**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended March 31, 2021**

**OR**

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

**For the transition period from to**

# Marsh & McLennan Companies, Inc.




**1166 Avenue of the Americas**
**New York, New York 10036**
**(212) 345-5000**

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

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of exchange on which registered |
|---|---|---|
| Common Stock, par value $1.00 per share | MMC | New York Stock Exchange<br>Chicago Stock Exchange<br>London Stock Exchange |

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 22, 2021, there were outstanding 508,531,926 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:

- the financial and operational impact of COVID-19 on our revenue and ability to generate new business, our overall level of profitability and cash flow, and our liquidity, including the timeliness and collectability of our receivables;
- the impact from lawsuits, other contingent liabilities and loss contingencies arising from errors and omissions, breach of fiduciary duty or other claims against us;
- the impact of investigations, reviews, or other activity by regulatory or law enforcement authorities;
- the financial and operational impact of complying with laws and regulations where we operate and the risks of noncompliance with such laws, including anti-corruption laws such as the U.S. Foreign Corrupt Practices Act, U.K. Anti-Bribery Act, trade sanctions regimes and cybersecurity and data privacy regulations such as the E.U.’s General Data Protection Regulation;
- our ability to maintain adequate safeguards to protect the security of our information systems and confidential, personal or proprietary information, particularly given the increased risk of cybersecurity attacks, including hacking, viruses, malware, ransomware and other types of data security breaches, as well as the heightened risk caused by remote work arrangements;
- our ability to compete effectively and adapt to changes in the competitive environment, including to respond to technological change, disintermediation, digital disruption and other types of innovation;
- our ability to manage risks associated with our investment management and related services business, particularly in the context of uncertain equity markets, including our ability to execute timely trades in light of increased trading volume and to manage potential conflicts of interest between investment consulting and fiduciary management services;
- our ability to attract and retain industry leading talent;
- the impact of changes in tax laws, guidance and interpretations, particularly due to proposals from the current administrations in the U.S. and U.K., or disagreements with tax authorities;
- our ability to successfully recover if we experience a business continuity problem due to cyberattack, natural disaster, government unrest or otherwise; and
- the regulatory, contractual and reputational risks that arise based on insurance placement activities and various insurer revenue streams.

The factors identified above are not exhaustive. Marsh & McLennan Companies, Inc. and its subsidiaries (the "Company" or "Marsh McLennan") operate in a dynamic business environment in which new risks emerge frequently. Accordingly, 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 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 the "Management’s Discussion and Analysis of Financial Condition and Results of Operations" section of this Quarterly Report on Form 10-Q and 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, | |
|---|---|---|
| *(In millions, except per share amounts)* | **2021** | 2020 |
| Revenue | **$ 5,083** | $ 4,651 |
| Expense: | | |
| Compensation and benefits | **2,807** | 2,555 |
| Other operating expenses | **918** | 1,026 |
| Operating expenses | **3,725** | 3,581 |
| Operating income | **1,358** | 1,070 |
| Other net benefit credits | **71** | 64 |
| Interest income | **—** | 2 |
| Interest expense | **(118)** | (127) |
| Investment income (loss) | **11** | (2) |
| Income before income taxes | **1,322** | 1,007 |
| Income tax expense | **324** | 240 |
| Net income before non-controlling interests | **998** | 767 |
| Less: Net income attributable to non-controlling interests | **15** | 13 |
| Net income attributable to the Company | **$ 983** | $ 754 |
| Net income per share attributable to the Company: | | |
| Basic | **$ 1.93** | $ 1.49 |
| Diluted | **$ 1.91** | $ 1.48 |
| Average number of shares outstanding: | | |
| Basic | **509** | 505 |
| Diluted | **514** | 510 |
| Shares Outstanding at March 31, | **509** | 506 |

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

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

| | Three Months Ended March 31, | |
|---|---|---|
| *(In millions)* | **2021** | 2020 |
| **Net income before non-controlling interests** | **$ 998** | $ 767 |
| **Other comprehensive income (loss), before tax:** | | |
| Foreign currency translation adjustments | **(91)** | (941) |
| Gain related to pension/post-retirement plans | **6** | 175 |
| Other comprehensive loss, before tax | **(85)** | (766) |
| Income tax expense on other comprehensive income | **2** | 26 |
| Other comprehensive loss, net of tax | **(87)** | (792) |
| Comprehensive income (loss) | **911** | (25) |
| Less: comprehensive income attributable to non-controlling interest | **15** | 13 |
| **Comprehensive income (loss) attributable to the Company** | **$ 896** | $ (38) |

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
**CONSOLIDATED BALANCE SHEETS**

| *(In millions, except share amounts)* | | **(Unaudited) March 31, 2021** | | December 31, 2020 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | **$** | **1,120** | $ | 2,089 |
| Receivables | | | | |
| Commissions and fees | | **5,032** | | 4,679 |
| Advanced premiums and claims | | **119** | | 112 |
| Other | | **592** | | 677 |
| | | **5,743** | | 5,468 |
| Less-allowance for credit losses | | **(146)** | | (142) |
| Net receivables | | **5,597** | | 5,326 |
| Other current assets | | **832** | | 740 |
| **Total current assets** | | **7,549** | | 8,155 |
| Goodwill | | **15,458** | | 15,517 |
| Other intangible assets | | **2,603** | | 2,699 |
| Fixed assets (net of accumulated depreciation and amortization of $2,197 at March 31, 2021 and $2,159 at December 31, 2020) | | **830** | | 856 |
| Pension related assets | | **1,823** | | 1,768 |
| Right of use assets | | **1,824** | | 1,894 |
| Deferred tax assets | | **704** | | 702 |
| Other assets | | **1,482** | | 1,458 |
| | **$** | **32,273** | $ | 33,049 |

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

**CONSOLIDATED BALANCE SHEETS (Continued)**

| *(In millions, except share amounts)* | | **(Unaudited) March 31, 2021** | | December 31, 2020 |
|---|---|---|---|---|
| **LIABILITIES AND EQUITY** | | | | |
| Current liabilities: | | | | |
| Short-term debt | **$** | **1,015** | $ | 517 |
| Accounts payable and accrued liabilities | | **2,940** | | 3,050 |
| Accrued compensation and employee benefits | | **1,220** | | 2,400 |
| Current lease liabilities | | **342** | | 342 |
| Accrued income taxes | | **368** | | 247 |
| Dividends payable | | **238** | | — |
| **Total current liabilities** | | **6,123** | | 6,556 |
| Fiduciary liabilities | | **8,782** | | 8,585 |
| Less – cash and investments held in a fiduciary capacity | | **(8,782)** | | (8,585) |
| | | **—** | | — |
| Long-term debt | | **10,242** | | 10,796 |
| Pension, post-retirement and post-employment benefits | | **2,594** | | 2,662 |
| Long-term lease liabilities | | **1,850** | | 1,924 |
| Liabilities for errors and omissions | | **354** | | 366 |
| Other liabilities | | **1,514** | | 1,485 |
| Commitments and contingencies | | **—** | | — |
| **Equity:** | | | | |
| Preferred stock, $1 par value, authorized 6,000,000 shares, none issued | | **—** | | — |
| Common stock, $1 par value, authorized 1,600,000,000 shares, issued 560,641,640 shares at March 31, 2021 and December 31, 2020 | | **561** | | 561 |
| Additional paid-in capital | | **851** | | 943 |
| Retained earnings | | **16,780** | | 16,272 |
| Accumulated other comprehensive loss | | **(5,197)** | | (5,110) |
| Non-controlling interests | | **162** | | 156 |
| | | **13,157** | | 12,822 |
| Less – treasury shares, at cost, 51,871,847 shares at March 31, 2021 and 52,914,550 shares at December 31, 2020 | | **(3,561)** | | (3,562) |
| **Total equity** | | **9,596** | | 9,260 |
| | **$** | **32,273** | $ | 33,049 |

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

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

| For the Three Months Ended March 31,<br>*(In millions)* | | **2021** | | 2020 |
|---|---|---|---|---|
| **Operating cash flows:** | | | | |
| Net income before non-controlling interests | **$** | **998** | $ | 767 |
| Adjustments to reconcile net income used for operations: | | | | |
| Depreciation and amortization of fixed assets and capitalized software | | **97** | | 97 |
| Amortization of intangible assets | | **100** | | 86 |
| Non cash lease expense | | **79** | | 80 |
| Adjustments and payments related to contingent consideration liability | | **(1)** | | (10) |
| Provision for deferred income taxes | | **14** | | 9 |
| Net (gain) loss on investments | | **(11)** | | 2 |
| Net loss (gain) on disposition of assets | | **3** | | (3) |
| Share-based compensation expense | | **78** | | 72 |
| Changes in assets and liabilities: | | | | |
| Net receivables | | **(275)** | | (313) |
| Other current assets | | **(91)** | | (34) |
| Other assets | | **(54)** | | 57 |
| Accounts payable and accrued liabilities | | **(73)** | | (140) |
| Accrued compensation and employee benefits | | **(1,180)** | | (1,178) |
| Accrued income taxes | | **121** | | 91 |
| Contributions to pension and other benefit plans in excess of current year credit | | **(102)** | | (85) |
| Other liabilities | | **26** | | (38) |
| Operating lease liabilities | | **(82)** | | (86) |
| Effect of exchange rate changes | | **(55)** | | (12) |
| **Net cash used for operations** | | **(408)** | | (638) |
| **Financing cash flows:** | | | | |
| Purchase of treasury shares | | **(112)** | | — |
| Net increase in commercial paper | | **—** | | 193 |
| Borrowings from term-loan and credit facilities | | **—** | | 2,000 |
| Repayments of debt | | **(4)** | | (503) |
| Purchase of non-controlling interests | | **—** | | (3) |
| Shares withheld for taxes on vested units – treasury shares | | **(93)** | | (112) |
| Issuance of common stock from treasury shares | | **35** | | 44 |
| Payments of deferred and contingent consideration for acquisitions | | **(32)** | | (29) |
| Distributions of non-controlling interests | | **(8)** | | (18) |
| Dividends paid | | **(237)** | | (232) |
| **Net cash (used for) provided by financing activities** | | **(451)** | | 1,340 |
| **Investing cash flows:** | | | | |
| Capital expenditures | | **(69)** | | (118) |
| Net sales of long-term investments | | **4** | | 57 |
| Dispositions | | **—** | | 7 |
| Acquisitions | | **—** | | (200) |
| Other, net | | **(2)** | | 9 |
| **Net cash used for investing activities** | | **(67)** | | (245) |
| **Effect of exchange rate changes on cash and cash equivalents** | | **(43)** | | (132) |
| **(Decrease) increase in cash and cash equivalents** | | **(969)** | | 325 |
| **Cash and cash equivalents at beginning of period** | | **2,089** | | 1,155 |
| **Cash and cash equivalents at end of period** | **$** | **1,120** | $ | 1,480 |

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

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

| | Three Months Ended March 31, | |
|---|---|---|
| *(In millions, except per share amounts)* | **2021** | 2020 |
| **COMMON STOCK** | | |
| Balance, beginning and end of period | **$ 561** | $ 561 |
| **ADDITIONAL PAID-IN CAPITAL** | | |
| Balance, beginning of period | **$ 943** | $ 862 |
| Change in accrued stock compensation costs | **(133)** | (129) |
| Issuance of shares under stock compensation plans and employee stock purchase plans | **41** | 14 |
| Other | **—** | (1) |
| Balance, end of period | **$ 851** | $ 746 |
| **RETAINED EARNINGS** | | |
| Balance, beginning of period | **$ 16,272** | $ 15,199 |
| Net income attributable to the Company | **983** | 754 |
| Dividend equivalents declared | **(3)** | (4) |
| Dividends declared | **(472)** | (459) |
| Balance, end of period | **$ 16,780** | $ 15,490 |
| **ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME** | | |
| Balance, beginning of period | **$ (5,110)** | $ (5,055) |
| Other comprehensive loss, net of tax | **(87)** | (792) |
| Balance, end of period | **$ (5,197)** | $ (5,847) |
| **TREASURY SHARES** | | |
| Balance, beginning of period | **$ (3,562)** | $ (3,774) |
| Issuance of shares under stock compensation plans and employee stock purchase plans | **113** | 119 |
| Purchase of treasury shares | **(112)** | — |
| Balance, end of period | **$ (3,561)** | $ (3,655) |
| **NON-CONTROLLING INTERESTS** | | |
| Balance, beginning of period | **$ 156** | $ 150 |
| Net income attributable to non-controlling interests | **15** | 13 |
| Net non-controlling interests acquired (disposed) | **—** | (3) |
| Distributions and other changes | **(9)** | (4) |
| Balance, end of period | **$ 162** | $ 156 |
| **TOTAL EQUITY** | **$ 9,596** | $ 7,451 |
| Dividends declared per share | **$ 0.93** | $ 0.91 |

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

## 1. Nature of Operations

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

The Risk and Insurance Services segment provides risk management solutions, services, advice 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. Marsh advises individual and commercial clients of all sizes on insurance broking and innovative risk management solutions. Guy Carpenter develops advanced risk, reinsurance and capital strategies that help clients grow profitably and pursue emerging opportunities.

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 consulting services and products. Oliver Wyman Group provides specialized management and economic and brand consulting services.

*Business Update Related To COVID-19*

The COVID-19 pandemic has now surpassed one year in duration and it continues to impact virtually every geography in which the Company operates. The safety and well-being of our colleagues remains our first priority, while continuing to serve the needs of our clients. Approximately 70% of the Company's offices are open, however, the vast majority of colleagues continue to work in a remote environment which is expected to continue through much of 2021. The Company continues to plan the multiple aspects of a return to the office model, considering health, colleague privacy and potential government restrictions. The Company expects to continue to service clients effectively in the current remote environment and as colleagues gradually return to the office.

Although the pandemic is ongoing, the global economy is showing signs of recovery as various countries begin to ease restrictions. The Company had strong revenue growth in the first quarter of 2021 and continues to benefit from reduced expense levels in areas such as travel and entertainment and outside services. However, uncertainty remains in the economic outlook and the ultimate extent of COVID-19 impact to the Company will depend on future developments that it is unable to predict, including new "waves" of infection, newly emerging variants of the virus, potential renewed restrictions by various governments or agencies, and the effectiveness and distribution rate of vaccines.

