Compensation guide for US clients

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Our client business segments

As an insurance broker, Marsh's role is to facilitate the placement of insurance coverage on behalf of our clients. We are committed to obtaining the insurance products and risk management solutions that meet our clients' needs. Below is a brief summary of Marsh's principal insurance broking business segments for US clients:

Risk management

Our Risk Management segment focuses on clients with a broad footprint that require a global service team. Accessing global placement and industry specialists, together with market insights, Marsh brokers provide insurance services to clients with highly complex insurance and risk-funding program needs, and a wide array of risk management consulting requirements.

Corporate

The Corporate segment serves midsize domestic firms whose needs vary depending on industry, size, geography, and the competitive environment in which they operate. A number of Corporate clients have full-time risk managers, but many do not.[1]

Marsh & McLennan Agency

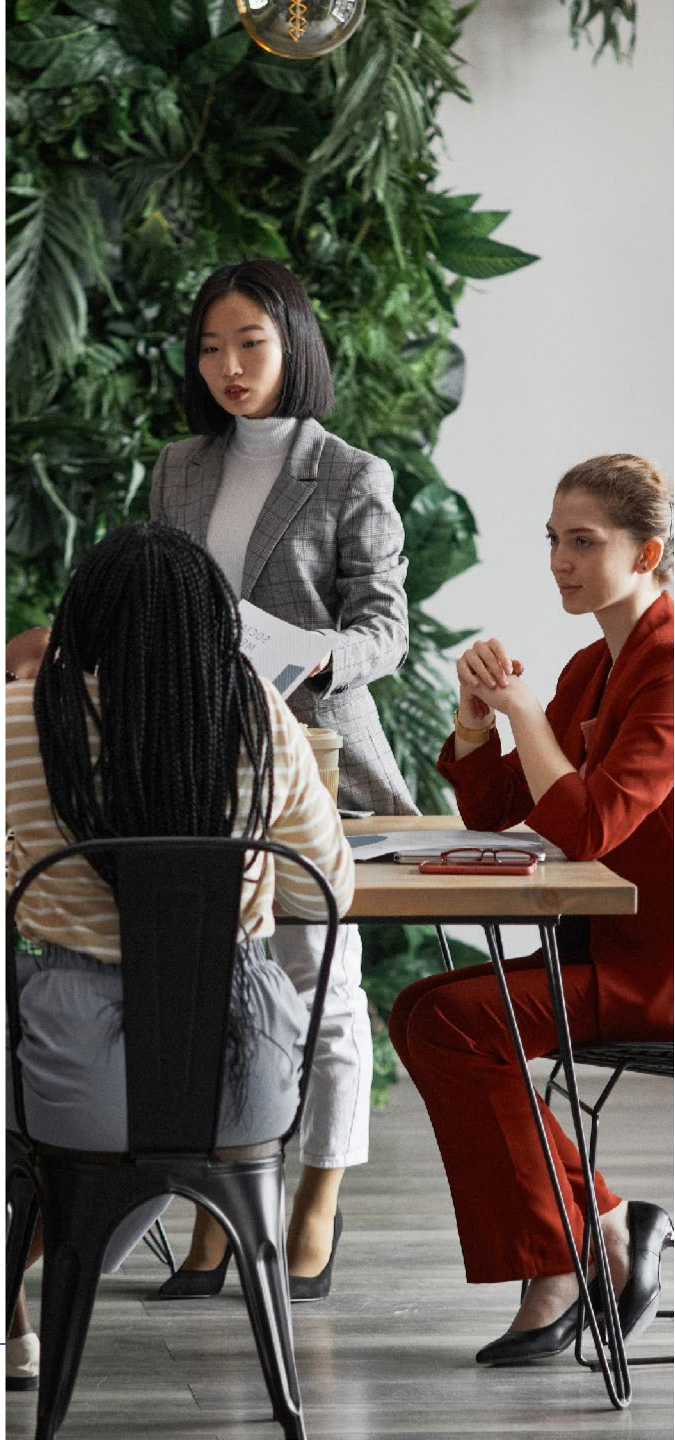
Marsh & McLennan Agency (MMA) serves the risk and insurance needs of middle market companies in the United States and Canada. Operating separately but in coordination with Marsh's other insurance broking operations, MMA offers a broad range of commercial property, casualty, and surety solutions as well as employee health and benefits, retirement planning and program administration and life insurance/ estate planning services. MMA also provides property and casualty risk management solutions to high-net worth individuals, families and their advisors.[2]

