
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2017

Marsh & McLennan Companies, Inc.



**MARSH & MCLENNAN
COMPANIES**

1166 Avenue of the Americas
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Commission file number 1-5998
State of Incorporation: Delaware
I.R.S. Employer Identification No. 36-2668272

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer (Do not check if a smaller reporting company)

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 25, 2017, there were outstanding 514,159,981 shares of common stock, par value \$1.00 per share, of the registrant.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements," as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management's current views concerning future events or results, use words like "anticipate," "assume," "believe," "continue," "estimate," "expect," "intend," "plan," "project" and similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will" and "would." Forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements.

Factors that could materially affect our future results include, among other things: our exposure to potential civil damages, criminal penalties or other consequences, such as reputational impact, if we fail to comply with applicable U.S. and non-U.S. laws and regulations, including in connection with the U.K. Financial Conduct Authority's ongoing investigation into the aviation insurance and reinsurance sector; our exposure to potential liabilities, including reputational impact, arising from errors and omissions, breach of fiduciary duty and similar claims against us; our organization's ability to maintain adequate safeguards to protect the security of our information systems and confidential, personal or proprietary information, particularly given the volume of third party vendors we use; our ability to successfully recover if we experience a business continuity problem due to cyberattack, natural disaster or otherwise; our ability to compete effectively and adapt to changes in the competitive environment, including to respond to disintermediation, pricing pressures and technological and other types of innovation; the impact of macroeconomic conditions, political events and market conditions on us, our clients and the industries in which we operate, including the effects of the decision in the U.K. to exit the E.U. and the potential for a move towards protectionist laws and business practices; the financial and operational impact of complying with laws and regulations where we operate, including the E.U.'s General Data Protection Regulation; our ability to incentivize and retain key employees; the effect of our global pension obligations on our financial position, earnings and cash flows and the impact of low interest rates on those obligations; the impact on our competitive position of our tax rate relative to our competitors; the impact of fluctuations in foreign exchange, interest rates and securities markets on our results; and the impact of changes in accounting rules or in our accounting estimates or assumptions.

The factors identified above are not exhaustive. We caution readers not to place undue reliance on any forward-looking statements, which are based only on information currently available to us and speak only as of the dates on which they are made. The Company undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date on which it is made.

Further information concerning Marsh & McLennan Companies and its businesses, including information about factors that could materially affect our results of operations and financial condition, is contained in the Company's filings with the Securities and Exchange Commission, including the "Risk Factors" section and in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our most recently filed Annual Report on Form 10-K.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements.****MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)**

	Three Months Ended March 31,	
<i>(In millions, except per share amounts)</i>	2017	2016
Revenue	\$ 3,503	\$ 3,336
Expense:		
Compensation and benefits	1,945	1,854
Other operating expenses	749	749
Operating expenses	2,694	2,603
Operating income	809	733
Interest income	2	2
Interest expense	(58)	(46)
Investment income (loss)	—	(3)
Income before income taxes	753	686
Income tax expense	175	196
Net income before non-controlling interests	578	490
Less: Net income attributable to non-controlling interests	9	9
Net income attributable to the Company	\$ 569	\$ 481
Net Income Per Share Attributable to the Company:		
Basic	\$ 1.10	\$ 0.92
Diluted	\$ 1.09	\$ 0.91
Average number of shares outstanding:		
Basic	515	521
Diluted	522	526
Shares outstanding at March 31,	515	521

The accompanying notes are an integral part of these unaudited consolidated statements.

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

<i>(In millions)</i>	Three Months Ended March 31,	
	2017	2016
Net income before non-controlling interests	\$ 578	\$ 490
Other comprehensive income (loss), before tax:		
Foreign currency translation adjustments	235	13
Unrealized investment gains (losses)	(5)	—
Gain related to pension/post-retirement plans	33	138
Other comprehensive income, before tax	263	151
Income tax expense on other comprehensive income	7	28
Other comprehensive income, net of tax	256	123
Comprehensive income	834	613
Less: comprehensive income attributable to non-controlling interest	9	9
Comprehensive income attributable to the Company	\$ 825	\$ 604

The accompanying notes are an integral part of these unaudited consolidated statements.

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(In millions, except share amounts)</i>	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 930	\$ 1,026
Receivables		
Commissions and fees	3,564	3,370
Advanced premiums and claims	53	83
Other	278	286
	3,895	3,739
Less-allowance for doubtful accounts and cancellations	(100)	(96)
Net receivables	3,795	3,643
Other current assets	256	215
Total current assets	4,981	4,884
Goodwill	8,769	8,369
Other intangible assets	1,291	1,126
Fixed assets		
(net of accumulated depreciation and amortization of \$1,729 at March 31, 2017 and \$1,683 at December 31, 2016)	722	725
Pension related assets	872	776
Deferred tax assets	1,009	1,097
Other assets	1,325	1,213
	\$ 18,969	\$ 18,190

The accompanying notes are an integral part of these consolidated statements.

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
(Unaudited)

<i>(In millions, except share amounts)</i>	March 31, 2017	December 31, 2016
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	\$ 412	\$ 312
Accounts payable and accrued liabilities	2,033	1,969
Accrued compensation and employee benefits	765	1,655
Accrued income taxes	202	146
Dividends payable	176	—
Total current liabilities	3,588	4,082
Fiduciary liabilities	4,601	4,241
Less – cash and investments held in a fiduciary capacity	(4,601)	(4,241)
	—	—
Long-term debt	5,479	4,495
Pension, post-retirement and post-employment benefits	2,025	2,076
Liabilities for errors and omissions	300	308
Other liabilities	958	957
Commitments and contingencies	—	—
Equity:		
Preferred stock, \$1 par value, authorized 6,000,000 shares, none issued	—	—
Common stock, \$1 par value, authorized 1,600,000,000 shares, issued 560,641,640 shares at March 31, 2017 and December 31, 2016	561	561
Additional paid-in capital	733	842
Retained earnings	12,606	12,388
Accumulated other comprehensive loss	(4,837)	(5,093)
Non-controlling interests	87	80
	9,150	8,778
Less – treasury shares, at cost, 45,617,551 shares at March 31, 2017 and 46,150,415 shares at December 31, 2016	(2,531)	(2,506)
Total equity	6,619	6,272
	\$ 18,969	\$ 18,190

The accompanying notes are an integral part of these consolidated statements.

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

For the Three Months Ended March 31, (In millions)	2017	2016
Operating cash flows:		
Net income before non-controlling interests	\$ 578	\$ 490
Adjustments to reconcile net income to cash used for operations:		
Depreciation and amortization of fixed assets and capitalized software	80	78
Amortization of intangible assets	40	33
Adjustments and payments related to contingent consideration liability	(20)	1
Provision for deferred income taxes	25	22
Loss on investments	—	3
Loss on disposition of assets	6	2
Share-based compensation expense	42	31
Changes in assets and liabilities:		
Net receivables	(146)	(175)
Other current assets	(43)	(34)
Other assets	(25)	2
Accounts payable and accrued liabilities	60	36
Accrued compensation and employee benefits	(888)	(931)
Accrued income taxes	56	(26)
Contributions to pension and other benefit plans in excess of current year expense/credit	(106)	(67)
Other liabilities	(46)	(71)
Effect of exchange rate changes	(12)	25
Net cash used for operations	(399)	(581)
Financing cash flows:		
Purchase of treasury shares	(200)	(200)
Net increase in commercial paper	100	252
Proceeds from debt	987	347
Repayments of debt	(5)	(3)
Shares withheld for taxes on vested units – treasury shares	(48)	(37)
Issuance of common stock from treasury shares	73	92
Payments of deferred and contingent consideration for acquisitions	(34)	(39)
Distributions of non-controlling interests	(1)	(6)
Dividends paid	(175)	(161)
Net cash provided by financing activities	697	245
Investing cash flows:		
Capital expenditures	(62)	(51)
Net sales (purchases) of long-term investments	11	(2)
Proceeds from sales of fixed assets	1	1
Acquisitions	(411)	(75)
Other, net	—	1
Net cash used for investing activities	(461)	(126)
Effect of exchange rate changes on cash and cash equivalents	67	6
Decrease in cash and cash equivalents	(96)	(456)
Cash and cash equivalents at beginning of period	1,026	1,374
Cash and cash equivalents at end of period	\$ 930	\$ 918

The accompanying notes are an integral part of these unaudited consolidated statements.

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

For the Three Months Ended March 31, (In millions, except per share amounts)	2017	2016
COMMON STOCK		
Balance, beginning and end of period	\$ 561	\$ 561
ADDITIONAL PAID-IN CAPITAL		
Balance, beginning of year	\$ 842	\$ 861
Change in accrued stock compensation costs	(43)	(36)
Issuance of shares under stock compensation plans and employee stock purchase plans and related tax impact in 2016	(66)	(48)
Balance, end of period	\$ 733	\$ 777
RETAINED EARNINGS		
Balance, beginning of year	\$ 12,388	\$ 11,302
Net income attributable to the Company	569	481
Dividend equivalents declared – (per share amounts: \$0.68 in 2017 and \$0.62 in 2016)	(1)	(1)
Dividends declared – (per share amounts: \$0.68 in 2017 and \$0.62 in 2016)	(350)	(322)
Balance, end of period	\$ 12,606	\$ 11,460
ACCUMULATED OTHER COMPREHENSIVE LOSS		
Balance, beginning of year	\$ (5,093)	\$ (4,220)
Other comprehensive income, net of tax	256	123
Balance, end of period	\$ (4,837)	\$ (4,097)
TREASURY SHARES		
Balance, beginning of year	\$ (2,506)	\$ (1,991)
Issuance of shares under stock compensation plans and employee stock purchase plans	175	169
Purchase of treasury shares	(200)	(200)
Balance, end of period	\$ (2,531)	\$ (2,022)
NON-CONTROLLING INTERESTS		
Balance, beginning of year	\$ 80	\$ 89
Net income attributable to non-controlling interests	9	9
Distributions and other changes	(2)	(6)
Balance, end of period	\$ 87	\$ 92
TOTAL EQUITY	\$ 6,619	\$ 6,771

The accompanying notes are an integral part of these unaudited consolidated statements.

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Nature of Operations

Marsh & McLennan Companies, Inc. and its consolidated subsidiaries (the "Company"), a global professional services firm, is organized based on the different services that it offers. Under this structure, the Company's two segments are Risk and Insurance Services and Consulting.

The Risk and Insurance Services segment provides risk management services and insurance broking, reinsurance broking and insurance program management services for businesses, public entities, insurance companies, associations, professional services organizations and private clients. The Company conducts business in this segment through Marsh and Guy Carpenter.

The Company conducts business in its Consulting segment through Mercer and Oliver Wyman Group. Mercer provides consulting expertise, advice, services and solutions in the areas of health, wealth and career. As of March 31, 2017, Mercer had assets under management of \$177 billion worldwide. Oliver Wyman Group provides specialized management and economic and brand consulting services.

Acquisitions impacting the Risk and Insurance Services and Consulting segments are discussed in Note 7 to the consolidated financial statements.

2. Principles of Consolidation and Other Matters

The consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. While certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to such rules and regulations for interim filings, the Company believes that the information and disclosures presented are adequate to make such information and disclosures not misleading. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 (the "2016 Form 10-K").

The financial information contained herein reflects all normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the Company's consolidated financial statements as of and for the three month periods ended March 31, 2017 and 2016.

Cash and Cash Equivalents

Cash and cash equivalents primarily consist of certificates of deposit and time deposits, with original maturities of three months or less, and money market funds. The estimated fair value of the Company's cash and cash equivalents approximates their carrying value. The Company is required to maintain operating funds of approximately \$167 million, primarily related to regulatory requirements outside the United States or as collateral under captive insurance arrangements.

Investments

The Company holds investments in certain private equity funds. Investments in private equity funds are accounted for under the equity method of accounting using a consistently applied three-month lag period adjusted for any known significant changes from the lag period to the reporting date of the Company. The underlying private equity funds follow investment company accounting, where investments within the fund are carried at fair value. Investment gains or losses for the Company's proportionate share of the change in fair value of the funds are recorded in earnings. Investments using the equity method of accounting are included in other assets in the consolidated balance sheets.

The caption "Investment income (loss)" in the consolidated statements of income comprises realized and unrealized gains and losses from investments recognized in earnings. It includes, when applicable, other than temporary declines in the value of debt and available-for-sale securities and equity method gains or losses on the Company's investments in private equity funds. The Company recorded net investment income of less than \$1 million for the three months ended March 31, 2017 compared to a net investment loss of \$3 million for the same period in 2016.

Income Taxes

The Company's effective tax rate in the first quarter of 2017 was 23.3% compared with 28.6% in the first quarter of 2016. These rates reflect foreign operations which are taxed at rates below the U.S. statutory tax rate, including the

effect of repatriation, as well as the impact of discrete tax matters such as changes in tax legislation, changes in valuation allowances, nontaxable adjustments to contingent acquisition consideration and, starting in 2017, excess tax benefits related to share-based compensation.

The Company is routinely examined by tax authorities in the jurisdictions in which it has significant operations. The Company regularly considers the likelihood of assessments in each of the taxing jurisdictions resulting from examinations. When evaluating the potential imposition of penalties, the Company considers a number of relevant factors under penalty statutes, including appropriate disclosure of the tax return position, the existence of legal authority supporting the Company's position, and reliance on the opinion of professional tax advisors.

The Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in tax returns. The Company's gross unrecognized tax benefits increased from \$65 million at December 31, 2016 to \$66 million at March 31, 2017. It is reasonably possible that the total amount of unrecognized tax benefits will decrease between zero and approximately \$7 million within the next twelve months due to settlements of audits and expirations of statutes of limitation.

3. Fiduciary Assets and Liabilities

In its capacity as an insurance broker or agent, the Company collects premiums from insureds and, after deducting its commissions, remits the premiums to the respective insurance underwriters. The Company also collects claims or refunds from underwriters on behalf of insureds. Unremitted insurance premiums and claims proceeds are held by the Company in a fiduciary capacity. Risk and Insurance Services revenue includes interest on fiduciary funds of \$8 million and \$6 million for the three months ended March 31, 2017 and 2016, respectively. The Consulting segment recorded fiduciary interest income of \$1 million in each of the three month periods ended March 31, 2017 and 2016. Since fiduciary assets are not available for corporate use, they are shown in the consolidated balance sheets as an offset to fiduciary liabilities.

Net uncollected premiums and claims and the related payables amounted to \$7.8 billion at March 31, 2017 and \$7 billion at December 31, 2016. The Company is not a principal to the contracts under which the right to receive premiums or the right to receive reimbursement of insured losses arises. Accordingly, net uncollected premiums and claims and the related payables are not assets and liabilities of the Company and are not included in the accompanying consolidated balance sheets.

In certain instances, the Company advances premiums, refunds or claims to insurance underwriters or insureds prior to collection. These advances are made from corporate funds and are reflected in the accompanying consolidated balance sheets as receivables.

4. Per Share Data

Basic net income per share attributable to the Company and income from continuing operations per share are calculated by dividing the respective after-tax income attributable to common shares by the weighted average number of outstanding shares of the Company's common stock.

Diluted net income per share attributable to the Company and income from continuing operations per share are calculated by dividing the respective after-tax income attributable to common shares by the weighted average number of outstanding shares of the Company's common stock, which have been adjusted for the dilutive effect of potentially issuable common shares. Reconciliations of the applicable components used to calculate basic and diluted EPS - Continuing operations are presented below. The reconciling items related to the EPS calculation of net income attributable to the Company are the same for both basic and diluted EPS.

Basic and Diluted EPS Calculation	Three Months Ended	
	March 31,	
<i>(In millions, except per share amounts)</i>	2017	2016
Net income before non-controlling interests	\$ 578	\$ 490
Less: Net income attributable to non-controlling interests	9	9
Net income attributable to the Company	\$ 569	\$ 481
Basic weighted average common shares outstanding	515	521
Dilutive effect of potentially issuable common shares	7	5
Diluted weighted average common shares outstanding	522	526
Average stock price used to calculate common stock equivalents	\$ 71.32	\$ 55.86

There were 12.8 million and 14.6 million stock options outstanding as of March 31, 2017 and 2016, respectively.

5. Supplemental Disclosures to the Consolidated Statements of Cash Flows

The following schedule provides additional information concerning acquisitions, interest and income taxes paid for the three-month periods ended March 31, 2017 and 2016.

<i>(In millions)</i>	2017	2016
Assets acquired, excluding cash	\$ 577	\$ 105
Liabilities assumed	(76)	(4)
Contingent/deferred purchase consideration	(90)	(26)
Net cash outflow for acquisitions	\$ 411	\$ 75

<i>(In millions)</i>	2017	2016
Interest paid	\$ 62	\$ 58
Income taxes paid, net of refunds	\$ 100	\$ 187

The classification of contingent consideration in the statement of cash flows is determined by whether the payment was part of the initial liability established on the acquisition date (financing) or an adjustment to the acquisition date liability (operating).

The following amounts are included in the consolidated statements of cash flows as a financing activity. The Company paid deferred and contingent consideration of \$34 million for the three months ended March 31, 2017. This consisted of deferred purchase consideration related to prior years' acquisitions of \$26 million and contingent consideration of \$8 million. For the three months ended March 31, 2016, the Company paid deferred and contingent consideration of \$39 million, consisting of deferred purchase consideration related to prior years' acquisitions of \$25 million and contingent consideration of \$14 million.

The following amounts are included in the operating section of the consolidated statements of cash flows. For the three months ended March 31, 2017, the Company recorded a net credit for adjustments to acquisition related accounts of \$16 million and contingent consideration payments of \$4 million. For the three months ended March 31, 2016, the Company recorded a net charge for adjustments related to acquisition related accounts of \$5 million and contingent consideration payments of \$4 million.

The Company had non-cash issuances of common stock under its share-based payment plan of \$85 million and \$67 million for the three months ended March 31, 2017 and 2016, respectively. The Company recorded stock-based compensation expense related to equity awards of \$28 million and \$20 million for the three-month periods ended March 31, 2017 and 2016, respectively.

Effective January 1, 2017, the Company adopted new accounting guidance related to share-based compensation, that requires companies to record excess tax benefits and tax deficiencies as an income tax benefit or expense in the income statement and classify excess tax benefits as an operating activity in the statement of cash flows. Prior to the adoption of this standard, the Company recorded excess tax benefits in equity in the consolidated balance sheet and as a financing activity in the consolidated statement of cash flows. For the three months ended March 31, 2017, the adoption of this new standard reduced income tax expense in the consolidated statement of income by approximately \$44 million. For the three months ended March 31, 2016, the Company recorded an excess tax benefit of \$18 million as an increase to equity in its consolidated balance sheet and an increase to cash provided by financing activities in the consolidated statement of cash flows.

6. Other Comprehensive Income (Loss)

The changes in the balances of each component of Accumulated Other Comprehensive Income ("AOCI") for the three-month periods ended March 31, 2017 and 2016, including amounts reclassified out of AOCI, are as follows:

<i>(In millions)</i>	Unrealized Investment Gains	Pension/Post- Retirement Plans Gains (Losses)	Foreign Currency Translation Gains (Losses)	Total Gains (Losses)
Balance as of January 1, 2017	\$ 19	\$ (3,232)	\$ (1,880)	\$ (5,093)
Other comprehensive income (loss) before reclassifications	(3)	(6)	235	226
Amounts reclassified from accumulated other comprehensive income	—	30	—	30
Net current period other comprehensive income (loss)	(3)	24	235	256
Balance as of March 31, 2017	\$ 16	\$ (3,208)	\$ (1,645)	\$ (4,837)

<i>(In millions)</i>	Unrealized Investment Gains	Pension/Post- Retirement Plans Gains (Losses)	Foreign Currency Translation Gains (Losses)	Total Gains (Losses)
Balance as of January 1, 2016	\$ 6	\$ (3,124)	\$ (1,102)	\$ (4,220)
Other comprehensive income (loss) before reclassifications	—	80	13	93
Amounts reclassified from accumulated other comprehensive income	—	30	—	30
Net current period other comprehensive income (loss)	—	110	13	123
Balance as of March 31, 2016	\$ 6	\$ (3,014)	\$ (1,089)	\$ (4,097)

The components of other comprehensive income (loss) for the three-month periods ended March 31, 2017 and 2016 are as follows:

<i>(In millions)</i>	2017			2016		
	Pre-Tax	Tax (Credit)	Net of Tax	Pre-Tax	Tax	Net of Tax
Foreign currency translation adjustments	\$ 235	\$ —	\$ 235	\$ 13	\$ —	\$ 13
Unrealized investment gains	(5)	(2)	(3)	—	—	—
Pension/post-retirement plans:						
Amortization of losses included in net periodic pension cost:						
Prior service cost (a)	—	—	—	1	—	1
Net actuarial losses (a)	40	10	30	41	12	29
Subtotal	40	10	30	42	12	30
Effect of remeasurement	9	2	7	(1)	—	(1)
Effect of curtailment	(1)	—	(1)	—	—	—
Effect of settlement	1	—	1	1	—	1
Foreign currency translation (losses) gains	(15)	(3)	(12)	97	16	81
Other	(1)	—	(1)	(1)	—	(1)
Pension/post-retirement plans gains	33	9	24	138	28	110
Other comprehensive income	\$ 263	\$ 7	\$ 256	\$ 151	\$ 28	\$ 123

(a) Components of net periodic pension cost are included in compensation and benefits in the consolidated statements of income. Income tax credits on prior service losses and net actuarial losses are included in income tax expense.

7. Acquisitions

The Company's acquisitions have been accounted for as business combinations. Net assets and results of operations are included in the Company's consolidated financial statements commencing at the respective purchase closing dates. In connection with acquisitions, the Company records the estimated value of the net tangible assets purchased and the value of the identifiable intangible assets purchased, which typically consist of purchased customer lists, developed technology, trademarks and non-compete agreements. The valuation of purchased intangible assets involves significant estimates and assumptions. Until final valuations are complete, any change in assumptions could affect the carrying value of tangible assets, goodwill and identifiable intangible assets.

The Risk and Insurance Services segment completed four acquisitions during the first three months of 2017.

- January – Marsh & McLennan Agency ("MMA") acquired J. Smith Lanier & Co. ("JSL"), one of the nation's largest privately held insurance brokerage firms providing insurance, risk management, and employee benefits solutions to businesses and individuals throughout the U.S.
- February – MMA acquired iaConsulting Services, a Texas-based employee benefits consulting firm.
- March – MMA acquired Blakestad, Inc., a Minnesota-based private client and commercial lines insurance agency, and RJF Financial Services, a Minnesota-based retirement advisory firm.

Total purchase consideration for acquisitions made during the first three months of 2017 was \$509 million, which consisted of cash paid of \$419 million and deferred purchase and estimated contingent consideration of \$90 million. Contingent consideration arrangements are based primarily on earnings before interest, tax, depreciation and amortization ("EBITDA") or revenue targets over a period of two to four years. The fair value of the contingent consideration was based on projected revenue and EBITDA of the acquired entities. Estimated fair values of assets acquired and liabilities assumed are subject to adjustment when purchase accounting is finalized. The Company also paid \$26 million of deferred purchase consideration and \$12 million of contingent consideration related to acquisitions made in prior years.

The following table presents the preliminary allocation of the acquisition cost to the assets acquired and liabilities assumed during 2017 based on their fair values:

For the Three Months Ended March 31, 2017	
<i>(In millions)</i>	
Cash	\$ 419
Estimated fair value of deferred/contingent consideration	90
Total Consideration	\$ 509
Allocation of purchase price:	
Cash and cash equivalents	\$ 8
Accounts receivable, net	7
Property, plant, and equipment	3
Other intangible assets	204
Goodwill	363
Total assets acquired	585
Current liabilities	4
Other liabilities	72
Total liabilities assumed	76
Net assets acquired	\$ 509

Other intangible assets acquired are based on initial estimates and subject to change based on final valuations during the measurement period after the acquisition date. The following chart provides information about other intangible assets acquired during 2017:

	Amount	Weighted Average Amortization Period
Client relationships	\$ 204	10 years

Prior-Year Acquisitions

The Risk and Insurance Services segment completed nine acquisitions during 2016.

- February – MMA acquired The Celedinas Agency, Inc., a Florida-based brokerage firm providing property and casualty and marine insurance as well as employee benefits services, and Aviation Solutions, LLC, a Missouri-based aviation risk advisor and insurance broker.
- March – MMA acquired Corporate Consulting Services, Ltd., a New York-based insurance brokerage and human resource consulting firm.
- August – MMA acquired Benefits Advisory Group LLC, an Atlanta-based employee benefits consulting firm.
- September – MMA acquired Vero Insurance, Inc., a Florida-based agency specializing in private client insurance services.
- November – MMA acquired Benefits Resource Group Agency, LLC, an Ohio-based benefits consulting firm and Presidio Benefits Group, Inc., a California-based employee benefits consulting firm.
- December – Marsh acquired AD Corretora, a multi-line broker located in Brazil, and Bluefin Insurance Group, Ltd, a U.K.-based insurance brokerage.

The Consulting segment completed six acquisitions during 2016.

- January – Mercer acquired The Positive Ageing Company Limited, a U.K.-based firm providing advice on issues surrounding the aging workforce.
- April – Mercer acquired the Extratextual software system and related client contracts. Extratextual is a web based compliance system that helps clients manage and meet their compliance and risk management obligations.
- December – Oliver Wyman acquired LShift Limited, a software development company, and Mercer acquired Sirota Consulting LLC, a global provider of employee benefit solutions; Pillar Administration, a superannuation provider located in Australia; and Thomsons Online Benefits, a U.K.-based global benefits software business.

Total purchase consideration for acquisitions made during the first three months of 2016 was \$103 million, which consisted of cash paid of \$77 million and deferred purchase and estimated contingent consideration of \$26 million. Contingent consideration arrangements are primarily based on EBITDA or revenue targets over three years. The fair value of the contingent consideration was based on projected revenue and earnings of the acquired entities. Estimated fair values of assets acquired and liabilities assumed are subject to adjustment when purchase accounting is finalized. In the first three months of 2016, the Company also paid \$25 million of deferred purchase consideration and \$18 million of contingent consideration related to acquisitions made in prior years.

Pro-Forma Information

The following unaudited pro-forma financial data gives effect to the acquisitions made by the Company during 2017 and 2016. In accordance with accounting guidance related to pro-forma disclosures, the information presented for current year acquisitions is as if they occurred on January 1, 2016 and reflects acquisitions made in 2016 as if they occurred on January 1, 2015. The unaudited pro-forma information adjusts for the effects of amortization of acquired intangibles. The unaudited pro-forma financial data is presented for illustrative purposes only and is not necessarily indicative of the operating results that would have been achieved if such acquisitions had occurred on the dates indicated, nor is it necessarily indicative of future consolidated results.

<i>(In millions, except per share figures)</i>	Three Months Ended March 31,	
	2017	2016
Revenue	\$ 3,515	\$ 3,460
Net income attributable to the Company	\$ 568	\$ 481
Basic net income per share attributable to the Company	\$ 1.10	\$ 0.92
Diluted net income per share attributable to the Company	\$ 1.09	\$ 0.91

The consolidated statement of income includes the results of operations of acquired companies since their respective acquisition dates. The consolidated statements of income for the three month period ended March 31, 2017 include approximately \$28 million of revenue and \$10 million of operating income related to acquisitions made in 2017.

Acquisition-related expenses incurred in the first three months of 2017 were less than \$1 million.

8. Goodwill and Other Intangibles

The Company is required to assess goodwill and any indefinite-lived intangible assets for impairment annually, or more frequently if circumstances indicate impairment may have occurred. The Company performs the annual impairment assessment for each of its reporting units during the third quarter of each year. In accordance with applicable accounting guidance, the Company assesses qualitative factors to determine whether it is necessary to perform the two-step goodwill impairment test. The Company considers numerous factors, which include whether the fair value of each reporting unit exceeded its carrying value by a substantial margin in its most recent estimate of reporting unit fair values, whether significant acquisitions or dispositions occurred which might alter the fair value of its reporting units, macroeconomic conditions and their potential impact on reporting unit fair values, actual performance compared with budget and prior projections used in its estimation of reporting unit fair values, industry and market conditions, and the year-over-year change in the Company's share price. The Company completed its qualitative assessment in the third quarter of 2016 and concluded that a two-step goodwill impairment test was not required in 2016 and that goodwill was not impaired.