## 2. Principles of Consolidation and Other Matters

The Company prepared the consolidated financial statements included herein pursuant to the rules and regulations of the Securities and Exchange Commission. For interim filings, certain information and 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. 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, 2020 (the "2020 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, 2021 and 2020.

Estimates: The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. On an ongoing basis, the Company evaluates its estimates, judgments and methodologies. The estimates are based on historical experience and on various other assumptions that the Company believes are reasonable. Such matters include:

- the allowance for current expected credit losses on receivables,
- estimates of revenue,
- impairment assessments and charges,
- recoverability of long-lived assets,
- liabilities for errors and omissions,
- deferred tax assets, uncertain tax positions and income tax expense,
- share-based and incentive compensation expense,
- useful lives assigned to long-lived assets, and depreciation and amortization,
- fair value estimates of contingent consideration receivable or payable related to acquisitions or dispositions

The Company believes these estimates are reasonable based on information currently available at the time they are made. The Company also considered any COVID-19 potential impacts to its customer base in various industries and geographies and has concluded through March 31, 2021, that COVID-19 did not have a material adverse impact on the Company's financial position or estimates. The ultimate extent to which COVID-19 will directly or indirectly impact the Company's businesses, results of operations and financial condition will depend on numerous evolving factors and future developments that it is not able to predict. Actual results may differ from these estimates.

*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 primarily related to regulatory requirements outside of the United States or as collateral under captive insurance arrangements. At March 31, 2021, the Company maintained $272 million compared to $270 million at December 31, 2020 related to these regulatory requirements.

*Allowance for Credit Losses on Accounts Receivable*

The Company's policy for providing an allowance for credit losses on its accounts receivable is based on a combination of factors, including historical write-offs, aging of balances, and other qualitative and quantitative analyses. The charge related to expected credit losses was immaterial to the consolidated statement of income for the three months ended March 31, 2021.

*Investments*

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 securities, mark-to-market increases or decreases in equity investments with readily determinable fair values and equity method gains or losses on the Company's investments in private equity funds.

The Company holds investments in certain private equity funds that are accounted for in accordance with 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 accounted for using the equity method of accounting are included in "other assets" in the consolidated balance sheets.

The Company recorded net investment income of $11 million for the three months ended March 31, 2021 compared to a net investment loss of $2 million for the same period last year. The increase is primarily due to gains from its investments in private equity funds.

*Income Taxes*

The Company's effective tax rate in the first quarter of 2021 was 24.5% compared with 23.8% in the first quarter of 2020. The tax rates in both periods reflect the impact of discrete tax items such as excess tax benefits related to share-based compensation, enacted tax legislation, changes in uncertain tax positions, deferred tax adjustments and nontaxable adjustments to contingent acquisition consideration. The excess tax benefit related to share-based payments is the most significant discrete item, reducing the effective tax rate by 1.1% and 2.6% in the first quarters of 2021 and 2020, respectively.

The Company's tax rate reflects its income, statutory tax rates and tax planning in the various jurisdictions in which it operates. Significant judgment is required in determining the annual effective tax rate and in evaluating uncertain tax positions.

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. 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 was $96 million at March 31, 2021 and $98 million at December 31, 2020. It is reasonably possible that the total amount of unrecognized tax benefits will decrease between zero and approximately $35 million within the next twelve months due to settlements of audits and expirations of statutes of limitation.

*Integration and Restructuring Charges*

Severance and related costs are recognized based on amounts due under established severance plans or estimates of one-time benefits that will be provided. Typically, severance benefits are recognized when the impacted colleagues are notified of their expected termination and such termination is expected to occur within the legally required notification period. These costs are included in compensation and benefits in the consolidated statements of income.

Costs for real estate consolidation are recognized based on the type of cost, and the expected future use of the facility. For locations where the Company does not expect to sub-lease the property, the amortization of any right-of-use asset is accelerated from the decision date to the cease use date. For locations where the Company expects to sub-lease the properties subsequent to its vacating the property, the right-of-use asset is reviewed for potential impairment at the earlier of the cease use date or the date a sub-lease is signed. To determine the amount of impairment, the fair value of the right-of-use asset is determined based on the present value of the estimated net cash flows related to the property. Contractual costs outside of the right-of-use asset are recognized based on the net present value of expected future cash outflows for which the Company will not receive any benefit. Such amounts are based on estimates of future sub-lease income to be received and future contractual costs to be incurred.

These costs are included in other operating expenses in the consolidated statements of income.

Other costs related to integration and restructuring, such as moving, legal or consulting costs are recognized as incurred. These costs are included in other operating expenses in the consolidated statements of income.

**3. Revenue**

The core principle of the revenue recognition 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 applies 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. A performance obligation is satisfied either at a “point in time” or “over time” depending on the nature of the product or service provided, and the specific terms of the contract with customers.

The Company's revenue recognition guidance is provided in more detail in Note 2 of the consolidated financial statements and the notes thereto included in 2020 Form 10-K for the year ended December 31, 2020.

The following schedule disaggregates components of the Company's revenue:

| *(In millions)* | Three Months Ended March 31, 2021 | 2020 |
|---|---|---|
| **Marsh:** | | |
| EMEA | **$ 837** | $ 754 |
| Asia Pacific | **274** | 238 |
| Latin America | **90** | 91 |
| Total International | **1,201** | 1,083 |
| U.S./Canada | **1,124** | 978 |
| Total Marsh | **2,325** | 2,061 |
| Guy Carpenter | **895** | 827 |
| Subtotal | **3,220** | 2,888 |
| Fiduciary interest income | **5** | 23 |
| Total Risk and Insurance Services | **$ 3,225** | $ 2,911 |
| **Mercer:** | | |
| Wealth | **$ 623** | $ 592 |
| Health | **487** | 486 |
| Career | **178** | 173 |
| Total Mercer | **1,288** | 1,251 |
| Oliver Wyman | **585** | 511 |
| Total Consulting | **$ 1,873** | $ 1,762 |

The Company recognizes commission revenue from arrangements for a significant portion of its brokerage arrangements at a point in time on the effective date of the underlying policy. Commission revenue is estimated using historical information about the risks to be covered over the policy period, some of which are dependent on variable factors such as number of employees covered, covered payroll, airline passenger miles flown, shipped tonnage of marine cargo and others.

The following schedule provides contract assets and contract liabilities information from contracts with customers.

| *(In millions)* | March 31, 2021 | December 31, 2020 |
|---|---|---|
| Contract Assets | **$ 304** | $ 236 |
| Contract Liabilities | **$ 737** | $ 676 |

The Company records accounts receivable when the right to consideration is unconditional, subject only to the passage of time. Contract assets primarily relate to quota share reinsurance brokerage and contingent insurer revenue. The Company does not have the right to bill and collect revenue for quota share brokerage until the underlying policies written by the ceding insurer attach to the treaty. Contract assets are included in other current assets in the Company's consolidated balance sheet. Contract liabilities primarily relate to the advance consideration received from customers. Contract liabilities are included in current liabilities in the Company's consolidated balance sheet. Revenue recognized in the first three months of 2021 and 2020 that was included in the contract liability balance at the beginning of each of those years was $238 million and $289 million, respectively.

The amount of revenue recognized in the first three months of 2021 and 2020 from performance obligations satisfied in previous periods, mainly due to variable consideration from contracts with insurers, quota share business and consulting contracts previously considered constrained was $34 million and $29 million, respectively.

The Company applies the practical expedient and does not disclose the value of unsatisfied performance obligations for (1) contracts with original contract terms of one year or less and (2) contracts where the Company has the right to invoice for services performed. The revenue expected to be recognized in future periods during the non-cancellable term of existing contracts greater than one year that is related to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period is approximately $40 million for Marsh, $169 million for Mercer and $2 million for Oliver Wyman. The Company expects revenue in 2022, 2023, 2024, 2025 and

2026 and beyond of $102 million, $72 million, $29 million, $5 million and $3 million, respectively, related to these performance obligations.

**4. 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 & Insurance Services revenue includes interest on fiduciary funds ("fiduciary interest income") of $5 million and $23 million for the three month periods ended March 31, 2021 and March 31, 2020, respectively. The decrease in 2021 compared to 2020 reflects the impact of lower interest rates partially offset by a higher level of average invested funds. 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 $12.5 billion at March 31, 2021 and $11.2 billion at December 31, 2020. 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.

**5. Per Share Data**

Basic net income per share attributable to the Company is calculated by dividing the after-tax income attributable to the Company by the weighted average number of outstanding shares of the Company's common stock.

Diluted net income per share attributable to the Company is calculated by dividing the after-tax income attributable to the Company 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.

| **Basic and Diluted EPS Calculation** | | **Three Months Ended March 31,** | | |
|---|---|---|---|---|
| *(In millions, except per share amounts)* | | **2021** | | 2020 |
| Net income before non-controlling interests | **$** | **998** | $ | 767 |
| Less: Net income attributable to non-controlling interests | | **15** | | 13 |
| Net income attributable to the Company | **$** | **983** | $ | 754 |
| Basic weighted average common shares outstanding | | **509** | | 505 |
| Dilutive effect of potentially issuable common shares | | **5** | | 5 |
| Diluted weighted average common shares outstanding | | **514** | | 510 |
| Average stock price used to calculate common stock equivalents | **$** | **114.96** | $ | 107.10 |

## 6. 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, 2021 and 2020.

| *(In millions)* | | **2021** | | 2020 |
|---|---|---|---|---|
| Assets acquired, excluding cash | **$** | **—** | $ | 249 |
| Liabilities assumed | | **—** | | (5) |
| Contingent/deferred purchase consideration | | **—** | | (44) |
| Net cash outflow for current year acquisitions | **$** | **—** | $ | 200 |

| *(In millions)* | | **2021** | | 2020 |
|---|---|---|---|---|
| Interest paid | **$** | **191** | $ | 199 |
| Income taxes paid, net of refunds | **$** | **122** | $ | 136 |

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 $37 million for the three months ended March 31, 2021. This consisted of deferred purchase consideration related to prior years' acquisitions of $27 million and contingent purchase consideration of $10 million. Financing cash flows also reflect the receipt of contingent consideration of $5 million related to prior year dispositions. For the three months ended March 31, 2020, the Company paid deferred and contingent consideration of $29 million, consisting of deferred purchase consideration related to prior years' acquisitions of $25 million and contingent consideration of $4 million.

The following amounts are included in the operating section of the consolidated statements of cash flows. For the three months ended March 31, 2021, the Company paid contingent consideration payments of $1 million. For the three months ended March 31, 2020, the Company recorded a net credit for adjustments to contingent consideration liabilities of $1 million and made contingent consideration payments of $9 million.

The Company had non-cash issuances of common stock under its share-based payment plan of $212 million and $201 million for the three months ended March 31, 2021 and 2020, respectively. The Company recorded stock-based compensation expense for equity awards related to restricted stock units, performance stock units and stock options of $78 million and $72 million for the three-months ended March 31, 2021 and 2020, respectively.

## 7. Other Comprehensive Income (Loss)

The changes, net of tax, in the balances of each component of Accumulated Other Comprehensive Income ("AOCI") for the three-month periods ended March 31, 2021 and 2020, including amounts reclassified out of AOCI, are as follows:

| *(In millions)* | **Pension/Post-Retirement Plans Gains (Losses)** | **Foreign Currency Translation Gains (Losses)** | **Total Gains (Losses)** |
|---|---|---|---|
| Balance as of December 31, 2020 | **$ (4,126)** | **$ (984)** | **$ (5,110)** |
| Other comprehensive loss before reclassifications | **(36)** | **(91)** | **(127)** |
| Amounts reclassified from accumulated other comprehensive income | **40** | **—** | **40** |
| Net current period other comprehensive income (loss) | **4** | **(91)** | **(87)** |
| Balance as of March 31, 2021 | **$ (4,122)** | **$ (1,075)** | **$ (5,197)** |

| *(In millions)* | **Pension/Post-Retirement Plans Gains (Losses)** | **Foreign Currency Translation Gains (Losses)** | **Total Gains (Losses)** |
|---|---|---|---|
| Balance as of December 31, 2019 | $ (3,512) | $ (1,543) | $ (5,055) |
| Other comprehensive income (loss) before reclassifications | 109 | (930) | (821) |
| Amounts reclassified from accumulated other comprehensive income | 29 | — | 29 |
| Net current period other comprehensive income (loss) | 138 | (930) | (792) |
| Balance as of March 31, 2020 | $ (3,374) | $ (2,473) | $ (5,847) |

The components of other comprehensive income (loss) for the three-month periods ended March 31, 2021 and 2020 are as follows:

| Three Months Ended March 31, | **2021** | | | 2020 | | |
|---|---|---|---|---|---|---|
| *(In millions)* | **Pre-Tax** | **Tax (Credit)** | **Net of Tax** | Pre-Tax | Tax (Credit) | Net of Tax |
| Foreign currency translation adjustments | **$ (91)** | **$ —** | **$ (91)** | $ (941) | $ (11) | $ (930) |
| Pension/post-retirement plans: | | | | | | |
| Amortization of (gains) losses included in net periodic pension cost: | | | | | | |
| Net actuarial losses (a) | **52** | **12** | **40** | 40 | 11 | 29 |
| Subtotal | **52** | **12** | **40** | 40 | 11 | 29 |
| Foreign currency translation adjustments | **(37)** | **(8)** | **(29)** | 135 | 26 | 109 |
| Other adjustments | **(7)** | **(2)** | **(5)** | — | — | — |
| Effect of remeasurement | **(2)** | **—** | **(2)** | — | — | — |
| Pension/post-retirement plans gains | **6** | **2** | **4** | 175 | 37 | 138 |
| Other comprehensive (loss) income | **$ (85)** | **$ 2** | **$ (87)** | $ (766) | $ 26 | $ (792) |

(a) Components of net periodic pension cost are included in other net benefit credits in the consolidated statements of income. Income tax expense on net actuarial losses are included in income tax expense.

