. Marsh McLennan’s current practice is to grant non-qualified stock options, restricted stock units ("RSUs") and/or performance stock units ("PSUs") on an annual basis to certain employees as part of their annual total compensation. Senior executives are granted options and PSU awards. In addition, a small group of other employees are granted options, PSU and RSU awards and a larger group of other employees are granted RSU awards.

Restricted Stock Units and Performance Stock Units: Marsh currently grants RSU and PSU awards under the 2020 Plan. The Marsh Compensation Committee determines the restrictions on such units, when the restrictions lapse, when the units vest and are paid, and under what terms the units are forfeited. RSU and PSU awards generally have a vesting period of 3 years. Dividend equivalents are not paid out unless and until such time that the award vests and shares are distributed.

Stock Options: Marsh currently grants non-qualified stock options under the 2020 Plan. The Marsh Compensation Committee determines when the options vest and may be exercised and under what terms the options are forfeited. Options are generally granted with an exercise price equal to the market value of the Firm's common stock on the date of grant. These option awards generally vest 25% per year and have a contractual term of 10 years.

Additionally, a small number of colleagues may be able to receive Carried Interest awards. Carried interest, or "Carry" is a performance-based fee structure that is common in private markets funds. Typically Carry is only payable once a fund's performance exceeds a designated level. If the fund does not achieve the required performance, no payout would be received.

All our incentive plans are regularly reviewed and are implemented subject to appropriate controls and approvals.

The various remuneration components ensure the Firm operates an appropriate and balanced remuneration structure.

6.4 Link Between Pay and Performance

The Firm's three most important performance measures are Total Shareholder Return, Earnings Per Share growth and Net Operating Income (NOI) Growth.

Individual performance is assessed against holistic goals set at the beginning of the year within the relevant goal setting framework covering financial (for example, revenue or NOI goals) and non-financial performance criteria such as client satisfaction, service delivery, quality assurance, people development, and other relevant behaviour and technical competencies. An individual's variable reward outcome is determined by a mix of overall company performance as well as individual performance.

Mercer uses a balanced approach to setting performance goals. This goal setting framework ensures a holistic approach to measuring and rewarding performance. Where sales incentive plans are applicable to colleagues, high standards of individual behaviour and compliance act as a 'gate' through which individuals must pass before becoming eligible to receive incentives under these plans. These behavioural gates are in place for all sales incentive plans including those for MRTs.

Variable pay plans will be assessed against the FCA's remuneration principles and any additional relevant regulatory obligations. The Remuneration Committee will determine whether these plans are appropriately balanced from a risk perspective, which includes consideration of the ratio between fixed and variable remuneration and the structure and duration of deferrals. Based on their assessment, the Remuneration Committee will make recommendations to the Mercer Limited Board as they deem appropriate.

6.5 Risk Adjustment

It is the Firm's policy that remuneration practices do not reward failure and do not incentivise poor conduct. To ensure this is not a practice in its severance payments, the Firm has a framework that is utilised to define payments that may be made in the event of an employee leaving including maximum amounts that can be paid. This framework includes assessment of financial and non-financial criteria and ensures compliance with local laws and practices.

The Remuneration Committee has the authority to recommend adjustments to performance-based components of remuneration (variable remuneration) downwards, including to zero, in relation to MRTs and any other identified persons, if such adjustments are necessary to:

- ensure alignment with prudent risk-taking of performance-based components of remuneration;
- respond to significant unexpected or unintended consequences that were not foreseen by the Remuneration Committee.

The intention to only reward performance is reflected in the policy where variable payments are not guaranteed. Variable payments are paid only to individuals who meet standards of performance and behaviour, including conduct.