Changes in the carrying amount of goodwill are as follows:

March 31, <i>(In millions)</i>	2017	2016
Balance as of January 1, as reported	\$ 8,369	\$ 7,889
Goodwill acquired	363	61
Other adjustments ^(a)	37	—
Balance at March 31,	\$ 8,769	\$ 7,950

^(a) The increase in 2017 primarily reflects the impact of foreign exchange.

Goodwill allocable to the Company's reportable segments at March 31, 2017 is as follows: Risk and Insurance Services, \$6.3 billion and Consulting, \$2.5 billion.

Other intangible assets that are not deemed to have an indefinite life are amortized over their estimated lives and reviewed for impairment upon the occurrence of certain triggering events in accordance with applicable accounting literature.

The gross cost and accumulated amortization at March 31, 2017 and December 31, 2016 are as follows:

<i>(In millions)</i>	March 31, 2017			December 31, 2016		
	Gross Cost	Accumulated Amortization	Net Carrying Amount	Gross Cost	Accumulated Amortization	Net Carrying Amount
Client Relationships	\$ 1,591	\$ 422	\$ 1,169	\$ 1,390	\$ 392	\$ 998
Other ^(a)	205	83	122	204	76	128
Amortized intangibles	\$ 1,796	\$ 505	\$ 1,291	\$ 1,594	\$ 468	\$ 1,126

^(a) Primarily non-compete agreements, trade names and developed technology.

Aggregate amortization expense for the three months ended March 31, 2017 and 2016 was \$40 million and \$33 million, respectively. The estimated future aggregate amortization expense is as follows:

<i>(In millions)</i>	Estimated Expense
For the Years Ending December 31,	
2017 (excludes amortization through March 31, 2017)	\$ 126
2018	161
2019	153
2020	135
2021	129
Subsequent years	587
	\$ 1,291

9. Fair Value Measurements

Fair Value Hierarchy

The Company has categorized its assets and liabilities that are valued at fair value on a recurring basis into a three-level fair value hierarchy as defined by the Financial Accounting Standards Board ("FASB"). The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). In some cases, the inputs used to measure fair value might fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy, for disclosure purposes, is determined based on the lowest level input that is significant to the fair value measurement. Assets and liabilities recorded in the consolidated balance sheets at fair value are categorized based on the inputs in the valuation techniques as follows:

Level 1. Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market (examples include active exchange-traded equity securities and exchange-traded money market mutual funds).

Assets and liabilities using Level 1 inputs include exchange-traded equity securities, exchange-traded mutual funds and money market funds.

Level 2. Assets and liabilities whose values are based on the following:

- a) Quoted prices for similar assets or liabilities in active markets;
- b) Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds, which trade infrequently);
- c) Pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including interest rate and currency swaps); and
- d) Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full asset or liability (for example, certain mortgage loans).

The Company does not have any assets or liabilities that use Level 2 inputs.

Level 3. Assets and liabilities whose values are based on prices, or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Liabilities using Level 3 inputs include liabilities for contingent purchase consideration.

Valuation Techniques

Equity Securities, Money Market Funds and Mutual Funds – Level 1

Investments for which market quotations are readily available are valued at the sale price on their principal exchange or, for certain markets, official closing bid price. Money market funds are valued using a valuation technique that results in price per share at \$1.00.

Contingent Purchase Consideration Liability – Level 3

Purchase consideration for some acquisitions made by the Company includes contingent consideration arrangements. These arrangements typically provide for the payment of additional consideration if earnings or revenue targets are met over periods from two to four years. The fair value of contingent consideration is estimated as the present value of future cash flows resulting from the projected revenue and earnings and related targets of the acquired entities.

The following fair value hierarchy table presents information about the Company's assets and liabilities measured at fair value on a recurring basis as of March 31, 2017 and December 31, 2016.

<i>(In millions)</i>	Identical Assets (Level 1)		Observable Inputs (Level 2)		Unobservable Inputs (Level 3)		Total	
	03/31/17	12/31/16	03/31/17	12/31/16	03/31/17	12/31/16	03/31/17	12/31/16
Assets:								
Financial instruments owned:								
Exchange traded equity securities ^(a)	\$ 83	\$ 89	\$ —	\$ —	\$ —	\$ —	\$ 83	\$ 89
Mutual funds ^(a)	134	141	—	—	—	—	134	141
Money market funds ^(b)	24	22	—	—	—	—	24	22
Total assets measured at fair value	\$ 241	\$ 252	\$ —	\$ —	\$ —	\$ —	\$ 241	\$ 252
Fiduciary Assets:								
Money market funds	\$ 28	\$ 90	\$ —	\$ —	\$ —	\$ —	\$ 28	\$ 90
Total fiduciary assets measured at fair value	\$ 28	\$ 90	\$ —	\$ —	\$ —	\$ —	\$ 28	\$ 90
Liabilities:								
Contingent purchase consideration liability ^(c)	\$ —	\$ —	\$ —	\$ —	\$ 247	\$ 241	\$ 247	\$ 241
Total liabilities measured at fair value	\$ —	\$ —	\$ —	\$ —	\$ 247	\$ 241	\$ 247	\$ 241

(a) Included in other assets in the consolidated balance sheets.

(b) Included in cash and cash equivalents in the consolidated balance sheets.

(c) Included in accounts payable and accrued liabilities and other liabilities in the consolidated balance sheets.

During the three-month period ended March 31, 2017, there were no assets or liabilities that were transferred between any of the levels.

The table below sets forth a summary of the changes in fair value of the Company's Level 3 liabilities as of March 31, 2017 and 2016 that represent contingent consideration related to acquisitions:

<i>(In millions)</i>		2017		2016
Balance at January 1,	\$	241	\$	309
Additions		34		8
Payments		(12)		(18)
Revaluation Impact		(16)		5
Other ^(a)		—		(2)
Balance at March 31,	\$	247	\$	302

^(a) Primarily reflects the impact of foreign exchange.

The fair value of the contingent purchase consideration liability is based on projections of revenue and EBITDA for the acquired entities in relation to the established targets and are reassessed on a quarterly basis. As set forth in the table above, based on the Company's ongoing assessment of the fair value of contingent consideration, the Company recorded a net decrease in the estimated fair value of such liabilities for prior-period acquisitions of \$16 million in the three-month period ended March 31, 2017. A 5% increase in the above mentioned projections would increase the liability by approximately \$22 million. A 5% decrease in the above mentioned projections would decrease the liability by approximately \$22 million.

Long-Term Investments

The Company holds investments in certain private equity investments, public companies and private companies that are accounted for using the equity method of accounting. The carrying value of these investments was \$426 million and \$389 million at March 31, 2017 and December 31, 2016, respectively.

Private Equity Investments

The Company's investments in private equity investments were \$72 million and \$79 million at March 31, 2017 and December 31, 2016, respectively. The carrying values of these private equity investments approximate fair value. The underlying private equity funds follow investment company accounting, where investments within the fund are carried at fair value. The Company records in earnings, investment gains/losses for its proportionate share of the change in fair value of the funds. These investments are included in other assets in the consolidated balance sheets.

Investments in Public and Private Companies

Alexander Forbes: The Company owns approximately 33% of the common stock of Alexander Forbes, a South African company listed on the Johannesburg Stock Exchange, which it purchased in 2014 for 7.50 South African Rand per share. As of March 31, 2017, the carrying value of the Company's investment in Alexander Forbes was approximately \$289 million. As of March 31, 2017, the market value of the approximately 443 million shares of Alexander Forbes owned by the Company, based on the March 31, 2017 closing share price of 6.43 South African Rand per share, was approximately \$229 million. During the first three months of 2017, the shares closed between 6.38 Rand (in late March) and 7.89 Rand (in early January). The Company considered several factors related to its investment in Alexander Forbes, including its financial position, the near- and long-term prospects of Alexander Forbes and the broader South African economy and capital markets, the length of time and extent to which the market value was below cost and the Company's intent and ability to retain the investment for a sufficient period of time to allow for anticipated recovery in market value. As a result, the Company determined the investment was not impaired.

The Company's investment in Alexander Forbes and its other equity investments in private insurance and consulting companies are accounted for using the equity method of accounting, the results of which are included in revenue in the consolidated statements of income and the carrying value of which is included in other assets in the consolidated balance sheets. The Company records its share of income or loss on its equity method investments on a one quarter lag basis.

Benefitfocus: On February 24, 2015, the Company purchased shares of common stock of Benefitfocus (NASDAQ:BNFT) constituting 9.9% of BNFT's outstanding capital stock as of the acquisition date. The purchase price for the BNFT shares and certain other rights and other consideration was approximately \$75 million. Until December 31, 2016, the Company accounted for this investment under the cost method of accounting as the

shares purchased were categorized as restricted. Effective December 31, 2016, these shares were no longer considered restricted for the purpose of determining if they are marketable securities under GAAP, and are now accounted for as available for sale securities and included in other assets in the consolidated balance sheets. The value of the BNFT shares based on the closing price on the NASDAQ as of March 31, 2017 was approximately \$79 million. During the first quarter of 2017 an unrealized loss related to these shares of approximately \$5 million was recorded in other comprehensive income.

10. Retirement Benefits

The Company maintains qualified and non-qualified defined benefit pension plans for some of its U.S. and non-U.S. eligible employees. The Company's policy for funding its tax-qualified defined benefit retirement plans is to contribute amounts at least sufficient to meet the funding requirements set forth by U.S. law and the laws of the non-U.S. jurisdictions in which the Company offers defined benefit plans.

The target asset allocation for the Company's U.S. Plan was 64% equities and equity alternatives and 36% fixed income and at March 31, 2017, the actual allocation for the Company's U.S. Plan was 64% equities and equity alternatives and 36% fixed income. The target asset allocation for the Company's U.K. Plans, which comprise approximately 81% of non-U.S. Plan assets at December 31, 2016, was 48% equities and equity alternatives and 52% fixed income. At March 31, 2017, the actual allocation for the U.K. Plans was 47% equities and equity alternatives and 53% fixed income. The assets of the Company's defined benefit plans are diversified and are managed in accordance with applicable laws and with the goal of maximizing the plans' real return within acceptable risk parameters. The Company generally uses threshold-based portfolio re-balancing to ensure the actual portfolio remains consistent with target asset allocation ranges.

The components of the net periodic benefit cost for defined benefit and other post-retirement plans are as follows:

Combined U.S. and significant non-U.S. Plans		Pension Benefits		Post-retirement Benefits	
For the Three Months Ended March 31,					
<i>(In millions)</i>		2017	2016	2017	2016
Service cost	\$	18	\$ 44	\$ —	\$ —
Interest cost		122	137	1	2
Expected return on plan assets		(224)	(241)	—	—
Amortization of prior service cost		—	—	1	1
Recognized actuarial loss (gain)		40	42	—	(1)
Net periodic benefit (credit) cost	\$	(44)	\$ (18)	\$ 2	\$ 2
Curtailment gain		(1)	—	—	—
Settlement loss		1	—	—	—
Total (credit) cost	\$	(44)	\$ (18)	\$ 2	\$ 2

U.S. Plans only		Pension Benefits		Post-retirement Benefits	
For the Three Months Ended March 31,					
<i>(In millions)</i>		2017	2016	2017	2016
Service cost	\$	—	\$ 26	\$ —	\$ —
Interest cost		66	66	—	1
Expected return on plan assets		(89)	(95)	—	—
Amortization of prior service cost		—	—	1	1
Recognized actuarial loss (gain)		9	18	—	(1)
Net periodic benefit (credit) cost	\$	(14)	\$ 15	\$ 1	\$ 1

In October 2016, the Company modified its U.S. defined benefit pension plans to discontinue further benefit accruals for participants after December 31, 2016. At the same time, the Company amended its U.S. defined contribution retirement plans for most of its U.S. employees to add an automatic Company contribution equal to 4% of eligible base pay beginning on January 1, 2017. This new Company contribution, together with the Company's current matching contribution, provides eligible U.S. employees with the opportunity to receive a total contribution of up to 7% of eligible base pay. In addition, the U.S. qualified plans were merged effective December 30, 2016.

Significant non-U.S. Plans only	Pension Benefits		Post-retirement Benefits	
For the Three Months Ended March 31,	2017	2016	2017	2016
<i>(In millions)</i>				
Service cost	\$ 18	\$ 18	\$ —	\$ —
Interest cost	56	71	1	1
Expected return on plan assets	(135)	(146)	—	—
Recognized actuarial loss	31	24	—	—
Net periodic benefit (credit) cost	\$ (30)	\$ (33)	\$ 1	\$ 1
Curtailement gain	(1)	—	—	—
Settlement loss	1	—	—	—
Total (credit) cost	\$ (30)	\$ (33)	\$ 1	\$ 1

In March 2017, the Company modified its defined benefit pension plans in Canada to discontinue further benefit accruals for participants after December 31, 2017 and replaced it with a defined contribution arrangement. The Company also amended its post-retirement benefits plan in Canada so that individuals who retire after April 1, 2019 will not be eligible to participate, except in certain situations. The Company re-measured the assets and liabilities of the plans, based on assumptions and market conditions on the amendment date.

The weighted average actuarial assumptions utilized to calculate the net periodic benefit costs for the U.S. and significant non-U.S. defined benefit plans are as follows:

Combined U.S. and significant non-U.S. Plans	Pension Benefits		Post-retirement Benefits	
March 31,	2017	2016	2017	2016
Weighted average assumptions:				
Expected return on plan assets	6.64%	7.07%	—	—
Discount rate	3.40%	4.11%	3.64%	4.12%
Rate of compensation increase*	1.77%	2.44%	—	—

*The 2017 assumption does not include a rate of compensation increase for the U.S. defined benefit plans since future benefit accruals were discontinued for those plans after December 31, 2016.

The Company made approximately \$56 million of contributions to its U.S. and non-U.S. defined benefit plans in the first three months of 2017. The Company expects to contribute approximately \$200 million to its U.S. pension and non-U.S. pension plans during the remainder of 2017.

Defined Contribution Plans

The Company maintains certain defined contribution plans for its employees, the most significant being in the U.S. and the U.K. The cost of these U.S. and U.K. defined contribution plans was \$54 million and \$40 million for the three months ended March 31, 2017 and 2016, respectively.

11. Debt

The Company's outstanding debt is as follows:

<i>(In millions)</i>	March 31, 2017	December 31, 2016
Short-term:		
Commercial paper	\$ 150	\$ 50
Current portion of long-term debt	262	262
	412	312
Long-term:		
Senior notes – 2.30% due 2017 ^(a)	250	250
Senior notes – 2.55% due 2018	249	249
Senior notes – 2.35% due 2019	299	299
Senior notes – 2.35% due 2020	497	497
Senior notes – 4.80% due 2021	498	498
Senior notes – 2.75% due 2022	496	—
Senior notes – 3.30% due 2023	347	347
Senior notes – 4.05% due 2023	248	248
Senior notes – 3.50% due 2024	596	596
Senior notes – 3.50% due 2025	495	495
Senior notes – 3.75% due 2026	596	596
Senior notes – 5.875% due 2033	297	297
Senior notes – 4.35% due 2047	492	—
Mortgage – 5.70% due 2035	379	382
Other	2	3
	5,741	4,757
Less current portion	262	262
	\$ 5,479	\$ 4,495

^(a) Repaid on April 1, 2017.

The senior notes in the table above are registered by the Company with the Securities and Exchange Commission, and are not guaranteed.

The Company has established a short-term debt financing program of up to \$1.5 billion through the issuance of commercial paper. The proceeds from the issuance of commercial paper are used for general corporate purposes. The Company had \$150 million of commercial paper outstanding at March 31, 2017 at an effective interest rate of 1.28%.

In January 2017, the Company issued \$500 million of 2.75% senior notes due 2022 and \$500 million of 4.35% senior notes due 2047. The Company used the net proceeds for general corporate purposes, including the repayment of a \$250 million debt maturity in April 2017.

In March 2016, the Company issued \$350 million of 3.30% seven-year senior notes. The Company used the net proceeds for general corporate purposes.

The Company and certain of its foreign subsidiaries maintain a \$1.5 billion multi-currency five-year unsecured revolving credit facility. The interest rate on this facility is based on LIBOR plus a fixed margin which varies with the Company's credit ratings. This facility expires in November 2020 and requires the Company to maintain certain coverage and leverage ratios which are tested quarterly. There were no borrowings outstanding under this facility at March 31, 2017.

The Company has a \$150 million uncommitted bank credit line. There were no borrowings under this facility at March 31, 2017.

Fair Value of Short-term and Long-term Debt

The estimated fair value of the Company's short-term and long-term debt is provided below. Certain estimates and judgments were required to develop the fair value amounts. The fair value amounts shown below are not necessarily indicative of the amounts that the Company would realize upon disposition, nor do they indicate the Company's intent or need to dispose of the financial instrument.

(In millions)	March 31, 2017		December 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short-term debt	\$ 412	\$ 412	\$ 312	\$ 313
Long-term debt	\$ 5,479	\$ 5,658	\$ 4,495	\$ 4,625

The fair value of the Company's short-term debt consists primarily of commercial paper and term debt maturing within the next year and its fair value approximates its carrying value. The estimated fair value of a primary portion of the Company's long-term debt is based on discounted future cash flows using current interest rates available for debt with similar terms and remaining maturities. Short- and long-term debt would be classified as Level 2 in the fair value hierarchy.

12. Restructuring Costs

The Company recorded total restructuring costs of \$9 million in the first three months of 2017, primarily for severance and future rent under non-cancelable leases. These costs were incurred in Risk and Insurance Services (\$4 million), Consulting (\$3 million) and Corporate (\$2 million).

Details of the restructuring activity from January 1, 2016 through March 31, 2017, which includes liabilities from actions prior to 2017, are as follows:

(In millions)	Liability at 1/1/16	Amounts Accrued	Cash Paid	Other	Liability at 12/31/16	Amounts Accrued	Cash Paid	Other	Liability at 3/31/17
Severance	\$ 15	\$ 40	\$ (22)	\$ (1)	\$ 32	\$ 5	\$ (21)	\$ (1)	\$ 15
Future rent under non-cancelable leases and other costs	78	4	(17)	(4)	61	4	(4)	(2)	59
Total	\$ 93	\$ 44	\$ (39)	\$ (5)	\$ 93	\$ 9	\$ (25)	\$ (3)	\$ 74

The expenses associated with the above initiatives are included in compensation and benefits and other operating expenses in the consolidated statements of income. The liabilities associated with these initiatives are classified on the consolidated balance sheets as accounts payable and accrued liabilities, other liabilities or accrued compensation and employee benefits, depending on the nature of the items.

13. Common Stock

During the first three months of 2017, the Company repurchased approximately 2.7 million shares of its common stock for consideration of \$200 million. In November 2016, the Board of Directors of the Company authorized the Company to repurchase up to \$2.5 billion in shares of the Company's common stock, which superseded any prior authorizations. As of March 31, 2017, the Company remained authorized to repurchase up to approximately \$2.2 billion in shares of its common stock. There is no time limit on the authorization. During the first three months of 2016, the Company repurchased approximately 3.5 million shares of its common stock for consideration of \$200 million.

14. Claims, Lawsuits and Other Contingencies

Litigation Matters

The Company and its subsidiaries are subject to a significant number of claims, lawsuits and proceedings in the ordinary course of business. Such claims and lawsuits consist principally of alleged errors and omissions in connection with the performance of professional services, including the placement of insurance, the provision of actuarial services for corporate and public sector clients, the provision of investment advice and investment management services to pension plans, the provision of advice relating to pension buy-out transactions and the provision of consulting services relating to the drafting and interpretation of trust deeds and other documentation governing pension plans. These claims typically seek damages, including punitive and treble damages, in amounts that could be significant. In establishing liabilities for errors and omissions claims in accordance with FASB ASC Subtopic No. 450-20 (Contingencies-Loss Contingencies), the Company uses case level reviews by inside and outside counsel, and internal actuarial analysis by Oliver Wyman Group, a subsidiary of the Company, and other methods to estimate potential losses. A liability is established when a loss is both probable and reasonably estimable. The liability is reviewed quarterly and adjusted as developments warrant. In many cases, the Company has not recorded a liability, other than for legal fees to defend the claim, because we are unable, at the present time, to make a determination that a loss is both probable and reasonably estimable.

To the extent that expected losses exceed our deductible in any policy year, the Company also records an asset for the amount that we expect to recover under any available third-party insurance programs. The Company has varying levels of third-party insurance coverage, with policy limits and coverage terms varying significantly by policy year.

Governmental Inquiries and Enforcement Matters

Our activities are regulated under the laws of the United States and its various states, the European Union and its member states, and the other jurisdictions in which the Company operates.

The U.K. Financial Conduct Authority (the "FCA") recently launched a civil competition investigation into the aviation insurance and reinsurance sector. In connection with that investigation, the FCA conducted an on-site inspection on April 4, 2017 at the London office of Marsh Limited, our Marsh and Guy Carpenter operating subsidiary in the United Kingdom. The FCA indicated that it had reasonable grounds for suspecting that Marsh Limited and others have been sharing competitively sensitive information within the aviation insurance and reinsurance sector. We are cooperating fully with the FCA's ongoing investigation and are conducting our own review with the assistance of outside counsel. As the FCA's investigation is at an early stage, we are unable to predict the timing or ultimate impact of this matter at this time.

In the ordinary course of business, the Company is subject to other investigations, subpoenas, lawsuits and other regulatory actions undertaken by governmental authorities. For example, the FCA is conducting a market study of the U.K. asset management industry, which includes asset managers and investment consultants such as Mercer. In November 2016, the FCA published an interim report which contains preliminary findings relating to the investment consulting industry and a provisional reference to the U.K. Competition & Markets Authority for a market investigation.

Other Contingencies-Guarantees

In connection with its acquisition of U.K.-based Sedgwick Group in 1998, the Company acquired several insurance underwriting businesses that were already in run-off, including River Thames Insurance Company Limited ("River Thames"), which the Company sold in 2001. Sedgwick guaranteed payment of claims on certain policies underwritten through the Institute of London Underwriters (the "ILU") by River Thames. The policies covered by this guarantee were reinsured up to £40 million by a related party of River Thames. Payment of claims under the reinsurance agreement is collateralized by segregated assets held in a trust. As of March 31, 2017, the reinsurance coverage exceeded the best estimate of the projected liability of the policies covered by the guarantee. To the extent River Thames or the reinsurer is unable to meet its obligations under those policies, a claimant may seek to recover from the Company under the guarantee.

From 1980 to 1983, the Company owned indirectly the English & American Insurance Company ("E&A"), which was a member of the ILU. The ILU required the Company to guarantee a portion of E&A's obligations. After E&A became insolvent in 1993, the ILU agreed to discharge the guarantee in exchange for the Company's agreement to post an evergreen letter of credit that is available to pay claims by policyholders on certain E&A policies issued through the ILU and incepting between July 3, 1980 and October 6, 1983. Certain claims have been paid under the

letter of credit and the Company anticipates that additional claimants may seek to recover against the letter of credit.

* * * *

The pending proceedings described above and other matters not explicitly described in this Note 14 on Claims, Lawsuits and Other Contingencies may expose the Company or its subsidiaries to liability for significant monetary damages, fines, penalties or other forms of relief. Where a loss is both probable and reasonably estimable, the Company establishes liabilities in accordance with FASB ASC Subtopic No. 450-20 (Contingencies - Loss Contingencies). Except as described above, the Company is not able at this time to provide a reasonable estimate of the range of possible loss attributable to these matters or the impact they may have on the Company's consolidated results of operations, financial position or cash flows. This is primarily because these matters are still developing and involve complex issues subject to inherent uncertainty. Adverse determinations in one or more of these matters could have a material impact on the Company's consolidated results of operations, financial condition or cash flows in a future period.

15. Segment Information

The Company is organized based on the types of services provided. Under this structure, the Company's segments are:

- **Risk and Insurance Services**, comprising insurance services (Marsh) and reinsurance services (Guy Carpenter); and
- **Consulting**, comprising Mercer and Oliver Wyman Group.

The accounting policies of the segments are the same as those used for the consolidated financial statements described in Note 1 to the Company's 2016 Form 10-K. Segment performance is evaluated based on segment operating income, which includes directly related expenses, and charges or credits related to integration and restructuring but not the Company's corporate-level expenses. Revenues are attributed to geographic areas on the basis of where the services are performed.

Selected information about the Company's operating segments for the three month period ended March 31, 2017 and 2016 are as follows:

<i>(In millions)</i>	Three Months Ended March 31,		Operating Income (Loss)
	Revenue		
2017-			
Risk and Insurance Services	\$	1,989 ^(a)	\$ 613
Consulting		1,526 ^(b)	241
Total Operating Segments		3,515	854
Corporate / Eliminations		(12)	(45)
Total Consolidated	\$	3,503	\$ 809
2016-			
Risk and Insurance Services	\$	1,868 ^(a)	\$ 535
Consulting		1,478 ^(b)	245
Total Operating Segments		3,346	780
Corporate / Eliminations		(10)	(47)
Total Consolidated	\$	3,336	\$ 733

^(a) Includes inter-segment revenue of \$1 million in 2016, interest income on fiduciary funds of \$8 million and \$6 million in 2017 and 2016, respectively, and equity method income of \$2 million in 2017 and \$1 million in 2016, respectively.

^(b) Includes inter-segment revenue of \$12 million and \$9 million in 2017 and 2016, respectively, interest income on fiduciary funds of \$1 million in both 2017 and 2016, and equity method income of \$4 million in both 2017 and 2016.

Details of operating segment revenue for the three month period ended March 31, 2017 and 2016 are as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2017	2016
Risk and Insurance Services		
Marsh	\$ 1,602	\$ 1,493
Guy Carpenter	387	375
Total Risk and Insurance Services	1,989	1,868
Consulting		
Mercer	1,077	1,039
Oliver Wyman Group	449	439
Total Consulting	1,526	1,478
Total Operating Segments	3,515	3,346
Corporate / Eliminations	(12)	(10)
Total	\$ 3,503	\$ 3,336

16. New Accounting Guidance

In March 2017, the FASB issued new guidance to improve the presentation of net periodic pension cost and net periodic postretirement cost ("net periodic benefit costs"). The new guidance requires employers to report the service cost component of net periodic benefit costs in the same line item as other compensation costs in the income statement. The other components of net periodic benefit costs are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. In addition, only the service cost component is eligible for capitalization, when applicable. The guidance is effective for annual periods beginning after December 15, 2017, including interim periods within those annual periods. Early adoption is permitted as of the beginning of an annual period for which financial statements (interim or annual) have not been issued or made available for issuance. The new guidance requires retrospective application for the presentation of the service cost component and the other components of net periodic benefit costs, and prospective application for the capitalization of the service cost component. The adoption of this guidance will impact the presentation of the Company's results of operations, in particular, reducing net operating income, but will have no impact on the Company's net income.

In January 2017, the FASB issued new guidance to simplify the test for goodwill impairment. The new guidance eliminates the second step in the current two-step goodwill impairment process, under which a goodwill impairment loss is measured by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill for that reporting unit. The new guidance requires a one-step impairment test, in which the goodwill impairment charge is based on the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The guidance should be applied on a prospective basis with the nature of and reason for the change in accounting principle disclosed upon transition. The guidance is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company does not expect the adoption of this standard to have a material impact on the Company's financial position or results of operations.

In January 2017, the FASB issued guidance which clarifies the definition of a business in order to assist companies with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The guidance is effective for annual periods beginning after December 15, 2017, including interim periods within those annual periods. Early adoption is permitted under certain circumstances and the guidance must be applied prospectively as of the beginning of the period of adoption. The Company is currently evaluating the impact, if any, the adoption of this standard will have on its financial position or results of operations.

In November 2016, the FASB issued new guidance which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The new guidance is effective for public companies

for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The guidance must be applied retrospectively to all periods presented. Early adoption is permitted. The adoption of this guidance is not expected to have an impact on the Company's consolidated balance sheets or consolidated statement of cash flows.

