

## Strictly Private & Confidential

Central Bank of Ireland  
Financial Risks & Governance Policy Division  
P.O. Box 559  
Dublin 1  
Ireland

30<sup>th</sup> July 2018

### Subject: Submission with respect to CP120

To Whom It May Concern,

The purpose of this correspondence is to submit a number of suggestions, on behalf of Mercer (Ireland) Limited ("MIL") and Mercer Global Investments Europe Limited ("MGIE") (together the "Companies", "we", "us"), with regard to provisions detailed in Consultation Paper 120 on Corporate Governance Requirements for Investment Firms and Market Operators ("CP120").

In a general sense, the Companies are of the view that the provisions set out in CP120 are reasonable and proportionate and therefore we do not raise any objections to any of the proposals. The Companies however would wish for two clarifications to be reflected in the final guidelines in order to reduce the risk of disparate interpretations, namely:

#### i. Group Director

CP120 defines a group director as, *"A group director may be an executive, an executive director, a non-executive director or an independent non-executive director of an entity within the group."*

The Companies suggest that the section which states *"of an entity within the group"* be replaced with *"of another entity within the group"* to mitigate the risk that reference to *"executive"* within the definition be interpreted such that executive directors of a Firm could be interpreted to meet the group director definition.

#### ii. Provision 6.3

The Companies suggest Provision 6.3 is clarified to ensure that the provision is appropriately interpreted as it is felt that two separate interpretations can be drawn, i.e.

- a. a board of directors consisting of five or less members may collectively sit as the Risk Committee without the need to constitute a separate Risk Committee, i.e. no Risk Committee terms of reference and no separate agendas, papers or minutes. In other words,

the Board can sit as the Risk Committee by essentially discussing risk matters at a Board meeting under a separate agenda item, and

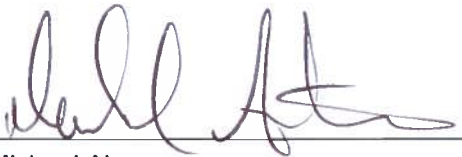
- b. a board of directors consisting of 5 or less members may collectively sit as the Risk Committee, subject to the constitution of a formal Risk Committee, i.e. separate terms of reference, separate agenda, separate risk papers and separate minutes.

Should you require any clarity on the points raised above, please do not hesitate to contact us at [kian.pettit@mercer.com](mailto:kian.pettit@mercer.com) or directly by telephone on 01 – 4118382.

Kind Regards



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