## 8. Acquisitions and Dispositions

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 values of the net tangible assets and the identifiable intangible assets purchased, which typically consist of customer relationships, developed technology, trademarks and non-compete agreements. The valuation of purchased intangible assets

involves significant estimates and assumptions. The Company estimates the fair value of purchased intangible assets, primarily using the income approach, by determining the present value of future cash flows over the remaining economic life of the respective assets. The significant estimates and assumptions used in this approach include the determination of the discount rate, economic life, future revenue growth rates, expected account attrition rates and earnings margins. Refinement and completion of final valuation of net assets acquired could affect the carrying value of tangible assets, goodwill and identifiable intangible assets.

The Company had no acquisitions during the first three months of 2021.

On April 1, 2021, MMA completed the acquisitions of PayneWest Insurance, Inc., a Montana-based full-service broker providing business insurance, surety, employee benefits and personal insurance services to companies and individuals, and The Pryor Group, LLC, a Texas-based full-service broker providing business insurance with a specialty in quick service restaurants and the personal lines of franchise owners.

The Company paid $27 million of deferred purchase consideration and $11 million of contingent consideration related to acquisitions made in prior years.

*Dispositions*

There were no dispositions during the first three months of 2021.

*Prior-Year Acquisitions*

The Risk and Insurance Services segment completed seven acquisitions during 2020.

- January – Marsh & McLennan Agency ("MMA") acquired Momentous Insurance Brokerage Inc., a California-based full-service risk management and employee benefits firm specializing in high net worth private client services and insurance solutions for the entertainment industry, and Ironwood Insurance Services, LLC, an Atlanta-based broker that provides commercial property/casualty insurance, employee benefits, and private client solutions to mid-size businesses and individuals across the U.S.
- April – MMA acquired Assurance Holdings, Inc., an Illinois-based full service brokerage providing business insurance, employee benefits, private client insurance, and retirement services to businesses and individuals across the U.S.
- June – MMA acquired Nico Insurance Services, Inc., a California-based agency providing employee benefits solutions to groups and individuals.
- December – MMA acquired Heritage Insurance Services, Inc., a Kentucky-based full service broker that provides commercial property and casualty and personal lines primarily in the trucking and transportation industry, Inspro Insurance, Inc., a Nebraska-based full service broker that provides commercial property and casualty insurance, personal lines and employee benefits services, and Compass Financial Partners, LLC, a North Carolina-based retirement consulting and investment advisory firm.

Total purchase consideration for acquisitions made during the three months ended March 31, 2020 was approximately $245 million, which consisted of cash paid of $201 million and deferred purchase and estimated contingent consideration of $44 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. In 2020, the Company also paid $25 million of deferred purchase consideration and $13 million of contingent consideration related to acquisitions made in prior years. Estimated fair values of assets acquired and liabilities assumed are subject to adjustment when purchase accounting is finalized.

The consolidated statements of income include 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, 2020 included approximately $15 million of revenue and operating income of $4 million related to acquisitions made in 2020.

*Prior year dispositions*

In 2020, the Company sold certain businesses primarily in the U.S., U.K. and Canada for cash proceeds of approximately $98 million.

*Pro-Forma Information*

The following unaudited pro-forma financial data gives effect to the acquisitions made by the Company during 2020. In accordance with accounting guidance related to pro-forma disclosures, the information presented for acquisitions made in 2020 is as if they occurred on January 1, 2019. 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.

| | Three Months Ended March 31, | |
|---|---|---|
| *(In millions, except per share figures)* | **2021** | 2020 |
| Revenue | **$ 5,083** | $ 4,705 |
| Net income attributable to the Company | **$ 983** | $ 755 |
| Basic net income per share attributable to the Company | **$ 1.93** | $ 1.50 |
| Diluted net income per share attributable to the Company | **$ 1.91** | $ 1.48 |

## 9. 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, a company can assess qualitative factors to determine whether it is necessary to perform a quantitative goodwill impairment test. Alternatively, the Company may elect to proceed directly to the quantitative goodwill impairment test. In 2020, the Company elected to perform a qualitative impairment assessment. As part of its assessment, the Company considered numerous factors, including:

- that the fair value of each reporting unit exceeds its carrying value by a substantial margin based on its most recent quantitative assessment in 2019;
- 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 2020 and concluded that goodwill was not impaired.

Other intangible assets that are not deemed to have an indefinite life are amortized over their estimated lives and assessed for impairment upon the occurrence of certain triggering events in accordance with applicable accounting literature. Based on its assessment, the Company concluded that other intangible assets were not impaired. The Company does not have any indefinite lived intangible assets.

Changes in the carrying amount of goodwill are as follows:

| March 31, *(In millions)* | **2021** | 2020 |
|---|---|---|
| Balance as of January 1, | **$ 15,517** | $ 14,671 |
| Goodwill acquired | **—** | 142 |
| Other adjustments[(a)] | **(59)** | (401) |
| Balance at March 31, | **$ 15,458** | $ 14,412 |

[(a)] Primarily reflects the impact of foreign exchange.

The goodwill arising from the acquisitions in 2020 consists largely of the synergies and economies of scale expected from combining the operations of the Company and the acquired entities and the trained and assembled workforce acquired.

Goodwill allocable to the Company's reportable segments at March 31, 2021 is as follows: Risk and Insurance Services, $11.7 billion and Consulting, $3.8 billion.

The gross cost and accumulated amortization of identified intangible assets at March 31, 2021 and December 31, 2020 are as follows:

| | **March 31, 2021** | | | December 31, 2020 | | |
|---|---|---|---|---|---|---|
| *(In millions)* | **Gross Cost** | **Accumulated Amortization** | **Net Carrying Amount** | Gross Cost | Accumulated Amortization | Net Carrying Amount |
| Client Relationships | **$ 3,717** | **$ 1,260** | **$ 2,457** | $ 3,713 | $ 1,170 | $ 2,543 |
| Other [(a)] | **387** | **241** | **146** | 386 | 230 | 156 |
| Amortized intangibles | **$ 4,104** | **$ 1,501** | **$ 2,603** | $ 4,099 | $ 1,400 | $ 2,699 |

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

Aggregate amortization expense for the three months ended March 31, 2021 and 2020 was $100 million and $86 million, respectively. The estimated future aggregate amortization expense is as follows:

| For the Years Ending December 31, *(In millions)* | Estimated Expense |
|---|---|
| 2021 (excludes amortization through March 31, 2021) | $ 258 |
| 2022 | 318 |
| 2023 | 293 |
| 2024 | 276 |
| 2025 | 238 |
| Subsequent years | 1,220 |
| | $ 2,603 |

## 10. 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 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 measured 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).

Assets and liabilities using Level 2 inputs are related to an equity security.

*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.

Assets and liabilities measured using Level 3 inputs relate to assets and liabilities for contingent purchase consideration.

*Valuation Techniques*

Equity Securities, Money Market Mutual 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 mutual funds are valued using a valuation technique that results in price per share at $1.00.

Contingent Purchase Consideration Assets and Liabilities – Level 3

Purchase consideration for some acquisitions and dispositions made by the Company include contingent consideration arrangements. Contingent consideration arrangements are based primarily on EBITDA or revenue targets over a period of two to four years. The fair value of the contingent purchase consideration asset and liability is estimated as the present value of future cash flows to be paid, based on projections of revenue and earnings and related targets of the acquired and disposed 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, 2021 and December 31, 2020.

| | Identical Assets (Level 1) | | Observable Inputs (Level 2) | | Unobservable Inputs (Level 3) | | Total | |
|---|---|---|---|---|---|---|---|---|
| *(In millions)* | **03/31/21** | 12/31/20 | **03/31/21** | 12/31/20 | **03/31/21** | 12/31/20 | **03/31/21** | 12/31/20 |
| **Assets:** | | | | | | | | |
| Financial instruments owned: | | | | | | | | |
| Exchange traded equity securities[a] | **$ 60** | $ 59 | **$ —** | $ — | **$ —** | $ — | **$ 60** | $ 59 |
| Mutual funds[a] | **183** | 186 | **—** | — | **—** | — | **183** | 186 |
| Money market funds[b] | **65** | 587 | **—** | — | **—** | — | **65** | 587 |
| Other equity investment[a] | **—** | — | **8** | 8 | **—** | — | **8** | 8 |
| Contingent purchase consideration asset[c] | **—** | — | **—** | — | **66** | 68 | **66** | 68 |
| Total assets measured at fair value | **$ 308** | $ 832 | **$ 8** | $ 8 | **$ 66** | $ 68 | **$ 382** | $ 908 |
| **Fiduciary Assets:** | | | | | | | | |
| U.S. Treasury Bills | **$ —** | $ 150 | **$ —** | $ — | **$ —** | $ — | **$ —** | $ 150 |
| Money market funds | **241** | 173 | **—** | — | **—** | — | **241** | 173 |
| Total fiduciary assets measured at fair value | **$ 241** | $ 323 | **$ —** | $ — | **$ —** | $ — | **$ 241** | $ 323 |
| **Liabilities:** | | | | | | | | |
| Contingent purchase consideration liability[d] | **$ —** | $ — | **$ —** | $ — | **$ 233** | $ 243 | **$ 233** | $ 243 |
| Total liabilities measured at fair value | **$ —** | $ — | **$ —** | $ — | **$ 233** | $ 243 | **$ 233** | $ 243 |

[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 other receivables in the consolidated balance sheets.
[d] Included in accounts payable and accrued liabilities and other liabilities in the consolidated balance sheets.

The Level 3 assets in the above chart reflect contingent purchase consideration from the sale of businesses during 2019. The change in the asset from December 31, 2020 is primarily due to the net impact of payments and accretion.

During the three-month period ended March 31, 2021, 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 for the three month periods ended March 31, 2021 and 2020:

| | Three Months Ended March 31, | |
|---|---|---|
| *(In millions)* | **2021** | 2020 |
| Balance at beginning of period | **$ 243** | $ 225 |
| Net Additions | **—** | 30 |
| Payments | **(11)** | (13) |
| Revaluation Impact | **1** | 1 |
| Other [a] | **—** | (4) |
| Balance at March 31, | **$ 233** | $ 239 |

[a] Primarily reflects the impact of foreign exchange.

**Long-Term Investments**

The Company holds investments in public and private companies as well as certain private equity investments that are accounted for using the equity method of accounting. The carrying value of these investments was $289 million and $280 million at March 31, 2021 and December 31, 2020, respectively.

*Investments in Public and Private Companies*

The Company has investments in private insurance and consulting companies with a carrying value of $172 million and $169 million at March 31, 2021 and December 31, 2020, respectively. These investments 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, some of which are on a one quarter lag basis.

*Private Equity Investments*

The Company's investments in private equity funds were $117 million and $111 million at March 31, 2021 and December 31, 2020, 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 its proportionate share of the change in fair value of the funds on the investment income (loss) line in the consolidated statements of income. These investments are included in other assets in the consolidated balance sheets. The Company recorded net investment gains of $10 million and losses of $1 million from these investments for the three month periods ended March 31, 2021 and March 31, 2020.

**Other Investments**

At March 31, 2021 and December 31, 2020, the Company held certain equity investments with readily determinable market values of $74 million and $72 million, respectively, including an investment in the common stock of Alexander Forbes (" AF") of $55 million at March 31, 2021 and $54 million at December 31, 2020. The Company also held investments without readily determinable market values of $33 million at March 31, 2021 and December 31, 2020.

In February 2020 the Company sold 49 million shares and in May 2020 sold an additional 193 million shares of the common stock of AF. Upon completion of the May 2020 transaction, the investment in AF, which was previously accounted for using the equity method of accounting was accounted for at fair value, with investment gains and losses recorded as investment income (loss) in the consolidated statement of income.

## 11. Derivatives

**Net Investment Hedge**

The Company has investments in various subsidiaries with Euro functional currencies. As a result, the Company is exposed to the risk of fluctuations between the Euro and U.S. dollar exchange rates. The Company designated its €1.1 billion senior note debt instruments ("euro notes") as a net investment hedge (the "hedge") of its Euro denominated subsidiaries. The hedge effectiveness is re-assessed each quarter to confirm that the designated equity balance at the beginning of each period continues to equal or exceed 80% of the outstanding balance of the Euro debt instrument and that all the critical terms of the hedging instrument and the hedged net investment continue to match. If the Company concludes that the hedge is highly effective, the change in the debt balance related to foreign exchange fluctuations is recorded in foreign currency translation gains (losses) in the consolidated balance sheet. The Company concluded that the hedge continues to be highly effective as of March 31, 2021. The U.S. dollar value of the euro notes decreased $53 million through March 31, 2021 due to the impact of foreign exchange rates, with a corresponding decrease to accumulated other comprehensive loss.

## 12. Leases

A lease is defined as a party obtaining the right to use an asset legally owned by another party. The Company determines if an arrangement is a lease at inception. Operating leases are recognized in the balance sheet as Right-of-Use ("ROU") assets and operating lease liabilities based on the present value of the remaining future minimum payments over the lease term at commencement date of the lease.

The Company uses discount rates to determine the present value of future lease payments. The Company primarily uses its incremental borrowing rate adjusted to reflect a secured rate, based on the information available for leases, including the lease term and interest rate environment in the country in which the lease exists. The lease terms used to calculate the ROU asset and lease liability may include options to extend or terminate when it is reasonably certain that the Company will exercise that option.

The Company leases office facilities under non-cancelable operating leases with terms generally ranging between 10 and 25 years. The Company utilizes these leased office facilities for use by its employees in countries in which the Company conducts its business. Leases are negotiated with third-parties and, in some instances contain

renewal, expansion and termination options. The Company also subleases certain office facilities to third-parties when the Company no longer utilizes the space. None of the Company's leases restrict the payment of dividends or the incurrence of debt or additional lease obligations, or contain significant purchase options. In addition to the base rental costs, our lease agreements generally provide for rent escalations resulting from increased assessments for real estate taxes and other charges. A portion of our real estate lease portfolio contains base rents subject to annual changes in the Consumer Price Index ("CPI") as well as charges for operating expenses which are reimbursable to the landlord based on actual usage. Changes to the CPI and payments for such reimbursable operating expenses are considered variable and are recognized as variable lease costs in the period in which the obligation for those payments is incurred. Approximately 99% of the Company's lease obligations are for the use of office space. All of the Company's material leases are operating leases.

As a practical expedient, the Company has elected an accounting policy not to separate non-lease components from lease components and instead account as a single lease component. The Company has also elected not to recognize ROU assets and lease liabilities for leases that, at the commencement date, are for 12 months or less.