In October 2016, the FASB also issued new guidance which requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The new guidance eliminates the exception for an intra-entity transfer of an asset other than inventory. The new guidance is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. The new guidance must be applied on a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the period of adoption. The Company is currently evaluating the impact the adoption of this standard will have on its financial position or results of operations.

In August 2016, the FASB issued new guidance which adds or clarifies guidance on the classification of certain cash receipts and payments in the statement of cash flows, including cash payments for debt prepayments or debt extinguishment costs, contingent consideration payments made after a business combination and distributions received from equity method investees. The guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The guidance must be applied retrospectively to all periods presented unless retrospective application is impracticable. Early adoption is permitted. The Company is currently evaluating the impact the guidance will have on its statement of cash flows.

In February 2016, the FASB issued new guidance intended to improve financial reporting for leases. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP, which requires that only capital leases be recognized on the balance sheet, the new guidance requires that both types of leases be recognized on the balance sheet. The new guidance will require additional disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, and additional information about the amounts recorded in the financial statements. The accounting by organizations that own the assets ("lessor") leased by the lessee will remain largely unchanged from current GAAP. However, the guidance contains some targeted improvements that are intended to align, where necessary, lessor accounting with the lessee accounting model and with the updated revenue recognition guidance issued in 2014. The new guidance on leases will take effect for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early application will be permitted. The Company is currently evaluating the impact the adoption of the guidance will have on its financial position and results of operations, but expects material "right to use" assets and lease liabilities to be recorded on its consolidated balance sheets.

In January 2016, the FASB issued new guidance intended to improve the recognition and measurement of financial instruments. The new guidance requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income; requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements; eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet; and requires a reporting organization to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk (also referred to as "own credit") when the organization has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. The new guidance is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently evaluating the impact of the adoption of the guidance on its financial position and results of operations.

New Revenue Recognition Pronouncement

In May 2014, the FASB issued new accounting guidance to clarify the principles for revenue recognition. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, the entity should apply the following steps: identify

the contract(s) with the customer, identify the performance obligations in the contract(s), determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when (or as) the entity satisfies a performance obligation. Entities are permitted to adopt the guidance under one of the following methods: the "full retrospective" method, which applies the guidance to each period presented (prior years restated) or the "modified retrospective" method in which the guidance is only applied to the year of adoption, with the cumulative effect of initially applying the guidance recognized as an adjustment to retained earnings. The Company will adopt the new guidance effective January 1, 2018. The Company is evaluating the transition method it will use, but currently expects to use the modified retrospective method.

The Company continues to evaluate the impact of the standard on our Risk and Insurance Services ("RIS") segment. Based on the results of the review to date, the Company expects there will be some movement in the timing of revenue recognition between quarterly and annual periods. However, since the vast majority of our brokerage arrangements involve contracts that cover a single year of placements, on a year over year basis, the Company does not believe there will be a significant change to the amount of revenue recognized in an annual period.

The Company's initial review and preliminary conclusions for the Consulting segment indicate the impact on the existing pattern of revenue recognition in quarterly or annual periods will be less significant than for RIS. The conclusions will be completed following a final review of customer arrangement legal terms and conditions in certain non-U.S. locations.

The Company expects that certain costs that are currently expensed under GAAP will be capitalized as costs to obtain or costs to fulfill customer contracts under guidance issued as part of the revenue recognition standard. Any capitalized costs would be amortized on a basis consistent with the transfer of services to which they relate. Such expenses related to Risk and Insurance Services would generally be "amortized" over a period of one year or less. The Company is continuing to quantify the amount of such costs that must be deferred. In the Consulting segment, certain expenses that are currently deferred may have a longer amortization period to reflect the amortization over the expected life of the contract including anticipated renewal periods.

The Company has not yet quantified the impact of the changes discussed above.

New Accounting Pronouncements Recently Adopted

In October 2016, the FASB issued new guidance which changes the evaluation of whether a reporting entity is the primary beneficiary of a variable interest entity by changing how a reporting entity that is a single decision maker of a variable interest entity treats indirect interests in the entity held through related parties that are under common control with the reporting entity. If a reporting entity satisfies the first characteristic of a primary beneficiary (such that it is the single decision maker of a variable interest entity), the new guidance requires that reporting entity, in determining whether it satisfies the second characteristic of a primary beneficiary, to include all of its direct variable interest in a variable interest entity and, on a proportionate basis, its indirect variable interests in a variable interest entity held through related parties, including related parties that are under common control with the reporting entity. The adoption of this guidance did not have a significant impact on its financial position, results of operations and statement of cash flows.

In April 2016, the FASB issued new guidance which simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures and statutory tax withholding requirements, as well as classification in the statement of cash flows. The new guidance requires that companies record all excess tax benefits and tax deficiencies as an income tax benefit or expense in the income statement and classify excess tax benefits as an operating activity in the statement of cash flows. The Company adopted this new guidance prospectively, effective January 1, 2017 and prior periods have not been adjusted. For the three months ended March 31, 2017, the adoption of this new standard reduced income tax expense in the consolidated statement of income by approximately \$44 million. For the three months ended March 31, 2016, the Company recorded an excess tax benefit of \$18 million as an increase to equity in its consolidated balance sheet and an increase to cash provided by financing activities in the consolidated statement of cash flows.

In March 2016, the FASB issued new guidance which eliminates the requirement that when an investment qualifies for use of the equity method as a result of an increase in the level of ownership interest or degree of influence, an investor must adjust the investment, results of operations and retained earnings retroactively on a step-by-step basis as if the equity method had been in effect during all previous periods that the investment had been held. The amendments require that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor's previously held interest and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. Therefore, upon qualifying for the equity

method of accounting, no retroactive adjustment of the investment is required. The amendments require that an entity that has an available-for-sale equity security that becomes qualified for the equity method of accounting recognize through earnings the unrealized holding gain or loss in accumulated other comprehensive income at the date the investment becomes qualified for use of the equity method. The new guidance is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The guidance was adopted on January 1, 2017 and did not have an impact on the Company's financial position or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General

Marsh & McLennan Companies, Inc. and its consolidated subsidiaries (the "Company") is a global professional services firm offering clients advice and solutions in risk, strategy and people. It is the parent company of a number of leading risk advisors and specialty consultants, including: Marsh, the insurance broker, intermediary and risk advisor; Guy Carpenter, the risk and reinsurance specialist; Mercer, the provider of HR and Investment related financial advice and services; and Oliver Wyman Group, the management, economic and brand consultancy. With more than 60,000 employees worldwide and annual revenue of more than \$13 billion, the Company provides analysis, advice and transactional capabilities to clients in more than 130 countries.

The Company operates through two segments:

- **Risk and Insurance Services** includes risk management activities (risk advice, risk transfer and risk control and mitigation solutions) as well as insurance and reinsurance broking and services. The Company conducts business in this segment through Marsh and Guy Carpenter.
- **Consulting** includes wealth, health and career consulting services and products, and specialized management, economic and brand consulting services. The Company conducts business in this segment through Mercer and Oliver Wyman Group.

Effective January 1, 2017, Mercer established a Wealth business reflecting a unified client strategy for its former Retirement and Investments businesses. Wealth is comprised of two practices, Defined Benefit Consulting & Administration (DBA), and Investment Management & Related Services (IMS). DBA encompasses mature businesses primarily in defined benefit and actuarial consulting, along with defined benefit administration. IMS includes businesses primarily in delegated solutions, defined contribution related investment services, and financial wellness. Among the changes, defined benefit investment consulting, previously reported in the Investments business, will now be included in Defined Benefit Consulting & Administration. Revenue information will be reported for these two practices to provide investors better insight into the underlying growth dynamics within Wealth. This change has no impact on previously reported Mercer total revenue, Consulting segment revenue or operating income, or consolidated revenue or financial results. In addition, moving forward the Company will refer to the Talent business as Career.

A reconciliation of segment operating income to total operating income is included in Note 15 to the consolidated financial statements included in Part I Item 1 in this report. The accounting policies used for each segment are the same as those used for the consolidated financial statements.

Consolidated Results of Operations

<i>(In millions, except per share figures)</i>	Three Months Ended March 31,	
	2017	2016
Revenue	\$ 3,503	\$ 3,336
Expense:		
Compensation and Benefits	1,945	1,854
Other Operating Expenses	749	749
Operating Expenses	2,694	2,603
Operating Income	\$ 809	\$ 733
Net income before non-controlling interests	\$ 578	\$ 490
Net Income Attributable to the Company	\$ 569	\$ 481
Net Income Per Share Attributable to the Company:		
Basic	\$ 1.10	\$ 0.92
Diluted	\$ 1.09	\$ 0.91
Average Number of Shares Outstanding:		
Basic	515	521
Diluted	522	526
Shares Outstanding at March 31	515	521

The Company's consolidated operating income of \$809 million in the first quarter of 2017 increased 10% as compared to the prior year. This reflects the impact of a 5% increase in revenue and a 4% increase in expense. Revenue increased 6% in Risk and Insurance Services and 3% in Consulting as compared to last year. The increase in expenses primarily reflects higher base salaries, offset by credits recorded in the first quarter of 2017 for contingent consideration related to acquisitions.

Income from continuing operations increased 18% to \$578 million primarily due to the combined effects of the increase in operating income discussed above, and the impact of a credit to income tax expense related to the required change in accounting for share based awards, partially offset by higher interest expense. Diluted net income per share from continuing operations increased 20% to \$1.09, compared to \$0.91 last year, reflecting an \$88 million increase in net income attributable to the Company as well as a 1% decrease in the average number of diluted shares outstanding. The number of shares issued related to the vesting of share awards and exercise of employee stock options was more than offset by shares repurchased over the past four quarters. In addition, in accordance with the change in accounting for stock compensation, the excess tax benefits for unvested shares and unexercised stock options are no longer included in the calculation of common stock equivalents ("CSE's") under the Treasury stock method. This had the effect of increasing CSE's by approximately 1.8 million shares.

Consolidated Revenue and Expense

Revenue - Components of Change

The Company conducts business in more than 130 countries. As a result, foreign exchange rate movements may impact period-to-period comparisons of revenue. Similarly, certain other items such as the revenue impact of acquisitions and dispositions, including transfers among businesses, may impact period-to-period comparisons of revenue. Underlying revenue measures the change in revenue from one period to another by isolating these impacts. The impact of foreign currency exchange fluctuations, acquisitions and dispositions, including transfers among businesses, on the Company's operating revenues by segment was as follows:

(In millions)	Three Months Ended March 31,		% Change GAAP Revenue	Components of Revenue Change*		
	2017	2016		Currency Impact	Acquisitions/ Dispositions Impact	Underlying Revenue
Risk and Insurance Services						
Marsh	\$ 1,596	\$ 1,488	7%	(1)%	4%	5%
Guy Carpenter	385	374	3%	(1)%	—	4%
Subtotal	1,981	1,862	6%	(1)%	3%	5%
Fiduciary Interest Income	8	6				
Total Risk and Insurance Services	1,989	1,868	6%	(1)%	3%	5%
Consulting						
Mercer	1,077	1,039	4%	(2)%	2%	3%
Oliver Wyman Group	449	439	2%	(2)%	—	4%
Total Consulting	1,526	1,478	3%	(2)%	2%	3%
Corporate / Eliminations	(12)	(10)				
Total Revenue	\$ 3,503	\$ 3,336	5%	(1)%	2%	4%

(In millions)	Three Months Ended March 31,		% Change GAAP Revenue	Components of Revenue Change*		
	2017	2016		Currency Impact	Acquisitions/ Dispositions Impact	Underlying Revenue
Marsh:						
EMEA	\$ 589	\$ 570	3 %	(4)%	5 %	3%
Asia Pacific	152	146	4 %	1 %	(8)%	11%
Latin America	80	71	13 %	1 %	5 %	7%
Total International	821	787	4 %	(3)%	2 %	5%
U.S. / Canada	775	701	10 %	—	5 %	5%
Total Marsh	\$ 1,596	\$ 1,488	7 %	(1)%	4 %	5%
Mercer:						
Defined Benefit Consulting & Administration	\$ 334	\$ 361	(8)%	(4)%	(4)%	—
Investment Management & Related Services	186	147	26 %	1 %	16 %	9%
Total Wealth	520	508	2 %	(2)%	2 %	3%
Health	415	400	4 %	(1)%	2 %	2%
Career	142	131	9 %	(1)%	3 %	7%
Total Mercer	\$ 1,077	\$ 1,039	4 %	(2)%	2 %	3%

Underlying revenue measures the change in revenue using consistent currency exchange rates, excluding the impact of certain items that affect comparability, such as: acquisitions, dispositions and transfers among businesses and the deconsolidation of Marsh India.

Effective January 1, 2017, Mercer established a Wealth business reflecting a unified client strategy for its former Retirement and Investments businesses. The 2016 information in the chart above has been conformed to the current presentation.

* Components of revenue change may not add due to rounding.

Revenue

Consolidated revenue for the first quarter of 2017 was \$3.5 billion, an increase of 5%, or 4% on an underlying basis. The increase of 2% from the impact of acquisitions was offset by a decrease of 1% from the impact of foreign currency translation.

Revenue in the Risk and Insurance Services segment for the first quarter of 2017 was \$2.0 billion, an increase of 6% from the same period last year and 5% on an underlying basis. Consulting revenue of \$1.5 billion in the first quarter of 2017 increased 3% on both a reported and underlying basis.

Operating Expense

Consolidated operating expense in the first quarter increased 3% compared with the same period last year, reflecting a 2% increase on an underlying basis and a 3% increase from acquisitions, partly offset by a 2% decrease from the impact of foreign currency translation. The increase in underlying expenses is due primarily to higher base salaries, partly offset by credits recorded in the first quarter of 2017 for contingent consideration related to acquisitions.

Risk and Insurance Services

The results of operations for the Risk and Insurance Services segment are presented below:

For the Three Months Ended March 31,			
<i>(In millions)</i>			
	2017		2016
Revenue	\$	1,989	\$ 1,868
Compensation and Benefits		980	921
Other Expenses		396	412
Expense		1,376	1,333
Operating Income	\$	613	\$ 535
Operating Income Margin		30.8%	28.6%

Revenue

Revenue in the Risk and Insurance Services segment in the first quarter of 2017 was \$2.0 billion, an increase of 6% as compared to the same period last year, reflecting a 5% increase in underlying revenue, a 3% increase related to acquisitions, partially offset by a 1% decrease from the impact of foreign currency translation.

In Marsh, revenue in the first quarter of 2017 was \$1.6 billion, an increase of 7% compared with the same quarter of the prior year, reflecting an increase in underlying revenue of 5%, a 4% increase from acquisitions, offset by a 1% decrease from the impact of foreign currency translation. International operations grew 5% on an underlying basis, with growth of 3% in EMEA, 11% in Asia Pacific, and 7% in Latin America. In U.S./Canada, underlying revenue increased 5% compared to prior year. Guy Carpenter's first quarter revenue increased 3%, reflecting an increase of 4% on an underlying basis partly offset by a 1% decrease from the impact of foreign currency translation.

Expense

Expenses in the Risk and Insurance Services segment increased 3% in the first quarter of 2017 compared with the same period last year, reflecting increases of 2% in underlying expenses and 4% related to acquisitions, partly offset by a 2% decrease from the impact of foreign currency translation. The increase in underlying expenses is primarily due to higher base salary and bonus, offset by credits recorded in the first quarter of 2017 for contingent consideration related to acquisitions.

Consulting

The results of operations for the Consulting segment are presented below:

For the Three Months Ended March 31,			
<i>(In millions)</i>			
		2017	2016
Revenue	\$	1,526	\$ 1,478
Compensation and Benefits		875	847
Other Expenses		410	386
Expense		1,285	1,233
Operating Income	\$	241	\$ 245
Operating Income Margin		15.8%	16.6%

Revenue

Consulting revenue in the first quarter of 2017 increased 3% on a reported and underlying basis. The 2% increase related to acquisitions was offset by a 2% decrease from the impact of foreign currency translation.

Effective January 1, 2017, Mercer established a Wealth business reflecting a unified client strategy for its former Retirement and Investments businesses.

Mercer's revenue of approximately \$1.1 billion increased 4% compared to the prior year, or 3% on an underlying basis. On an underlying basis, revenue in Wealth increased 3%, Health increased 2%, and Career increased 7%. Within Wealth, Investment Management & Related Services increased 9% and Defined Benefit Consulting & Administration was flat compared to the same period last year. Oliver Wyman's revenue increased 2% to \$449 million in the first quarter of 2017 as compared to the same period last year, reflecting a 4% increase on an underlying basis partly offset by a decrease of 2% from the impact of foreign currency translation.

Expense

Consulting expenses in the first quarter of 2017 increased 4% as compared to the first quarter of 2016. This reflects an increase of 3% on an underlying basis and a 3% increase from acquisitions, partly offset by a 2% decrease from the impact of foreign currency translation. The underlying expense increase in the first quarter of 2017 was primarily due to higher base salaries.

Corporate and Other

Corporate expenses in the first quarter of 2017 were \$45 million compared with \$47 million in the prior year reflecting lower occupancy costs, partly offset by higher executive compensation costs.

Interest

Interest income earned on corporate funds was \$2 million in both the first quarter of 2017 and the first quarter of 2016. Interest expense increased \$12 million in the first quarter of 2017 compared to the same period last year primarily due to higher average debt outstanding in 2017.

Investment Income (Loss)

The caption "Investment income (loss)" in the consolidated statements of income comprises realized and unrealized gains and losses from investments. It includes, when applicable, other-than-temporary declines in the value of debt and available-for-sale securities and equity method gains or losses on its investments in private equity funds. The Company's investments may include direct investments in insurance, consulting or other strategically linked companies and investments in private equity funds. The Company had an investment gain of less than \$1 million in the first quarter of 2017 compared to an investment loss of \$3 million in the first quarter of 2016.

Income Taxes

The Company's effective tax rate in the first quarter of 2017 was 23.3% compared to 28.6% in the first quarter of 2016. The rates reflect non-U.S. income taxed at rates below the U.S. statutory rate, including the effect of anticipated repatriation, as well as the impact of discrete tax matters such as changes in legislation, changes in valuation allowances, nontaxable adjustments to contingent acquisition consideration and, starting in 2017, excess tax benefits related to share-based compensation. Excluding excess tax benefits related to share based payments, the effective tax rate in the first quarter of 2017 was 29.1%.

The effective tax rate is sensitive to the geographic mix and repatriation of the Company's earnings, which may result in higher or lower tax rates. U.S. federal and state corporate tax rates substantially exceed tax rates applicable in most jurisdictions outside the U.S. A significant portion of the Company's profits were earned outside the U.S. In 2017, the forecasted pre-tax income in the U.K., Barbados, Canada, Australia, Germany, and Ireland, is expected to account for approximately 60% of the Company's total non-U.S. pre-tax income, with estimated effective tax rates in those countries of 22%, 1%, 27%, 30%, 32%, and 13%, respectively. Consequently, continued improvement in the profitability of the Company's U.S.-based operations would tend to result in higher effective tax rates. Losses in one jurisdiction, generally, cannot offset earnings in another, and within certain jurisdictions profits and losses may not offset between entities. Consequently, losses in certain jurisdictions may require valuation allowances affecting the effective tax rate, depending on estimates of the realizability of associated deferred tax assets. The tax rate is also sensitive to changes in unrecognized tax benefits, including the impact of settled tax audits and expired statutes of limitation.

Changes in tax laws or tax rulings may have a significant impact on our effective tax rate. Discussions continue within Congress and the Administration about broad reform of the corporate tax system in the U.S. It is not possible to predict the ultimate outcome of these discussions. Future legislation could have a material impact on our effective tax rate and consolidated financial statements due to reforms that could include changes in the corporate tax rate and in the way U.S. corporations are taxed on foreign earnings.

The Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in the tax return. The Company's gross unrecognized tax benefits increased from \$65 million at December 31, 2016 to \$66 million at March 31, 2017. It is reasonably possible that the total amount of unrecognized tax benefits will decrease by an amount between zero and approximately \$7 million within the next twelve months due to settlements of audits and expirations of statutes of limitation.

Liquidity and Capital Resources

The Company is organized as a legal entity separate and distinct from its operating subsidiaries. As the Company does not have significant operations of its own, the Company is dependent upon dividends and other payments from its operating subsidiaries to pay principal and interest on its outstanding debt obligations, pay dividends to stockholders, repurchase its shares and pay corporate expenses. The Company also provides financial support to its operating subsidiaries for acquisitions, investments and certain parts of their business that require liquidity, such as the capital markets business of Guy Carpenter. Other sources of liquidity include borrowing facilities discussed below in *Financing Cash Flows*.

The Company derives a significant portion of its revenue and operating profit from operating subsidiaries located outside of the United States. Funds from those operating subsidiaries are regularly repatriated to the United States out of annual earnings. At December 31, 2016, the Company had approximately \$850 million of cash and cash equivalents in its foreign operations, substantially all of which is considered to be permanently invested in those operations to fund foreign investments and working capital needs. The \$850 million of non-U.S. cash and cash equivalents considered permanently reinvested includes \$153 million of operating funds required to be maintained for regulatory requirements or as collateral under certain captive insurance arrangements. The Company expects to continue its practice of repatriating foreign funds from its non-U.S. operating subsidiaries out of current annual earnings. While management does not foresee a need to repatriate the funds which are currently deemed permanently invested, if facts or circumstances change, management could elect to repatriate them, if necessary, which could result in higher effective tax rates in the future. In the first three months of 2017, the Company recorded foreign currency translation adjustments which increased net equity by \$235 million.

Cash and cash equivalents on our consolidated balance sheets includes funds available for general corporate purposes. Funds held on behalf of clients in a fiduciary capacity are segregated and shown separately in the consolidated balance sheets as an offset to fiduciary liabilities. Fiduciary funds cannot be used for general corporate purposes, and should not be considered as a source of liquidity for the Company.

Operating Cash Flows

The Company used \$399 million of cash from operations for the three months ended March 31, 2017, compared to \$581 million used from operations for the same period in 2016. These amounts reflect the net income of the Company during those periods, excluding gains or losses from investments, adjusted for non-cash charges and changes in working capital which relate primarily to the timing of payments of accrued liabilities or receipts of assets and pension contributions.

Pension Related Items

Contributions

The Company's policy for funding its tax-qualified defined benefit plans is to contribute amounts at least sufficient to meet the funding requirements set forth in the applicable laws or regulations of the U.S. and other jurisdictions. During the first three months of 2017, the Company contributed \$49 million to its non-U.S. defined benefit pension plans and \$7 million to its U.S. pension plans. In the first three months of 2016, the Company contributed \$44 million to its non-U.S. defined benefit pension plans and \$7 million to its U.S. defined benefit pension plans.

In the U.S., contributions to the tax-qualified defined benefit plans are based on ERISA guidelines and the Company generally expects to maintain a funded status of 80% or more of the liability determined under the ERISA guidelines.

The Company has a large number of non-U.S. defined benefit pension plans, the largest of which are in the U.K., which comprise approximately 81% of non-U.S. plan assets at December 31, 2016. Contribution rates for non-U.S. plans are generally based on local funding practices and statutory requirements, which may differ significantly from measurements under U.S. GAAP. In the U.K., the assumptions used to determine pension contributions are the result of legally-prescribed negotiations between the Company and the plans' trustee that typically occur every three years in conjunction with the actuarial valuation of the plans. Currently, this results in a lower funded status than under U.S. GAAP and may result in contributions irrespective of the U.S. GAAP funded status. In November 2016, the Company and the Trustee of the U.K. Defined Benefits Plans agreed to a funding deficit recovery plan for the U.K. defined benefit pension plans. The current agreement with the Trustee sets out the annual deficit contributions which would be due based on the deficit at December 31, 2015. The funding level is subject to re-assessment, in most cases on November 1 of each year. If the funding level on November 1 is sufficient, no deficit funding contributions will be required in the following year, and the contribution amount will be deferred. As part of a long-term strategy, which depends on having greater influence over asset allocation and overall investment

decisions, in November 2016 the Company renewed its agreement to support annual deficit contributions by the U.K. operating companies under certain circumstances, up to GBP 450 million over a seven-year period.

The Company expects to fund an additional \$175 million to its non-U.S. defined benefit plans over the remainder of 2017, comprising approximately \$78 million to plans outside of the U.K. and \$97 million to the U.K. plans. The Company also expects to fund an additional \$25 million to its U.S. defined benefit plans during the remainder of 2017.

Funding amounts may be influenced by future asset performance, the level of discount rates and other variables impacting the funded status of the plan.

Changes in Pension Plans

The Company continues to manage the cost and assess the competitiveness of its benefits programs, and also to manage the risks related to its defined benefit pension plan liabilities. In October 2016, the Company modified its U.S. defined benefit pension plans to discontinue further benefit accruals for participants after December 31, 2016. At the same time, the Company amended its U.S. defined contribution retirement plans for most of its U.S. employees to add an automatic Company contribution equal to 4% of eligible base pay beginning on January 1, 2017. This new Company contribution, together with the Company's current matching contribution, provides eligible U.S. employees with the opportunity to receive a total contribution of up to 7% of eligible base pay. As required under GAAP, the defined benefit plans that were significantly impacted by the modification were re-measured in October 2016 using market data and assumptions as of the modification date. The net periodic pension expense recognized in 2016 reflects the weighted average costs of the December 31, 2015 measurement and the October 2016 re-measurement. In addition, the U.S. qualified plans were merged effective December 30, 2016.

In March 2017, the Company modified its defined benefit pension plans in Canada to discontinue further benefit accruals for participants after December 31, 2017 and replaced it with a defined contribution arrangement. The Company also amended its post-retirement benefits plan in Canada so that individuals who retire after April 1, 2019 will not be eligible to participate, except in certain situations. The Company re-measured the assets and liabilities of the plans, based on assumptions and market conditions on the amendment date.

Financing Cash Flows

Net cash provided by financing activities was \$697 million for the period ended March 31, 2017, compared with \$245 million net cash provided by such activities for the same period in 2016.

Debt

The Company has established a short-term debt financing program of up to \$1.5 billion through the issuance of commercial paper. The proceeds from the issuance of commercial paper are used for general corporate purposes. The Company had \$150 million of commercial paper outstanding at March 31, 2017 at an effective interest rate of 1.28%.

In January 2017, the Company issued \$500 million of 2.75% senior notes due in 2022 and \$500 million of 4.35% senior notes due in 2047. The Company used the net proceeds for general corporate purposes, which included the repayment of \$250 million of senior notes in April 2017.

In March 2016, the Company issued \$350 million of 3.30% seven-year senior notes. The Company used the net proceeds for general corporate purposes.

Credit Facilities

The Company and certain of its subsidiaries maintain a \$1.5 billion multi-currency five-year unsecured revolving credit facility. The interest rate on this facility is based on LIBOR plus a fixed margin which varies with the Company's credit ratings. This facility expires in November 2020 and requires the Company to maintain certain coverage and leverage ratios which are tested quarterly. There were no borrowings outstanding under this facility at March 31, 2017.

The Company's senior debt is currently rated A- by Standard & Poor's and Baa1 by Moody's. The Company's short-term debt is currently rated P-2 by Moody's and A-2 by Standard & Poor's. The Company carries a stable outlook from Moody's and Standard & Poor's.

Share Repurchases

In the first quarter of 2017, the Company repurchased 2.7 million shares of its common stock for total consideration of \$200 million at an average price per share of \$73.20. In November 2016, the Board of Directors authorized an increase in the Company's share repurchase program, which supersedes any prior authorization, allowing management to buy back up to \$2.5 billion of the Company's common stock going forward. As of March 31, 2017, the Company remained authorized to purchase additional shares of its common stock up to a value of approximately \$2.2 billion. There is no time limit on this authorization.

During the first three months of 2016, the Company repurchased approximately 3.5 million shares of its common stock for consideration of \$200 million.

Contingent payments related to acquisitions

During the first three months of 2017, the Company paid \$12 million of contingent payments related to acquisitions made in prior periods. These payments are split between financing and operating cash flows in the consolidated statements of cash flows. Payments of \$8 million related to the contingent consideration liability that was recorded on the date of acquisition are reflected as financing cash flows. Payments related to increases in the contingent consideration liability subsequent to the date of acquisition of \$4 million are reflected as operating cash flows. Remaining estimated future contingent consideration payments of \$247 million for acquisitions completed in the first three months of 2017 and in prior years are recorded in accounts payable and accrued liabilities or other liabilities in the consolidated balance sheet at March 31, 2017.