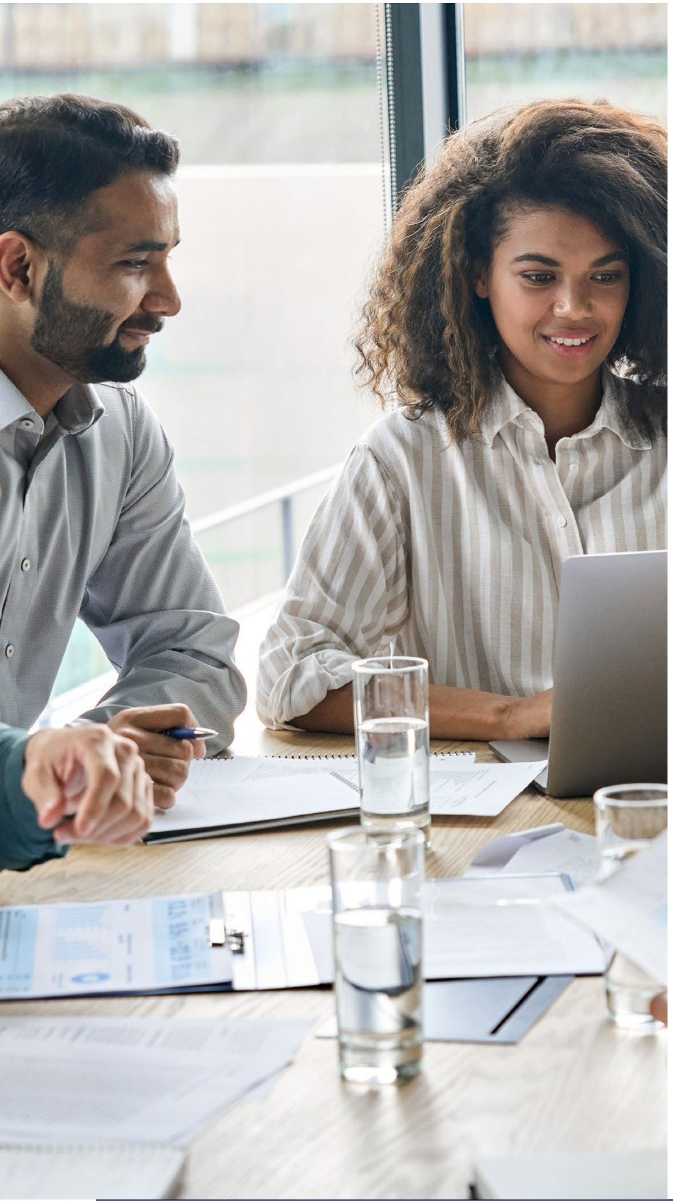
Affinity

Marsh's Affinity business unit designs, implements, and supports a full range of insurance and risk management solutions tailored for businesses that manage third-party entities, including independent contractors, agents, franchisees and other member or affiliate groups.

1 | Risk Management and Corporate comprise what is sometimes referred to as Marsh's "core" US broking operations.