The following chart provides additional information about the Company's property leases:

| | Three Months Ended March 31, | |
|---|---|---|
| *(In millions)* | **2021** | 2020 |
| Lease Cost: | | |
| Operating lease cost | **$ 94** | $ 92 |
| Short-term lease cost | **1** | 1 |
| Variable lease cost | **37** | 37 |
| Sublease income | **(8)** | (5) |
| Net lease cost | **$ 124** | $ 125 |
| Other information: | | |
| Operating cash outflows from operating leases | **$ 99** | $ 103 |
| Right of use assets obtained in exchange for new operating lease liabilities | **$ 22** | $ 79 |
| Weighted-average remaining lease term – real estate | **8.3 years** | 8.7 years |
| Weighted-average discount rate – real estate leases | **2.93 %** | 3.06 % |

Future minimum lease payments for the Company's operating leases as of March 31, 2021 are as follows:

| Payment Dates *(In millions)* | Real Estate Leases |
|---|---|
| Remainder of 2021 | **$ 308** |
| 2022 | **381** |
| 2023 | **332** |
| 2024 | **289** |
| 2025 | **257** |
| 2026 | **235** |
| Subsequent years | **678** |
| Total future lease payments | **2,480** |
| Less: Imputed interest | **(288)** |
| Total | **$ 2,192** |
| Current lease liabilities | **$ 342** |
| Long-term lease liabilities | **1,850** |
| Total lease liabilities | **$ 2,192** |

Note: Table excludes obligations for leases with original terms of 12 months or less which have not been recognized as a right to use asset or liability in the consolidated balance sheets.

## 13. 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 pension plans is to contribute amounts at least sufficient to meet the funding requirements set forth in accordance with applicable law.

The target asset allocation for the Company's U.S. plans is 64% equities and equity alternatives and 36% fixed income. At March 31, 2021 the actual allocation for the Company's U.S. Plan was 65% equities and equity alternatives and 35% fixed income. The target allocation for the U.K. Plans at March 31, 2021 is 28% equities and equity alternatives and 72% fixed income. At March 31, 2021, the actual allocation for the U.K. Plans was 30% equities and equity alternatives and 70% fixed income. The Company's U.K. Plans comprised approximately 81% of non-U.S. plan assets at December 31, 2020. 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**<br>For the Three Months Ended March 31, | Pension Benefits | | Post-retirement Benefits | |
|---|---|---|---|---|
| *(In millions)* | **2021** | 2020 | **2021** | 2020 |
| Service cost | **$ 10** | $ 8 | **$ —** | $ — |
| Interest cost | **85** | 106 | **—** | 1 |
| Expected return on plan assets | **(208)** | (210) | **—** | — |
| Amortization of prior service credit | **—** | — | **(1)** | (1) |
| Recognized actuarial loss | **52** | 40 | **1** | — |
| Net periodic benefit credit | **$ (61)** | $ (56) | **$ —** | $ — |

**Amounts Recorded in the Consolidated Statement of Income**

| **Combined U.S. and significant non-U.S. Plans**<br>For the Three Months Ended March 31, | Pension Benefits | | Post-retirement Benefits | |
|---|---|---|---|---|
| *(In millions)* | **2021** | 2020 | **2021** | 2020 |
| Compensation and benefits expense | **$ 10** | $ 8 | **$ —** | $ — |
| Other net benefit credits | **(71)** | (64) | **—** | — |
| Total credit | **$ (61)** | $ (56) | **$ —** | $ — |

| **U.S. Plans only**<br>For the Three Months Ended March 31, | Pension Benefits | | Post-retirement Benefits | |
|---|---|---|---|---|
| *(In millions)* | **2021** | 2020 | **2021** | 2020 |
| Interest cost | **$ 46** | $ 53 | **$ —** | $ — |
| Expected return on plan assets | **(82)** | (86) | **—** | — |
| Recognized actuarial loss | **23** | 18 | **—** | — |
| Net periodic benefit credit | **$ (13)** | $ (15) | **$ —** | $ — |

| **Significant non-U.S. Plans only** For the Three Months Ended March 31, | Pension Benefits | | Post-retirement Benefits | |
|---|---|---|---|---|
| *(In millions)* | **2021** | 2020 | **2021** | 2020 |
| Service cost | **$ 10** | $ 8 | **$ —** | $ — |
| Interest cost | **39** | 53 | **—** | 1 |
| Expected return on plan assets | **(126)** | (124) | **—** | — |
| Amortization of prior service credit | **—** | — | **(1)** | (1) |
| Recognized actuarial loss | **29** | 22 | **1** | — |
| Net periodic benefit credit | **$ (48)** | $ (41) | **$ —** | $ — |

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, | **2021** | 2020 | **2021** | 2020 |
| Weighted average assumptions: | | | | |
| Expected return on plan assets | **4.72 %** | 5.31 % | **—** | — |
| Discount rate | **1.92 %** | 2.57 % | **2.42 %** | 2.72 % |
| Rate of compensation increase | **1.85 %** | 1.76 % | **—** | — |

The Company made approximately $29 million of contributions to its U.S. and non-U.S. defined benefit pension plans for the three months ended March 31, 2021. The Company expects to contribute approximately $100 million to its U.S. and non-U.S. defined benefit pension plans during the remainder of 2021.

*Defined Contribution Plans*

The Company maintains certain defined contribution plans ("DC Plans") for its employees, the most significant being in the U.S. and the U.K. The cost of the U.S. DC Plans was $39 million and $37 million for the three months ended March 31, 2021 and 2020, respectively. The cost of the U.K. DC Plans was $39 million and $31 million for the three months ended March 31, 2021 and 2020, respectively.

**14. Debt**

The Company's outstanding debt is as follows:

| *(In millions)* | | **March 31, 2021** | | December 31, 2020 |
|---|---|---|---|---|
| **Short-term:** | | | | |
| Current portion of long-term debt | **$** | **1,015** | $ | 517 |
| | | **1,015** | | 517 |
| **Long-term:** | | | | |
| Senior notes – 4.80% due 2021 | | **500** | | 500 |
| Senior notes – 2.75% due 2022 | | **499** | | 499 |
| Senior notes – 3.30% due 2023 | | **349** | | 349 |
| Senior notes – 4.05% due 2023 | | **249** | | 249 |
| Senior notes – 3.50% due 2024 | | **598** | | 598 |
| Senior notes – 3.875% due 2024 | | **995** | | 995 |
| Senior notes – 3.50% due 2025 | | **498** | | 498 |
| Senior notes – 1.349% due 2026 | | **650** | | 677 |
| Senior notes – 3.75% due 2026 | | **598** | | 597 |
| Senior notes – 4.375% due 2029 | | **1,499** | | 1,499 |
| Senior notes – 1.979% due 2030 | | **638** | | 664 |
| Senior notes – 2.250% due 2030 | | **738** | | 737 |
| Senior notes – 5.875% due 2033 | | **298** | | 298 |
| Senior notes – 4.75% due 2039 | | **495** | | 495 |
| Senior notes – 4.35% due 2047 | | **493** | | 493 |
| Senior notes – 4.20% due 2048 | | **592** | | 592 |
| Senior notes – 4.90% due 2049 | | **1,237** | | 1,237 |
| Mortgage – 5.70% due 2035 | | **327** | | 331 |
| Other | | **4** | | 5 |
| | | **11,257** | | 11,313 |
| Less current portion | | **1,015** | | 517 |
| | **$** | **10,242** | $ | 10,796 |

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

On April 9, 2021, the Company increased its short-term commercial paper financing program to $2.0 billion from $1.5 billion. The proceeds from the issuance of commercial paper are used for general corporate purposes. The Company had no commercial paper outstanding at March 31, 2021.

*Credit Facilities*

On April 2, 2021, the Company entered into an amended and restated multi-currency unsecured $2.8 billion five-year revolving credit facility ("New Facility"). The interest rate on the New Facility is based on LIBOR plus a fixed margin which varies with the Company's credit ratings. The New Facility expires in April 2026 and requires the Company to maintain certain coverage and leverage ratios which are tested quarterly. The New Facility includes provisions for determining a LIBOR successor rate in the event LIBOR reference rates are no longer available or in certain other circumstances which are determined to make using an alternative rate desirable.

In connection with the New Facility, the Company terminated its multicurrency unsecured $1.8 billion five-year revolving credit facility ("Old Facility") and its unsecured $1 billion 364-day unsecured revolving credit facility ("364-day Facility). The Old Facility had similar interest rate, coverage and leverage ratios as the New Facility. The Company entered into the 364-day Facility in April 2020 with a term out option after one year. As of March 31, 2021, the Company had no borrowings under either of these facilities.

In January 2020, the Company closed on $500 million one-year and $500 million two-year term loan facilities. In the first quarter of 2020 the Company borrowed $1 billion against these facilities, which were subsequently repaid

during the third and fourth quarters of 2020. These two facilities were terminated as of December 31, 2020 after repayment of the initial draw down.

Additional credit facilities, guarantees and letters of credit are maintained with various banks, primarily related to operations located outside the United States, aggregating $517 million at March 31, 2021 and $573 million at December 31, 2020. There were no outstanding borrowings under these facilities at March 31, 2021 and December 31, 2020.

*Senior Notes*

On April 15, 2021, the Company repaid $500 million of senior notes maturing in July 2021.

In May 2020, the Company issued $750 million of Senior Notes due 2030.

In March 2020, the Company repaid $500 million of maturing senior notes and in December 2020, the Company repaid $700 million of maturing senior notes and $300 million of floating rate notes with an original maturity of December 2021.

*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.

| | **March 31, 2021** | | December 31, 2020 | |
|---|---|---|---|---|
| *(In millions)* | **Carrying Amount** | **Fair Value** | Carrying Amount | Fair Value |
| Short-term debt | **$ 1,015** | **$ 1,026** | $ 517 | $ 523 |
| Long-term debt | **$ 10,242** | **$ 11,555** | $ 10,796 | $ 12,858 |

The fair value of the Company's short-term debt consists primarily of borrowings from the term loan and revolving credit facilities 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-term and long-term debt would be classified as Level 2 in the fair value hierarchy.

**15. Restructuring Costs**

*Jardine Lloyd Thompson Group plc ("JLT") Related Integration and Restructuring*

The Company is in the final stages of its integration of JLT, which the Company acquired in April 2019. The costs incurred in connection with the integration and restructuring of the combined businesses, primarily related to severance, real estate rationalization and technology, consulting fees related to the management of the integration processes and legal fees related to the rationalization of legal entity structures.

Since the acquisition of JLT, the Company has incurred JLT integration and restructuring costs of $609 million through March 31, 2021. This reflects $23 million of costs incurred during the first quarter of 2021 compared to $80 million for the same period in the prior year.

Costs recognized are based on applicable accounting guidance which includes accounting for disposal or exit activities, guidance related to impairment of long lived assets (for right of use assets related to real estate leases), as well as other costs resulting from accelerated depreciation or amortization of leasehold improvements and other property and equipment.

In connection with the JLT integration and restructuring, the Company incurred costs of $23 million: $16 million in RIS, $6 million in Consulting, and $1 million in Corporate for the three month period ended March 31, 2021. The severance and related costs were included in compensation and benefits and the other costs were included in other operating expenses in the consolidated statement of income.

Details of the JLT integration and restructuring activity from January 1, 2020 through March 31, 2021, are as follows:

| *(In millions)* | Severance | Real Estate Related Costs (a) | Information Technology (a) | Consulting and Other Outside Services (b) | Total |
|---|---|---|---|---|---|
| Liability at 1/1/20 | $ 42 | $ 5 | $ — | $ — | $ 47 |
| 2020 Charges | 43 | 69 | 62 | 77 | 251 |
| Cash payments | (69) | (25) | (55) | (77) | (226) |
| Non-cash charges | — | (42) | (5) | — | (47) |
| Liability at 12/31/20 | $ 16 | $ 7 | $ 2 | $ — | $ 25 |
| **2021 Charges** | **2** | **6** | **7** | **8** | **23** |
| **Cash payments** | **(10)** | **(2)** | **(7)** | **(7)** | **(26)** |
| **Non-cash charges** | **—** | **(4)** | **—** | **—** | **(4)** |
| **Liability at 3/31/21** | **$ 8** | **$ 7** | **$ 2** | **$ 1** | **$ 18** |

(a) Includes ROU asset impairments, data center contract termination costs and temporary infrastructure leasing costs.
(b) Includes consulting fees related to the management of the integration processes and legal fees related to the rationalization of legal entity structures.

*Other Restructuring*

The Company incurred costs of $11 million for the three month period ended March 31, 2021 which reflect costs associated with the Company's global information technology and HR functions, and adjustments to restructuring liabilities for future rent under non-cancellable leases.

The following details other restructuring liabilities for actions initiated prior to 2021:

| *(In millions)* | Liability at 1/1/20 | Amounts Accrued | Cash Paid | Non-Cash/Other | Liability at 12/31/20 | **Amounts Accrued** | **Cash Paid** | **Non-Cash/Other** | **Liability at 3/31/21** |
|---|---|---|---|---|---|---|---|---|---|
| Severance | $ 51 | $ 39 | $ (54) | $ — | $ 36 | **$ 5** | **$ (20)** | **$ —** | **$ 21** |
| Future rent under non-cancelable leases and other costs | 51 | 50 | (46) | (10) | 45 | **6** | **(8)** | **—** | **43** |
| Total | $ 102 | $ 89 | $ (100) | $ (10) | $ 81 | **$ 11** | **$ (28)** | **$ —** | **$ 64** |

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.

### 16. Common Stock

During the first three months of 2021, the Company repurchased 1.0 million shares of its common stock for $119 million, of which approximately $112 million was paid in the first quarter of 2021. In November 2019, 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, 2021, the Company remained authorized to repurchase up to approximately $2.3 billion in shares of its common stock. There is no time limit on the authorization. During the first three months of 2020 there were no repurchases of the Company's common stock.

The Company issued approximately 2.0 million and 2.3 million shares related to stock compensation and employee stock purchase plans during the first three months of 2021 and 2020, respectively.

## 17. Claims, Lawsuits and Other Contingencies

***Nature of Contingencies***

The Company and its subsidiaries are subject to a significant number of claims, lawsuits and proceedings in the course of our 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 often 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 guidance on Contingencies - Loss Contingencies, the Company uses case level reviews by inside and outside counsel, and internal actuarial analysis by Oliver Wyman, 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.

