

## Remuneration Code Disclosure for Hewitt Risk Management Services Ltd

*information concerning the decision-making process used for determining the remuneration policy, including if applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders;*

Neither Hewitt Risk Management Services Ltd (HRMSL) nor its parent company Aon Hewitt Ltd (AHL) has a Remuneration Committee (RemCo) established within the UK although there is a US based Organisation & Compensation Committee, which acts in this role across Aon Corp.

Technically HRMSL has no employees as all individuals who work on its behalf are employed by its parent company, AHL. Accordingly, there is no specific bonus scheme for HRMSL and the ones that are referred to in this document are the schemes for AHL.

At AHL the bonus allocations are based on results. Adjustment is made at line manager level for poor regulatory performance along with review and adjustment at market, region and global levels. AHL may, in its absolute discretion, pay no bonus or a reduced bonus to any participant if, in AHL's opinion, the participants have conducted themselves in a manner which breaches FSA or corporate governance requirements.

The bonus pool is determined primarily by profitability and will therefore be reduced in times of weak performance. There is a hierarchy of individuals who can make adjustments to the pool as follows:

Aon Hewitt overall – Group CEO (Greg Case)

Segment pools within Aon Hewitt – Global Leads (Baljit Dail and Christi Savacool)

Regional and Country pools excluding leadership – Regional Lead (Yvan Legris)

*information on the link between pay and performance;*

Individuals throughout AHL are set performance objectives which are appropriate to their roles and are measured against these objectives, which could include both financial and non-financial metrics.

The following is an outline of how individuals' performance feeds through and influences their remuneration – i.e. their bonus entitlement.

Individual achievements –for bonus purposes will be determined by people managers as part of the annual review and will be largely driven by reference to measurable goals and targets. Given the drivers for the funding it should be no surprise that for bonus purposes significant weighting will be given to those factors which are more closely aligned to the financial success of our business. For example personal utilisation, the financial performance of client portfolios or business areas managed or sales made. Other factors though will also be very influential in some cases, none more so than performance as people managers where this is relevant.

Guidance will be provided at Practice level to People Managers to ensure greater consistency in bonus objectives and create common goals for sub practices and teams so that collective performance drives business results.

People Managers will assess all associates against their bonus objectives to determine an overall assessment rating. Practice leaders will then determine how bonus payouts are made given allocated funding awarded.

We have a fundamental belief in significant differentiation of bonus payments in order to appropriately reward our strongest performers. To demonstrate this intent with an example, if we were awarded a 100% bonus pool the expectation is that it will be distributed broadly along the following lines:

Typical Population Size	Bonus Payout Range
5%	150% - 200%
15%	110% - 150%
60%	90% - 110%
15%	50% - 90%
5%	0 - 50%

*aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the firm.*

**During 2010, the total amount of all salaries, bonuses and long term incentives and other remuneration for Code Staff (who were all senior management) involved in the HRMSL business area was £2,608,662.94**

**However, it should be noted that most Code Staff individuals actually spend a small minority of their time working for or on behalf of HRMSL. The majority of their remuneration is based on work undertaken for other firms within Aon Hewitt that are outside of the scope of the remuneration code.**