Mercer Pensionsrådgivning A/S

Teknikerbyen 1, 2., 2830 Virum CVR no. 26 29 21 07

Annual report 2015

Approved at the annual general meeting of shareholders on 30 May 2016

Chairman:

Cilla Nygard

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mercer Pensionsrådgivning A/S for the financial year 1 January - 31 December 2015.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Virum, 30 May 2016 Executive Board:

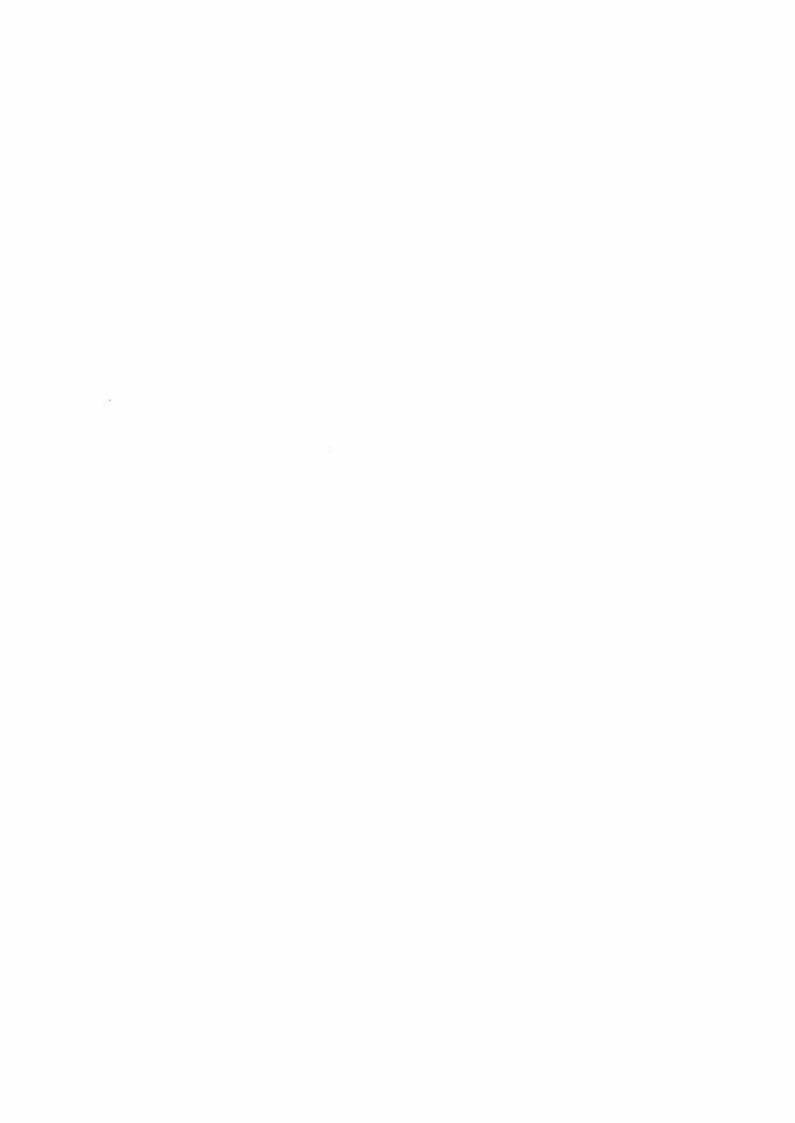
Maria Helene Hjorth

Board of Directors:

Nicolai Berg Chairman

Maria Helene Hjorth

Cilla Katarina Nygård



Independent auditors' report

To the shareholders of Mercer Pensionsrådgivning A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Mercer Pensionsrådgivning A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 30 May 2016

DEFOILLE

Statsautoriseret Revisionspartnerselskab

CVR No. 33 96 35 56

Tim Kjær-Hansen

State authorised public accountant

Brian Schmit Jensen

State authorised public accountant

N.

Management's review

Company details

Name

Address, Postal code, City

Mercer Pensionsrådgivning A/S Teknikerbyen 1, 2., 2830 Virum

CVR No.

Registered office Financial year

26 29 21 07 Rudersdal

1 January - 31 December

Board of Directors

Nicolai Berg, Chairman Maria Helene Hjorth Cilla Katarina Nygård

Executive Board

Maria Helene Hjorth

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6, 2300 København S

Management's review

Operating review

The Company's business review

The Company's business is to carry on insurance brokerage and other activities directly related thereto.

Financial review

In 2015, the company's revenue came in at DKK 39,831,655 against DKK 37,389,133 last year. The income statement for 2015 shows a profit of DKK 5,420,414 against a profit of DKK 1,321,955 last year, and the balance sheet at 31 December 2015 shows equity of DKK 11,031,228.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Income statement

Note	DKK	2015	2014
	Revenue Other external expenses	39,831,655 -8,789,040	37,389,133 -10,456,216
2	Gross profit Staff costs Amortisation/depreciation and impairment of intangible	31,042,615 -23,758,152	26,932,917 -24,861,378
4 5	assets and property, plant and equipment Operating profit Financial income Financial expenses	-157,367 7,127,096 642 -7,929	-181,316 1,890,223 0 -65,667
6	Profit before tax Tax for the year	7,119,809 -1,699,395	1,824,556 -502,601
	Profit for the year	5,420,414	1,321,955
	Proposed profit appropriation Extraordinary dividend distributed Retained earnings/accumulated loss	19,000,000 -13,579,586	0 1,321,955
		5,420,414	1,321,955