Our activities are regulated under the laws of the United States and its various states, the European Union and its member states, and the many other jurisdictions in which the Company operates. The Company also receives subpoenas in the ordinary course of business and, from time to time, receives requests for information in connection with governmental investigations.

***Current Matters***

*Risk and Insurance Services Segment*

- In January 2019, the Company received a notice that the Administrative Council for Economic Defense anti-trust agency in Brazil had commenced an administrative proceeding against a number of insurance brokers, including both Marsh and JLT, and insurers “to investigate an alleged sharing of sensitive commercial and competitive confidential information" in the aviation insurance and reinsurance sector.
- In 2017, JLT identified payments to a third-party introducer that had been directed to unapproved bank accounts. These payments related to reinsurance placements made on behalf of an Ecuadorian state-owned insurer between 2014 and 2017. In early 2018, JLT voluntarily reported this matter to law enforcement authorities. In February and March 2020, money laundering charges were filed in the United States against a former employee of JLT, the principals of the third-party introducer and a former official of the state-owned insurer. These individuals, including the former JLT employee, have since pleaded guilty to criminal charges. We are cooperating with all ongoing investigations related to this matter.
- From 2014, Marsh Ltd. was engaged by Greensill Capital (UK) Limited as its insurance broker. Marsh Ltd. placed a number of trade credit insurance policies for Greensill. On March 1, 2021, Greensill filed an action against certain of its trade credit insurers in Australia seeking a mandatory injunction compelling these insurers to renew coverage under expiring policies. Later that day, the Australian court denied Greensill’s application. Since then, a number of Greensill entities have filed for, or been subject to, insolvency proceedings in the U.K., Australia, Germany and the U.S.

*Consulting Segment*

- In 2014, the FCA conducted an industry-wide review of the suitability of financial advice provided to individuals by a number of companies, including JLT, relating to enhanced transfer value ("ETV") defined benefit pension transfers. In January 2015, the FCA notified JLT that it was commissioning a Skilled Person review of ETV pension transfer advice given by JLT and a business acquired by JLT in 2012. Following the Skilled Person review which took place between 2015 and 2018, JLT engaged a compliance consulting firm to conduct an analysis of approximately 14,000 individual files to assess the suitability of the advice provided and, where appropriate, the amount of redress to be paid. In February 2019, prior to the completion of its acquisition by the Company, JLT recorded a gross liability of £59 million (or $77 million). This preliminary estimate by JLT, which reflected the projected redress amounts contained in the Skilled Person report, was based on a review of a limited number of files. Thereafter, the FCA expanded the scope of the thematic review. As of December 31, 2020, the updated redress liability, including the projected costs

of completing the review, increased to £155 million (or $210 million) resulting from the expansion in the scope of the review, and the significant progress made in completing the individual suitability reviews. As of March 31, 2021, the recorded gross liability was £134 million (or $185 million). We expect to finalize the suitability review of the limited number of files that remain outstanding and calculate the majority of redress amounts by the end of the second quarter of 2021. We anticipate this gross liability will be partially offset by a contractual indemnity and insurance recoveries from third-party E&O insurers.

At this time, we are unable to predict the likely timing, outcome or ultimate impact of the foregoing matters. 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.

***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 are partly reinsured by a related party of River Thames. Payment of claims under the reinsurance agreement is collateralized by funds withheld by River Thames from the reinsurer. 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 17 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 guidance on 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.

## 18. 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 2020 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 periods ended March 31, 2021 and 2020 are as follows:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| *(In millions)* | Revenue | | Operating Income (Loss) | |
| **2021–** | | | | |
| **Risk and Insurance Services** | **$ 3,225** | **(a)** | **$** | **1,060** |
| **Consulting** | **1,873** | **(b)** | | **361** |
| **Total Operating Segments** | **5,098** | | | **1,421** |
| **Corporate/Eliminations** | **(15)** | | | **(63)** |
| **Total Consolidated** | **$ 5,083** | | **$** | **1,358** |
| 2020– | | | | |
| Risk and Insurance Services | $ 2,911 | (a) | $ | 854 |
| Consulting | 1,762 | (b) | | 282 |
| Total Operating Segments | 4,673 | | | 1,136 |
| Corporate/Eliminations | (22) | | | (66) |
| Total Consolidated | $ 4,651 | | $ | 1,070 |

(a) Includes interest income on fiduciary funds of $5 million and $23 million in 2021 and 2020, respectively.

(b) Includes inter-segment revenue of $15 million and $21 million in 2021 and 2020, respectively.

Details of operating segment revenue for the three-month period ended March 31, 2021 and 2020 are as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| *(In millions)* | **2021** | 2020 |
| **Risk and Insurance Services** | | |
| Marsh | **$ 2,329** | $ 2,076 |
| Guy Carpenter | **896** | 835 |
| Total Risk and Insurance Services | **3,225** | 2,911 |
| **Consulting** | | |
| Mercer | **1,288** | 1,251 |
| Oliver Wyman Group | **585** | 511 |
| Total Consulting | **1,873** | 1,762 |
| **Total Operating Segments** | **5,098** | 4,673 |
| **Corporate/Eliminations** | **(15)** | (22) |
| **Total** | **$ 5,083** | $ 4,651 |

**19. New Accounting Guidance**

**New Accounting Pronouncements Adopted Effective January 1, 2021:**

In January 2020, the FASB issued guidance that addresses accounting for the transition into and out of the equity method and measuring certain purchased options and forward contracts to acquire investments. The standard takes effect for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The adoption of this standard did not have a material impact on the Company's financial position or its results of operations.

In December 2019, the FASB issued guidance related to the accounting for income taxes. The standard removes specific exceptions in the current rules and eliminates the need for an organization to analyze whether the following apply in a given period: (a) exception to the incremental approach for intraperiod tax allocation; (b) exceptions to accounting for basis differences when there are ownership changes in foreign investments and (c) exception in interim period income tax accounting for year-to-date losses that exceed anticipated losses. The standard also is designed to improve financial statement preparers' application of income tax-related guidance and simplify GAAP for (a) franchise taxes that are partially based on income; (b) transactions with a government that result in a step-up in the tax basis of goodwill; (c) separate financial statements of legal entities that are not subject to tax and (d) enacted changes in tax laws in interim periods. The standard takes effect for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The adoption of this standard did not have a material impact on the Company's financial position or its results of operations.

**New Accounting Pronouncements Adopted Effective January 1, 2020:**

In August 2018, the FASB issued new guidance that amends required fair value measurement disclosures. The guidance adds new requirements, eliminates some current disclosures and modifies other required disclosures. The new disclosure requirements, along with modifications made to disclosures as a result of the change in requirements for narrative descriptions of measurement uncertainty, must be applied on a prospective basis. The effects of all other amendments included in the guidance must be applied retrospectively for all periods presented. The adoption of this guidance impacted disclosures only and did not have an impact on the Company's financial position or results of operations.

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 adoption of this standard did not have an impact on the Company's financial position or results of operations.

In June 2016, the FASB issued new guidance on the impairment of financial instruments. The new guidance adds an allowance for credit losses ("CECL") impairment model that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of lifetime expected credit losses, which the FASB believes will result in more timely recognition of such losses. The new standard is also intended to reduce the complexity of U.S. GAAP by decreasing the number of credit impairment models that entities use to account for debt instruments. Further, the new standard makes targeted changes to the impairment model for available-for-sale debt securities. The adoption of this standard did not have a material 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" or "Marsh McLennan") is a global professional services firm offering clients advice in the areas of risk, strategy and people. The Company’s 76,000 colleagues advise clients in over 130 countries. With annual revenue over $17 billion, the Company helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses. Marsh advises individual and commercial clients of all sizes on insurance broking and innovative risk management solutions. Guy Carpenter develops advanced risk, reinsurance and capital strategies that help clients grow profitably and pursue emerging opportunities. Mercer delivers advice and technology-driven solutions that help organizations redefine the world of work, reshape retirement and investment outcomes, and unlock health and well being for a changing workforce. Oliver Wyman Group serves as a critical strategic, economic and brand advisor to private sector and governmental clients.

The Company conducts business 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 health, wealth 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.

A reconciliation of segment operating income to total operating income is included in Note 18 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.

For information on the three months ended March 31, 2020 results and similar comparisons, see "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Form 10-Q for the quarter ended March 31, 2020.

*Business Update Related To COVID-19*

The COVID-19 pandemic has now surpassed one year in duration and it continues to impact virtually every geography in which the Company operates. The safety and well-being of our colleagues remains our first priority, while continuing to serve the needs of our clients. Approximately 70% of the Company’s offices are open, however, the vast majority of colleagues continue to work in a remote environment which is expected to continue through much of 2021. The Company continues to plan the multiple aspects of a return to the office model, considering health, colleague privacy and potential government restrictions. The Company expects to continue to service clients effectively in the current remote environment and as colleagues gradually return to the office.

Although the pandemic is ongoing, the global economy is showing signs of recovery as various countries begin to ease restrictions. The Company had strong revenue growth in the first quarter of 2021 and continues to benefit from reduced expense levels in areas such as travel and entertainment and outside services. However, uncertainty remains in the economic outlook and the ultimate extent of COVID-19 impact to the Company will depend on future developments that it is unable to predict, including new “waves” of infection, newly emerging variants of the virus, potential renewed restrictions by various governments or agencies, and the effectiveness and distribution rate of vaccines.

Factors that could adversely affect the Company’s financial statements related to the financial and operational impact of COVID-19 are outlined in “Item 1A - Risk Factors” in the Company’s Form 10-K for the year ended December 31, 2020.

Acquisitions and dispositions impacting the Risk and Insurance Services and Consulting segments are discussed in Note 8 to the consolidated financial statements.

This Management's Discussion & Analysis ("MD&A") contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. See "Information Concerning Forward-Looking Statements" at the outset of this report.

**Consolidated Results of Operations**

| | | Three Months Ended March 31, | | |
|---|---|---|---|---|
| *(In millions, except per share figures)* | | **2021** | | 2020 |
| **Revenue** | **$** | **5,083** | $ | 4,651 |
| **Expense:** | | | | |
| Compensation and benefits | | **2,807** | | 2,555 |
| Other operating expenses | | **918** | | 1,026 |
| Operating expenses | | **3,725** | | 3,581 |
| **Operating income** | | **1,358** | | 1,070 |
| **Income before income taxes** | | **1,322** | | 1,007 |
| **Net income before non-controlling interests** | | **998** | | 767 |
| **Net income attributable to the Company** | **$** | **983** | $ | 754 |
| **Net Income per share attributable to the Company:** | | | | |
| Basic | **$** | **1.93** | $ | 1.49 |
| Diluted | **$** | **1.91** | $ | 1.48 |
| **Average number of shares outstanding:** | | | | |
| Basic | | **509** | | 505 |
| Diluted | | **514** | | 510 |
| **Shares Outstanding at March 31,** | | **509** | | 506 |

Consolidated operating income in the first quarter of 2021 increased 27% to $1.4 billion compared to the same period last year, reflecting a 9% increase in revenue and 4% increase in expense. On an underlying basis, revenue increased 6%, reflecting an increase of 7% in Risk and Insurance Services and a 3% increase in Consulting. The underlying revenue increase in Risk and Insurance Services is as a result of growth in new business, strong retention of existing clients, and to a lesser extent, benefits from pricing in the marketplace. The growth in Consulting revenue was due to increase in demand for project-based services as the global economy continues to improve. On an underlying basis, expenses were slightly lower than last year due to lower travel and entertainment, meeting costs and outside services resulting from the Company's restrictions on travel and cost containment measures taken in light of COVID-19, partly offset by higher incentive compensation and increase in headcount. Expenses were also impacted by lower Jardine Lloyd Thompson Group plc ("JLT") integration and restructuring costs of $57 million, which are winding down in 2021.

Income before income taxes increased to $1.3 billion in the first quarter of 2021, compared with $1.0 billion in the first quarter of 2020. The increase reflects higher operating income, higher investment income, and lower interest expense.

Diluted earnings per share increased from $1.48 in the first quarter of 2020 to $1.91 in 2021. This increase is a result of the factors discussed above offset by a higher effective tax rate in the first quarter of 2021 compared to 2020.

The Company's results of operations and earnings per share for the three month periods ended March 31, 2021 and 2020 include costs related to JLT integration and restructuring activities, and other Marsh McLennan restructuring activities as discussed in more detail in Note 15 of the consolidated financial statements. These costs are reflected as part of net operating income and are summarized below:

| | | Three Months Ended March 31, | | |
|---|---|---|---|---|
| *(In millions)* | | **2021** | | 2020 |
| Restructuring costs, excluding JLT | **$** | **11** | $ | 9 |
| JLT integration and restructuring costs | | **23** | | 80 |
| JLT acquisition related costs | | **12** | | 13 |
| Impact on operating income | **$** | **46** | $ | 102 |

*JLT Integration and Restructuring Costs*

The Company is in the final stages of its integration of JLT. The costs incurred in connection with the integration and restructuring of the combined businesses, primarily related to severance, real estate rationalization and technology, consulting fees related to the management of the integration processes and legal fees related to the rationalization of legal entity structures. Since the acquisition of JLT, the Company has incurred JLT integration and restructuring costs of $609 million through March 31, 2021. This reflects $23 million of costs incurred during the first quarter of 2021 compared to $80 million for the same period in the prior year. The Company expects to incur the remaining $116 million of costs substantially in 2021, primarily related to real estate and technology, of which approximately $100 million will be cash expenditures. Through March 31, 2021, the Company has exceeded the initial estimated savings of $350 million. The Company expects at least $425 million of annualized savings when the integration is completed.

*JLT Acquisition Related Costs*

JLT acquisition related costs reflect retention costs related to the acquisition of JLT.