2 | MMA also has a Compensation Guide tailored to its business and clients. It can be accessed at: https://__www.marshmma. com/us/__compensation-guide.html





Our commitment to transparency and compliance

Marsh prides itself on being the industry leader in transparency and compensation disclosure. We are committed to maintaining the industry standard we have set for ethical business practices and client service. To fulfill that commitment, we pledge to our US clients that we will:

- Disclose the roles we perform in the insurance transaction.
- Disclose our interests in and compensation arrangements with insurers.
- Disclose — automatically in our core broking segments and upon request in other segments — the specifics of all quotes and premium indications we receive from insurers on our clients' behalf.
- Promptly respond to client requests for additional information about our compensation.

In addition, when interacting with insurers on our client's behalf, we will perform the following market activities where we believe it to be in the client's best interest or at the client's instruction:

- Disclose to a prospective insurer the names of the incumbent insurer or other prospective insurers.
- Provide insurers with a pricing objective (such as a target price or range).
- Provide insurers with the terms of the expiring policy, including expiring pricing.
- Provide one or more insurers with the terms of a quote received from another insurer.
- Provide an insurer an opportunity to submit an improved quote after all other competing final quotes have been received (i.e., a "last look")

We have reinforced our commitment to transparency and compliance with a comprehensive compliance program that includes:

- A network of trained compliance specialists throughout the world.
- Detailed compliance procedures.
- Ethics and compliance training.
- Regular transaction monitoring and auditing to make sure we live up to our standards.
- A hotline for any questions or complaints.
- Regular reports to our board of directors

5 Our compensation

We are compensated in a variety of ways, including commissions that are part of the premiums charged by insurance companies, fees paid by insurance companies, and fees paid by clients. Marsh or its affiliates may receive compensation for insurance brokerage and client advisory services through one or a combination of the methods listed below.

- **Retail commissions:** A retail commission is paid to Marsh by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. Retail commission rates can vary from transaction to transaction.
- **Client fees:** Some clients may negotiate a fee for Marsh's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided, the compensation to be paid to Marsh, and the terms of Marsh's engagement. The fee may be collected in whole or in part through the crediting of retail commissions collected by Marsh for the client's placements.
- **Wholesale broking commissions:** Marsh or one of its affiliates may act as a wholesale insurance broker for some transactions. In these placements, Marsh is engaged by a retail broker (which may include Marsh's retail broking operations) that has the direct relationship with the insured. As the wholesaler, Marsh may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail broker does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Insurer consulting compensation:** Marsh receives compensation from insurers for providing consulting, data analytics, or other services. The services are designed to improve the product offerings available to our clients, assist insurers in identifying new opportunities, and enhance insurers' operational efficiency. The scope and nature of the services vary by insurer and by geography. In select countries, including the US, this compensation can be paid in the form of a fixed fee, a percentage of premium, or a combination of both whereas elsewhere, Marsh receives fees in exchange for the services.
- **Contingent commissions:** Some insurers agree to pay Marsh contingent commissions when we meet set thresholds for insurance policies placed with them during a given time period. The set thresholds may include volume, profitability, retention and/or growth metrics, with the amount of contingent commissions earned varying according to the results of business segments or the overall book of business during the period.
  The amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
  Marsh does not accept contingent commissions on domestic placements for US clients served by our core US retail broking operations, except in connection with affinity programs and employee health and benefits insurance. Marsh & McLennan Agency accepts contingent commissions.
- **Supplemental commissions:** Some insurers agree to pay brokers supplemental commissions, which are based on a broker's performance during the prior period and are set using characteristics such as volume, profitability, retention and/or growth during the prior period. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the year, with an amount that remains fixed for all policies written by the insurer during the year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement.
- **Compensation for portfolio solutions:** Marsh creates, operates, and administers placement vehicles meeting the needs of specific groups or portfolios of clients, which can take the form of panels, facilities, quota shares, line slips and delegated authorities. Marsh receives separate compensation relating to these arrangements that may take the form of a commission or a fee paid by insurers; this compensation is in addition to any other fee or commission received by Marsh.
- **Compensation for insurer administration and other services:** Marsh may receive compensation from insurers for administrative work that is done for or on behalf of a specific insurer in relation to particular transactions, which can relate to placement execution, policy servicing and other tasks. The compensation may take the form of a commission or a fee paid by the insurer; this compensation is in addition to any other fee or commission received by Marsh.
- **Other benefits or compensation:** Marsh may, from time to time, participate in promotional, professional development, and training events or initiatives with one or more insurers, with participants sharing the costs. Marsh also earns interest and other income on premium accounts, as paid to us by the financial institutions where insurance premiums are held prior to remittance to insurers. Marsh is compensated for assisting its clients in obtaining premium financing, including through AFCO Premium Credit LLC, a joint venture between Marsh USA LLC and AFCO Credit Corporation. Marsh sometimes receives payments for referring clients to other service providers.