The Company paid deferred purchase consideration related to prior years' acquisitions of \$26 million in the first three months of 2017. Remaining deferred cash payments of approximately \$146 million for acquisitions completed in the first three months of 2017 and in prior years are recorded in accounts payable and accrued liabilities or other liabilities in the consolidated balance sheet at March 31, 2017.

In the first three months of 2016, the Company paid \$18 million of contingent payments related to acquisitions made in prior periods. Of this amount, \$14 million was reported as financing cash flows and \$4 million as operating cash flows.

Dividends

The Company paid dividends on its common shares of \$175 million (\$0.34 per share) during the first three months of 2017, as compared with \$161 million (\$0.31 per share) during the first three months of 2016.

Investing Cash Flows

Net cash used for investing activities amounted to \$461 million in the first three months of 2017, compared with \$126 million used during the same period in 2016.

The Company paid \$411 million and \$75 million, net of cash acquired, for acquisitions it made during the first three months of 2017 and 2016, respectively.

The Company used cash of \$62 million to purchase fixed assets and capitalized software in the first three months of 2017, compared with \$51 million in the first three months of 2016, primarily related to computer equipment and software purchases, software development costs and the refurbishing and modernizing of office facilities.

The Company has commitments for potential future investments of approximately \$65 million in five private equity funds that invest primarily in financial services companies.

Commitments and Obligations

The Company's contractual obligations of the types identified in the table below were of the following amounts as of March 31, 2017:

<i>(In millions of dollars)</i>	Payment due by Period				
	Total	Within 1 Year	1-3 Years	4-5 Years	After 5 Years
Contractual Obligations					
Commercial paper	\$ 150	\$ 150	\$ —	\$ —	\$ —
Short-term debt	262	262	—	—	—
Long-term debt	5,517	—	1,076	1,029	3,412
Interest on long-term debt	2,067	211	401	345	1,110
Net operating leases	2,091	320	545	415	811
Service agreements	357	211	137	9	—
Other long-term obligations	428	190	179	54	5
Total	\$ 10,872	\$ 1,344	\$ 2,338	\$ 1,852	\$ 5,338

The above does not include unrecognized tax benefits of \$66 million, accounted for under ASC Topic No. 740, as the Company is unable to reasonably predict the timing of settlement of these liabilities, other than approximately \$2 million that may become payable within one year. The above does not include the indemnified liabilities discussed in Note 14 as the Company is unable to reasonably predict the timing of settlement of those liabilities. The above does not include net pension liabilities for underfunded plans of approximately \$1.9 billion because the timing and amount of ultimate payment of such liability is dependent upon future events, including, but not limited to, future returns on plan assets and changes in the discount rate used to measure the liabilities. The Company expects to contribute approximately \$25 million and \$175 million to its U.S. and non-U.S. pension plans, respectively, in the remainder of 2017.

New Accounting Guidance

Note 16 to the consolidated financial statements in this report contains a discussion of recently issued accounting guidance and their impact or potential future impact on the Company's financial results, if determinable.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk and Credit Risk

Certain of the Company's revenues, expenses, assets and liabilities are exposed to the impact of interest rate changes and fluctuations in foreign currency exchange rates and equity markets.

The Company had the following investments subject to variable interest rates:

<i>(In millions)</i>	March 31, 2017	
Cash and cash equivalents invested in money market funds, certificates of deposit and time deposits	\$	930
Fiduciary cash and investments	\$	4,601

Based on the above balances, if short-term interest rates increased or decreased by 10%, or 8 basis points, for the remainder of the year, annual interest income, including interest earned on fiduciary funds, would increase or decrease by approximately \$2 million.

Changes in interest rates can also affect the discount rate and assumed rate of return on plan assets, two of the assumptions among several others used to measure net periodic pension expense. The assumptions used to measure plan assets and liabilities are typically assessed at the end of each year, and determine the expense for the subsequent year. Assumptions used to determine net period expense for 2017 are discussed in Note 8 to the consolidated financial statements included in our most recently filed Annual Report on Form 10-K. For a discussion on pension expense sensitivity to changes in these rates, see the "Management's Discussion and Analysis of Financial Condition and Results of Operations-Management's Discussion of Critical Accounting Policies-Retirement Benefits" section of our most recently filed Annual Report on Form 10-K.

In addition to interest rate risk, our cash and cash equivalents and fiduciary fund investments are subject to potential loss of value due to counterparty credit risk. To minimize this risk, the Company and its subsidiaries invest pursuant to a Board-approved investment policy. The policy mandates the preservation of principal and liquidity and requires broad diversification with counter-party limits assigned based primarily on credit rating and type of investment. The Company carefully monitors its cash and fiduciary fund investments and will further restrict the portfolio as appropriate in response to market conditions. The majority of cash and fiduciary fund investments are invested in short-term bank deposits.

Foreign Currency Risk

The translated values of revenue and expense from the Company's international operations are subject to fluctuations due to changes in currency exchange rates. The non-U.S. based revenue that is exposed to foreign exchange fluctuations is approximately 50% of total revenue. We periodically use forward contracts and options to limit foreign currency exchange rate exposure on net income and cash flows for specific, clearly defined transactions arising in the ordinary course of business. Although the Company has significant revenue generated in foreign locations which is subject to foreign exchange rate fluctuations, in most cases both the foreign currency revenue and expenses are in the functional currency of the foreign location. As such, under normal circumstances, the U.S. dollar translation of both the revenues and expenses, as well as the potentially offsetting movements of various currencies against the U.S. dollar, generally tends to mitigate the impact on net operating income of foreign currency risk. However, there have been periods where the impact was not mitigated due to external market factors, and events, such as the decision in the United Kingdom to exit the European Union. Similar macroeconomic events may result in greater foreign exchange rate fluctuations in the future. If foreign exchange rates of major currencies (Euro, Sterling, Australian dollar and Canadian dollar) moved 10% in the same direction against the U.S. dollar compared with the foreign exchange rates in 2016, the Company estimates net operating income would increase or decrease by approximately \$50 million. The Company has exposure to approximately 80 foreign currencies overall. If exchange rates at March 31, 2017 hold constant throughout 2017, the Company estimates the year-over-year impact from conversion of foreign currency earnings will reduce full year net operating income by approximately \$3 million.

Equity Price Risk

The Company holds investments in both public and private companies as well as private equity funds. Investments of approximately \$100 million are classified as available for sale, which includes the Company's investment in Benefitfocus, approximately \$21 million are accounted for using the cost method, and \$426 million are accounted for using the equity method, including the Company's investment in Alexander Forbes. The investments are subject to risk of decline in market value, which, if determined to be other than temporary, could result in realized impairment losses. The Company periodically reviews the carrying value of such investments to determine if any valuation adjustments are appropriate under the applicable accounting pronouncements.

As of March 31, 2017, the carrying value of the Company's investment in Alexander Forbes was \$289 million. As of March 31, 2017, the market value of the approximately 443 million shares of Alexander Forbes owned by the Company, based on the March 31, 2017 closing share price of 6.43 South African Rand per share, was approximately \$229 million. During the first three months of 2017, the shares closed between 6.38 Rand (in late March) and 7.89 Rand (in early January). The Company considered several factors related to its investment in Alexander Forbes, including its financial position, the near- and long-term prospects of Alexander Forbes and the broader South African economy and capital markets, the length of time and extent to which the market value was below cost and the Company's intent and ability to retain the investment for a sufficient period of time to allow for anticipated recovery in market value. As a result, the Company determined the investment was not impaired.

Other

A number of lawsuits and regulatory proceedings are pending. See Note 14 ("Claims, Lawsuits and Other Contingencies") to the consolidated financial statements in this report.

Item 4. Controls & Procedures.

a. Evaluation of Disclosure Controls and Procedures

Based on their evaluation, as of the end of the period covered by this report, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934) are effective.

b. Changes in Internal Control

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15(d) under the Securities Exchange Act of 1934 that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The U.K. Financial Conduct Authority (the "FCA") recently launched a civil competition investigation into the aviation insurance and reinsurance sector. In connection with that investigation, the FCA conducted an on-site inspection on April 4, 2017 at the London office of Marsh Limited, our Marsh and Guy Carpenter operating subsidiary in the United Kingdom. The FCA indicated that it had reasonable grounds for suspecting that Marsh Limited and others have been sharing competitively sensitive information within the aviation insurance and reinsurance sector. We are cooperating fully with the FCA's ongoing investigation and are conducting our own review with the assistance of outside counsel. As the FCA's investigation is at an early stage, we are unable to predict the timing or ultimate impact of this matter at this time.

We and our subsidiaries are party to a variety of other legal, administrative, regulatory and government proceedings, claims and inquiries arising in the normal course of business. Additional information regarding certain legal proceedings and related matters is set forth in Note 14 to the consolidated financial statements provided in Part I of this report is incorporated herein by reference.

Item 1A. Risk Factors.

The Company and its subsidiaries face a number of risks and uncertainties. In addition to the other information in this report and our other filings with the SEC, readers should consider carefully the risk factors discussed in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016. If any of the risks described in our Annual Report on Form 10-K or such other risks actually occur, our business, results of operations or financial condition could be materially adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Repurchases of Equity Securities

The Company repurchased approximately 2.7 million shares of its common stock for \$200 million during the first quarter of 2017. In November 2016, the Board of Directors of the Company authorized the Company to repurchase up to \$2.5 billion in shares of the Company's common stock, which superseded any prior authorizations. As of March 31, 2017, the Company remained authorized to repurchase up to approximately \$2.2 billion in shares of its common stock. There is no time limit on the authorization.

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1-31, 2017	—	\$ —	—	\$ 2,440,752,101
February 1-28, 2017	1,211,405	\$ 71.9118	1,211,405	\$ 2,353,637,839
March 1-31, 2017	1,520,887	\$ 74.2236	1,520,887	\$ 2,240,752,145
Total	2,732,292	\$ 73.1986	2,732,292	\$ 2,240,752,145

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosure.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

See the Exhibit Index immediately following the signature page of this report, which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 28, 2017

/s/ Mark C. McGivney

Mark C. McGivney
Chief Financial Officer

Date: April 28, 2017

/s/ Robert J. Rapport

Robert J. Rapport
Senior Vice President & Controller
(Chief Accounting Officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Name</u>
<u>3.1</u>	<u>Amended and Restated By-Laws of Marsh & McLennan Companies, Inc. (incorporated by reference to the Company's Current Report on Form 8-K dated January 12, 2017)</u>
<u>4.1</u>	<u>Ninth Supplemental Indenture, dated as of January 12, 2017, between Marsh & McLennan Companies, Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to the Company's Annual Report on Form 10-K filed on February 24, 2017)</u>
<u>10.1</u>	<u>Form of Deferred Stock Unit Award, with grant dates from March 1, 2017 through February 1, 2018, under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan</u>
<u>10.2</u>	<u>Form of Restricted Stock Unit Award, dated as of February 22, 2017, under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan</u>
<u>10.3</u>	<u>Form of Performance Stock Unit Award, dated as of February 22, 2017, under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan</u>
<u>10.4</u>	<u>Form of Stock Option Award, dated as of February 22, 2017, under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan</u>
<u>12.1</u>	<u>Statement Re: Computation of Ratio of Earnings to Fixed Charges</u>
<u>31.1</u>	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer</u>
<u>31.2</u>	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer</u>
<u>32.1</u>	<u>Section 1350 Certifications</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

MARSH & McLENNAN COMPANIES, INC.
2011 INCENTIVE AND STOCK AWARD PLAN

TERMS AND CONDITIONS
OF
DEFERRED STOCK UNIT AWARDS
WITH
GRANT DATES FROM MARCH 1, 2017 THROUGH FEBRUARY 1, 2018

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I.BACKGROUND

An award (“Award”) has been granted to you under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan (the “Plan”), subject to your acceptance as described in Section II.A.1. The Award type, the number of shares of Marsh & McLennan Companies, Inc. (“Marsh & McLennan Companies”) common stock covered by the Award, instructions on how to accept or decline the Award and the deadline for accepting the Award will be provided to you by Global & Executive Compensation and/or the stock plan service provider of the Company (as defined in Section V.B.). The Award is also subject to the terms and conditions set forth herein (the “Terms and Conditions”) and to additional terms and conditions as set forth in the country-specific notices (the “Country-Specific Notices”). The Prospectus dated [DATE] also describes important information about the Plan. The Terms and Conditions, the Country-Specific Notices, and the Plan will be referred to herein as the “Award Documentation”. As used herein, “Common Stock” means common stock of Marsh & McLennan Companies.

Capitalized terms in these Terms and Conditions are defined in Section V.

II.AWARDS

A. General.

- 1. Award Acceptance.** The grant of this Award is contingent upon your acceptance, by the date and in the manner specified by Global & Executive Compensation and/or the Company’s stock plan service provider, of these Terms and Conditions, the Country-Specific Notices and Restrictive Covenants Agreement as described in Section II.A.3. If you decline the Award or if you do not accept the Award and any applicable documents described in the preceding sentence by the deadline date and in the manner specified, then the Award will be cancelled as of the grant date of the Award.
- 2. Rights of Award Holders.** Unless and until the vesting conditions of the Award have been satisfied and cash or shares of Common Stock, as applicable, have been delivered to you in accordance with the Award Documentation, you have only the rights of a general unsecured creditor of Marsh & McLennan Companies. Unless and until shares of Common Stock have been delivered to you, you have none of the rights of ownership to such shares (e.g., units cannot be used as payment for stock option exercises; units may not be transferred or assigned; units have no voting rights).
- 3. Restrictive Covenants Agreement.** As described in Section II.A.1., a Restrictive Covenants Agreement (“Restrictive Covenants Agreement”) in a form determined by Marsh & McLennan Companies must be in place in order to accept the Award and you must execute or reaffirm, as determined by Marsh & McLennan Companies, in its sole discretion, the Restrictive Covenants Agreement in order for the Award to vest pursuant to certain employment events as described in Section III. Failure to timely execute the Restrictive Covenants Agreement by the date specified in the Grant Documentation or failure to timely execute or reaffirm and comply with the Restrictive Covenants Agreement as described in Section III.F.1. or 2., as applicable,

will result in cancellation or forfeiture of any rights, title and interest in and to the Award, without any liability to the Company.

B. Stock Units.

- 1.General.** A deferred stock unit ("*Stock Unit*") represents an unfunded and unsecured promise to deliver (or cause to be delivered) to you, subject to the terms of the Award Documentation, one share of Common Stock after vesting.
- 2.Vesting.** Subject to your continued employment, [100% of the Stock Units will vest on the 15th of the month in which the [third] [fifth] anniversary of the grant date of the Award occurs] [33 1/3% of the Stock Units will vest on the 15th of the month in which each of the [first, second and third][third, fourth and fifth] anniversaries of the grant date of the Award occurs] [20% of the Stock Units will vest on the 15th of the month in which each of the first five anniversaries of the grant date of the Award occurs]. [Each][The] date on which a Stock Unit is scheduled to vest pursuant to this Section II.B.2. is [a][the] "*Scheduled Vesting Date*." In the event of your termination of employment or the occurrence of your Permanent Disability (as defined in Section V.D.) prior to [a][the] Scheduled Vesting Date, your right to any Stock Units that are unvested immediately prior to your termination of employment or occurrence of your Permanent Disability, as applicable, will be determined in accordance with Section III. below. For the avoidance of doubt, the date of your termination of employment for purposes of determining vesting under this Section II.B.2. will be determined in accordance with Section III.E.
- 3.Dividend Equivalents.** For each outstanding Stock Unit covered by the Award, an amount equal to the dividend payment (if any) made in respect of one share of Common Stock (a "*Dividend Equivalent*") will accrue in U.S. dollars on each dividend record date that occurs on or after the grant date of the Award while the Award is outstanding, with no interest paid on such amounts. Accrued Dividend Equivalents will vest when the Stock Units in respect of which such Dividend Equivalents were accrued vest. No further Dividend Equivalents will accrue on Stock Units that do not vest or are cancelled or forfeited. If a pro-rata amount of the outstanding unvested Stock Unit award is eligible to vest upon a termination of employment as described in Section III.C., the pro-rata calculation (as described in Section III.G.) will be applied to the Dividend Equivalents that have accrued on the Award as of the date of termination. Accrued Dividend Equivalents will not be paid, and no further Dividend Equivalents will accrue, on Stock Units that do not vest or are cancelled or forfeited as per a termination of employment event described in Section III.D.
- 4.Delivery.**
 - a.** Shares of Common Stock deliverable in respect of the Stock Units covered by the Award shall be delivered to you as soon as practicable after vesting, and in no event later than 60 days after vesting.
 - b.** The value of vested Dividend Equivalents will be delivered to you in cash as soon as practicable after vesting and in no event later than 60 days after vesting.

- c. The delivery of shares of Common Stock and/or cash or other property that may be deliverable under these Terms and Conditions, is conditioned on the satisfaction or withholding of any applicable tax obligations, as described in Section II.C.
- d. Any shares of Common Stock and/or cash or other property that may be deliverable following your death shall be delivered to the person or persons to whom your rights pass by will or the law of descent and distribution, and such delivery shall completely discharge Marsh & McLennan Companies and any of its subsidiaries' or affiliates' obligations under the Award.
- e. Notwithstanding the foregoing, additional delivery rules for certain Award recipients subject to U.S. federal income tax (whether or not the recipient is a U.S. citizen or employed in the U.S.) are reflected in Section III.H.

C. Satisfaction of Tax Obligations.

1. **Personal Tax Advisor.** Neither the Company nor any Company employee is authorized to provide personal tax advice to you. It is recommended that you consult with your personal tax advisor for more detailed information regarding the tax treatment of the Award, especially before making any decisions that rely on that tax treatment.
2. **U.S. Employees.** Applicable employment taxes are required by law to be withheld when a Stock Unit or Dividend Equivalent vests. Applicable income taxes are required by law to be withheld when shares of Common Stock in respect of Stock Units or cash in respect of Dividend Equivalents are delivered to you. A sufficient number of whole shares of Common Stock, cash or other property, as applicable, will be retained by Marsh & McLennan Companies to satisfy the tax-withholding obligation.
3. **Non-U.S. Employees.**
 - a. **Stock Units and Dividend Equivalents.** In most countries, the value of a Stock Unit or Dividend Equivalent is generally not taxable on the grant date. If the value of the Stock Unit or Dividend Equivalent is not taxable on the grant date, it will, in most countries, be taxed at a later time, for example, upon delivery of a share of Common Stock in respect of the Stock Unit that vests, and/or the subsequent sale of the share of Common Stock received in connection with the vesting of the Stock Unit or upon delivery of cash in respect of a Dividend Equivalent.
 - b. **Withholding.** Marsh & McLennan Companies and/or your employer shall have the power and the right to deduct and withhold from the Award and other compensation or to require you to remit to Marsh & McLennan Companies and/or to your employer, an amount sufficient to satisfy any taxes that Marsh & McLennan Companies expects to be payable under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, payroll taxes, fringe benefits, payment on account, capital gain taxes, transfer taxes, social security contributions, and National Insurance Contributions with

respect to the Award, and any and all associated tax events derived therefrom. If applicable, Marsh & McLennan Companies and/or your employer may retain and sell a sufficient number of whole shares of Common Stock distributable in respect of the Award for this purpose.

III.EMPLOYMENT EVENTS

- A. Death.** In the event your employment is terminated because of your death, all of the unvested Stock Units that are outstanding as of the date of your death will fully vest and will be distributed as described in Section II.B.4.
- B. Permanent Disability.** Upon the occurrence of your Permanent Disability, the unvested Stock Units will fully vest and will be distributed as described in Section II.B.4., provided that you satisfy the conditions to vesting described in Section III.F.1.
- C. Termination by the Company Other Than for Cause.**
- 1. General.** Except as otherwise provided in Section IV., in the event the Company, in its sole discretion, determines that your employment is terminated by the Company other than for Cause (as defined in Section V.A.), the unvested Stock Units will vest at such termination of employment on a pro-rata basis as described in Section III.G. and will be distributed as described in Section II.B.4., provided that you satisfy the conditions to vesting described in Section III.F.2.
 - 2. Important Notes.**
 - a. Sale of Business Unit.** For purposes of this Award, in the event of a sale or similar transaction involving the business unit for which you work ("*Employing Company*") as a result of which the Employing Company ceases to be a subsidiary or affiliate of Marsh & McLennan Companies, your employment will be deemed terminated by the Company other than for Cause, even if your employment with the Employing Company continues after the sale or similar transaction.
 - b. Constructive Discharge.** The Award will not vest, whether on a pro-rata or full basis, upon a constructive discharge, including if any court or regulatory agency retroactively concludes or interprets events to have constituted a constructive discharge.
- D. All Other Terminations.** For all other terminations of employment not described in Sections III.A. through C. or Section IV. (including, but not limited to, a termination by the Company for Cause or a resignation by you of your employment with the Company), any rights, title and interest in and to any remaining unvested portion of the Award shall be cancelled as of the date your employment is treated as having terminated as described in Section III.E.

E. Date of Termination of Employment.

1. If Section III.E.2. does not apply to you, then for purposes of determining vesting under Section II.B.2. and the number of unvested Stock Units that vest on a pro-rata basis as described in Section III.G., your employment will be treated as having terminated on your last day of employment with the Company.
2. If you are a Guy Carpenter employee in the United States who is obligated to provide the Company at least 60 days advance written notice of your intention to terminate your employment for any reason, then, if your employment terminates pursuant to Section III.D., your employment will be treated as having terminated for purposes of determining vesting under Section II.B.2. on the date that is 60 days prior to your last day of employment with the Company. Notwithstanding the foregoing, if your employment is terminated after providing notice pursuant to the preceding sentence but prior to the intended termination date provided in such notice (i) by the Company other than for Cause or (ii) pursuant to a written agreement, the terms of which provide that your termination of employment has been by mutual agreement between you and the Company, then the Company may, in its sole discretion, determine that for purposes of determining vesting under Section II.B.2. your employment will be treated as having terminated on a date later than the date that is 60 days prior to your last day of employment with the Company, but in no event later than your last day of employment with the Company.

F. Conditions to Vesting of Award Prior to [a][the] Scheduled Vesting Date.

1. **Restrictive Covenants Agreement.** In the event of the occurrence of your Permanent Disability as described in Section III.B., you will be required to execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and return to Marsh & McLennan Companies (or an agent appointed by Marsh & McLennan Companies) a Restrictive Covenants Agreement. Failure to (a) execute or reaffirm such an agreement by the date specified by the Company, which shall be in no event later than 60 days following the occurrence of your Permanent Disability as described in Section III.B., or (b) comply with the Restrictive Covenants Agreement, will result in the cancellation or forfeiture of any rights, title and interest in and to the Award without any liability to the Company.
2. **Waiver and Release and Restrictive Covenants Agreement.** In the event of your termination of employment by the Company other than for Cause as described in Section III.C., you will be required to (i) execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and return to Marsh & McLennan Companies (or an agent appointed by Marsh & McLennan Companies) a Restrictive Covenants Agreement and (ii) execute and not revoke a waiver and release agreement, if provided to you by the Company at the time of your termination of employment. Failure to meet these requirements by the date specified by the Company, which shall be in no event later than 60 days following your termination of employment, or failure to comply with the waiver and release agreement or the Restrictive Covenants Agreement, as applicable, will result in the cancellation or forfeiture of any rights, title and interest in and to the Award without any liability to the Company.

G. Determination of Pro-Rata Vesting upon Termination of Employment.

The number of Stock Units and accrued Dividend Equivalents that vest on a pro-rata basis upon your termination of employment will be determined using the following formula:

$$\left(A \times \frac{B}{C} \right) - D$$

where

- A = the number of Stock Units/accrued Dividend Equivalents covered by the Award;
- B = the number of days in the period beginning on the grant date of the Award and ending on the date of your termination of employment, as determined in accordance with Section III.E.1.;
- C = the number of days in the period beginning on the grant date of the Award and ending on the [last] Scheduled Vesting Date; and
- D = the number of Stock Units/accrued Dividend Equivalents that have previously vested.

H. Section 409A of the Code for Award Recipients Subject to U.S. Federal Income Tax (whether or not the recipient is a U.S. citizen or employed in the U.S.).

1. For Award recipients subject to U.S. federal income tax, notwithstanding any other provision herein, the Award may be subject to additional restrictions to ensure compliance with (or continued exemption from) the requirements of Section 409A of the Code (as defined in Section V.E.). The Compensation Committee of the Board of Directors of Marsh & McLennan Companies (the "*Committee*") intends to administer the Award in accordance with Section 409A of the Code and reserves the right to make changes in the terms or operations of the Award (including changes that may have retroactive effect) deemed necessary or desirable to comply with Section 409A of the Code. This means, for example, that the timing of distributions may be different from those described in the Award Documentation that do not reflect Section 409A of the Code. If the Award is not in compliance with Section 409A of the Code, you may be subject to immediate taxation of all unpaid awards under the Plan that are subject to Section 409A of the Code at your regular federal income tax rate, plus a 20% additional tax, plus interest at the underpayment rate plus 1%, as well as any state and local taxes, penalties, additional taxes and interest, if applicable, imposed under any state tax law similar to Section 409A of the Code.
2. Notwithstanding any other provision herein, if any portion of the Award is determined to be nonqualified deferred compensation subject to Section 409A of the Code, any references to "termination of employment," or "when you are no longer employed" in these Terms and Conditions shall have the following meaning:

Your "termination of employment" (or similar terms) shall occur when you have incurred a "separation from service" within the meaning of Section 409A of the Code and as further defined herein. Specifically, you will have incurred a "separation from service" when the level of services you provide to the Company

in any capacity, including as an employee, director, independent contractor or consultant, does not exceed 20% of the average level of services that you provided to the Company in the preceding 36 months (or shorter period of service if, for example, your total service with the Company is less than 36 months), all as determined in accordance with Section 409A of the Code. In determining whether a "separation from service" has occurred, any period of up to six months during which you are on a bona fide leave of absence or up to 29 months during which you are absent from work due to a disability for which you are receiving Marsh & McLennan Companies long-term disability benefits will be ignored.

3. Notwithstanding any other provision herein, if at the time of your termination of employment you are a "specified employee" (as defined in Section 409A of the Code) no portion of the Award that is determined to be nonqualified deferred compensation subject to Section 409A of the Code can be distributed prior to the first day of the seventh month after your termination of employment and any such distributions to which you would otherwise be entitled during the first six months following your termination of employment will be accumulated and paid without interest on the first day of the seventh month after your termination of employment. The provisions of this subparagraph will only apply if and to the extent required to avoid any "additional tax" under Section 409A of the Code.
4. Nothing in this Section III.H. is intended to nor does it guarantee that the Award will not be subject to "additional tax" or other adverse tax consequences under Section 409A of the Code or any similar state tax law.

IV. CHANGE IN CONTROL PROVISIONS

- A. Upon the occurrence of a "Change in Control", as defined in the Plan, the Award will continue to vest in accordance with the vesting schedule specified in Section II.B.2. and subject to earlier vesting or forfeiture pursuant to Section III., provided that the Award will become fully vested at your termination of employment by the Company other than for Cause, or by you for Good Reason (as defined in Section V.C.), during the 24-month period following such Change in Control and will be distributed as described in Section II.B.4., provided that you satisfy the conditions to vesting described in Section IV.B. Notwithstanding the foregoing, if the Award is not assumed, converted or replaced in connection with a Change in Control on an equivalent basis, the Award will fully vest immediately prior to the Change in Control and will be distributed as described in Section II.B.4.
- B. As a condition to vesting of any unvested portion of the Award, in the event of your termination of employment by the Company other than for Cause or by you for Good Reason during the 24-month period following such Change in Control, you will be required to execute and not revoke a waiver and release agreement, if provided by the Company at the time of your termination of employment. Failure to meet these requirements by the date specified by the Company, which shall be in no event later than 60 days following your termination of employment, or failure to comply with the waiver and release agreement, if applicable, will result in the cancellation or forfeiture of any rights, title and interest in and to the Award.

