

Remuneration Code Disclosure for Hewitt Risk Management Services Ltd

As an FCA AIFM firm and a BIPRU firm, HRMSL must comply with the requirements of the AIFMD Remuneration Code and must disclose information relating to its 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, along with information on the link between pay and performance.

Neither Hewitt Risk Management Services Ltd (HRMSL) nor its parent company Aon Hewitt Ltd (AHL) has a Remuneration Committee (RemCo) established within the UK. 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, the schemes referred to in this document are the schemes for AHL.

At AHL the bonus allocations are based on results that are considered at an individual, team, country, regional and global level. 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 FCA 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 Lead (Kristi Savacool)

Regional and Country pools excluding leadership – Regional Lead (Andy Cox)

Information on the link between pay and performance:

Individuals throughout AHL are measured against performance objectives which are appropriate to their roles and 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 performance objectives. 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, none more so than performance as people managers where this is relevant.

Guidance will be provided at Practice level to People Managers to ensure consistency in bonus objectives, 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%

Firms are also required to disclose 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. These individuals are called Code Staff. For HRMSL, it has been determined that the applicable Code Staff individuals will be:

- The Board
- The Executive
- Any Senior Manager (FCA Controlled Function 29) not included in the above
- Compliance Officer
- Risk Officer
- Portfolio Managers (FCA Controlled Function 30 excluding advisers)

During 2015*, the total amount of all salaries, bonuses and long term incentives and other remuneration for Code Staff involved in the HRMSL business area was £7.74m

However, it should be noted that some Code Staff individuals actually spend a minority of their time working for or on behalf of HRMSL. For these individuals 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.

*This figure includes bonuses paid in 2016 in relation to performance for the calendar year 2015. It excludes bonus payments made in 2015 in relation to performance for 2014.