**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 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 the next 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 are as follows:

| | Three Months Ended March 31, | | | Components of Revenue Change* | | |
|---|---|---|---|---|---|---|
| *(In millions, except percentage figures)* | **2021** | 2020 | % Change GAAP Revenue | Currency Impact | Acquisitions/ Dispositions/ Other Impact | Underlying Revenue |
| **Risk and Insurance Services** | | | | | | |
| Marsh | **$ 2,325** | $ 2,061 | 13 % | 3 % | 2 % | 8 % |
| Guy Carpenter | **895** | 827 | 8 % | 2 % | — | 7 % |
| Subtotal | **3,220** | 2,888 | 11 % | 3 % | 1 % | 7 % |
| Fiduciary Interest Income | **5** | 23 | | | | |
| Total Risk and Insurance Services | **3,225** | 2,911 | 11 % | 3 % | 1 % | 7 % |
| **Consulting** | | | | | | |
| Mercer | **1,288** | 1,251 | 3 % | 4 % | (1)% | — |
| Oliver Wyman Group | **585** | 511 | 14 % | 3 % | — | 11 % |
| Total Consulting | **1,873** | 1,762 | 6 % | 4 % | (1)% | 3 % |
| **Corporate/Eliminations** | **(15)** | (22) | | | | |
| **Total Revenue** | **$ 5,083** | $ 4,651 | 9 % | 3 % | — | 6 % |

| (In millions, except percentage figures) | Three Months Ended March 31, 2021 | 2020 | % Change GAAP Revenue | Components of Revenue Change* Currency Impact | Acquisitions/ Dispositions/ Other Impact | Underlying Revenue |
|---|---|---|---|---|---|---|
| **Marsh:** | | | | | | |
| EMEA | **$ 837** | $ 754 | 11 % | 7 % | (2)% | 6 % |
| Asia Pacific | **274** | 238 | 15 % | 7 % | 1 % | 8 % |
| Latin America | **90** | 91 | (1)% | (7)% | — | 6 % |
| Total International | **1,201** | 1,083 | 11 % | 5 % | (1)% | 6 % |
| U.S./Canada | **1,124** | 978 | 15 % | 1 % | 5 % | 9 % |
| Total Marsh | **$ 2,325** | $ 2,061 | 13 % | 3 % | 2 % | 8 % |
| **Mercer:** | | | | | | |
| Wealth | **623** | 592 | 5 % | 6 % | (1)% | 1 % |
| Health | **487** | 486 | — | 1 % | (1)% | — |
| Career | **178** | 173 | 3 % | 3 % | — | 1 % |
| Total Mercer | **$ 1,288** | $ 1,251 | 3 % | 4 % | (1)% | — |

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

*Revenue*

Consolidated revenue for the first quarter of 2021 was $5.1 billion, an increase of 9% compared to the same quarter in prior year. This reflects an increase of 6% on an underlying basis, and an increase of 3% from the impact of foreign currency translation.

Revenue in the Risk and Insurance Services segment for the first quarter of 2021 was $3.2 billion, an increase of 11% from the same quarter of the prior year. This reflects increases of 7% on an underlying basis, 3% from the impact of foreign currency translation and 1% from acquisitions. The increase in underlying revenue was primarily due to growth in new business, strong retention of existing clients, and to a lesser extent, benefits from pricing in the marketplace. Consulting revenue of $1.9 billion in the first quarter of 2021 increased 6%, reflecting increases of 3% on an underlying basis and 4% from the impact of foreign currency translation, partly offset by a decrease of 1% from the disposition of businesses. The increase in underlying revenue was due to increase in demand for project-based services as the global economy continues to improve.

*Operating Expense*

Consolidated operating expense in the first quarter increased 4% compared with the same period last year reflecting a 3% increase from the impact of foreign currency translation and an increase of 1% from acquisitions. Underlying expenses were slightly lower than last year reflecting lower travel and entertainment, meeting costs and outside services resulting from the Company's restrictions on travel and cost containment measures taken in light of COVID-19, offset by an increase in incentive compensation and increase in headcount. The Company also incurred lower JLT integration and restructuring costs, which are winding down in 2021.

The Company incurred approximately $35 million and $93 million of operating expenses for the three month periods ended March 31, 2021 and March 31, 2020, respectively, related to the JLT acquisition, integration and restructuring charges.

**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, | Three Months | |
|---|---|---|
| *(In millions)* | **2021** | 2020 |
| **Revenue** | **$ 3,225** | $ 2,911 |
| Compensation and Benefits | **1,610** | 1,452 |
| Other Operating Expenses | **555** | 605 |
| **Expense** | **2,165** | 2,057 |
| **Operating Income** | **$ 1,060** | $ 854 |
| **Operating Income Margin** | **32.9 %** | 29.4 % |

*Revenue*

Revenue in the Risk and Insurance Services segment in the first quarter of 2021 was $3.2 billion, an increase of 11% as compared to the same period last year. This reflects increases of 7% in underlying revenue, 3% from the impact of foreign currency translation and 1% from acquisitions.

At Marsh, revenue in the first quarter of 2021 was $2.3 billion, an increase of 13% when compared to the same period last year. This reflects an increase in underlying revenue of 8%, a 3% increase from the impact of foreign exchange translation, and a 2% increase from acquisitions. The increase in underlying revenue is a result of growth in new business, strong retention of existing clients, and to a lesser extent, benefits from pricing in the marketplace. In U.S./Canada, underlying revenue rose 9%. International operations produced underlying revenue growth of 6%, reflecting growth of 8% in Asia Pacific, 6% in EMEA and 6% in Latin America. Interest earned on fiduciary funds decreased $18 million compared to the first quarter of 2020.

*Expense*

Expenses in the Risk and Insurance Services segment increased 5% in the first quarter of 2021 compared with the same period last year. Expenses were essentially flat on an underlying basis reflecting the impact of lower travel and entertainment and meeting costs resulting from the Company’s restrictions on travel and cost containment measures taken in light of COVID-19, offset by higher incentive compensation and increase in headcount. Expenses also reflect lower JLT integration and restructuring costs, which are winding down in 2021.

**Consulting**

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

| For the Three Months Ended March 31, | Three Months | |
|---|---|---|
| *(In millions)* | **2021** | 2020 |
| **Revenue** | **$ 1,873** | $ 1,762 |
| Compensation and Benefits | **1,074** | 991 |
| Other Operating Expenses | **438** | 489 |
| **Expense** | **1,512** | 1,480 |
| **Operating Income** | **$ 361** | $ 282 |
| **Operating Income Margin** | **19.3 %** | 16.0 % |

*Revenue*

Consulting revenue in the first quarter of 2021 was $1.9 billion, an increase of 6% compared to the same period last year. This reflects increases of 3% in underlying revenue and 4% from the impact of foreign currency translation offset by a decrease of 1% from the disposition of businesses.

Mercer's revenue of approximately $1.3 billion in the first quarter of 2021 increased 3% compared to the same period last year. This reflects an increase of 4% from the impact of foreign currency, a slight increase in underlying revenue, offset by a 1% decrease from dispositions. On an underlying basis, revenue in Health was flat, while Wealth and Career each increased 1% as compared to prior year. Oliver Wyman's revenue increased 14% to $585

million, reflecting a increase of 11% on an underlying basis and a 3% increase from the impact of foreign currency translation. The increase in Oliver Wyman primarily reflects the impact of new project based services in the U.S.

*Expense*

Consulting expenses in the first quarter of 2021 increased 2% as compared to the first quarter of 2020. This reflects an increase of 3% from the impact of foreign currency translation offset by a 1% decrease on an underlying basis. The decrease in underlying expense reflects lower travel and entertainment, meeting costs and outside services resulting from the Company's restrictions on travel and cost containment measures taken in light of COVID-19 and lower recoverable expenses, offset by higher incentive compensation expense.

**Corporate and Other**

Corporate expenses were $63 million in the first quarter of 2021, compared with $66 million in the same period of 2020. The decrease is primarily due to lower JLT integration and restructuring costs offset by higher incentive compensation.

**Interest**

Interest expense decreased $9 million in the first quarter of 2021 compared with the first quarter of 2020 due to lower average debt levels in 2021 compared with the same period last year.

**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 securities, mark-to-market increases or decreases in equity investments with readily determinable fair values 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 recorded net investment income of $11 million for the three months ended March 31, 2021 compared to a net investment loss of $2 million for the three-month period ended March 31, 2020. The increase is primarily due to higher gains from its investments in private equity funds.

**Income and Other Taxes**

The Company's effective tax rate in the first quarter of 2021 was 24.5% compared with 23.8% in the first quarter of 2020. The tax rates in both periods reflect the impact of discrete tax matters such as excess tax benefits related to share-based compensation, enacted tax legislation, changes in uncertain tax positions, deferred tax adjustments and non-taxable adjustments to contingent acquisition consideration. The excess tax benefit related to share-based payments is the most significant discrete item, reducing the effective tax rate by 1.1% and 2.6% in the first quarters of 2021 and 2020, respectively.

The effective tax rate may vary significantly from period to period for the foreseeable future. The effective tax rate is sensitive to the geographic mix and repatriation of the Company's earnings, which may result in higher or lower effective tax rates. Thus, a shift in the mix of profits among jurisdictions, or changes in the Company's repatriation strategy to access offshore cash, can affect the effective tax rate.

In addition, losses in certain jurisdictions cannot be offset by earnings from other operations, and may require valuation allowances that affect the rate in a particular period, depending on estimates of the value of associated deferred tax assets which can be realized. A valuation allowance was recorded to reduce deferred tax assets to the amount that the Company believes is more likely than not to be realized. The effective 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, rulings, policies or related legal and regulatory interpretations occur frequently and may have a significant favorable or adverse impact on our effective tax rate.

As a U.S. domiciled parent holding company, Marsh McLennan is the issuer of essentially all of the Company's external indebtedness, and incurs the related interest expense in the U.S. The Company's interest expense deductions are not currently limited. Further, most senior executive and oversight functions are conducted in the U.S. and the associated costs are incurred primarily in the United States. Some of these expenses may not be deductible in the U.S., which may impact the effective tax rate.

The quasi-territorial U.S. tax regime provides an opportunity for the Company to repatriate foreign earnings more tax efficiently and there is less incentive for permanent reinvestment of these earnings. However, permanent reinvestment continues to be a component of the Company's global capital strategy. For post-2017 years, including 2021, the Company continues to evaluate its global investment and repatriation strategy in light of its capital

requirements, considering the Tax Cuts and Jobs Act (the "TCJA") and the quasi-territorial tax regime for future foreign earnings.

The Company has established liabilities for uncertain tax positions in relation to potential assessments in the jurisdictions in which it operates. The Company believes the resolution of tax matters will not have a material effect on the consolidated financial position of the Company, although a resolution of tax matters could have a material impact on the Company's net income or cash flows and on its effective tax rate in a particular future period. It is reasonably possible that the total amount of unrecognized tax benefits will decrease between zero and approximately $35 million within the next twelve months due to settlement of audits and expiration of statutes of limitation.

During the first quarter of 2021, the U.K. proposed legislation that includes an increase in the corporate tax rate from 19% to 25% effective April 1, 2023. Full enactment of the legislation is expected to be provided in the third quarter of 2021, at which time the Company will be required to revalue our inventory of U.K. deferred taxes. The Company is evaluating the impact to its financial statements.

The Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law on March 27, 2020. The CARES Act provided over $2 trillion in economic relief to individuals, governmental agencies and companies, to deal with the public health and economic impacts of COVID-19. Pursuant to the CARES Act, payroll taxes due from March 27, 2020 through December 31, 2020 were deferred until 2021 and 2022 (50% to be paid each year) without interest or penalties.

**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 can also provide 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 March 31, 2021, the Company had approximately $813 million of cash and cash equivalents in its foreign operations, which includes $250 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 available funds from its non-U.S. operating subsidiaries out of current annual earnings. Where appropriate, a portion of the current year earnings will continue to be permanently reinvested. With respect to repatriating 2018 and prior earnings, the Company has evaluated such factors as its short- and long-term capital needs, acquisition and borrowing strategies, and the availability of cash for repatriation for each of its subsidiaries. The Company has determined that, in general, its permanent reinvestment assertions, in light of the enactment of the Tax Cuts and Jobs Act, should allow the Company to repatriate previously taxed earnings from the deemed repatriations as cash becomes available.

During the first three months of 2021, the Company recorded foreign currency translation adjustments which decreased net equity by $91 million. Continued strengthening of the U.S. dollar against foreign currencies would further decrease the translated U.S. dollar value of the Company’s net investments in its non-U.S. subsidiaries, as well as the translated U.S. dollar value of cash repatriations from those subsidiaries.

Cash 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 $408 million of cash from operations for the three month period ended March 31, 2021 compared to $638 million used by operations in the first three months of 2020. 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 and pension plan contributions or receipts of assets. The Company paid $26 million and $61 million related to the JLT integration and restructuring activity for the three month periods ended March 31, 2021 and 2020, respectively.

***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 accordance with applicable law. During the first three months of 2021, the Company contributed $17 million to its non-U.S. defined benefit pension plans and $12 million to its U.S. defined benefit pension plans. In the first three months of 2020, the Company contributed $18 million to its non-U.S. defined benefit pension plans and $9 million to its U.S. defined benefit pension plans.

In the United States, contributions to the tax-qualified defined benefit plans are based on ERISA guidelines.

Outside the U.S., 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, 2020. 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 compared to U.S. GAAP and may result in contributions irrespective of the U.S. GAAP funded status. For the Marsh McLennan U.K. Pension Fund, a new agreement was reached with the trustee in the fourth quarter of 2019 based on the surplus funding position at December 31, 2018. In accordance with the agreement, no deficit funding is required until 2023. The funding level will be re-assessed during 2022 to determine if contributions are required in 2023. In order to have greater influence over asset allocation and overall investment decisions, in November 2019, 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 agree to a new deficit funding plan with the trustee of the U.K. JLT Pension Scheme to fund $41 million in 2021.

The Company expects to fund an additional $77 million to its non-U.S. defined benefit plans over the remainder of 2021, comprising approximately $30 million to plans outside of the U.K. and $47 million to the U.K. plans. The Company expects to fund an additional $23 million to its U.S. defined benefit plans during the remainder of 2021.

**Financing Cash Flows**

Net cash used for financing activities was $451 million for the three-month period ended March 31, 2021, compared with $1.3 billion of net cash provided by such activities for the same period in 2020.

On April 9, 2021, the Company increased its short-term commercial paper financing program to $2.0 billion from $1.5 billion. The Company had no commercial paper outstanding at March 31, 2021.