V. DEFINITIONS

As used in these Terms and Conditions:

A. "Cause" shall mean:

1. willful failure to substantially perform the duties consistent with your position which is not remedied within 30 days after receipt of written notice from the Company specifying such failure;
2. willful violation of any written Company policies including, but not limited to, The Marsh & McLennan Companies Code of Conduct, *The Greater Good*;
3. commission at any time of any act or omission that results in a conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any felony or crime involving moral turpitude;
4. unlawful use (including being under the influence) or possession of illegal drugs;
5. any gross negligence or willful misconduct resulting in a material loss to the Company, or material damage to the reputation of the Company; or
6. any violation of any statutory or common law duty of loyalty to the Company, including the commission at any time of any act of fraud, embezzlement, or material breach of fiduciary duty against the Company.

B. "Company" shall mean Marsh & McLennan Companies or any of its subsidiaries or affiliates.

C. "Good Reason" shall mean any one of the following events without your written consent:

1. material reduction in your base salary;
2. material reduction in your annual incentive opportunity (including a material adverse change in the method of calculating your annual incentive);
3. material diminution of your duties, responsibilities or authority; or
4. relocation of more than 50 miles from your principal place of employment immediately prior to the Change in Control;

provided that you provide Marsh & McLennan Companies with written notice of your intent to terminate your employment for Good Reason within 60 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which you are relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision) and that you provide Marsh & McLennan Companies with at least 30 days following receipt of such notice to remedy such circumstances.

- D. “Permanent Disability”** will be deemed to occur when it is determined (by Marsh & McLennan Companies’ disability carrier for the primary long-term disability plan or program applicable to you because of your employment with the Company) that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- E. “Section 409A of the Code”** shall mean Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the regulations and guidance thereunder (regarding nonqualified deferred compensation).

F. Additional Definitions.

The terms below are defined on the following pages:

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<i>Award Documentation</i>	1
<i>Change in Control</i>	7
<i>Committee</i>	6
<i>Common Stock</i>	1
<i>Country-Specific Notices</i>	1
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<i>Employing Company</i>	4
<i>Marsh & McLennan Companies</i>	1
<i>Plan</i>	1
<i>Restrictive Covenants Agreement</i>	1
<i>Scheduled Vesting Date</i>	2
<i>Stock Unit</i>	2
<i>Terms and Conditions</i>	1

VI.ADDITIONAL PROVISIONS

A. Additional Provisions—General

- 1. Administrative Rules.** The Award shall be subject to such additional administrative regulations as the Committee may, from time to time, adopt. All decisions of the Committee upon any questions arising under the Award Documentation and Grant Documentation shall be conclusive and binding. The Committee may delegate to any other individual or entity the authority to perform any or all of the functions of the Committee under the Award, and references to the Committee shall be deemed to include any such delegate.
- 2. Amendment.** The Committee may, in its sole discretion, amend the terms of the Award, including, without limitation, to impose additional requirements on the Award and on any shares of Common Stock with respect to the Award; provided, however, that if the Committee concludes, in its sole discretion, that such amendment is likely to materially impair your rights with respect to the Award, such amendment shall not be implemented with respect to the Award without your consent, except to the extent that any such action is made to cause the Award to comply with applicable law,

currency controls, stock market or exchange rules and regulations, or accounting or tax rules and regulations, or is otherwise made in accordance with Section VI.A.4.

3. **Limitations.** Payment of the Award is not secured by trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of Marsh & McLennan Companies by reason of the Award. Your right to payment of the Award is the same as the right of an unsecured general creditor of Marsh & McLennan Companies.
4. **Cancellation or Clawback of Awards.**
 - a. Marsh & McLennan Companies may, to the extent permitted or required by any applicable law, stock exchange rules, currency controls, or any applicable Company policy or arrangement in effect prior to the vesting of any unvested portion of the Award, or as specified in the Award Documentation or Grant Documentation, cancel, reduce or require reimbursement of the Award.
 - b. If (i) Section III.E.2. is applicable to you, (ii) you terminate your employment with the Company under Section III.D. and such termination of employment occurs within 60 days following [a][the] Scheduled Vesting Date, (iii) you receive delivery of the portion of the Award that was thought to have vested on [such][the] Scheduled Vesting Date pursuant to Section II.B.4. and (iv) the date of your termination of employment as determined pursuant to Section III.E.2. is before the Scheduled Vesting Date, then you will be required to reimburse the Company for the portion of the Award you received following [such][the] Scheduled Vesting Date.
 - c. If you fail to repay any amount due pursuant to this Section VI.A.4., the Company may bring an action in court to recover the amount due. You acknowledge that, by accepting the Award, you agree to pay all costs, expenses and attorney's fees incurred by the Company in any proceeding for the collection of amounts due pursuant to this Section VI.A.4., provided that the Company prevails in whole or in part in any such proceeding. The Company may also, to the extent permitted by applicable law, reduce any amounts owed to you by the Company in an amount up to the full amount of the repayment due.
5. **Governing Law; Choice of Forum.** The Award and the Award Documentation applicable to the Award are governed by, and subject to the laws of the state of Delaware, without regard to the conflict of law provisions, as set forth in Section 10.J of the Plan. For purposes of any action, lawsuit, or other proceedings arising out of or relating to this Award, including without limitation, to enforce the Award Documentation, the Company and you each hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any New York state court or federal court of the United States of America sitting in the State of New York, and any appellate court thereof. The Company and you agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

6. **Severability; Captions.** In the event that any provision of this Award is determined to be invalid or unenforceable, in whole or in part, the remaining provisions of this Award will be unaffected thereby and will remain in full force and effect to the fullest extent permitted by law. The captions of this Award are not part of the provisions of this Award and will have no force or effect.
7. **Electronic Delivery and Acceptance.** Marsh & McLennan Companies may, in its sole discretion, decide to deliver any documents related to the Award and/or your current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Marsh & McLennan Companies or an agent appointed by Marsh & McLennan Companies.
8. **Waiver.** You acknowledge that neither a waiver by Marsh & McLennan Companies of your breach of any provision of the Award Documentation nor a prior waiver by Marsh & McLennan Companies of a breach of any provision of the Award Documentation by any other participant of the Plan shall operate or be construed as a waiver of any other provision of the Award Documentation, or of any subsequent breach by you.

B. Additional Provisions—Outside of the United States

1. **Changes to Delivery.** In the event that Marsh & McLennan Companies considers that due to legal, regulatory or tax issues the normal delivery of an Award (as described in these Terms and Conditions) to a participant outside the United States would not be appropriate, then Marsh & McLennan Companies may, in its sole discretion, determine how and when the value of the Award will be delivered. Without limitation, this may include making any payments due under the Award in cash instead of shares of Common Stock or in shares of Common Stock instead of cash, in an amount equivalent to the value of the Award on the date of vesting after payment of applicable taxes and fees. If the value of an Award is to be delivered in cash instead of shares of Common Stock, Marsh & McLennan Companies may sell any shares of Common Stock distributable in respect of the Award on your behalf and use the proceeds (after payment of applicable taxes and fees) to satisfy the Award.
2. **Amendment and Modification.** The Committee may modify the terms of any Award under the Plan granted to you in any manner deemed by the Committee to be necessary or appropriate in order for such Award to conform to laws, regulations, and customs of the country (other than the United States) in which you are then resident or primarily employed or were resident or primarily employed at the time of grant or during the term of the Award, or so that the value and other benefits of the Award to you, as affected by non-U.S. tax laws and other restrictions applicable as a result of your residence or employment outside of the United States, shall be comparable to the value of such an Award to an individual who is resident or primarily employed in the United States.

VII. QUESTIONS AND ADDITIONAL INFORMATION

Please retain this document in your permanent records. If you have any questions regarding the Award Documentation or if you would like an account statement detailing the number of shares of Common Stock covered by the Award and the vesting date(s) of the Award, or any other information, please contact:

Global & Executive Compensation
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036-2774
United States of America
Telephone Number: +1 212 345-9722
Facsimile Number: +1 212 948-8481
Email: mmc.compensation@mmc.com

IN WITNESS WHEREOF, Marsh & McLennan Companies has caused these Terms & Conditions to be duly executed by the facsimile signature of its Senior Vice President, Chief Human Resources Officer as of the day and year first above written. By consenting to these Terms and Conditions, you agree to the following: (i) you have carefully read, fully understand and agree to all of the terms and conditions described herein and in the Award Documentation; and (ii) you understand and agree that these Terms & Conditions and the Award Documentation constitute the entire understanding between you and Marsh & McLennan Companies regarding the Award, and that any prior agreements, commitments or negotiations concerning the Award are replaced and superseded. The grant of the Award is contingent upon your acceptance of these Terms and Conditions, Country-Specific Notices and Restrictive Covenants Agreement (if applicable) by the date and in the manner specified in materials provided to you by Global & Executive Compensation and/or the Company's stock plan service provider. If you decline the Award or you do not accept the Award and any applicable documents described in the preceding sentence by the date and in the manner specified, the Award will be cancelled as of the grant date of the Award.

/s/Laurie Ledford
Laurie Ledford
SVP, Chief Human Resources Officer

MARSH & McLENNAN COMPANIES, INC.
2011 INCENTIVE AND STOCK AWARD PLAN

TERMS AND CONDITIONS
OF
RESTRICTED STOCK UNIT AWARDS
GRANTED ON [DATE], 2017

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I. BACKGROUND

An award (“Award”) has been granted to you under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan (the “Plan”), subject to your acceptance as described in Section II.A.1. The Award type, the number of shares of Marsh & McLennan Companies, Inc. (“Marsh & McLennan Companies”) common stock covered by the Award, instructions on how to accept or decline the Award and the deadline for accepting the Award will be provided to you by Global & Executive Compensation and/or the stock plan service provider of the Company (as defined in Section V.D.). The Award is also subject to the terms and conditions set forth herein (the “Terms and Conditions”) and to additional terms and conditions as set forth in the country-specific notices (the “Country-Specific Notices”). The Prospectus dated [DATE], also describes important information about the Plan. The Terms and Conditions, the Country-Specific Notices and the Plan will be referred to herein as the “Award Documentation”. As used herein, “Common Stock” means common stock of Marsh & McLennan Companies.

Capitalized terms in these Terms and Conditions are defined in Section V.

II. AWARDS

A. General.

- 1. Award Acceptance.** The grant of this Award is contingent upon your acceptance, by the date and in the manner specified by Global & Executive Compensation and/or the Company’s stock plan service provider, of these Terms and Conditions, the Country-Specific Notices and Restrictive Covenants Agreement as described in Section II.A.3. If you decline the Award or if you do not accept the Award and any applicable documents described in the preceding sentence by the deadline date and in the manner specified, then the Award will be cancelled as of the grant date of the Award.
- 2. Rights of Award Holders.** Unless and until the vesting conditions of the Award have been satisfied and cash or shares of Common Stock, as applicable, have been delivered to you in accordance with the Award Documentation, you have only the rights of a general unsecured creditor of Marsh & McLennan Companies. Unless and until shares of Common Stock have been delivered to you, you have none of the rights of ownership to such shares (e.g., units cannot be used as payment for stock option exercises; units may not be transferred or assigned; units have no voting rights).
- 3. Restrictive Covenants Agreement.** As described in Section II.A.1., a Restrictive Covenants Agreement (“Restrictive Covenants Agreement”) in a form determined by Marsh & McLennan Companies must be in place in order to accept the Award, you must execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, the Restrictive Covenants Agreement in order for the Award to vest pursuant to certain employment events as described in Section III., and you must further execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and be in compliance with the Restrictive Covenants Agreement in order for the

Award to become distributable to you whether or not you are employed by the Company at that time. Failure to timely execute the Restrictive Covenants Agreement by the date specified by the Company or failure to timely execute or reaffirm and comply with the Restrictive Covenants Agreement as described in Section III.H.1. or 2., as applicable, will result in cancellation or forfeiture of any rights, title and interest in and to the Award, without any liability to the Company.

B. Stock Units.

- 1. General.** A restricted stock unit ("*Stock Unit*") represents an unfunded and unsecured promise to deliver (or cause to be delivered) to you, subject to the terms of the Award Documentation, one share of Common Stock after vesting.
- 2. Vesting.** Subject to your continued employment, 33-1/3% of the Stock Units will vest on [DATE] of [YEAR], [YEAR] and [YEAR]. Each date on which a Stock Unit is scheduled to vest pursuant to this Section II.B.2. is a "*Scheduled Vesting Date*." In the event of your termination of employment, the occurrence of your Permanent Disability (as defined in Section V.G.) or the occurrence of a "*Change in Control*" (as defined in the Plan) prior to a Scheduled Vesting Date, your right to any Stock Units that are unvested immediately prior to your termination of employment or occurrence of your Permanent Disability, as applicable, will be determined in accordance with Section III. or Section IV., as applicable. For the avoidance of doubt, the date of your termination of employment for purposes of determining vesting under this Section II.B.2. will be determined in accordance with Section III.G.
- 3. Dividend Equivalents.** For each outstanding Stock Unit covered by the Award, an amount equal to the dividend payment (if any) made in respect of one share of Common Stock (a "*Dividend Equivalent*") will accrue in U.S. dollars on each dividend record date that occurs on or after the grant date of the Award while the Award is outstanding, with no interest paid on such amounts. Accrued Dividend Equivalents will vest when the Stock Units in respect of which such Dividend Equivalents were accrued vest. No further Dividend Equivalents will accrue on Stock Units that do not vest or are cancelled or forfeited. If a pro-rata amount of the outstanding unvested Stock Unit award is eligible to vest upon a termination of employment event as described in Section III.C.1, III.D and III.E.1, the pro-rata calculation (as described in Section III.I) will be applied to the Dividend Equivalents that have accrued on the Award as of the date of termination. Accrued Dividend Equivalents will not be paid, and no further Dividend Equivalents will accrue, on Stock Units that do not vest or are cancelled or forfeited as per a termination of employment event described in Section III.F.
- 4. Delivery.**
 - a.** Shares of Common Stock deliverable in respect of the Stock Units covered by the Award shall be delivered to you as soon as practicable

following the Scheduled Vesting Date, and in no event later than 60 days following the Scheduled Vesting Date, except as otherwise provided in Sections III., IV., and VI.B.

- b. The value of vested Dividend Equivalents will be delivered to you in cash as soon as practicable after delivery of the shares of Common Stock described in II.B.4.a above, and in no event later than 60 days following the Scheduled Vesting Date, except as otherwise provided in Sections III., IV., and VI.B.
- c. The delivery of shares of Common Stock and/or cash or other property that may be deliverable under these Terms and Conditions, is conditioned on the satisfaction or withholding of any applicable tax obligations, as described in Section II.C.
- d. Any shares of Common Stock and/or cash or other property that may be deliverable following your death shall be delivered to the person or persons to whom your rights pass by will or the law of descent and distribution, and such delivery shall completely discharge Marsh & McLennan Companies and any of its subsidiaries' or affiliates' obligations under the Award.
- e. Notwithstanding the foregoing, additional delivery rules for certain Award recipients subject to U.S. federal income tax (whether or not the recipient is a U.S. citizen or employed in the U.S.) are reflected in Section III.J.

C. Satisfaction of Tax Obligations.

- 1. **Personal Tax Advisor.** Neither the Company nor any Company employee is authorized to provide personal tax advice to you. It is recommended that you consult with your personal tax advisor for more detailed information regarding the tax treatment of the Award, especially before making any decisions that rely on that tax treatment.
- 2. **U.S. Employees.** Applicable employment taxes are required by law to be withheld when a Stock Unit or Dividend Equivalent vests. Applicable income taxes are required by law to be withheld when shares of Common Stock in respect of Stock Units or cash in respect of Dividend Equivalents are delivered to you. A sufficient number of whole shares of Common Stock, cash or other property, as applicable, will be retained by Marsh & McLennan Companies to satisfy the tax-withholding obligation.
- 3. **Non-U.S. Employees.**
 - a. **Stock Units and Dividend Equivalents.** In most countries, the value of a Stock Unit or Dividend Equivalent is generally not taxable on the grant date. If the value of the Stock Unit or Dividend Equivalent is not taxable on the grant date, it will, in most countries, be taxed at a later time, for example, upon delivery of a share of Common Stock in respect of the Stock Unit that vests, and/or the subsequent sale of the share of

Common Stock received in connection with the vesting of the Stock Unit or upon delivery of cash in respect of a Dividend Equivalent.

- b. **Withholding.** Marsh & McLennan Companies and/or your employer shall have the power and the right to deduct and withhold from the Award and other compensation or to require you to remit to Marsh & McLennan Companies and/or to your employer, an amount sufficient to satisfy any taxes that Marsh & McLennan Companies expects to be payable under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, payroll taxes, fringe benefits, payment on account, capital gain taxes, transfer taxes, social security contributions and National Insurance Contributions with respect to the Award, and any and all associated tax events derived therefrom. If applicable, Marsh & McLennan Companies and/or your employer may retain and sell a sufficient number of whole shares of Common Stock distributable in respect of the Award for this purpose.

III. EMPLOYMENT EVENTS

- A. **Death.** In the event your employment is terminated because of your death, all of the unvested Stock Units that are outstanding as of the date of your death will fully vest and will be distributed within 60 days following such date.
- B. **Permanent Disability.** Upon the occurrence of your Permanent Disability, all of the unvested Stock Units that are outstanding as of the occurrence of your Permanent Disability will remain outstanding and will be distributed as soon as practicable following the next Scheduled Vesting Date as described in Section II.B.4.; provided that you have satisfied the conditions described in Section III.H.1.

For the avoidance of doubt, if the occurrence of your Permanent Disability occurs on a Scheduled Vesting Date, distribution will occur as soon as practicable following such Scheduled Vesting Date as described in Section II.B.4.

- C. **Termination by You Outside of the European Union – Age and Service Treatment.** If you have satisfied the Age and Service Criteria for Pro-Rata Vesting (as defined in Section V.B.) or the Age and Service Criteria for Full Vesting (as defined in Section V.A.) on or before the date you terminate your employment with the Company for any reason other than death or the occurrence of your Permanent Disability and you are determined by Marsh & McLennan Companies, in its sole discretion, to be employed outside of the European Union, then:
 - 1. If you have satisfied the Age and Service Criteria for Pro-Rata Vesting but not the Age and Service Criteria for Full Vesting, upon such termination of employment, a pro-rata portion of the unvested Stock Units that are outstanding as of such termination of employment will remain outstanding (as described in Section III.I) and will be distributed as soon as practicable following the next Scheduled Vesting Date as described in Section II.B.4.; provided that you have satisfied the conditions described in Section III.H.1.

The portion of the unvested Stock Units that does not remain outstanding pursuant to this paragraph will be forfeited and cancelled.

2. If you have satisfied the Age and Service Criteria for Full Vesting, upon such termination of employment, all of the unvested Stock Units that are outstanding as of such termination of employment will remain outstanding and be distributed as soon as practicable following the next Scheduled Vesting Date as described in Section II.B.4.; provided that you have satisfied the conditions described in Section III.H.1.

For the avoidance of doubt, for purposes of each of Sections III.C.1. and 2., if your termination of employment occurs on a Scheduled Vesting Date, distribution will occur as soon as practicable following such Scheduled Vesting Date as described in Section II.B.4. For the further avoidance of doubt, Section III.E. will govern the treatment of the Award in the event your employment is terminated by the Company other than for Cause (as defined in Section V.C.).

- D. Termination by You Within the European Union - Retirement Treatment.** If you are determined by the Retirement Treatment Committee (as defined in Section V.H.) to be eligible for retirement treatment on or following the time you terminate your employment with the Company for any reason other than death or the occurrence of your Permanent Disability and you are determined by the Company, in its sole discretion, to be employed within the European Union, then upon your termination of employment a pro-rata portion of the unvested Stock Units that are outstanding as of such termination of employment will remain outstanding (as described in Section III.I) until the later to occur of the next Scheduled Vesting Date or the determination by the Retirement Treatment Committee that you are eligible for retirement treatment, and will be distributed as soon as practicable, and in no event later than 60 days thereafter; provided that you have satisfied the conditions described in Section III.H.1. Prior to distribution, Marsh & McLennan Companies in its sole discretion may ask you to reaffirm the existence of the facts and factors upon which the determination to provide retirement treatment was made. The portion of the unvested Stock Units that does not remain outstanding pursuant to this paragraph will be forfeited and cancelled. For the avoidance of doubt, Section III.E.1. will govern the treatment of the Award in the event your employment is terminated by the Company other than for Cause. For the further avoidance of doubt, if your termination of employment occurs on a Scheduled Vesting Date, distribution will occur within 60 days following such Scheduled Vesting Date (or, if later, within 60 days following the determination by the Retirement Treatment Committee that you are eligible for retirement treatment).

E. Termination by the Company Other Than for Cause.

1. **General.** Except as otherwise provided in Sections III.E.2. and IV., in the event the Company, in its sole discretion, determines that your employment is terminated by the Company other than for Cause, a pro-rata portion of the unvested Stock Units that are outstanding as of such termination of employment will remain outstanding (as described in Section III.I) and will be

distributed as soon as practicable following the next Scheduled Vesting Date as described in Section II.B.4., provided that you have satisfied the conditions described in Section III.H.2. The portion of the unvested Stock Units that does not remain outstanding pursuant to this paragraph will be forfeited and cancelled. For the avoidance of doubt, this Section III.E.1. shall apply regardless of whether you are determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment or you have satisfied the Age and Service Criteria for Pro-Rata Vesting on or before your termination of employment by the Company.

2. **Prior Satisfaction of Age and Service Criteria for Full Vesting.** In the event the Company, in its sole discretion, determines that your employment is terminated by the Company other than for Cause, and on or before your termination of employment you satisfy the Age and Service Criteria for Full Vesting, all of the unvested Stock Units that are outstanding as of such termination of employment will remain outstanding and will be distributed as soon as practicable following the next Scheduled Vesting Date as described in Section II.B.4.; provided that you have satisfied the conditions described in Section III.H.2. For the avoidance of doubt, this section III.E.2. shall not apply (and rather Section III.E.1. shall apply) if you are determined by the Company, in its sole discretion, to be employed within the European Union.

For the avoidance of doubt, if your termination of employment occurs on a Scheduled Vesting Date, distribution will occur as soon as practicable following such Scheduled Vesting Date as described in Section II.B.4.

3. Important Notes.

- a. **Sale of Business Unit.** For purposes of this Award, in the event of a sale or similar transaction involving the business unit for which you work ("*Employing Company*") as a result of which the Employing Company ceases to be a subsidiary or affiliate of Marsh & McLennan Companies, your employment will be deemed terminated by the Company other than for Cause, even if your employment with the Employing Company continues after the sale or similar transaction.
 - b. **Constructive Discharge.** The Award will not vest, whether on a pro-rata or full basis, upon a constructive discharge, including if any court or regulatory agency retroactively concludes or interprets events to have constituted a constructive discharge.
- F. **All Other Terminations.** For all other terminations of employment not described in Sections III.A. through E. or Section IV. (including, but not limited to, a termination by the Company for Cause, your resignation without having satisfied the Age and Service Criteria for Pro-Rata Vesting or the Age and Service Criteria for Full Vesting as described in Section III.C., or your resignation without having been determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment as described

in Section III.D.), any rights, title and interest in and to any remaining unvested portion of the Award shall be cancelled as of the date your employment is treated as having terminated as described in Section III.G.

G. Date of Termination of Employment.

1. If Section III.G.2. does not apply to you, then for purposes of determining vesting under Section II.B.2. and the number of unvested Stock Units that vest on a pro-rata basis as described in Section III.I., your employment will be treated as having terminated on your last day of employment with the Company.
2. If you are a Guy Carpenter employee in the United States who is obligated to provide the Company at least 60 days advance written notice of your intention to terminate your employment for any reason, then, if your employment terminates pursuant to Section III.F., your employment will be treated as having terminated for purposes of determining vesting under Section II.B.2. on the date that is 60 days prior to your last day of employment with the Company. Notwithstanding the foregoing, if your employment is terminated after providing notice pursuant to the preceding sentence but prior to the intended termination date provided in such notice (i) by the Company other than for Cause or (ii) pursuant to a written agreement, the terms of which provide that your termination of employment has been by mutual agreement between you and the Company, then the Company may, in its sole discretion, determine that for purposes of determining vesting under Section II.B.2. your employment will be treated as having terminated on a date later than the date that is 60 days prior to your last day of employment with the Company, but in no event later than your last day of employment with the Company.

H. Conditions for All or a Portion of the Award to Remain Outstanding Following a Termination of Employment

1. **Restrictive Covenants Agreement.** In the event of (i) the occurrence of your Permanent Disability as described in Section III.B., (ii) your termination of employment after satisfying the Age and Service Criteria for Pro-Rata Vesting or the Age and Service Criteria for Full Vesting as described in Section III.C. or (iii) a determination by the Retirement Treatment Committee that you are eligible for retirement treatment as described in Section III.D., you will be required to execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and return to Marsh & McLennan Companies (or an agent appointed by Marsh & McLennan Companies) a Restrictive Covenants Agreement. Failure to (a) execute or reaffirm such an agreement by the date specified by the Company, which shall be in no event later than 60 days following the occurrence of your Permanent Disability as described in Section III.B. or your termination of employment as described in Section III.C. and no later than 60 days following vesting if your termination of employment is pursuant to Section III.D., or (b) comply with the Restrictive Covenants Agreement or to continue to be in compliance with the Restrictive Covenants Agreement as of the delivery date (as described in Section II.B.4.)

or, at the Company's discretion, to reaffirm compliance prior to the delivery date, will result in the cancellation or forfeiture of any rights, title and interest in and to the Award without any liability to the Company.

- 2. Waiver and Release and Restrictive Covenants Agreement.** In the event of your termination of employment by the Company other than for Cause as described in Section III.E., you will be required to (i) execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and return to Marsh & McLennan Companies (or an agent appointed by Marsh & McLennan Companies) a Restrictive Covenants Agreement and (ii) execute and not revoke a waiver and release agreement, if provided to you by the Company at the time of your termination of employment. Failure to meet these requirements by the date specified by the Company, which shall be in no event later than 60 days following your termination of employment, or failure to comply with the waiver and release agreement or the Restrictive Covenants Agreement, as applicable, or continue to be in compliance with the applicable agreement as of the delivery date (as described in Section II.B.4.) and, at the Company's discretion, to reaffirm compliance prior to the delivery date, will result in the cancellation or forfeiture of any rights, title and interest in and to the Award without any liability to the Company.

I. Determination of Pro-Rata Calculation upon Termination of Employment.

The pro-rata portion of the unvested Stock Units and accrued Dividend Equivalents that are outstanding as of a termination of employment that will become distributable under certain circumstances described in Section III. will be determined using the following formula:

$$\left(A \times \frac{B}{C} \right) - D$$

where

A = the number of Stock Units/accrued Dividend Equivalents covered by the Award;

B = the number of days in the period beginning on the grant date of the Award and ending on the date of your termination of employment, as determined in accordance with Section III.G.1.;

C = the number of days in the period beginning on the grant date of the Award and ending on the last Scheduled Vesting Date; and

D = the number of Stock Units/accrued Dividend Equivalents that have previously vested.

J. Section 409A of the Code for Award Recipients Subject to U.S. Federal Income Tax (whether or not the recipient is a U.S. citizen or employed in the U.S.).