6.6 Deferral & Vesting

For our MRTs, the deferral and vesting policy is as follows:

- At least 50% of variable remuneration is be paid in equity, which would be managed through the use of Marsh stock, the Firm's current practice is to grant non-qualified stock options, restricted stock units and/or performance stock units depending on the role of the MRT. For high earners (>£500K variable), the variable remuneration to be payable in Marsh stock is higher, at 60%.
- The minimum period specified for deferral is 3 years and there is an additional 6-month retention period following vesting, during which time the MRT is unable to access the deferred vested remuneration.
- Ex-post risk adjustment provisions allow Mercer to reduce variable awards up to 100% and/or clawback funds in the case of relevant triggers being met. These triggers include gross negligence, conduct with intent or severe negligence that leads to significant losses, or failing to meet the appropriate standards of fit and properness.
- Should there be substantial underperformance of the Firm, as deemed by the Remuneration Committee, a review may be undertaken to consider award reductions for MRTs as part of normal procedures.

MRT remuneration is outlined in the tables below:

Quantitative Disclosures as at 31/12/25

Total Fixed Remuneration	178,492,968
Total Variable Remuneration	49,916,257
Total Number of MRTs	21

	Senior Management	Other MRTs	Other Staff
Total Remuneration	4,689,868	3,113,910	220,657,693
Total Fixed Remuneration	1,930,442	1,751,327	174,863,444
Total Variable Remuneration	2,759,425	1,362,583	45,794,249

	Senior Management (amount)	Other MRTs (Amount)	Senior Management (# receiving)	Other MRTs (# receiving)
Total Guaranteed Variable Remuneration	0	0	0	0
Total Severance awarded in financial year	Not disclosed as relates to 1/2 individuals	Not disclosed as relates to 1/2 individuals	Not disclosed as relates to 1/2 individuals	Not disclosed as relates to 1/2 individuals
Highest Severance payment awarded to an MRT		695,154		

	Senior Management non-deferred	Senior Management deferred	Other MRTs non-deferred	Other MRTs deferred
Amount and form of variable remuneration		2,759,425		1,451,165
- cash	1,164,937		770,138	
shares		1,594,488		681,027
- share-linked instruments		-		-
- other forms of remuneration		-		-
Amount of deferred remuneration awarded for previous periods to vest this period*		1,837,647		920,776
Amount of deferred remuneration awarded for previous periods to vest in future*		1,798,448		664,320
Amount of deferred remuneration vesting in financial year which will be paid out*		1,837,647		920,776
Amount of deferred remuneration vesting in financial year which will not be paid out due to performance adjustments*		-		-

**Due to fluctuating exchange rates across multiple years, these figures are reported in USD.*

The firm relies on the permitted disclosure exemption for one MRT as follows:

Does the firm use exemption for individual MRTs?	Yes
If yes, the provision for the exemption	SYSC 19G.5.9 Exemption for individuals, The provisions do not apply in relation to a *material risk taker* where their annual variable *remuneration* • (a) does not exceed £167,000; and • (b) does not represent more than one-third of X's total annual *remuneration*.
Total # of MRTs benefiting from the exemption	1
Total fixed remuneration for material risk takers benefiting from exemption	Not disclosed (relates to 1 or 2 individuals)
Total variable remuneration for material risk takers benefiting from exemption	Not disclosed (relates to 1 or 2 individuals)

Appendix A – Glossary

Abbreviation	***Definition***
FOR	Fixed Overhead Requirement (as per MIFIDPRU 4)
IFPR	Investment Firms Prudential Regime
KFR	K-Factor Requirement (as per MIFIDPRU 4)
K-ASA	K-Factor Requirement on basis of Assets Safeguarded & Administered
K-AUM	K-Factor Requirement on basis of Assets Under Management
K-CMH	K-Factor Requirement on basis of Client Money Held
K-DTF	K-Factor Requirement on basis of Daily Trading Flow
K-COH	K-Factor Requirement on basis of Client Orders Handled
K-CMG	K-Factor Requirement on basis of Clearing Margin Given
K-CON	K-Factor Requirement on basis of Concentration Risk
K-NPR	K-Factor Requirement on basis of Net Position Risk
K-TCD	K-Factor Requirement on basis of Trading Counterparty Default Risk
MiFID	Market in Financial Instruments Directive
MIFIDPRU	Prudential Sourcebook for UK MiFID framework for Investment Firms
MRT	Material Risk Taker
PMR	Permanent Minimum Capital Requirement (as per MIFIDPRU 4)

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