*Credit Facilities*

On April 2, 2021, the Company entered into an amended and restated multi-currency unsecured $2.8 billion five-year revolving credit facility ("New Facility"). The interest rate on the New Facility is based on LIBOR plus a fixed margin which varies with the Company’s credit ratings. The New Facility expires in April 2026 and requires the Company to maintain certain coverage and leverage ratios which are tested quarterly. The New Facility includes provisions for determining a LIBOR successor rate in the event LIBOR reference rates are no longer available or in certain other circumstances which are determined to make using an alternative rate desirable.

In connection with the New Facility, the Company terminated its multicurrency unsecured $1.8 billion five-year revolving credit facility (“Old Facility”) and its unsecured $1 billion 364-day unsecured revolving credit facility (“364-day Facility). The Old Facility had similar interest rate, coverage and leverage ratios as the New Facility. The Company entered into the 364-day Facility in April 2020 with a term out option after one year. As of March 31, 2021, the Company had no borrowings under either of these facilities.

In January 2020, the Company closed on $500 million one-year and $500 million two-year term loan facilities. In the first quarter of 2020 the Company borrowed $1 billion against these facilities, which were subsequently repaid during the third and fourth quarters of 2020. These two facilities were terminated as of December 31, 2020 after repayment of the initial draw down.

Additional credit facilities, guarantees and letters of credit are maintained with various banks, primarily related to operations located outside the United States, aggregating $517 million at March 31, 2021 and $573 million at December 31, 2020. There were no outstanding borrowings under these facilities at March 31, 2021 and December 31, 2020.

*Debt*

On April 15, 2021, the Company repaid $500 million of senior notes maturing in July 2021.

In May 2020, the Company issued $750 million of senior notes.

In March 2020, the Company repaid $500 million of maturing senior notes. In December 2020, the Company repaid $700 million of maturing senior notes and $300 million of floating rate notes with an original maturity of December 2021.

The Company's senior debt is currently rated A- by Standard & Poor's ("S&P") and Baa1 by Moody's. The Company's short-term debt is currently rated A-2 by S&P and P-2 by Moody's. The Company carries a Stable outlook with both S&P and Moody's.

*Share Repurchases*

During the first three months of 2021, the Company repurchased 1 million shares of its common stock for total consideration of approximately $119 million at an average price per share of $117.57, of which $112 million was paid during the first quarter of 2021. In November 2019, 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. As of March 31, 2021, the Company remained authorized to purchase shares of its common stock up to a value of approximately $2.3 billion. There is no time limit on this authorization. There were no repurchases of the Company's common stock during the three month period ending March 31, 2020.

*Contingent Payments Related to Acquisitions*

During the first three months of 2021, the Company paid $11 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 $10 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 $1 million are reflected as operating cash flows. Remaining estimated future contingent consideration payments of $233 million for acquisitions completed in the first three months of 2021 and in prior years are recorded in accounts payable and accrued liabilities or other liabilities in the consolidated balance sheet at March 31, 2021.

The Company paid deferred purchase consideration related to prior years' acquisitions of $27 million in the first three months of 2021. Financing cash flows also reflect the receipt of contingent consideration of $5 million related to prior year dispositions. Remaining deferred cash payments of approximately $215 million for acquisitions completed in prior years are recorded in accounts payable and accrued liabilities or other liabilities in the consolidated balance sheet at March 31, 2021.

In the first three months of 2020, the Company paid $13 million of contingent payments related to acquisitions made in prior periods. Of this amount, $4 million was reported as financing cash flows and $9 million as operating cash flows.

*Dividends*

The Company paid dividends on its common shares of $237 million ($0.465 per share) during the first three months of 2021, as compared with $232 million ($0.455 per share) during the first three months of 2020.

*Derivatives*

*Net Investment Hedge*

The Company has investments in various subsidiaries with Euro functional currencies. As a result, the Company is exposed to the risk of fluctuations between the Euro and U.S. dollar exchange rates. As part of its risk management program to fund the JLT acquisition, the Company issued €1.1 billion Senior Notes, and designated the debt instruments as a net investment hedge of its Euro denominated subsidiaries. The hedge is re-assessed each quarter to confirm that the designated equity balance at the beginning of each period continues to equal or exceed 80% of the outstanding balance of the Euro debt instrument and that all the critical terms of the hedging instrument and the hedged net investment continue to match. If the hedge is highly effective, the change in the debt balance related to foreign exchange fluctuations will be recorded in foreign currency translation gains (losses) in the consolidated balance sheet. The U.S. dollar value of the Euro notes decreased by $53 million during 2021 related to

the change in foreign exchange rates. The Company concluded that the hedge was highly effective and recorded a decrease to accumulated other comprehensive loss for the three months ended March 31, 2021.

**Investing Cash Flows**

Net cash used for investing activities amounted to $67 million in the first three months of 2021, compared with $245 million used during the same period in 2020.

The Company paid $200 million, net of cash acquired, for acquisitions it made during the first three months of 2020. The Company made no acquisitions in the first three months of 2021.

The Company used cash of $69 million to purchase fixed assets and capitalized software in the first three months of 2021, compared with $118 million in the first three months of 2020, primarily related to computer equipment and software purchases, software development costs and the refurbishing and modernizing of office facilities.

In February 2020 the Company sold 49 million shares of the common stock of AF for proceeds of $14 million.

The Company has commitments for potential future investments of approximately $39 million in four 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, 2021:

| (*In millions*) | Payment due by Period | | | | |
|---|---|---|---|---|---|
| Contractual Obligations | Total | Within 1 Year | 1-3 Years | 4-5 Years | After 5 Years |
| Short-term debt | 1,015 | 1,015 | — | — | — |
| Long-term debt | 10,309 | — | 1,635 | 1,736 | 6,938 |
| Interest on long-term debt | 5,255 | 445 | 806 | 644 | 3,360 |
| Net operating leases | 2,480 | 407 | 690 | 530 | 853 |
| Service agreements | 296 | 164 | 92 | 32 | 8 |
| Other long-term obligations | 512 | 153 | 311 | 47 | 1 |
| Total | $ 19,867 | $ 2,184 | $ 3,534 | $ 2,989 | $ 11,160 |

The above does not include unrecognized tax benefits of $96 million, as the Company is unable to reasonably predict the timing of settlement of these liabilities, other than approximately $22 million that may become payable within one year.

The above does not include the provisional estimate of remaining transitional tax payments related to the Tax Cuts and Job Act ("the TCJA") of $64.5 million.

**Management's Discussion of Critical Accounting Policies**

The Company's discussion of critical accounting policies that place the most significant demands on management's judgment and requires management to make significant estimates about matters that are inherently uncertain are discussed in the MD&A in the 2020 Form 10-K.

**New Accounting Guidance**

Note 19 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.

*Interest Rate Risk and Credit Risk*

Interest income generated from the Company's cash investments as well as invested fiduciary funds will vary with the general level of interest rates.

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

| *(In millions of dollars)* | | **March 31, 2021** |
|---|---|---|
| Cash and cash equivalents invested in money market funds, certificates of deposit and time deposits | **$** | **1,120** |
| Fiduciary cash and investments | **$** | **8,782** |

Based on the above balances, if short-term interest rates increased or decreased by 10%, or 2 basis points, over the full 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 periodic expense for 2021 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 investments and fiduciary fund investments are subject to potential loss of value due to counter-party credit risk. To minimize this risk, the Company invests 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 to market conditions. The majority of cash and fiduciary fund investments are invested in short-term bank deposits and liquid money market funds.

*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 53% 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 external 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 2021, the Company estimates that net operating income would increase or decrease by approximately $57 million. The Company has exposure to approximately 80 foreign currencies overall. If exchange rates at March 31, 2021 hold constant for the rest of 2021, the Company estimates the year-over-year impact from conversion of foreign currency earnings will increase full year net operating income by approximately $47 million.

In Continental Europe, the largest amount of revenue from renewals for the Risk and Insurance Services segment occurs in the first quarter.

*Equity Price Risk*

The Company holds investments in both public and private companies as well as private equity funds, including investments of approximately $74 million that are valued using readily determinable fair values and approximately $33 million of investments without readily determinable fair values. The Company also has investments of approximately $289 million that are accounted for using the equity method. The investments are subject to risk of decline in market value, which, if determined to be other than temporary for assets without readily determinable fair values, 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.

At March 31, 2021, the Company owns approximately 14% of the common stock of Alexander Forbes ("AF"), a South African company listed on the Johannesburg Stock Exchange, at a closing share price of 4.10 South African Rand per share. The investment in AF is accounted at fair value, with investment gains and losses recorded as investment income in the consolidated statement of income. The fair value of this investment at March 31, 2021 was approximately $55 million.

*Other*

A number of lawsuits and regulatory proceedings are pending. See Note 17 ("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 other 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 Company and its subsidiaries are also 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 as set forth in Note 17 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, 2020.

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 1 million shares of its common stock for $119 million during the first quarter of 2021. In November 2019, 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, 2021, the Company remained authorized to repurchase up to approximately $2.3 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, 2021 | — | $ — | — | $ 2,422,987,756 |
| February 1-28, 2021 | — | $ — | — | $ 2,422,987,756 |
| March 1-31, 2021 | 1,008,148 | $ 117.57 | 1,008,148 | $ 2,304,455,428 |
| **Total** | 1,008,148 | | 1,008,148 | $ 2,304,455,428 |

### 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 27, 2021

/s/ Mark C. McGivney
Mark C. McGivney
Chief Financial Officer

Date: April 27, 2021

/s/ Stacy M. Mills
Stacy M. Mills
Vice President & Controller
(Chief Accounting Officer)

**EXHIBIT INDEX**

| Exhibit No. | Exhibit Name |
|---|---|
| 10.1 | Letter Agreement, effective February 19, 2019, between Marsh & McLennan Companies, Inc. and Peter C. Hearn (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019) |
| 10.2 | Non-Competition and Non-Solicitation Agreement, effective as of June 1, 2016, between Marsh & McLennan Companies, Inc. and Peter C. Hearn (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019) |
| 10.3 | Letter Agreement, effective as of January 20, 2021, between Marsh & McLennan Companies, Inc. and Martine Ferland |
| 10.4 | Form of Deferred Stock Unit Award, with grant dates from March 1, 2021 through February 1, 2022, under the Marsh & McLennan Companies, Inc. 2020 Incentive and Stock Award Plan – Cliff Vesting |
| 10.5 | Form of Deferred Stock Unit Award, with grant dates from March 1, 2021 through February 1, 2022, under the Marsh & McLennan Companies, Inc. 2020 Incentive and Stock Award Plan – Ratable Vesting |
| 10.6 | Form of Restricted Stock Unit Award, dated as of February 22, 2021, under the Marsh & McLennan Companies, Inc. 2020 Incentive and Stock Award Plan |
| 10.7 | Form of Performance Stock Unit Award, dated as of February 22, 2021, under the Marsh & McLennan Companies, Inc. 2020 Incentive and Stock Award Plan |
| 10.8 | Form of Stock Option Award, dated as of February 22, 2021, under the Marsh & McLennan Companies, Inc. 2020 Incentive and Stock Award Plan |
| 10.9 | Amended and Restated 5 Year Credit Agreement, dated as of April 2, 2021, among Marsh & McLennan Companies, Inc., the designated subsidiaries party thereto as borrowers, Citibank, N.A., as administrative agent, and the lenders from time to time party thereto (incorporated by reference to the Company's Current Report on Form 8-K filed on April 2, 2021) |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer |
| 32.1 | Section 1350 Certifications |
| 101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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

**Daniel S. Glaser**
**President and Chief Executive Office**
**Marsh & McLennan Companies, Inc.**
1166 Avenue of the Americas
New York, New York 10036
212 345 4874 Fax 212 345 6676
dan.glaser@mmc.com
www.mmc.com

February 22, 2021

Martine Ferland
Electronic delivery

**Subject: Terms of Employment**

Dear Martine:

This first amendment to the Letter Agreement, dated January 16, 2019, between you and Marsh & McLennan Companies, Inc. (the "*Letter Agreement*") revises the terms and conditions of your employment by Mercer Consulting Group, Inc. ("Mercer") as its President and Chief Executive Officer. The Letter Agreement will continue to govern your employment except as specified below:

1. Your title is President and Chief Executive Officer, Mercer and Vice Chair, Marsh & McLennan.

2. Exhibit A to the Letter Agreement shall be deleted and replaced in its entirety with the attached Exhibit A.

The terms of this first amendment are effective as of January 20, 2021. Please acknowledge your agreement with the terms of the Letter Agreement, as amended by this first amendment, by signing and dating this and the enclosed copy and returning one to me.

Sincerely,

/s/ Daniel S. Glaser
Daniel S. Glaser
President and Chief Executive Officer
Marsh & McLennan Companies, Inc.

Accepted and Agreed:

/s/ Martine Ferland
(Signature)

April 7, 2021
(Date)

Exhibit A

| | |
|---|---|
| Annual Base Salary | $850,000 |
| Annual Target Bonus Opportunity | Bonus awards are discretionary. Target bonus of $1,900,000 commencing with the 2021 performance year (awarded in 2022). Actual bonus may range from 0% - 200% of target, based on achievement of individual performance objectives, Mercer's performance and/or Marsh & McLennan Companies' performance as Marsh & McLennan Companies may establish from time to time. |
| Annual Target Long-Term Incentive Opportunity | Long-term incentive awards are discretionary. Target award value of $2,300,000, commencing with the award made in 2021. |

**MARSH & McLENNAN COMPANIES, INC.**
2020 INCENTIVE AND STOCK AWARD PLAN

TERMS AND CONDITIONS
OF
DEFERRED STOCK UNIT AWARDS
WITH GRANT DATES FROM MARCH 1, 2021 THROUGH FEBRUARY 1, 2022

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## I. BACKGROUND

An award ("*Award*") has been granted to you under the Marsh & McLennan Companies, Inc. 2020 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 Executive Compensation and/or the stock plan service provider of the Company (as defined in Section V.). 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 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 by the Company 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 anniversary of the grant date of the Award occurs. The date on which a Stock Unit is scheduled to vest pursuant to this Section II.B.2. is the "*Scheduled Vesting Date*." In the event of your termination of employment or the occurrence of your Permanent Disability (as defined in Section V.) prior to 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, except as otherwise provided in Section VI.B.