1. For Award recipients subject to U.S. federal income tax, notwithstanding any other provision herein, the Award may be subject to additional restrictions to ensure compliance with (or continued exemption from) the requirements of Section 409A of the Code (as defined in Section V.I.). The Compensation Committee of the Board of Directors of Marsh & McLennan Companies (the "*Committee*") intends to administer the Award in accordance with Section 409A of the Code and reserves the right to make changes in the terms or operations of the Award (including changes that may have retroactive effect) deemed necessary or desirable to comply with Section 409A of the Code. This means, for example, that the timing of distributions may be different from those described in the Award Documentation that do not reflect Section 409A of the Code. If the Award is not in compliance with Section 409A of the Code, you may be subject to immediate taxation of all unpaid awards under the Plan that are subject to Section 409A of the Code at your regular federal income tax rate, plus a 20% additional tax, plus interest at the underpayment rate plus 1%, as well as any state and local taxes, penalties, additional taxes and interest, if applicable, imposed under any state tax law similar to Section 409A of the Code.
2. Notwithstanding any other provision herein, if any portion of the Award is determined to be nonqualified deferred compensation subject to Section 409A of the Code, any references to "termination of employment," or "when you are no longer employed" in these Terms and Conditions shall have the following meaning:

Your "termination of employment" (or similar terms) shall occur when you have incurred a "separation from service" within the meaning of Section 409A of the Code and as further defined herein. Specifically, you will have incurred a "separation from service" when the level of services you provide to the Company in any capacity, including as an employee, director, independent contractor or consultant, does not exceed 20% of the average level of services that you provided to the Company in the preceding 36 months (or shorter period of service if, for example, your total service with the Company is less than 36 months), all as determined in accordance with Section 409A of the Code. In determining whether a "separation from service" has occurred, any period of up to six months during which you are on a bona fide leave of absence or up to 29 months during which you are absent from work due to a disability for which you are receiving Marsh & McLennan Companies long-term disability benefits will be ignored.

3. Notwithstanding any other provision herein, if at the time of your termination of employment you are a "specified employee" (as defined in Section 409A of the Code), no portion of the Award that is determined to be nonqualified deferred compensation subject to Section 409A of the Code can be distributed prior to the first day of the seventh month after your termination of

employment and any such distributions to which you would otherwise be entitled during the first six months following your termination of employment will be accumulated and paid without interest on the first day of the seventh month after your termination of employment. The provisions of this subparagraph will only apply if and to the extent required to avoid any "additional tax" under Section 409A of the Code.

4. Notwithstanding any other provision herein other than Section III.J.6., (and any Dividend Equivalents payable with respect to the Stock Units)
 - a. If you have satisfied the Age and Service Criteria for Pro-Rata Vesting at any time prior to [DATE] and you do not satisfy the Age and Service Criteria for Full Vesting at any time prior to [DATE], then for each Scheduled Vesting Date following the date that you satisfy the Age and Service Criteria for Pro-Rata Vesting, shares of Common Stock and/or cash pursuant to Section II.B.4. will be delivered by March 15 of the year in which the Scheduled Vesting Date occurs.
 - b. If you first satisfy the Age and Service Criteria for Full Vesting in calendar year [YEAR], then shares of Common Stock and/or cash pursuant to Section II.B.4. with respect to the [DATE] Scheduled Vesting Date will be delivered by [DATE].
 - c. If your employment is terminated on or after March 1 but on or before December 31 in any year pursuant to Section III.B. (Permanent Disability), C.1. (Age and Service Pro-rata Vesting), or E. (Termination Other Than for Cause), then shares of Common Stock and/or cash pursuant to Section II.B.4. will be delivered by March 15 of the year following the year of such termination.
5. Notwithstanding any provision herein, for distributions of Stock Units or cash attributable to such Stock Units that are subject to one or more Employment-Related Actions (as defined in Section V.E.) where you have not satisfied, and would not satisfy, the Age and Service Criteria for Full Vesting prior to [DATE]:
 - a. With respect to Stock Units, no later than March 15th of the year following the year in which the substantial risk of forfeiture (as determined under Section 409A of the Code) (the "*Substantial Risk of Forfeiture*") lapses with respect to such Stock Units, shares of Common Stock underlying such Stock Units shall be delivered to you (to the extent not previously delivered), subject to a stop transfer order and subject to withholding of any applicable tax obligations, as described in Section II.C. at the time of such delivery. Upon your timely satisfaction of all applicable Employment-Related Actions, Marsh & McLennan Companies will remove or cause to be removed such stop transfer order; and
 - b. With respect to a cash payment attributable to Stock Units, to the extent that such payment will not be made by March 15th of the year following the year in which the Substantial Risk of Forfeiture lapses with respect to

such payment, such payment shall be placed in escrow or contributed to a secular trust (in the sole discretion of the Marsh & McLennan Companies) for your benefit on or before such March 15th and subject to withholding of any applicable tax obligations, as described in Section II.C. at the time of such placement or contribution. Upon your timely satisfaction of all applicable Employment-Related Actions, Marsh & McLennan Companies shall cause such amounts to be released from escrow or paid to you out of such trust.

In either case, if any Employment-Related Action is not timely satisfied, the shares of Common Stock or the cash payment shall revert to the Marsh & McLennan Companies with no further compensation due to you.

- 6.** Notwithstanding any provision herein, with respect to distributions of Stock Units or cash attributable to such Stock Units (i) where you have satisfied or would satisfy the Age and Service Criteria for Full Vesting prior to [DATE] and (ii) where such distributions are subject to one or more Employment-Related Actions:
 - a.** With respect to Stock Units, no later than December 31st of the year in which Scheduled Vesting Date occurs, shares of Common Stock underlying such Stock Units shall be delivered to you (to the extent not previously delivered), subject to a stop transfer order and subject to withholding of any applicable tax obligations, as described in Section II.C. at the time of such delivery. Upon your timely satisfaction of all applicable Employment-Related Actions, Marsh & McLennan Companies will remove or cause to be removed such stop transfer order; and
 - b.** With respect to a cash payment attributable to Stock Units, to the extent any such payment will not be made by December 31st of the year in which the Scheduled Vesting Date occurs, any payment that relates to such Scheduled Vesting Date shall be placed in escrow or contributed to a secular trust (in the sole discretion of the Marsh & McLennan Companies) for your benefit on or before such December 31st and subject to withholding of any applicable tax obligations, as described in Section II.C. at the time of such placement or contribution. Upon your timely satisfaction of all applicable Employment-Related Actions, Marsh & McLennan Companies shall cause such amounts to be released from escrow or paid to you out of such trust.

In either case, if any Employment-Related Action is not timely satisfied, the shares of Common Stock or the cash payment shall revert to the Marsh & McLennan Companies with no further compensation due to you.

- 7.** Nothing in this Section III.J. is intended to nor does it guarantee that the Award will not be subject to “additional tax” or other adverse tax consequences under Section 409A of the Code or any similar state tax law.

IV. CHANGE IN CONTROL PROVISIONS

- A. Upon the occurrence of a Change in Control, the Award will continue to vest in accordance with the vesting schedule specified in Section II.B.2., subject to earlier vesting or forfeiture pursuant to Section III.; provided that upon your termination of employment by the Company other than for Cause, or by you for Good Reason (as defined in V.F.), during the 24-month period following such Change in Control, all unvested Stock Units that are outstanding as of your termination of employment will remain outstanding and will be distributed as soon as practicable following the next Scheduled Vesting Date as described in Section II.B.4.; provided that you have satisfied the conditions described in Section IV.B. Notwithstanding the foregoing, if the Stock Units are not assumed, converted or replaced in connection with a Change in Control on an equivalent basis, the Stock Units will fully vest immediately prior to the Change in Control and will be distributed as soon as practicable following vesting and in no event later than 60 days following vesting.
- B. In the event of your termination of employment by the Company other than for Cause or by you for Good Reason during the 24-month period following such Change in Control, you will be required to execute and not revoke a waiver and release agreement, if provided by the Company at the time of your termination of employment. Failure to meet these requirements by the date specified by the Company, which shall be in no event later than 60 days following your termination of employment, or failure to comply with the waiver and release agreement and be in compliance with the agreement, if applicable, as of the delivery date as described in II.B.4., will result in the cancellation or forfeiture of any rights, title and interest in and to the Award.
- C. For the avoidance of doubt, in the event of your termination of employment by the Company other than for Cause or by you for Good Reason during the 24-month period following such Change in Control and, on or before the date of your termination of employment you satisfy the Age and Service Criteria for Pro-Rata Vesting or the Age and Service Criteria for Full Vesting as described in Section III.C., or you are determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment as described in Section III.D., any unvested Stock Units covered by the Award will be treated as described in this Section IV.; provided that you have satisfied the conditions described in Section IV.B.

V. DEFINITIONS

As used in these Terms and Conditions:

- A. **“Age and Service Criteria for Full Vesting”** shall mean you are at least age 65 and have a minimum of one year of service with the Company. For the avoidance of doubt, Age and Service Criteria for Full Vesting is not applicable to you if you are determined by the Company, in its sole discretion, to be employed within the European Union.

- B. “Age and Service Criteria for Pro-Rata Vesting”** shall mean you are at least age 55 but are not yet age 65 and have a minimum of five years of service with the Company. For the avoidance of doubt, Age and Service Criteria for Pro-Rata Vesting is not applicable to you if you are determined by the Company, in its sole discretion, to be employed within the European Union.
- C. “Cause”** shall mean:
1. willful failure to substantially perform the duties consistent with your position which is not remedied within 30 days after receipt of written notice from the Company specifying such failure;
 2. willful violation of any written Company policies, including but not limited to, The Marsh & McLennan Companies Code of Conduct, *The Greater Good*;
 3. commission at any time of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere*, or imposition of unadjudicated probation for any felony or crime involving moral turpitude;
 4. unlawful use (including being under the influence) or possession of illegal drugs;
 5. any gross negligence or willful misconduct resulting in a material loss to the Company, or material damage to the reputation of the Company; or
 6. any violation of any statutory or common law duty of loyalty to the Company, including the commission at any time of any act of fraud, embezzlement, or material breach of fiduciary duty against the Company.
- D. “Company”** shall mean Marsh & McLennan Companies or any of its subsidiaries or affiliates.
- E. “Employment-Related Action”** shall mean the execution and effectiveness of a release of claims and/or a restrictive covenant.
- F. “Good Reason”** shall mean any one of the following events without your written consent:
1. material reduction in your base salary;
 2. material reduction in your annual incentive opportunity (including a material adverse change in the method of calculating your annual incentive);
 3. material diminution of your duties, responsibilities or authority; or
 4. relocation of more than 50 miles from your principal place of employment immediately prior to the Change in Control; provided that you provide Marsh & McLennan Companies with written notice of your intent to terminate your employment for Good Reason within 60 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific

termination provision above on which you are relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision) and that you provide Marsh & McLennan Companies with at least 30 days following receipt of such notice to remedy such circumstances.

- G. **“Permanent Disability”** will be deemed to occur when it is determined (by Marsh & McLennan Companies’ disability carrier for the primary long-term disability plan or program applicable to you because of your employment with the Company) that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- H. **“Retirement Treatment Committee”** is comprised of employees of the Company appointed by the Committee.
- I. **“Section 409A of the Code”** shall mean Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the regulations and guidance thereunder (regarding nonqualified deferred compensation).
- J. **Additional Definitions.**

The terms below are defined on the following pages:

<i>Award</i>	1
<i>Award Documentation</i>	1
<i>Change in Control</i>	2
<i>Committee</i>	9
<i>Common Stock</i>	1
<i>Country-Specific Notices</i>	1
<i>Dividend Equivalent</i>	2
<i>Employing Company</i>	6
<i>Marsh & McLennan Companies</i>	1
<i>Plan</i>	1
<i>Restrictive Covenants Agreement</i>	1
<i>Scheduled Vesting Date</i>	2
<i>Stock Unit</i>	2
<i>Substantial Risk of Forfeiture</i>	10
<i>Terms and Conditions</i>	1

VI. ADDITIONAL PROVISIONS

A. Additional Provisions—General

1. **Administrative Rules.** The Award shall be subject to such additional administrative regulations as the Committee may, from time to time, adopt. All decisions of the Committee upon any questions arising under the Award Documentation shall be conclusive and binding. The Committee may delegate to any other individual or entity the authority to perform any or all of

the functions of the Committee under the Award, and references to the Committee shall be deemed to include any such delegate.

- 2. Amendment.** The Committee may, in its sole discretion, amend the terms of the Award, including, without limitation, to impose additional requirements on the Award and on any shares of Common Stock with respect to the Award; provided, however, that if the Committee concludes, in its sole discretion, that such amendment is likely to materially impair your rights with respect to the Award, such amendment shall not be implemented with respect to the Award without your consent, except to the extent that any such action is made to cause the Award to comply with applicable law, currency controls, stock market or exchange rules and regulations, or accounting or tax rules and regulations, or is otherwise made in accordance with Section VI.A.4.
- 3. Limitations.** Payment of the Award is not secured by trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of Marsh & McLennan Companies by reason of the Award. Your right to payment of the Award is the same as the right of an unsecured general creditor of Marsh & McLennan Companies.
- 4. Cancellation or Clawback of Awards.**

 - a.** Marsh & McLennan Companies may, to the extent permitted or required by any applicable law, stock exchange rules, currency controls, or any applicable Company policy or arrangement in effect prior to the vesting of any unvested portion of the Award, or as specified in the Award Documentation, cancel, reduce or require reimbursement of the Award.
 - b.** If (i) Section III.G.2. is applicable to you, (ii) you terminate your employment with the Company under Section III.F. and such termination of employment occurs within 60 days following a Scheduled Vesting Date, (iii) you receive delivery of the portion of the Award that was thought to have vested on such Scheduled Vesting Date pursuant to Section II.B.4. and (iv) the date of your termination of employment as determined pursuant to Section III.G.2. is before the Scheduled Vesting Date, then you will be required to reimburse the Company for the portion of the Award you received following such Scheduled Vesting Date.
 - c.** If you fail to repay any amount due pursuant to this Section VI.A.4., the Company may bring an action in court to recover the amount due. You acknowledge that, by accepting the Award, you agree to pay all costs, expenses and attorney's fees incurred by the Company in any proceeding for the collection of amounts due pursuant to this Section VI.A.4., provided that the Company prevails in whole or in part in any such proceeding. The Company may also, to the extent permitted by applicable law, reduce any amounts owed to you by the Company in an amount up to the full amount of the repayment due.

5. **Governing Law; Choice of Forum.** The Award and the Award Documentation applicable to the Award are governed by, and subject to the laws of the state of Delaware, without regard to the conflict of law provisions, as set forth in Section 10.J of the Plan. For purposes of any action, lawsuit, or other proceedings arising out of or relating to this Award, including without limitation, to enforce the Award Documentation, the Company and you each hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any New York state court or federal court of the United States of America sitting in the State of New York, and any appellate court thereof. The Company and you agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
6. **Severability; Captions.** In the event that any provision of this Award is determined to be invalid or unenforceable, in whole or in part, the remaining provisions of this Award will be unaffected thereby and will remain in full force and effect to the fullest extent permitted by law. The captions of this Award are not part of the provisions of this Award and will have no force or effect.
7. **Electronic Delivery and Acceptance.** Marsh & McLennan Companies may, in its sole discretion, decide to deliver any documents related to the Award and/or your current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Marsh & McLennan Companies or an agent appointed by Marsh & McLennan Companies.
8. **Waiver.** You acknowledge that neither a waiver by Marsh & McLennan Companies of your breach of any provision of the Award Documentation nor a prior waiver by Marsh & McLennan Companies of a breach of any provision of the Award Documentation by any other participant of the Plan shall operate or be construed as a waiver of any other provision of the Award Documentation, or of any subsequent breach by you.

B. Additional Provisions—Outside of the United States

1. **Changes to Delivery.** In the event that Marsh & McLennan Companies considers that due to legal, regulatory or tax issues the normal delivery of an Award (as described in these Terms and Conditions) to a participant outside the United States would not be appropriate, then Marsh & McLennan Companies may, in its sole discretion, determine how and when the value of the Award will be delivered. Without limitation, this may include making any payments due under the Award in cash instead of shares of Common Stock or in shares of Common Stock instead of cash, in an amount equivalent to the value of the Award on the date of vesting after payment of applicable taxes and fees, or, delivering or paying out the Award as soon as practicable following a termination of employment. If the value of an Award is to be delivered in cash instead of shares of Common Stock, Marsh & McLennan Companies may sell any shares of Common Stock distributable in respect of

the Award on your behalf and use the proceeds (after payment of applicable taxes and fees) to satisfy the Award.

2. **Amendment and Modification.** The Committee may modify the terms of any Award under the Plan granted to you in any manner deemed by the Committee to be necessary or appropriate in order for such Award to conform to laws, regulations, and customs of the country (other than the United States) in which you are then resident or primarily employed or were resident or primarily employed at the time of grant or during the term of the Award, or so that the value and other benefits of the Award to you, as affected by non-U.S. tax laws and other restrictions applicable as a result of your residence or employment outside of the United States, shall be comparable to the value of such an Award to an individual who is resident or primarily employed in the United States.

VII. QUESTIONS AND ADDITIONAL INFORMATION

Please retain this document in your permanent records. If you have any questions regarding the Award Documentation or if you would like an account statement detailing the number of shares of Common Stock covered by the Award and the vesting date(s) of the Award, or any other information, please contact:

Global & Executive Compensation
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036-2774
United States of America
Telephone Number: +1 212 345-9722
Facsimile Number: +1 212 948-8481
Email: mmc.compensation@mmc.com

IN WITNESS WHEREOF, Marsh & McLennan Companies has caused these Terms & Conditions to be duly executed by the facsimile signature of its Senior Vice President, Chief Human Resources Officer as of the day and year first above written. By consenting to these Terms and Conditions, you agree to the following: (i) you have carefully read, fully understand and agree to all of the terms and conditions described herein and in the Award Documentation; and (ii) you understand and agree that these Terms & Conditions and the Award Documentation constitute the entire understanding between you and Marsh & McLennan Companies regarding the Award, and that any prior agreements, commitments or negotiations concerning the Award are replaced and superseded. The grant of the Award is contingent upon your acceptance of these Terms and Conditions, Country-Specific Notices and Restrictive Covenants Agreement (if applicable) by the date and in the manner specified in materials provided to you by Global & Executive Compensation and/or the Company's stock plan service provider. If you decline the Award or you do not accept the Award and any applicable documents described in the preceding sentence by the date and in the manner specified, the Award will be cancelled as of the grant date of the Award.

/s/Laurie Ledford
Laurie Ledford
SVP, Chief Human Resources Officer

MARSH & McLENNAN COMPANIES, INC.
2011 INCENTIVE AND STOCK AWARD PLAN
TERMS AND CONDITIONS
OF
PERFORMANCE STOCK UNIT AWARDS
GRANTED ON [DATE], 2017

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I. BACKGROUND

A Performance Share Unit award (“*Award*”) has been granted to you under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan (the “*Plan*”), subject to your acceptance as described in Section II.A.1. The number of shares of Marsh & McLennan Companies, Inc. (“*Marsh & McLennan Companies*”) common stock covered by the Award, instructions on how to accept or decline the Award and the deadline for accepting the Award will be provided to you by Global & Executive Compensation and/or the stock plan service provider of the Company (as defined in Section V.E.). The Award is also subject to the terms and conditions set forth herein (the “*Terms and Conditions*”) and to additional terms and conditions as set forth in the country-specific notices (the “*Country-Specific Notices*”). The Prospectus dated [DATE], also describes important information about the Plan. The Terms and Conditions, the Country-Specific Notices and the Plan will be referred to herein as the “*Award Documentation*”. As used herein, “*Common Stock*” means common stock of Marsh & McLennan Companies.

Capitalized terms in these Terms and Conditions are defined in Section V.

II. AWARDS

A. General.

- 1. Award Acceptance.** The grant of this Award is contingent upon your acceptance, by the date and in the manner specified by Global & Executive Compensation and/or the Company’s stock plan service provider, of these Terms and Conditions, the Country-Specific Notices and Restrictive Covenants Agreement as described in Section II.A.3. If you decline the Award or if you do not accept the Award and any applicable documents described in the preceding sentence by the deadline date and in the manner specified, then the Award will be cancelled as of the grant date of the Award.
- 2. Rights of Award Holders.** Unless and until the vesting conditions of the Award have been satisfied and cash or shares of Common Stock, as applicable, have been delivered to you in accordance with the Award Documentation, you have only the rights of a general unsecured creditor of Marsh & McLennan Companies. Unless and until shares of Common Stock have been delivered to you, you have none of the rights of ownership to such shares (e.g., units cannot be used as payment for stock option exercises; units may not be transferred or assigned; units have no voting rights, etc.).
- 3. Restrictive Covenants Agreement.** As described in Section II.A.1., a Restrictive Covenants Agreement (“*Restrictive Covenants Agreement*”) in a form determined by Marsh & McLennan Companies must be in place in order to accept the Award, you must execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, the Restrictive Covenants Agreement in order for the Award to vest pursuant to certain employment events as described in Section III., and you must further execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and be in compliance with the Restrictive Covenants Agreement in order for the Award to become distributable to you whether or not

you are employed by the Company at that time. Failure to timely execute the Restrictive Covenants Agreement by the date specified by the Company or failure to timely execute or reaffirm and comply with the Restrictive Covenants Agreement as described in Section III.I.1. or 2., as applicable, will result in cancellation or forfeiture of any rights, title and interest in and to the Award, without any liability to the Company.

B. Performance Stock Units.

- 1. General.** A performance stock unit (“*PSU*”) represents an unfunded and unsecured promise to deliver (or cause to be delivered) to you, subject to the terms of the Award Documentation, a minimum of zero (0) and up to a maximum of two (2) shares of Common Stock after vesting, depending on the achievement, as determined by the Compensation Committee of the Board of Directors of Marsh & McLennan Companies (the “*Committee*”), of the financial performance objectives established by the Committee for the Performance Period (as defined in Section V.H.). In the event of your termination of employment or occurrence of your Permanent Disability (as defined in Section V.I.) prior to the PSU Scheduled Vesting Date (defined below), the number of shares of Common Stock deliverable in respect of a PSU shall be determined as provided in Sections III. and IV.A.3.
- 2. Vesting.** Subject to your continued employment, the PSUs are scheduled to vest on [DATE] (the “*PSU Scheduled Vesting Date*”). In the event of your termination of employment, the occurrence of your Permanent Disability or a Change in Control (as defined in Section V.D.) prior to the PSU Scheduled Vesting Date, your right to the PSUs will be determined in accordance with Section III. or Section IV., as applicable. For the avoidance of doubt, the date of your termination of employment for purposes of this Section II.B.2. will be determined in accordance with Section III.H.
- 3. Dividend Equivalents.** A payment will be made that is equal to the dividend payment (if any) that would have been made, on each dividend record date that occurs on or after the date of grant while the PSUs are outstanding, in respect of the number of shares of Common Stock that is determined under Section II.B.1 to be delivered in respect of vested PSUs (a “*Dividend Equivalent*”). Dividend Equivalents will vest when the PSUs, in respect of which such Dividend Equivalents were calculated, vest. Prior to the determination described in Section II.B.1, for each outstanding PSU, an amount equal to the dividend payment (if any) made in respect of one share of Common Stock will accrue in U.S. dollars on each dividend record date that occurs on or after the grant date of the Award while the Award is outstanding, with no interest paid on such amounts. No further dividend equivalents will accrue on PSUs that do not vest or are cancelled or forfeited. If a pro-rata amount of the outstanding unvested PSUs is eligible to vest upon a termination of employment as described in Section III.C, III.E and III.F, the pro-rata calculation applied to the outstanding PSUs described in Section III.J will be applied to the dividend equivalents that have accrued on the Award as of the date of termination. Accrued dividend equivalents will not be paid, and no further dividend equivalents will accrue, on PSUs that do not vest or are cancelled or forfeited as described in Section III.G.

4. Delivery.

- a. Shares of Common Stock deliverable, if any, in respect of the PSUs covered by the Award that vest on the PSU Scheduled Vesting Date shall be delivered to you as soon as practicable following the PSU Scheduled Vesting Date, and in no event later than 60 days following the PSU Scheduled Vesting Date, except as otherwise provided in Sections III., IV., and VI.B.
- b. The value of vested Dividend Equivalents that vest on the PSU Scheduled Vesting Date will be delivered to you in cash as soon as practicable after delivery of the shares of Common Stock described in II.B.4.a. above, and in no event later than 60 days following the PSU Scheduled Vesting Date, except as otherwise provided in Sections III., IV., and VI.B.
- c. The delivery of shares of Common Stock and/or cash or other property that may be deliverable under these Terms and Conditions, is conditioned on the satisfaction or withholding of any applicable tax obligations, as described in Section II.C.
- d. Any shares of Common Stock and/or cash or other property that may be deliverable following your death shall be delivered to the person or persons to whom your rights pass by will or the law of descent and distribution, and such delivery shall completely discharge the Company's obligations under the Award.
- e. Notwithstanding the foregoing, additional delivery rules for certain Award recipients subject to U.S. federal income tax (whether or not the recipient is a U.S. citizen or employed in the U.S.) are reflected in Section III.K.

C. Satisfaction of Tax Obligations.

1. **Personal Tax Advisor.** Neither the Company nor any Company employee is authorized to provide personal tax advice to you. It is recommended that you consult with your personal tax advisor for more detailed information regarding the tax treatment of the Award, especially before making any decisions that rely on that tax treatment.
2. **U.S. Employees - Performance Stock Units and Dividend Equivalents.** Applicable employment taxes are required by law to be withheld when a PSU or Dividend Equivalent vests, or, if later, when the number of shares of Common Stock deliverable in respect of a PSU (or the amount of cash payable in respect of a Dividend Equivalent corresponding to a PSU) is determined. Applicable income taxes are required by law to be withheld when shares of Common Stock in respect of PSUs or cash in respect of Dividend Equivalents are delivered to you. A sufficient number of whole shares of Common Stock, cash or other property, as applicable, will be retained by Marsh & McLennan Companies to satisfy the tax-withholding obligation.

3. Non-U.S. Employees.

a. Performance Stock Units and Dividend Equivalents. In most countries, the value of a PSU or Dividend Equivalent is generally not taxable on the grant date. If the value of the PSU or Dividend Equivalent is not taxable on the grant date, it will, in most countries, be taxed at a later time, for example, upon delivery of a share of Common Stock in respect of the PSU that vests, and/or the subsequent sale of the share of Common Stock received in connection with the vesting of the PSU, or upon delivery of cash in respect of a Dividend Equivalent.

b. Withholding. Marsh & McLennan Companies and/or your employer shall have the power and the right to deduct and withhold from the Award and other compensation or to require you to remit to Marsh & McLennan Companies and/or to your employer, an amount sufficient to satisfy any taxes that Marsh & McLennan Companies expects to be payable under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, payroll taxes, fringe benefits, payment on account, capital gain taxes, transfer taxes, social security contributions and National Insurance Contributions with respect to the Award, and any and all associated tax events derived therefrom. If applicable, Marsh & McLennan Companies and/or your employer may retain and sell a sufficient number of whole shares of Common Stock distributable in respect of the Award for this purpose.

III. EMPLOYMENT EVENTS

A. Death.

In the event your employment is terminated because of your death, all of the unvested PSUs that are outstanding as of the date of your death will fully vest and will be distributed within 60 days following such date. The Performance Period will be deemed to have ended on December 31 of the year immediately preceding the date of your death, and the number of shares of Common Stock distributable in respect of the PSUs will be determined in accordance with Section II.B.1.; provided that, in the event that your death occurs on or prior to December 31 of the year in which the PSUs are granted, you will receive one (1) share of Common Stock in respect of each PSU.

B. Permanent Disability.

Upon the occurrence of your Permanent Disability, all of the unvested PSUs that are outstanding as of the occurrence of your Permanent Disability will remain outstanding until the PSU Scheduled Vesting Date and will be distributed as soon as practicable following the PSU Scheduled Vesting Date as described in Section II.B.4; provided that you have satisfied the conditions described in Section III.I.1.; and provided further that the number of shares of Common Stock distributable in respect of such PSUs will be determined in accordance with Section II.B.1.

C.Termination by You Outside of the European Union – Age and Service Pro-Rata Vesting. If you have satisfied the Age and Service Criteria for Pro-Rata Vesting (as defined in Section V.B.) but do not satisfy the Age and Service Criteria for Full Vesting (as defined in Section V.A.) on or before the date you terminate your employment with the Company for any reason other than death or the occurrence of your Permanent Disability and you are determined by Marsh & McLennan Companies, in its sole discretion, to be employed outside the European Union, then this Section III.C. shall apply. For the avoidance of doubt, Section III.F. will govern the treatment of the Award in the event your employment is terminated by the Company other than for Cause (as defined in Section V.C.).