For more information on Marsh's compensation, please contact your client executive, client manager, or account representative.

Other information

Marsh also provides a variety of products and services to help clients get the most of their insurance programs, to understand and mitigate their risks and to consider non-insurance solutions. Our global Risk Consulting team is, dedicated to providing clients with advice and solutions across a broad range of risks, including Analytics, Claims and Consulting Solutions while the Marsh Captive Solutions team offers a comprehensive approach to innovative captive solutions.

From time to time, Marsh LLC and Marsh USA LLC enter into agreements with clients on behalf of themselves and as agent for non-US Marsh affiliates with respect to the services each provides pursuant to those agreements. For a list of Marsh' s non-US affiliates, please visit: https://www.marsh.com/us/about/about-marsh/leading-the-way-in-transparency.html.

In addition to its insurance brokerage and client advisory and consulting services, Marsh and/or its affiliates have a number of businesses dedicated to specific client segments and to developing technology that helps clients and the industry achieve its digital future.

These include:

- Victor is a managing general underwriter (MGU) with locations in the United States, Canada, United Kingdom, Bermuda, Netherlands, Italy, and Australia . With deep, specialized underwriting expertise, the company provides access to a wide range of insurance coverage — from specialty property and casualty to professional liability to group and retiree benefits . Victor's offerings include ICAT, a leading provider of property insurance protection to homeowners and businesses located in hurricane– and earthquake–exposed regions of the United States. In the United States, two Victor businesses provide wholesale brokering services: Victor Access accessing insurers and offerings that are not typically available through retail broking channels, and ProWriters Insurance Services offers digital solutions for cyber and professional and management liability insurance.

- Torrent Technologies, provides US-based insurers and their agents with cloud-based technology solutions and back-office services to support selling flood insurance and adjusting claims.

Marsh and its subsidiaries or affiliates may own equity interests in a small number of insurers or reinsurers. A current list of any such interests can be viewed at: https://www.marsh.com/us/about/about-marsh/leading-the-way-in-transparency.html.

Marsh is affiliated with other businesses that may perform services associated with a Marsh client's account. Mercer is a premier human resource consulting firm that may provide health and benefits consulting and insurance placement expertise to Marsh clients. Guy Carpenter is a leading reinsurance broker, and it may place reinsurance for insurance companies that insure a client's risk through Marsh. Oliver Wyman is a global leader in management consulting that may provide actuarial or consulting services for Marsh clients.

Questions? Just ask.

We encourage you to ask questions regarding any aspect of your relationship with Marsh. Please feel free to ask a member of your account team.

If you wish to raise issues, express concerns, or file a complaint regarding compensation paid or payable to us by insurers or any other third parties, please contact our Ethics & Compliance line at +1 800 381 2105, 24 hours a day, seven days a week

About Marsh

Marsh (NYSE: MRSH) is a global leader in risk, reinsurance and capital, people and investments, and management consulting, advising clients in 130 countries. With annual revenue of $27 billion and more than 95,000 colleagues, Marsh helps build the confidence to thrive through the power of perspective. For more information, visit corporate.marsh.com, or follow us on LinkedIn and X

We are leaders in risk, strategy and people. One company, with four global businesses, united by a shared purpose to build the confidence to thrive through the power of perspective.