Balance sheet

Vote	DKK	2015	2014
	ASSETS		
	Non-current assets		
7	Property, plant and equipment	237.965	395,333
	Other fixtures and fittings, tools and equipment	237,903	350,000
		237,965	395,333
	Total non-current assets	237,965	395,333
	Current assets		
	Receivables		:
	Trade receivables	767,351	974,938
	Work in progress for third parties	3,851,434	7,491,231
	Receivables from group entities	1,792,382	993,156
	Deferred tax assets	39,557	406,901
	Other receivables	2,728,496	2,496,017
	Prepayments	76,910	63,242
		9,256,130	12,425,485
	Cash	21,315,005	39,589,114
	Total current assets	30,571,135	52.014,599
	TOTAL ASSETS	30,809,100	52,409,932

Balance sheet

Note	DKK	2015	2014
8	EQUITY AND LIABILITIES Equity Share capital Retained earnings	502,000 10,529,228	502,000 24,108,814
	Total equity	11,031,228	24,610,814
	Liabilities other than provisions Current liabilities other than provisions Prepayments received from customers Trade payables Payables to group entities Income taxes payable Other payables	4,128,674 107,436 8,628,383 1,331,787 5,581,592	7,254,169 239,210 15,325,289 109,564 4,870,886
		19,777,872	27,799,118
	Total liabilities other than provisions	19,777,872	27,799,118
	TOTAL EQUITY AND LIABILITIES	30,809,100	52,409,932

¹ Accounting policies
9 Collateral
10 Contractual obligations and contingencies, etc.
11 Related parties

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2014	502,000	22,786,859	23,288,859
Profit/loss for the year	0	1,321,955	1,321,955
Equity at 1 January 2015 Profit/loss for the year Extraordinary dividend distributed	502,000	24,108,814	24,610,814
	0	5,420,414	5,420,414
	0	-19,000,000	-19,000,000
Equity at 31 December 2015	502,000	10,529,228	11,031,228

Notes to the financial statements

Accounting policies

The annual report of Mercer Pensionsrådgivning A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Provisions received from insurance companies based on the insurance premiums are recognised as revenue in the year, the premium is paid to the insurance company. Fees are recognised as revenue at the time of delivery. VAT, indirect taxes and discounts are excluded from the revenue.

Income from the supply of services is recognised as revenue with reference to the stage of completion.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The Item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Other fixtures and fittings, tools and equipment

3-5 år/years years

Notes to the financial statements

Accounting policies (continued)

Financial Income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, realised and unrealised exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of fixed assets

Every year, property, plant and equipment are tested for impairment. Where there is evidence of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Notes to the financial statements

Accounting policies (continued)

Work in progress for third parties

Services rendered are measured by reference to the stage of completion. The sales value is measured on the basis of the stage of completion and the total expected revenue for each individual contracts.

The stage of completion is calculated on the basis of ressources spent compared to total budgetted ressources needed to complete the contract.

The value of the Individual contracts, less prepayments, is classified under 'Receivables' if the amounts are positive and under 'Payables' if the amounts are negative.

Costs related to sales and marketing in order to close contracts and financing costs are expensed as they are incurred.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate Item under 'Equity'.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Notes to the financial statements

	DKK	2015	2014
2	Staff costs Wages/salaries Pensions Other social security costs Other staff costs	16,791,328 2,016,863 2,359,887 2,590,074 23,758,152	17,349,031 1,975,483 2,233,909 3,302,955 24,861,378
	Average number of full-time employees	26	26
3	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment Depreciation of property, plant and equipment	157,367 157,367	181,316 181,316
4	Financial income Other financial income	642	0
5	Financial expenses Other financial expenses	7,929 7,929	65,667 65,667

2,009,036

237,965

Financial statements for the period 1 January - 31 December

Notes to the financial statements

Impairment losses and depreciation at 31 December 2015

Carrying amount at 31 December 2015

	DKK	2015	2014
6	Tax for the year		
	Estimated tax charge for the year	1,332,051	109,564
	Deferred tax adjustments in the year	367,344	393,037
		1,699,395	502,601
7	Departy, plant and aguinment		
,	Property, plant and equipment		
			Other fixtures and fittings, tools
	DKK		and equipment
	Cost at 1 January 2015		2,247,001
	Cost at 31 December 2015		2,247,001
	Impairment losses and depreciation at 1 January 2015		1,851,668
	Amortisation/depreciation in the year		157,368
	•		

Notes to the financial statements

	DKK	2015	2014
8	Share capital		
	The share capital consists of the following:		
	502 shares of DKK 1,000.00 each	502,000	502,000
		502,000	502,000

The Company's share capital has remained DKK 502,000 over the past 5 years.

9 Collateral

The Company has not placed any assets or other as security for loans at 31/12 2015,

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

Other financial obligations

The company has assumed lease obligations regarding offices for a combined amount of T.DKK 110 until the earliest possible date of termination.

The company has assumed leasing obligations regarding company cars in the years 2016-2019 for a combined amount of T.DKK 2,845 (2014: T.DKK 1,505).

Notes to the financial statements

11 Related parties

Mercer Pensionsrådgivning A/S' related parties comprise the following:

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements	
Marsh & McLennan Companies Inc.	USA	Marsh & McLennan Companies Inc., 1166 Avenue of the Americas, New York, NY 10036	

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domícile
Mercer (Danmark) A/S	Teknikerbyen 1, 2, 2830 Virum