Upon such termination of employment, a pro-rata portion of the unvested PSUs that are outstanding as of such termination of employment will remain outstanding (as described in Section III.J.) until the PSU Scheduled Vesting Date and will be distributed as soon as practicable following the PSU Scheduled Vesting Date as described in Section II.B.4; provided that you have satisfied the conditions described in Section III.I.1., and provided further that the number of shares of Common Stock distributable in respect of such PSUs will be determined in accordance with Section II.B.1. The portion of the unvested PSUs that does not remain outstanding pursuant to this paragraph will be forfeited and cancelled.

D.Termination by You Outside of the European Union – Age and Service Full Vesting. If you have satisfied the Age and Service Criteria for Full Vesting on or before the date you terminate your employment with the Company for any reason other than death or the occurrence of your Permanent Disability and you are determined by Marsh & McLennan Companies, in its sole discretion, to be employed outside of the European Union, then this Section III.D. shall apply. For the avoidance of doubt, Section III.F. will govern the treatment of the Award in the event your employment is terminated by the Company other than for Cause.

Upon such termination of employment, all of the unvested PSUs that are outstanding as of such termination of employment will remain outstanding until the PSU Scheduled Vesting Date and will be distributed as soon as practicable following the PSU Scheduled Vesting Date as described in Section II.B.4; provided that you have satisfied the conditions described in Section III.I.1., and provided further that the number of shares of Common Stock distributable in respect of such PSUs will be determined in accordance with Section II.B.1.

E.Termination by You Within the European Union - Retirement Treatment. If you are determined by the Retirement Treatment Committee (as defined in Section V.J.) to be eligible for retirement treatment on or following the time you terminate your employment with the Company for any reason other than death or the occurrence of your Permanent Disability and you are determined by the Company, in its sole discretion, to be employed within the European Union, then this Section III.E. shall apply. Prior to distribution, Marsh & McLennan Companies, in its sole discretion, may ask you to reaffirm the existence of the facts and factors upon which the determination to provide retirement treatment was made. For the avoidance of doubt, Section III.F. will govern the treatment of the Award in the event your employment is terminated by the Company other than for Cause.

Upon your termination of employment, a pro-rata portion of the unvested PSUs that are outstanding as of such termination of employment will remain outstanding (as described in Section III.J.) until the later to occur of the PSU Scheduled Vesting Date or the determination by the Retirement Treatment Committee that you are eligible for retirement treatment, and will be distributed as soon as practicable, and in no event later than 60 days, thereafter; provided that you have satisfied the conditions described in Section III.I.1., and provided further that the number of shares of Common Stock distributable in respect of such PSUs will be determined in accordance with Section II.B.1. The portion of the unvested PSUs that does not remain outstanding pursuant to this paragraph will be forfeited and cancelled.

F.Termination by the Company Other Than for Cause.

1.Treatment of Performance Stock Units.

a.General. Except as otherwise provided in Sections III.F.1.b. and IV., in the event the Company, in its sole discretion, determines that your employment is terminated other than for Cause, a pro-rata portion of the unvested PSUs that are outstanding as of such termination of employment will remain outstanding (as described in Section III.J.) until the PSU Scheduled Vesting Date and will be distributed as soon as practicable following the PSU Scheduled Vesting Date as described in Section II.B.4; provided that you have satisfied the conditions described in Section III.I.2., and provided further that the number of shares of Common Stock distributable in respect of such PSUs will be determined in accordance with Section II.B.1. The portion of the unvested PSUs that does not remain outstanding pursuant to this paragraph will be forfeited and cancelled. For the avoidance of doubt, this Section III.F.1.a. shall apply regardless of whether you are determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment or you have satisfied the Age and Service Criteria for Pro-Rata Vesting on or before your termination of employment by the Company.

b.Termination by the Company Other Than for Cause After Satisfaction of Age and Service Criteria for Full Vesting. In the event the Company, in its sole discretion, determines that your employment is terminated other than for Cause, and on or before such time you satisfy the Age and Service Criteria for Full Vesting, all unvested PSUs that are outstanding as of such termination of employment will remain outstanding until the PSU Scheduled Vesting Date and will be distributed as soon as practicable following the PSU Scheduled Vesting Date as described in Section II.B.4; provided that you have satisfied the conditions described in Section III.I.2., and provided further that the number of shares of Common Stock distributable in respect of such PSUs will be determined in accordance with Section II.B.1. For the avoidance of doubt, this Section III.F.1.b. shall not apply (and rather Section III.F.1.a. shall apply) if you are determined by the Company, in its sole discretion, to be employed within the European Union.

2. Important Notes.

a. Sale of Business Unit. For purposes of this Award, in the event of a sale or similar transaction involving the business unit for which you work ("*Employing Company*") as a result of which the Employing Company ceases to be a subsidiary or affiliate of Marsh & McLennan Companies, your employment will be deemed terminated by the Company other than for Cause, even if your employment with the Employing Company continues after the sale or similar transaction.

b. Constructive Discharge. The Award will not vest, whether on a pro-rata or full basis, upon a constructive discharge, including if any court or regulatory agency retroactively concludes or interprets events to have constituted a constructive discharge.

G. All Other Terminations. For all other terminations of employment not described in Sections III.A. through F. or Section IV. (including, but not limited to, a termination by the Company for Cause, your resignation without having satisfied the Age and Service Criteria for Pro-Rata Vesting as described in Section III.C., your resignation without having satisfied the Age and Service Criteria for Full Vesting as described in Section III.D., or your resignation without having been determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment as described in Section III.E.), any rights, title and interest in and to any remaining unvested portion of the Award shall be cancelled as of the date your employment is treated as having terminated as described in Section III.H.

H. Date of Termination of Employment.

1. If Section III.H.2. does not apply to you, then for purposes of determining vesting under Section II.B.2. and the number of unvested PSUs that vest on a pro-rata basis as described in Section III.J., your employment will be treated as having terminated on your last day of employment with the Company.

2. If you are a Guy Carpenter employee in the United States who is obligated to provide the Company at least 60 days advance written notice of your intention to terminate your employment for any reason, then, if your employment terminates pursuant to Section III.G. your employment will be treated as having terminated for purposes of determining vesting under Section II.B.2. on the date that is 60 days prior to your last day of employment with the Company. Notwithstanding the foregoing, if your employment is terminated after providing notice pursuant to the preceding sentence but prior to the intended termination date provided in such notice (i) by the Company other than for Cause or (ii) pursuant to a written agreement, the terms of which provide that your termination of employment has been by mutual agreement between you and the Company, then the Company may, in its sole discretion, determine that for purposes of determining vesting under Section II.B.2. your employment will be treated as having terminated on a date later than the date that is 60 days prior to your last day of employment with the Company, but in no event later than your last day of employment with the Company.

I. Conditions for All or a Portion of an Award to Remain Outstanding Following a Termination of Employment.

- 1. Restrictive Covenants Agreement.** In the event of (i) the occurrence of your Permanent Disability as described in Section III.B., (ii) your termination of employment after satisfying the Age and Service Criteria for Pro-Rata Vesting or the Age and Service Criteria for Full Vesting as described in Sections III.C. and D., respectively, or (iii) a determination by the Retirement Treatment Committee that you are eligible for retirement treatment as described in Section III.E., you will be required to execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and return to Marsh & McLennan Companies (or an agent appointed by Marsh & McLennan Companies) a Restrictive Covenants Agreement. Failure to (a) execute or reaffirm such an agreement by the date specified by the Company, which shall be in no event later than 60 days following the occurrence of your Permanent Disability as described in Section III.B. or your termination of employment as described in Section III.C. or III.D., and no later than 60 days following the determination that you are eligible for retirement treatment if your termination of employment is pursuant to III.E., or (b) comply with the Restrictive Covenants Agreement or to continue to be in compliance with the Restrictive Covenants Agreement as of the delivery date for Performance Stock Units (as described in Section II.B.4.) or, at the Company's discretion, to reaffirm compliance prior to the delivery date, will result in the cancellation or forfeiture of any rights, title and interest in and to the Award without any liability to the Company.
- 2. Waiver and Release and Restrictive Covenants Agreement.** In the event of your termination of employment by the Company other than for Cause as described in Section III.F., you will be required to (i) execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and return to Marsh & McLennan Companies (or an agent appointed by Marsh & McLennan Companies) a Restrictive Covenants Agreement and (ii) execute and not revoke a waiver and release agreement, if provided to you by the Company at the time of your termination of employment. Failure to meet these requirements by the date specified by the Company, which shall be in no event later than 60 days following your termination of employment, or failure to comply with the waiver and release agreement or the Restrictive Covenants Agreement, as applicable, or failure to continue to be in compliance with the applicable agreement as of the delivery date for Performance Stock Units (as described in Section II.B.4.) and, at the Company's discretion, to reaffirm compliance prior to the delivery date, will result in the cancellation or forfeiture of any rights, title and interest in and to the Award without any liability to the Company.

J.Determination of Pro-Rata Calculation upon Termination of Employment.

The pro-rata portion of the unvested PSUs and accrued dividend equivalents that are outstanding as of a termination of employment that will become distributable under certain circumstances described in Section III. will be determined using the following formula:

$$\left(A \times \frac{B}{C} \right) - D$$

where

- A = the number of PSUs/accrued dividend equivalents covered by the Award;
- B = the number of days in the period beginning on the grant date of the Award and ending on the date of your termination of employment, as determined in accordance with Section III.H.1.;
- C = the number of days in the period beginning on the grant date of the Award and ending on the PSU Scheduled Vesting Date, as applicable; and
- D = the number of PSUs/accrued dividend equivalents that have previously vested.

K.Section 409A of the Code for Award Recipients Subject to U.S. Federal Income Tax (whether or not the recipient is a U.S. citizen or employed in the U.S.).

- 1.For Award recipients subject to U.S. federal income tax, notwithstanding any other provision herein, the Award may be subject to additional restrictions to ensure compliance with (or continued exemption from) the requirements of Section 409A of the Code (as defined in Section V.K.). The Committee intends to administer the Award in accordance with Section 409A of the Code and reserves the right to make changes in the terms or operations of the Award (including changes that may have retroactive effect) deemed necessary or desirable to comply with Section 409A of the Code. This means, for example, that the timing of distributions may be different from those described in the Award Documentation that do not reflect Section 409A of the Code. If the Award is not in compliance with Section 409A of the Code, you may be subject to immediate taxation of all unpaid awards under the Plan that are subject to Section 409A of the Code at your regular federal income tax rate, plus a 20% additional tax, plus interest at the underpayment rate plus 1%, as well as any state and local taxes, penalties, additional taxes and interest, if applicable, imposed under any state tax law similar to Section 409A of the Code.
- 2.Notwithstanding any other provision herein, if any portion of the Award is determined to be nonqualified deferred compensation subject to Section 409A of the Code, any references to "termination of employment," or "when you are no longer employed" in these Terms and Conditions shall have the following meaning:

Your “termination of employment” (or similar terms) shall occur when you have incurred a “separation from service” within the meaning of Section 409A of the Code and as further defined herein. Specifically, you will have incurred a “separation from service” when the level of services you provide to the Company in any capacity, including as an employee, director, independent contractor or consultant, does not exceed 20% of the average level of services that you provided to the Company in the preceding 36 months (or shorter period of service if, for example, your total service with the Company is less than 36 months), all as determined in accordance with Section 409A of the Code. In determining whether a “separation from service” has occurred, any period of up to six months during which you are on a bona fide leave of absence or up to 29 months during which you are absent from work due to a disability for which you are receiving Marsh & McLennan Companies long-term disability benefits will be ignored.

3. Notwithstanding any other provision herein, if at the time of your termination of employment you are a “specified employee” (as defined in Section 409A of the Code), no portion of the Award that is determined to be nonqualified deferred compensation subject to Section 409A of the Code can be distributed prior to the first day of the seventh month after your termination of employment and any such distributions to which you would otherwise be entitled during the first six months following your termination of employment will be accumulated and paid without interest on the first day of the seventh month after your termination of employment. The provisions of this subparagraph will only apply if and to the extent required to avoid any “additional tax” under Section 409A of the Code.
4. Notwithstanding any provision herein, if (i) a Change in Control occurs on or prior to December 31 of the second year of the three-year Performance Period and (ii) no earlier than in the third year of the three-year Performance Period, (A) you satisfy the Age and Service Criteria for Pro-Rata Vesting, (B) you satisfy the Age and Service Criteria for Full Vesting, (C) you are determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment, (D) you are terminated by the Company other than for Cause, or (E) the occurrence of your Permanent Disability, then shares of Common Stock deliverable on the PSU Scheduled Vesting Date in respect of the PSUs covered by the Award shall be distributed to you as soon as practicable following the PSU Scheduled Vesting Date, and in no event later than March 15 of the year in which the PSU Scheduled Vesting Date occurs.

5. Special 409A Distribution Provisions for Performance Stock Units and payments attributable to Performance Stock Units.

- a. Notwithstanding any provision herein, with respect to distributions of PSUs or cash attributable to such PSUs (i) where, prior to [DATE], you have satisfied or would satisfy the Age and Service Criteria either for Full Vesting or Pro-Rata Vesting and (ii) where such distributions are subject to one or more Employment-Related Actions:
 - i. With respect to PSUs, no later than December 31st of the year in which the PSU Scheduled Vesting Date occurs, shares of Common Stock

underlying such PSUs that relate to the PSU Scheduled Vesting Date, shall be delivered to you (to the extent not previously delivered), subject to a stop transfer order and subject to withholding of any applicable tax obligations, as described in Section II.C. at the time of such delivery. Upon your timely satisfaction of all applicable Employment-Related Actions, Marsh & McLennan Companies will remove or cause to be removed such stop transfer order; and

- ii. With respect to a cash payment attributable to PSUs, to the extent any such payment will not be made by December 31st of the year in which the PSU Scheduled Vesting Date occurs, any payment that relates to the PSU Scheduled Vesting Date shall be placed in escrow or contributed to a secular trust (in the sole discretion of the Marsh & McLennan Companies) for your benefit on or before such December 31st and subject to withholding of any applicable tax obligations, as described in Section II.C. at the time of such placement or contribution. Upon your timely satisfaction of all applicable Employment-Related Actions, Marsh & McLennan Companies shall cause such amounts to be released from escrow or paid to you out of such trust.

In either case, if any Employment-Related Action is not timely satisfied, the shares of Common Stock or the cash payment shall revert to the Marsh & McLennan Companies with no further compensation due to you.

6. Nothing in this Section III.K. is intended to nor does it guarantee that the Award will not be subject to "additional tax" or other adverse tax consequences under Section 409A of the Code or any similar state tax law.

IV. CHANGE IN CONTROL PROVISIONS

A. Treatment of Performance Stock Units.

1. General. Upon the occurrence of a Change in Control (as defined in Section V.D.), the PSUs will continue to vest in accordance with the vesting schedule specified in Sections II.B.2., subject to earlier vesting or forfeiture pursuant to Section III.; provided that upon your termination of employment by the Company other than for Cause, or by you for Good Reason (as defined in Section V.G.), during the 24-month period following such Change in Control, all unvested PSUs that are outstanding as of your termination of employment will remain outstanding and will be distributed as soon as practicable following the next PSU Scheduled Vesting Date, as described in Section II.B.4., as applicable; provided that you have satisfied the conditions described in Section IV.C. and provided further that the number of shares distributable with respect to PSUs is as described in Section IV.A.3.

2. Awards Not Assumed. Notwithstanding the foregoing, if the PSUs are not assumed, converted or replaced in connection with a Change in Control on an equivalent basis, such PSUs will fully vest immediately prior to the Change in

Control and will be distributed as soon as practicable following vesting and in no event later than 60 days following vesting.

3.Calculation of Shares Distributable with Respect to PSUs. Upon the occurrence of a “Change in Control”, the Performance Period shall be deemed to have ended on December 31 of the year preceding the year in which the Change in Control occurs, and the number of shares of Common Stock distributable in respect of the PSUs (subject to the vesting conditions applicable thereto) will be determined in accordance with Section II.B.1.; provided that, in the event that the Change in Control occurs on or prior to December 31 of the year in which the PSUs are granted, you will receive one (1) share of Common Stock in respect of each PSU that vests.

B.Waiver and Release

In the event of your termination of employment by the Company other than for Cause or by you for Good Reason during the 24-month period following such Change in Control, you will be required to execute and not revoke a waiver and release agreement, if provided by the Company at the time of your termination of employment. Failure to meet these requirements by the date specified by the Company, which shall be in no event later than 60 days following your termination of employment, or failure to comply with the waiver and release agreement, and be in compliance with the agreement, if applicable, as of the delivery date Performance Stock Units (as described in Section II.B.4.), will result in the cancellation or forfeiture of any rights, title and interest in and to the Award.

C.Other Matters

For the avoidance of doubt, in the event of your termination of employment by the Company other than for Cause or by you for Good Reason during the 24-month period following such Change in Control and, on or before the date of your termination of employment you satisfy the Age and Service Criteria for Pro-Rata Vesting or the Age and Service Criteria for Full Vesting as described in Sections III.C. and D., respectively, or you are determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment as described in Section III.E., any unvested PSUs covered by the Award will be treated as described in this Section IV.; provided that you satisfy or have satisfied, as applicable, the conditions described in Section IV.C.

V. DEFINITIONS

As used in these Terms and Conditions:

- A.** “*Age and Service Criteria for Full Vesting*” shall mean you are at least age 65 and have a minimum of one year of service with the Company. For the avoidance of doubt, Age and Service Criteria for Full Vesting is not applicable to you if you are determined by the Company, in its sole discretion, to be employed within the European Union.
- B.** “*Age and Service Criteria for Pro-Rata Vesting*” shall mean you are at least age 55 but are not yet age 65 and have a minimum of five years of service with the Company. For

the avoidance of doubt, Age and Service Criteria for Pro-Rata Vesting is not applicable to you if you are determined by the Company, in its sole discretion, to be employed within the European Union.

C. “Cause” shall mean:

1. willful failure to substantially perform the duties consistent with your position which is not remedied within 30 days after receipt of written notice from the Company specifying such failure;
2. willful violation of any written Company policies, including but not limited to, The Marsh & McLennan Companies Code of Conduct, *The Greater Good*;
3. commission at any time of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere*, or imposition of unadjudicated probation for any felony or crime involving moral turpitude;
4. unlawful use (including being under the influence) or possession of illegal drugs;
5. any gross negligence or willful misconduct resulting in a material loss to the Company, or material damage to the reputation of the Company; or
6. any violation of any statutory or common law duty of loyalty to the Company, including the commission at any time of any act of fraud, embezzlement, or material breach of fiduciary duty against the Company.

D. “Change in Control” shall have the meaning set forth in the Plan.

E. “Company” shall mean Marsh & McLennan Companies or any of its subsidiaries or affiliates.

F. “Employment-Related Action” shall mean the execution and effectiveness of a release of claims and/or a restrictive covenant.

G. “Good Reason” shall mean any one of the following events without your written consent:

1. material reduction in your base salary;
2. material reduction in your annual incentive opportunity (including a material adverse change in the method of calculating your annual incentive);
3. material diminution of your duties, responsibilities or authority; or
4. relocation of more than 50 miles from your principal place of employment immediately prior to the Change in Control; provided that you provide Marsh & McLennan Companies with written notice of your intent to terminate your employment for Good Reason within 60 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which you are relying and describing in reasonable detail the

facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision) and that you provide Marsh & McLennan Companies with at least 30 days following receipt of such notice to remedy such circumstances.

- H. "*Performance Period*" shall mean the period that begins on [DATE] and ends on [DATE]; provided that in the event of a termination of your employment due to death prior to a Change in Control, such period will end on December 31 of the year prior to such termination of employment for the PSUs covered by the Award; and provided further that in the event of a Change in Control, such period will end on December 31 of the year prior to the occurrence of such Change in Control.
- I. "*Permanent Disability*" will be deemed to occur when it is determined (by Marsh & McLennan Companies' disability carrier for the primary long-term disability plan or program applicable to you because of your employment with the Company) that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- J. "*Retirement Treatment Committee*" is comprised of employees of the Company appointed by the Committee.
- K. "*Section 409A of the Code*" shall mean Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the regulations and guidance thereunder (regarding nonqualified deferred compensation).

L. Additional Definitions.

The terms below are defined on the following pages

<i>Award</i>	1
<i>Award Documentation</i>	1
<i>Committee</i>	2
<i>Common Stock</i>	1
<i>Country-Specific Notices</i>	1
<i>Dividend Equivalent</i>	2
<i>Employing Company</i>	7
<i>Marsh & McLennan Companies</i>	1
<i>Plan</i>	1
<i>PSU</i>	2
<i>PSU Scheduled Vesting Date</i>	2
<i>Restrictive Covenants Agreement</i>	1
<i>Terms and Conditions</i>	1

VI. ADDITIONAL PROVISIONS

A. Additional Provisions—General

- 1. Administrative Rules.** The Award shall be subject to such additional administrative regulations as the Committee may, from time to time, adopt. All decisions of the Committee upon any questions arising under the Award

Documentation shall be conclusive and binding. The Committee may delegate to any other individual or entity the authority to perform any or all of the functions of the Committee under the Award, and references to the Committee shall be deemed to include any such delegate.

2.Amendment. The Committee may, in its sole discretion, amend the terms of the Award, including, without limitation, to impose additional requirements on the Award and on any shares of Common Stock acquired with respect to the Award; provided, however, that if the Committee concludes, in its sole discretion, that such amendment is likely to materially impair your rights with respect to the Award, such amendment shall not be implemented with respect to the Award without your consent, except to the extent that any such action is made to cause the Award to comply with applicable law, currency controls, stock market or exchange rules and regulations, or accounting or tax rules and regulations, or is otherwise made in accordance with Section VI.A.4.

3.Limitations. Payment of the Award is not secured by trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of Marsh & McLennan Companies by reason of the Award. Your right to payment of the Award is the same as the right of an unsecured general creditor of Marsh & McLennan Companies.

4.Cancellation or Clawback of Awards.

- a. Marsh & McLennan Companies may, to the extent permitted or required by any applicable law, stock exchange rules, currency controls, or any applicable Company policy or arrangement in effect prior to the vesting of any unvested portion of the Award, or as specified in the Award Documentation, cancel, reduce or require reimbursement of the Award.
- b. If (i) Section III.H.2. is applicable to you, (ii) you terminate your employment with the Company under Section III.G. and such termination of employment occurs within 60 days following the PSU Scheduled Vesting Date, (iii) you receive delivery of the portion of the Award that was thought to have vested on the PSU Scheduled Vesting Date pursuant to Section II.B.4. and (iv) the date of your termination of employment as determined pursuant to Section III.H.2. is before the PSU Scheduled Vesting Date, then you will be required to reimburse the Company for the portion of the Award you received following the PSU Scheduled Vesting Date.
- c. If you fail to repay any amount due pursuant to this Section VI.A.4., the Company may bring an action in court to recover the amount due. You acknowledge that, by accepting the Award, you agree to pay all costs, expenses and attorney's fees incurred by the Company in any proceeding for the collection of amounts due pursuant to this Section VI.A.4., provided that the Company prevails in whole or in part in any such proceeding. The Company may also, to the extent permitted by applicable law, reduce any amounts owed to you by the Company in an amount up to the full amount of the repayment due.

5. Governing Law; Choice of Forum. The Award and the Award Documentation applicable to the Award are governed by and subject to the laws of the State of Delaware, without regard to the conflict of law provisions, as set forth in Section 10.J of the Plan. For purposes of any action, lawsuit, or other proceedings arising out of or relating to this Award, including without limitation, to enforce the Award Documentation, the Company and you each hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any New York state court or federal court of the United States of America sitting in the State of New York, and any appellate court thereof. The Company and you agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

6. Severability; Captions. In the event that any provision of this Award is determined to be invalid or unenforceable, in whole or in part, the remaining provisions of this Award will be unaffected thereby and will remain in full force and effect to the fullest extent permitted by law. The captions of this Award are not part of the provisions of this Award and will have no force or effect.

7. Electronic Delivery and Acceptance. Marsh & McLennan Companies may, in its sole discretion, decide to deliver any documents related to the Award and/or your current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Marsh & McLennan Companies or an agent appointed by Marsh & McLennan Companies.

8. Waiver. You acknowledge that neither a waiver by Marsh & McLennan Companies of your breach of any provision of the Award Documentation nor a prior waiver by Marsh & McLennan Companies of a breach of any provision of the Award Documentation by any other participant of the Plan shall operate or be construed as a waiver of any other provision of the Award Documentation, or of any subsequent breach by you.

B. Additional Provisions—Outside of the United States

1. Changes to Delivery. In the event that Marsh & McLennan Companies considers that due to legal, regulatory or tax issues the normal delivery of an Award (as described in these Terms and Conditions) to a participant outside the United States would not be appropriate, then Marsh & McLennan Companies may, in its sole discretion, determine how and when the value of the Award will be delivered. Without limitation, this may include making any payments due under the Award in cash instead of shares of Common Stock, or in shares of Common Stock instead of cash or vesting after payment of applicable taxes and fees or, delivering or paying out the Award as soon as practicable following a termination of employment. If the value of an Award is to be delivered in cash instead of shares of Common Stock, Marsh & McLennan Companies may sell any shares of Common Stock distributable in respect of the Award on your behalf and use the proceeds (after payment of applicable taxes and fees) to satisfy the Award.

2. Amendment and Modification. The Committee may modify the terms of any Award under the Plan granted to you in any manner deemed by the Committee to be necessary or appropriate in order for such Award to conform to laws, regulations and customs of the country (other than the United States) in which you are then resident or primarily employed or were resident or primarily employed at the time of grant or during the term of the Award, or so that the value and other benefits of the Award to you, as affected by non-U.S. tax laws and other restrictions applicable as a result of your residence or employment outside of the United States, shall be comparable to the value of such an Award to an individual who is resident or primarily employed in the United States.

VII. QUESTIONS AND ADDITIONAL INFORMATION

Please retain this document in your permanent records. If you have any questions regarding the Award Documentation or if you would like an account statement detailing each type of equity-based award and the number of shares of Common Stock covered by such equity-based award that comprises the Award, and the vesting date(s) of such equity-based awards that comprise the Award, or any other information, please contact:

Global & Executive Compensation
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036-2774
United States of America
Telephone Number: +1 212 345-9722
Facsimile Number: +1 212 948-8481
Email: mmc.compensation@mmc.com

IN WITNESS WHEREOF, Marsh & McLennan Companies has caused these Terms & Conditions to be duly executed by the facsimile signature of its Senior Vice President, Chief Human Resources Officer as of the day and year first above written. By consenting to these Terms and Conditions, you agree to the following: (i) you have carefully read, fully understand and agree to all of the terms and conditions described herein and in the Award Documentation; and (ii) you understand and agree that these Terms & Conditions and the Award Documentation constitute the entire understanding between you and Marsh & McLennan Companies regarding the Award, and that any prior agreements, commitments or negotiations concerning the Award are replaced and superseded. The grant of the Award is contingent upon your acceptance of these Terms and Conditions, Country-Specific Notices and Restrictive Covenants Agreement (if applicable) by the date and in the manner specified in materials provided to you by Global & Executive Compensation and/or the Company's stock plan service provider. If you decline the Award or you do not accept the Award and any applicable documents described in the preceding sentence by the date and in the manner specified, the Award will be cancelled as of the grant date of the Award.

/s/Laurie Ledford
Laurie Ledford
SVP, Chief Human Resources Officer

MARSH & McLENNAN COMPANIES, INC.
2011 INCENTIVE AND STOCK AWARD PLAN

TERMS AND CONDITIONS
OF
STOCK OPTION AWARDS
GRANTED ON [DATE], 2017

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I. BACKGROUND

A Stock Option award (“Award”) has been granted to you under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan (the “Plan”), subject to your acceptance as described in Section II.A.1. The number of shares of Marsh & McLennan Companies, Inc. (“Marsh & McLennan Companies”) common stock covered by the Award, instructions on how to accept or decline the Award and the deadline for accepting the Award will be provided to you by Global & Executive Compensation and/or the stock plan service provider of the Company (as defined in Section V.E.). The Award is also subject to the terms and conditions set forth herein (the “Terms and Conditions”) and to additional terms and conditions as set forth in the country-specific notices (the “Country-Specific Notices”). The Prospectus dated [DATE], also describes important information about the Plan. The Terms and Conditions, the Country-Specific Notices and the Plan will be referred to herein as the “Award Documentation”. As used herein, “Common Stock” means common stock of Marsh & McLennan Companies.

