

GUIDE TO HOW WE ARE PAID MARSH MALAWI LIMITED



ABOUT MARSH

Marsh is the world's leading insurance broker and risk adviser. With over 35,000 colleagues operating in more than 130 countries, Marsh serves commercial and individual clients with data driven risk solutions and advisory services. Marsh is a business of Marsh & McLennan Companies (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy and people. With annual revenue approaching US\$17 billion and 76,000 colleagues worldwide, MMC helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses: Marsh, Guy Carpenter, Mercer, and Oliver Wyman. Follow Marsh on Twitter @MarshGlobal; LinkedIn; Facebook; and YouTube, or subscribe to BRINK.

OUR COMMITMENT TO TRANSPARENCY AND DISCLOSURE

We pride ourselves on being an industry leader in transparency and disclosure and aim to treat our customers fairly at all times.

We will not deliberately put ourselves in a position where our interests, or our duty to another, prevent us from meeting our obligations to clients. We have procedures and controls in place to identify and manage potential conflicts, and to protect our clients' interests.

We do not place our own financial interests ahead of our clients' interests when carrying out our role.

To help our client to make fully informed decisions we will disclose to them:

- ▮ the roles we perform;
- ▮ our interests in, and payment arrangements with, insurers; and
- ▮ the insurers we intend to or have approached prior to placing any insurance.

HOW WE ARE PAID

As an insurance broker, Marsh's role is to place insurance coverage for our clients. We are compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. Marsh may receive compensation through one or a combination of the methods listed below.

Retail Commissions: A retail commission is paid to Marsh by the insurer as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on a number of 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 agree to pay Marsh a fee for Marsh's services in lieu of, or in addition to, retail commissions paid by insurance companies. The fee may be collected in whole or in part through the crediting of retail commissions collected by Marsh for the client's placements.

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 the US, Canada and Bermuda, this compensation can be paid in the form of a fixed fee, a percentage of premium, or a combination of both. Outside of those countries, Marsh is compensated for these services through fees.

Contingent Commissions: Some insurers agree to pay Marsh contingent commissions when we meet set goals for insurance policies placed with them during a given year or other time period. The set goals may include volume, profitability, retention and/or growth thresholds. The amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of the year or period. As a result, the amount of contingent commission attributable to any given insurance policy typically will not be known at the time of placement.

Compensation for Insurer Administration and Other Services: Marsh operates certain panels, facilities, quota shares, line slips and other placement arrangements with insurers. Marsh receives separate compensation relating to the administration and management of these arrangements that is in addition to any other fee or commission earned by Marsh.

Other Benefits or Compensation: Marsh may, from time to time, participate in insurance company promotional events or employee training and development provided by insurers. Sometimes, Marsh is reimbursed by insurers for its costs related to promotional marketing. Where legally permitted, Marsh 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.

Our Contractual Arrangements with Insurers

Marsh has agreements with certain insurers pursuant to which Marsh provides services to them and for which Marsh is compensated to the extent permitted by law and regulation in each country in which Marsh operates. Examples include captive management services, claims administration services, claims management software and associated services, mergers and acquisitions due diligence services, insurer consulting services, managing general agent and managing general underwriter services and insurance brokerage services regarding insurers' own insurance programs. Marsh is also party to agreements with insurers that facilitate insurance transactions, including agency agreements, agreements to administer facilities, and agreements to operate internet-based insurance placing facilities.

Marsh also routinely enters into various types of agreements with insurers that are ancillary to the insurance broking process, or other services performed on behalf of clients. Examples include confidentiality and nondisclosure agreements for the release of data relating to insurance placements, claims handling and loss control programs, nondisclosure and/or noncompetition agreements relating to the development and disclosure of new insurance products and services, and licensing agreements governing access to and use of data management systems and databases.

For more information on Marsh's compensation or Marsh's contractual arrangements with insurers, please contact your client executive or account representative.