Capitalized terms in these Terms and Conditions are defined in Section V.

II. AWARDS

A. General.

- 1. Award Acceptance.** The grant of this Award is contingent upon your acceptance, by the date and in the manner specified by Global & Executive Compensation and/or the Company’s stock plan service provider, of these Terms and Conditions, the Country-Specific Notices and Restrictive Covenants Agreement as described in Section II.A.3. If you decline the Award or if you do not accept the Award and any applicable documents described in the preceding sentence by the deadline date and in the manner specified, then the Award will be cancelled as of the grant date of the Award.
- 2. Rights of Award Holders.** Unless and until the vesting conditions of the Award have been satisfied and shares of Common Stock, as applicable, have been delivered to you upon your exercise of the Award in accordance with the Award Documentation, you have none of the rights of ownership to such shares (e.g., Options cannot be transferred or assigned; Options have no voting rights, etc.).
- 3. Restrictive Covenants Agreement.** As described in Section II.A.1., a Restrictive Covenants Agreement (“Restrictive Covenants Agreement”) in a form determined by Marsh & McLennan Companies must be in place in order to accept the Award, you must execute or reaffirm, as determined by Marsh & McLennan Companies, in its sole discretion, the Restrictive Covenants Agreement in order for the Award to vest pursuant to certain employment events as described in Section III., and you must further execute or reaffirm, as determined by Marsh & McLennan Companies, in its sole discretion, and be in compliance with the Restrictive Covenants Agreement in order to exercise an Option whether or not you are employed by the Company at that time. Failure to timely execute the Restrictive Covenants Agreement by the date specified by the Company or failure to timely execute or reaffirm and comply with the Restrictive Covenants Agreement as described in

Section III.H1. or 2., as applicable, will result in cancellation or forfeiture of any rights, title and interest in and to the Award, without any liability to the Company.

B. Stock Options.

- 1. General.** A stock option ("Option") represents the right to purchase a number of shares of Common Stock (the "Option Shares") at a specified exercise price for a specified period.
- 2. Vesting.** Subject to your continued employment, 25% of the Option Shares covered by the Option will vest on each of the first four anniversaries of the grant date of the Award. Each date on which an Option Share covered by the Option is scheduled to vest is an "*Option Scheduled Vesting Date*." In the event of your termination of employment or occurrence of your Permanent Disability prior to an Option Scheduled Vesting Date, your right to any Option Shares covered by the Option that are unvested immediately prior to your termination of employment or occurrence of your Permanent Disability, as applicable, will be determined in accordance with Section III. For the avoidance of doubt, the date of your termination of employment for purposes of this Section II.B.2. will be determined in accordance with Section III.G.
- 3. Term.** Subject to your continued employment, the Option will expire on the day immediately preceding the tenth anniversary of the grant date of the Award ("*Option Expiration Date*"). If your employment terminates before the Option Expiration Date, your right to exercise any vested Option Shares covered by the Option will be determined in accordance with Section III.
- 4. Exercisability.** The Option Shares covered by the Option will become exercisable when they vest. You are responsible for keeping track of exercise periods while actively employed and, if applicable, any post-termination exercise periods.

5. Method of Exercise of an Option.

- a. General Procedures.** An Option may be exercised by written notice (or other notice as required by the Company and/or its stock plan service provider) to Marsh & McLennan Companies or an agent appointed by Marsh & McLennan Companies, in form and substance satisfactory to Marsh & McLennan Companies, which must state the election to exercise such Option, the number of Option Shares for which such Option is being exercised and such other representations and agreements as may be required pursuant to the provisions of the Award Documentation (the "*Exercise Notice*"). The Exercise Notice must be accompanied by (i) any required income tax forms and (ii) any required reaffirmation of the Restrictive Covenants Agreement, unless (A) the Option is being exercised after your death in accordance with Section III. or (B) as otherwise determined by Marsh & McLennan Companies.
- b. Payment of Exercise Price.** Payment of the aggregate exercise price may be made with U.S. dollars or by tendering shares of Common Stock (including shares of Common Stock acquired from a stock option exercise or a stock unit award vesting).

c. Distribution of Option Shares. The shares of Common Stock from the Option exercise will be distributed as specified in the Exercise Notice, after you have satisfied applicable tax obligations, as described in Section II.C., and fees.

C. Satisfaction of Tax Obligations.

1. Personal Tax Advisor. Neither the Company nor any Company employee is authorized to provide personal tax advice to you. It is recommended that you consult with your personal tax advisor for more detailed information regarding the tax treatment of the Award, especially before making any decisions that rely on that tax treatment.

2. U.S. Employees. Applicable taxes (including employment taxes) are required by law to be withheld when a nonqualified Option is exercised. A sufficient number of whole shares of Common Stock resulting from the Option exercise will be retained by Marsh & McLennan Companies to satisfy the tax-withholding obligation unless you elect in the Exercise Notice to satisfy all applicable tax withholding in another manner.

3. Non-U.S. Employees.

a. In most countries, the value of an Option is generally not taxable on the grant date. If the value of the Option is not taxable on the grant date, it will, in most countries, be taxed at a later time, for example, upon exercise of the Option and delivery of shares of Common Stock in respect of the Option, and/or the subsequent sale of the shares of Common Stock.

b. Withholding. Marsh & McLennan Companies and/or your employer shall have the power and the right to deduct and withhold from the Award and other compensation or to require you to remit to Marsh & McLennan Companies and/or to your employer, an amount sufficient to satisfy any taxes that Marsh & McLennan Companies expects to be payable under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, payroll taxes, fringe benefits, payment on account, capital gain taxes, transfer taxes, social security contributions and National Insurance Contributions with respect to the Award, and any and all associated tax events derived therefrom. If applicable, Marsh & McLennan Companies and/or your employer may retain and sell a sufficient number of whole shares of Common Stock distributable in respect of the Award for this purpose.

III. EMPLOYMENT EVENTS

A. Death.

In the event your employment is terminated because of your death, the Option will fully vest with respect to any unvested Option Shares and will become exercisable as of the date of your death. The person or persons to whom your rights under the Option shall pass by will or the laws of descent and distribution shall be entitled to exercise such Option with respect to any Option Shares that vest (and any Option Shares that were

already vested at the time of your death) within two years after the date of death, but in no event shall the Option be exercisable after the Option Expiration Date.

B. Permanent Disability.

Upon the occurrence of your Permanent Disability, the Option will fully vest with respect to any unvested Option Shares and will become exercisable; provided that you satisfy the conditions described in Section III.H.1; and provided further that any such Option Shares that vest in accordance with this Section III.B. (and any Option Shares that were already vested at the time your Permanent Disability occurred) shall be exercisable for two years following the occurrence of your Permanent Disability, but in no event shall the Option be exercisable after the Option Expiration Date.

C. Termination by You Outside of the European Union – Age and Service Vesting . If you have satisfied the Age and Service Criteria for Vesting (as defined in Section V.A.) on or before the date you terminate your employment with the Company for any reason other than death or the occurrence of your Permanent Disability and you are determined by Marsh & McLennan Companies, in its sole discretion, to be employed outside of the European Union, then this Section III.C. shall apply. For the avoidance of doubt, Section III.E. will govern the treatment of the Award in the event your employment is terminated by the Company other than for Cause (as defined in Section V.B.).

Upon such termination of employment, the Option will continue to vest with respect to any unvested Option Shares as provided in Section II. B.2. as if your employment had not terminated and the Option Shares will become exercisable as provided in Section II.B.4., provided that you satisfy the conditions described in Section III.H.1. Provided that you satisfy the conditions described in Section III.H.1., any such Option Shares that vest (and any Option Shares that were already vested at the time of your termination of employment) shall be exercisable until the earlier of the fifth anniversary of your termination of employment and the Option Expiration Date.

D. Termination by You Within the European Union - Retirement Treatment. If you are determined by the Retirement Treatment Committee (as defined in Section V.H.) to be eligible for retirement treatment on or following the time you terminate your employment with the Company for any reason other than death or the occurrence of your Permanent Disability and you are determined by the Company, in its sole discretion, to be employed within the European Union, then this Section III.D. shall apply. For the avoidance of doubt, Section III.E. will govern the treatment of the Award in the event your employment is terminated by the Company other than for Cause (as defined in Section V.B.).

Upon such termination of employment, the Option will continue to vest with respect to any unvested Option Shares as provided in Section II.B.2. as if your employment had not terminated and the Option Shares will become exercisable as provided in Section II.B.4.; provided that you satisfy the conditions described in Section III.H.1. Provided that you satisfy the conditions described in Section III.H.1., any such Option Shares that vest (and any Option Shares that were already vested at the time of your termination of employment) shall be exercisable until the earlier of the fifth anniversary

of your termination of employment and the Option Expiration Date. For the avoidance of doubt, if an Option Scheduled Vesting Date occurs following the date that you terminate your employment but prior to the date the Retirement Treatment Committee determines that you are eligible for retirement treatment, the Options Shares that were scheduled to vest on such Option Scheduled Vesting Date will vest on the date you are determined by the Retirement Treatment Committee to be eligible for retirement treatment.

E.Termination by the Company Other Than for Cause.

1. Treatment of Stock Options.

a.General. Except as otherwise provided in Sections III.E.1.b. and IV., in the event the Company, in its sole discretion, determines that your employment is terminated other than for Cause, your rights, title and interest in and to any unvested Option Shares will be canceled upon such termination of employment. Provided that you satisfy the conditions to vesting described in Section III.H.2., any Option Shares that were vested at the time of your termination of employment shall be exercisable until the earlier of 90 days following your termination of employment and the Option Expiration Date.

b.Termination by the Company Other Than for Cause After Satisfaction of Age and Service Criteria for Vesting or You Are Determined to Be Eligible for Retirement Treatment. In the event the Company, in its sole discretion, determines that your employment is terminated other than for Cause, and on or before such time you satisfy the Age and Service Criteria for Vesting or you are determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment, the Option will continue to vest with respect to any unvested Option Shares as provided in Section II.B.2. as if your employment had not terminated and the Option Shares will become exercisable as provided in Section II.B.4.; provided that you satisfy the conditions to vesting described in Section III.H.2. Provided that you satisfy the conditions described in Section III.H.2., any such Option Shares that vest (and any Option Shares that were already vested at the time of your termination of employment) shall be exercisable until the earlier of the fifth anniversary of your termination of employment and the Option Expiration Date. For the avoidance of doubt, if an Option Scheduled Vesting Date occurs following the date that your employment is terminated by the Company but prior to the date the Retirement Treatment Committee determines that you are eligible for retirement treatment, the Options Shares that were scheduled to vest on such Option Scheduled Vesting Date will vest on the date you are determined by the Retirement Treatment Committee to be eligible for retirement treatment.

2. Important Notes.

a. Sale of Business Unit. For purposes of this Award, in the event of a sale or similar transaction involving the business unit for which you work ("*Employing Company*") as a result of which the Employing Company ceases to be a subsidiary or affiliate of Marsh & McLennan Companies, your employment will be deemed terminated by the Company other than for Cause, even if your employment with the Employing Company continues after the sale or similar transaction.

b. Constructive Discharge. The Award will not vest upon a constructive discharge, including if any court or regulatory agency retroactively concludes or interprets events to have constituted a constructive discharge.

F. All Other Terminations. For all other terminations of employment not described in Sections III.A. through E. or Section IV. (including, but not limited to, a termination by the Company for Cause, your resignation without having satisfied the Age and Service Criteria for Vesting as described in Section III.C., or your resignation without having been determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment as described in Section III.D.), any rights, title and interest in and to any remaining unvested portion of the Award shall be cancelled as of the date your employment is treated as having terminated as described in Section III.G. Provided that you satisfy the conditions to vesting described in Section III.H.1., any Option Shares that were vested at the time of your termination of employment (except if you are terminated by the Company for Cause) shall be exercisable until the earlier of 90 days following your termination of employment and the Option Expiration Date. If you are terminated by the Company for Cause, any rights, title and interest in and to any remaining vested or unvested portion of the Award shall be cancelled as of the date your employment is treated as having terminated as described in Section III.G.

G. Date of Termination of Employment.

1. If Section III.G.2. does not apply to you, then for purposes of determining vesting under Section II.B.2., your employment will be treated as having terminated on your last day of employment with the Company.

2. If you are a Guy Carpenter employee in the United States who is obligated to provide the Company at least 60 days advance written notice of your intention to terminate your employment for any reason, then, if your employment terminates pursuant to Section III.F. your employment will be treated as having terminated for purposes of determining vesting under Section II.B.2 on the date that is 60 days prior to your last day of employment with the Company. Notwithstanding the foregoing, if your employment is terminated after providing notice pursuant to the preceding sentence but prior to the intended termination date provided in such notice (i) by the Company other than for Cause or (ii) pursuant to a written agreement, the terms of which provide that your termination of employment has been by mutual agreement between you and the Company, then the Company may, in its sole discretion, determine that for purposes of determining vesting under

Section II.B.2. your employment will be treated as having terminated on a date later than the date that is 60 days prior to your last day of employment with the Company, but in no event later than your last day of employment with the Company.

H.Conditions for All or a Portion of an Award to Remain Outstanding Following a Termination of Employment and Exercisability of Options Following a Termination of Employment.

- 1. Restrictive Covenants Agreement.** In the event of (i) the occurrence of your Permanent Disability as described in Section III.B., (ii) your termination of employment after satisfying the Age and Service Criteria for Vesting as described in Sections III.C., (iii) a determination by the Retirement Treatment Committee that you are eligible for retirement treatment as described in Section III.D., or (iv) your termination of employment (other than a termination by the Company for Cause) as described in Section III.F., you will be required to execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and return to Marsh & McLennan Companies (or an agent appointed by Marsh & McLennan Companies) a Restrictive Covenants Agreement. Failure to (a) execute or reaffirm such an agreement by the date specified by the Company, which shall be in no event later than 60 days following the occurrence of your Permanent Disability as described in Section III.B. or your termination of employment as described in Section III.C. or III.F., and no later than 60 days following the determination that you are eligible for retirement treatment if your termination of employment is pursuant to III.D., or (b) comply with the Restrictive Covenants Agreement will result in the cancellation or forfeiture of any rights, title and interest in and to the Award without any liability to the Company.
- 2. Waiver and Release and Restrictive Covenants Agreement.** In the event of your termination of employment by the Company other than for Cause as described in Section III.E., you will be required to (i) execute or reaffirm, as determined by Marsh & McLennan Companies in its sole discretion, and return to Marsh & McLennan Companies (or an agent appointed by Marsh & McLennan Companies) a Restrictive Covenants Agreement and (ii) execute and not revoke a waiver and release agreement, if provided to you by the Company at the time of your termination of employment. Failure to meet these requirements by the date specified by the Company, which shall be in no event later than 60 days following your termination of employment, or failure to comply with the waiver and release agreement or the Restrictive Covenants Agreement, as applicable, or failure to continue to be in compliance with the applicable agreement will result in the cancellation or forfeiture of any rights, title and interest in and to the Award without any liability to the Company.

IV. CHANGE IN CONTROL PROVISIONS

A.Treatment of Stock Options

Upon the occurrence of a Change in Control (as defined in Section V.C.), the Option Shares will continue to vest in accordance with the vesting schedule specified in Section II.B.2 and subject to earlier vesting or forfeiture pursuant to Section III.;

provided that the Option Shares will become fully vested at your termination of employment by the Company other than for Cause, or by you for Good Reason, during the 24-month period following such Change in Control and will be treated as set forth below, provided that you satisfy the conditions described in Section IV.B Notwithstanding the foregoing, if the Option Share is not assumed, converted or replaced in connection with a Change in Control on an equivalent basis, the Option Shares will fully vest immediately prior to the Change in Control and will be treated as follows:

Provided that you satisfy the conditions described in Section IV.B., any such Option Shares that vest (and any Option Shares that were already vested at the time of your termination of employment) shall be exercisable until the earlier of (a) 90 days following your termination of employment or the occurrence of the Change in Control, as applicable, and (b) the Option Expiration Date.

B.Waiver and Release

In the event of your termination of employment by the Company other than for Cause or by you for Good Reason during the 24-month period following such Change in Control, you will be required to execute and not revoke a waiver and release agreement, if provided by the Company at the time of your termination of employment. Failure to meet these requirements by the date specified by the Company, which shall be in no event later than 60 days following your termination of employment, or failure to comply with the waiver and release agreement, and be in compliance with the agreement, if applicable, will result in the cancellation or forfeiture of any rights, title and interest in and to the Award.

C.Other Matters

For the avoidance of doubt, in the event of your termination of employment by the Company other than for Cause or by you for Good Reason during the 24-month period following such Change in Control and, on or before the date of your termination of employment you satisfy the Age and Service Criteria for Vesting as described in Section III.C., or you are determined by the Retirement Treatment Committee to be eligible for retirement treatment on or following your termination of employment as described in Section III.D., any unvested Options covered by the Award will be treated as described in this Section IV.; provided that you satisfy or have satisfied, as applicable, the conditions described in Section IV.B.; provided further that any such Option Shares that vest (and any Option Shares that were already vested at the time of your termination of employment) shall be exercisable until the earlier of the fifth anniversary of your termination of employment and the Option Expiration Date.

V. DEFINITIONS

As used in these Terms and Conditions:

A. “*Age and Service Criteria for Vesting*” shall mean: (a) you are at least age 65 and have a minimum of one year of service with the Company or (b) you are at least age 55 but are not yet age 65 and have a minimum of five years of service with the Company. For the avoidance of doubt, Age and Service Criteria for Vesting is not applicable to you if

you are determined by the Company, in its sole discretion, to be employed within the European Union.

B. “Cause” shall mean:

1. willful failure to substantially perform the duties consistent with your position which is not remedied within 30 days after receipt of written notice from the Company specifying such failure;
2. willful violation of any written Company policies, including but not limited to, The Marsh & McLennan Companies Code of Conduct, *The Greater Good*;
3. commission at any time of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere*, or imposition of unadjudicated probation for any felony or crime involving moral turpitude;
4. unlawful use (including being under the influence) or possession of illegal drugs;
5. any gross negligence or willful misconduct resulting in a material loss to the Company, or material damage to the reputation of the Company; or
6. any violation of any statutory or common law duty of loyalty to the Company, including the commission at any time of any act of fraud, embezzlement, or material breach of fiduciary duty against the Company.

C. “Change in Control” shall have the meaning set forth in the Plan.

D. “Committee” shall mean the Compensation Committee of the Board of Directors of Marsh & McLennan Companies.

E. “Company” shall mean Marsh & McLennan Companies or any of its subsidiaries or affiliates.

F. “Good Reason” shall mean any one of the following events without your written consent:

1. material reduction in your base salary;
2. material reduction in your annual incentive opportunity (including a material adverse change in the method of calculating your annual incentive);
3. material diminution of your duties, responsibilities or authority; or
4. relocation of more than 50 miles from your principal place of employment immediately prior to the Change in Control; provided that you provide Marsh & McLennan Companies with written notice of your intent to terminate your employment for Good Reason within 60 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which you are relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of your

employment under the indicated provision) and that you provide Marsh & McLennan Companies with at least 30 days following receipt of such notice to remedy such circumstances.

G. “*Permanent Disability*” will be deemed to occur when it is determined (by Marsh & McLennan Companies’ disability carrier for the primary long-term disability plan or program applicable to you because of your employment with the Company) that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

H. “*Retirement Treatment Committee*” is comprised of employees of the Company appointed by the Committee.

I. Additional Definitions.

The terms below are defined on the following pages

<i>Award</i>	1
<i>Award Documentation</i>	1
<i>Common Stock</i>	1
<i>Country-Specific Notices</i>	1
<i>Employing Company</i>	6
<i>Exercise Notice</i>	2
<i>Marsh & McLennan Companies</i>	1
<i>Option</i>	2
<i>Option Expiration Date</i>	2
<i>Option Scheduled Vesting Date</i>	2
<i>Option Shares</i>	2
<i>Plan</i>	1
<i>Restrictive Covenants Agreement</i>	1
<i>Terms and Conditions</i>	1

VI. ADDITIONAL PROVISIONS

A. Additional Provisions—General

1. Administrative Rules. The Award shall be subject to such additional administrative regulations as the Committee may, from time to time, adopt. All decisions of the Committee upon any questions arising under the Award Documentation shall be conclusive and binding. The Committee may delegate to any other individual or entity the authority to perform any or all of the functions of the Committee under the Award, and references to the Committee shall be deemed to include any such delegate.

2. Amendment. The Committee may, in its sole discretion, amend the terms of the Award, including, without limitation, to impose additional requirements on the Award and on any shares of Common Stock acquired with respect to the Award; provided, however, that if the Committee concludes, in its sole discretion, that such amendment is likely to materially impair your rights with respect to the Award, such amendment shall not be implemented with respect to the Award without your

consent, except to the extent that any such action is made to cause the Award to comply with applicable law, currency controls, stock market or exchange rules and regulations, or accounting or tax rules and regulations, or is otherwise made in accordance with Section VI.A.4.

3.Limitations. Payment of the Award is not secured by trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of Marsh & McLennan Companies by reason of the Award. Your right to payment of the Award is the same as the right of an unsecured general creditor of Marsh & McLennan Companies.

4.Cancellation or Clawback of Awards.

- a. Marsh & McLennan Companies may, to the extent permitted or required by any applicable law, stock exchange rules, currency controls, or any applicable Company policy or arrangement in effect prior to the vesting of any unvested portion of the Award, or as specified in the Award Documentation, cancel, reduce or require reimbursement of the Award.
- b. If you fail to repay any amount due pursuant to this Section VI.A.4., the Company may bring an action in court to recover the amount due. You acknowledge that, by accepting the Award, you agree to pay all costs, expenses and attorney's fees incurred by the Company in any proceeding for the collection of amounts due pursuant to this Section VI.A.4., provided that the Company prevails in whole or in part in any such proceeding. The Company may also, to the extent permitted by applicable law, reduce any amounts owed to you by the Company in an amount up to the full amount of the repayment due.

5.Governing Law; Choice of Forum. The Award and the Award Documentation applicable to the Award are governed by and subject to the laws of the State of Delaware, without regard to the conflict of law provisions, as set forth in Section 10.J of the Plan. For purposes of any action, lawsuit, or other proceedings arising out of or relating to this Award, including without limitation, to enforce the Award Documentation, the Company and you each hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any New York state court or federal court of the United States of America sitting in the State of New York, and any appellate court thereof. The Company and you agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

6.Severability; Captions. In the event that any provision of this Award is determined to be invalid or unenforceable, in whole or in part, the remaining provisions of this Award will be unaffected thereby and will remain in full force and effect to the fullest extent permitted by law. The captions of this Award are not part of the provisions of this Award and will have no force or effect.

7.Electronic Delivery and Acceptance. Marsh & McLennan Companies may, in its sole discretion, decide to deliver any documents related to the Award and/or your

current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Marsh & McLennan Companies or an agent appointed by Marsh & McLennan Companies.

8.Waiver. You acknowledge that neither a waiver by Marsh & McLennan Companies of your breach of any provision of the Award Documentation nor a prior waiver by Marsh & McLennan Companies of a breach of any provision of the Award Documentation by any other participant of the Plan shall operate or be construed as a waiver of any other provision of the Award Documentation, or of any subsequent breach by you.

B.Additional Provisions—Outside of the United States

1.Changes to Delivery. In the event that Marsh & McLennan Companies considers that due to legal, regulatory or tax issues the normal exercise of an Award (as described in these Terms and Conditions) by a participant outside the United States would not be appropriate, then Marsh & McLennan Companies may, in its sole discretion, determine how and when the value of the Award will be delivered. Without limitation, this may include making any payments due under the Award in an amount equivalent to the value of the Award on the date of exercise after payment of applicable taxes and fees and any exercise price. If the value of an Award is to be delivered in cash instead of shares of Common Stock, Marsh & McLennan Companies may sell any shares of Common Stock distributable in respect of the Award on your behalf and use the proceeds (after payment of applicable taxes, fees and any exercise price) to satisfy the Award.

2.Amendment and Modification. The Committee may modify the terms of any Award under the Plan granted to you in any manner deemed by the Committee to be necessary or appropriate in order for such Award to conform to laws, regulations and customs of the country (other than the United States) in which you are then resident or primarily employed or were resident or primarily employed at the time of grant or during the term of the Award, or so that the value and other benefits of the Award to you, as affected by non-U.S. tax laws and other restrictions applicable as a result of your residence or employment outside of the United States, shall be comparable to the value of such an Award to an individual who is resident or primarily employed in the United States.

VII. QUESTIONS AND ADDITIONAL INFORMATION

Please retain this document in your permanent records. If you have any questions regarding the Award Documentation or if you would like an account statement detailing each type of equity-based award and the number of shares of Common Stock covered by such equity-based award that comprises the Award, and the exercise price, vesting date(s) and expiration date of such equity-based awards that comprise the Award, or any other information, please contact:

Global & Executive Compensation
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036-2774
United States of America
Telephone Number: +1 212 345-9722
Facsimile Number: +1 212 948-8481
Email: mmc.compensation@mmc.com

IN WITNESS WHEREOF, Marsh & McLennan Companies has caused these Terms & Conditions to be duly executed by the facsimile signature of its Senior Vice President, Chief Human Resources Officer as of the day and year first above written. By consenting to these Terms and Conditions, you agree to the following: (i) you have carefully read, fully understand and agree to all of the terms and conditions described herein and in the Award Documentation; and (ii) you understand and agree that these Terms & Conditions and the Award Documentation constitute the entire understanding between you and Marsh & McLennan Companies regarding the Award, and that any prior agreements, commitments or negotiations concerning the Award are replaced and superseded. The grant of the Award is contingent upon your acceptance of these Terms and Conditions, Country-Specific Notices and Restrictive Covenants Agreement (if applicable) by the date and in the manner specified in materials provided to you by Global & Executive Compensation and/or the Company's stock plan service provider. If you decline the Award or you do not accept the Award and any applicable documents described in the preceding sentence by the date and in the manner specified, the Award will be cancelled as of the grant date of the Award.

/s/Laurie Ledford
Laurie Ledford
SVP, Chief Human Resources Officer

Marsh & McLennan Companies, Inc. and Subsidiaries
Ratio of Earnings to Fixed Charges
(In millions, except ratios)

	Three Months Ended March 31, 2017		Years Ended December 31,			
	(Unaudited)	2016	2015	2014	2013	2012
Earnings						
Income before income taxes	\$ 753	\$ 2,480	\$ 2,307	\$ 2,057	\$ 1,973	\$ 1,696
Interest expense	58	189	163	165	167	181
Portion of rents representative of the interest factor	28	122	127	131	134	139
	\$ 839	\$ 2,791	\$ 2,597	\$ 2,353	\$ 2,274	\$ 2,016
Fixed Charges						
Interest expense	\$ 58	\$ 189	\$ 163	\$ 165	\$ 167	\$ 181
Portion of rents representative of the interest factor	28	122	127	131	134	139
	\$ 86	\$ 311	\$ 290	\$ 296	\$ 301	\$ 320
Ratio of Earnings to Fixed Charges	9.8	9.0	9.0	7.9	7.6	6.3

CERTIFICATIONS

I, Daniel S. Glaser, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marsh & McLennan Companies, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2017

/s/ Daniel S. Glaser

Daniel S. Glaser

President and Chief Executive Officer

CERTIFICATIONS

I, Mark C. McGivney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marsh & McLennan Companies, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2017

/s/ Mark C. McGivney

Mark C. McGivney
Chief Financial Officer

Certification of Chief Executive Officer and Chief Financial Officer

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017 of Marsh & McLennan Companies, Inc. (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Daniel S. Glaser, the President and Chief Executive Officer, and Mark C. McGivney, Chief Financial Officer, of Marsh & McLennan Companies, Inc. each certifies that, to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Marsh & McLennan Companies, Inc.

Date: April 28, 2017

/s/ Daniel S. Glaser

Daniel S. Glaser
President and Chief Executive Officer

Date: April 28, 2017

/s/ Mark C. McGivney

Mark C. McGivney
Chief Financial Officer