   **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 Tax-Related Items (as defined in Section V.) that Marsh & McLennan Companies expects to be payable under the laws of any country, state, province, city or other jurisdiction. If applicable, Marsh & McLennan Companies and/or your employer will, to the extent permissible under applicable law or otherwise agreed between you and Marsh & McLennan Companies and/or your employer, retain and sell a sufficient number of whole shares of Common Stock distributable in

respect of the Award for purposes of satisfying applicable obligations with respect to Tax-Related Items.

## 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.), 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 obligated (whether by law or contract) to provide the Company advance notice of your intention to terminate your employment then, in the event you terminate your employment or service relationship pursuant to Section III.D (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), for purposes of determining vesting under Section II.B.2. and the pro rata calculation described in Section III.G., your employment will be treated as having terminated on your last day of active service with the Company, as determined by the Company in its sole discretion.

You shall be deemed to have ceased active service with the Company when you are no longer required by the Company to provide regular services to the Company even if you remain legally employed by the Company, such as may occur if the Company were to place you on "garden leave", a terminal leave of absence or any similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any (in each case as determined by the Company in its sole discretion).

**F. Conditions to Vesting of Award Prior to 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.;
C = the number of days in the period beginning on the grant date of the Award and ending on the Scheduled Vesting Date; and
D = the number of Stock Units/accrued Dividend Equivalents that have previously vested, as determined in accordance with Section III.E.

**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.). 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, except to the extent that earlier distribution would not result in your incurring interest or 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. In no event will the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred on account of non-compliance with Section 409A of the Code.

## 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.), 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.** "**Change in Control**" shall have the meaning set forth in the Plan.

**C. "Company" s**hall mean Marsh & McLennan Companies or any of its subsidiaries or affiliates.

**D. "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.

**E. "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.

**F. "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).

**G. "Tax-Related Items"** shall have the meaning ascribed to such term in the Plan.

## 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 the Company Incentive Compensation Clawback Policy or any other 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 in the event of fraud, financial restatements, or other events as may be determined by the Committee.

   **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.K 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.

9. **Eligibility for Award.** In order to be granted an Award, you must satisfy the eligibility criteria for grantees set forth in the Plan as of the grant date.

### 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 Tax-Related Items 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 Tax-Related Items 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:

Executive Compensation
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 100362774
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 People 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 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/ Carmen Fernandez**
**Carmen Fernandez**
**SVP, Chief People Officer**

**MARSH & McLENNAN COMPANIES, INC.**
2020 INCENTIVE AND STOCK AWARD PLAN

TERMS AND CONDITIONS
OF
DEFERRED STOCK UNIT AWARDS
WITH GRANT DATES FROM MARCH 1, 2021 THROUGH FEBRUARY 1, 2022

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## I. BACKGROUND

An award ("*Award*") has been granted to you under the Marsh & McLennan Companies, Inc. 2020 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 Executive Compensation and/or the stock plan service provider of the Company (as defined in Section V.). 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 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 by the Company 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, 33-1/3% of the Stock Units will vest on the 15th of the month in which each of the first, second and third anniversaries of the grant date of the Award occurs. 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 or the occurrence of your Permanent Disability (as defined in Section V.) 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. 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, except as otherwise provided in Section VI.B.

   **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 Tax-Related Items (as defined in Section V.) that Marsh & McLennan Companies expects to be payable under the laws of any country, state, province, city or other jurisdiction. If applicable, Marsh & McLennan Companies and/or your employer will, to the extent permissible under applicable law or otherwise agreed between you and Marsh & McLennan Companies and/or your employer, retain and sell a

sufficient number of whole shares of Common Stock distributable in respect of the Award for purposes of satisfying applicable obligations with respect to Tax-Related Items.

## 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.), 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. I**f 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 obligated (whether by law or contract) to provide the Company advance notice of your intention to terminate your employment then, in the event you terminate your employment or service relationship pursuant to Section III.D (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), for purposes of determining vesting under Section II.B.2. and the pro rata calculation described in Section III.G., your employment will be treated as having terminated on your last day of active service with the Company, as determined by the Company in its sole discretion.

You shall be deemed to have ceased active service with the Company when you are no longer required by the Company to provide regular services to the Company even if you remain legally employed by the Company, such as may occur if the Company were to place you on "garden leave", a terminal leave of absence or any similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any (in each case as determined by the Company in its sole discretion).

**F. Conditions to Vesting of Award Prior to a 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.;
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, as determined in accordance with Section III.E.

**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.). 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, except to the extent that earlier distribution would not result in your incurring interest or 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. In no event will the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred on account of non-compliance with Section 409A of the Code.

## 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.), 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.** "**Change in Control**" shall have the meaning set forth in the Plan.

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

**D. "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.

**E. "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.

**F. "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).

**G. "Tax-Related Items"** shall have the meaning ascribed to such term in the Plan.

## 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. T**he 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 the Company Incentive Compensation Clawback Policy or any other 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 in the event of fraud, financial restatements, or other events as may be determined by the Committee.

   **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.K 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.

9. **Eligibility for Award.** In order to be granted an Award, you must satisfy the eligibility criteria for grantees set forth in the Plan as of the grant date.

**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 Tax-Related Items 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 Tax-Related Items 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:


Executive Compensation
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 100362774
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 People 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 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/ Carmen Fernandez**
**Carmen Fernandez**
**SVP, Chief People Officer**

MARSH & McLENNAN COMPANIES, INC.

2020 INCENTIVE AND STOCK AWARD PLAN

# TERMS AND CONDITIONS
# OF
# RESTRICTED STOCK UNIT AWARDS
# GRANTED ON [DATE] 2021

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## I. BACKGROUND

An award ("*Award*") has been granted to you under the Marsh & McLennan Companies, Inc. 2020 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 Executive Compensation and/or the stock plan service provider of the Company (as defined in Section V.). 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 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.G.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.) 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.F.

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 and III.D.1, the pro-rata calculation (as described in Section III.H) 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.E.

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.I.

**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 Tax-Related Items (as defined in Section V.) that Marsh & McLennan Companies expects to be payable under the laws of any country, state, province, city or other jurisdiction. If applicable, Marsh & McLennan Companies and/or your employer will, to the extent permissible under applicable law or otherwise agreed between you and Marsh & McLennan Companies and/or your employer, retain and sell a sufficient number of whole shares of Common Stock distributable in respect of the Award for purposes of satisfying applicable obligations with respect to Tax-Related Items.

## 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.G.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 – Age and Service Treatment.** If you have satisfied the Age and Service Criteria for Pro-Rata Vesting (as defined in Section V.) or the Age and Service Criteria for Full Vesting (as defined in Section V.) 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, 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.H) 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.G.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.G.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.D. 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.).

For the avoidance of doubt, the date of your termination of employment for purposes of determining whether you have satisfied either the Age and Service Criteria for Pro-Rata Vesting or the Age and Service Criteria for Full Vesting under this Section III.C. will be determined in accordance with Section III.F.

Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it has received an opinion of counsel that there has been a legal judgment and/or legal development in the jurisdiction where you are employed that would likely result in the favorable treatment applicable to the Stock Units pursuant to this Section III.C. being deemed unlawful and/or discriminatory, then the Company will not apply this favorable treatment upon your termination of employment, and the Stock Units will be treated as set forth in the other subparagraphs of this Section III., as applicable.

**D. Termination by the Company Other Than for Cause.**

1. **General.** Except as otherwise provided in Sections III.D.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.H.) 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.G.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.D.1. shall apply regardless of whether 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.G.2.

   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.

**E. All Other Terminations.** For all other terminations of employment not described in Sections III.A. through D. or Section IV. (including, but not limited to, a termination by the Company for Cause or 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.), 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.F.

**F. Date of Termination of Employment.**

**1.** If Section III.F.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.H., your employment will be treated as having terminated on your last day of employment with the Company.

**2.** If you are obligated (whether by law or contract) to provide the Company advance notice of your intention to terminate your employment or service relationship then, in the event you terminate your employment pursuant to Section III.C. or III.E. (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), for purposes of determining vesting under Section II.B.2. and the pro-rata calculation described in Section III.H., your employment will be treated as having terminated on your last day of active service with the Company, as determined by the Company in its sole discretion.

You shall be deemed to have ceased active service with the Company when you are no longer required by the Company to provide regular services to the Company even if you remain legally employed by the Company, such as may occur if the Company were to place you on "garden leave", a terminal leave of absence or any similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any (in each case as determined by the Company in its sole discretion.)

**G. 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., or (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., 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 (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.D., 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.

**H. 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.F;

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, as determined in accordance with Section III.F.

**I. 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.). 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, except to the extent that earlier distribution would not result in your incurring interest or additional tax under Section 409A of the Code.

**4.** Notwithstanding any other provision herein other than Section III.I.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 March 15, [YEAR].

**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 D. (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.) 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 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 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 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 Marsh & McLennan Companies with no further compensation due to you.

**7.** Nothing in this Section III.I. 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. In no event will the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred on account of non-compliance with Section 409A of the Code.

## 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 Section V.), 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 (to the extent permitted in accordance with the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix)(B)) 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., 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.

**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.

**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. "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.

**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. "Tax-Related Items"** shall have the meaning ascribed to such term in the Plan.

## 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, the Company Incentive Compensation Clawback Policy or

any other 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 in the event of fraud, financial restatements, or other events as may be determined by the Committee.

**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.K 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.

**9. Eligibility for Award.** In order to be granted an Award, you must satisfy the eligibility criteria for grantees set forth in the Plan as of the grant date.

**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 Tax-Related Items 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 Tax-Related Items 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:

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 People 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 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/ Carmen Fernandez**
**Carmen Fernandez**
**SVP, Chief People Officer**

MARSH & McLENNAN COMPANIES, INC.

2020 INCENTIVE AND STOCK AWARD PLAN

# TERMS AND CONDITIONS
# OF

# PERFORMANCE STOCK UNIT AWARDS
# GRANTED ON [DATE] 2021

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## I. BACKGROUND

A Performance Stock Unit award ("*Award*") has been granted to you under the Marsh & McLennan Companies, Inc. 2020 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 Executive Compensation and/or the stock plan service provider of the Company (as defined in Section V.). 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 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.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. 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 Company earnings per share performance factor (the "EPS Performance Factor") and relative shareholder return modifier ("Relative TSR Modifier") performance objectives established by the Committee for the Performance Period (as defined in Section V.). In the event of your termination of employment or occurrence of your Permanent Disability (as defined in Section V.) 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.

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 the occurrence of a Change in Control (as defined in the Plan) 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.G.

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 and III.E, the pro-rata calculation applied to

the outstanding PSUs 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 PSUs that do not vest or are cancelled or forfeited as described in Section III.F.

**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.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 - 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 Tax-Related Items (as defined in Section V.) that Marsh & McLennan Companies expects to be payable under the laws of any country, state, province, city or other jurisdiction. If applicable, Marsh & McLennan Companies and/or your employer will, to the extent permissible under applicable law or otherwise agreed between you and Marsh & McLennan Companies and/or your employer, retain and sell a sufficient number of whole shares of Common Stock distributable in respect of the Award for purposes of satisfying applicable obligations with respect to Tax-Related Items.

## 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.H.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– Age and Service Pro-Rata Vesting.** If you have satisfied the Age and Service Criteria for Pro-Rata Vesting (as defined in Section V.) but do not satisfy the Age and Service Criteria for Full Vesting (as defined in Section V.) 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, 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.).

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.I.) 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.H.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.

For the avoidance of doubt, the date of your termination of employment for purposes of determining whether you have satisfied the Age and Service Criteria for Pro-Rata Vesting under this Section III.C. will be determined in accordance with Section III.G.

Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it has received an opinion of counsel that there has been a legal judgment and/or legal development in the jurisdiction where you are employed that would likely result in the favorable treatment applicable to the Stock Units pursuant to this Section III.C. being deemed unlawful and/or discriminatory, then the Company will not apply this favorable treatment upon your termination of employment, and the Stock Units will be treated as set forth in the other subparagraphs of this Section III., as applicable.

**D. Termination by You – 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, 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.

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.H.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.

For the avoidance of doubt, the date of your termination of employment for purposes of determining whether you have satisfied the Age and Service Criteria for Full Vesting under this Section III.D. will be determined in accordance with Section III.G.

Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it has received an opinion of counsel that there has been a legal judgment and/or legal development in the jurisdiction where you are employed that would likely result in the favorable treatment applicable to the Stock Units pursuant to this Section III.D. being deemed unlawful and/or discriminatory, then the Company will not apply this favorable treatment upon your termination of employment, and the Stock Units will be treated as set forth in the other subparagraphs of this Section III., as applicable.

**E. Termination by the Company Other Than for Cause.**

**1. Treatment of Performance Stock Units.**

**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, 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.I.) 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.H.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.E.1.a. shall apply regardless of whether 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.H.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.

**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.

**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, or your resignation without having satisfied the Age and Service Criteria for Pro-Rata Vesting as described in Section III.C., or the Age and Service Criteria for Full Vesting 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 PSUs 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 obligated (whether by law or contract) to provide the Company advance notice of your intention to terminate your employment then, in the event you terminate your employment or service relationship pursuant to Section III.C, III.D., or III.F. (and regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), for purposes of determining vesting under Section II.B.2. and the pro rata calculation described in Section III.I., your employment will be treated as having terminated on your last day of active service with the Company, as determined by the Company in its sole discretion.

You shall be deemed to have ceased active service with the Company when you are no longer required by the Company to provide regular services to the Company even if you remain legally employed by the Company, such as may occur if the Company were to place you on "garden leave", a terminal leave of absence or any similar period mandated under employment laws in the jurisdiction where you are

employed or the terms of your employment agreement, if any (in each case as determined by the Company in its sole discretion).

**H. 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. or (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, 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. (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.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 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.

**I. 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.G;
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, as determined in accordance with Section III.G.

**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.). 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, except to the extent that earlier distribution would not result in your incurring interest or 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 terminated by the Company other than for Cause, or (D) 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 (as defined in Section V.):

**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 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 Marsh & McLennan Companies with no further compensation due to you.

**6.** 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. In no event will the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred on account of non-compliance with Section 409A of the Code.

## IV. CHANGE IN CONTROL PROVISIONS

### A. Treatment of Performance Stock Units.

**1. General.** Upon the occurrence of a Change in Control 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.), 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 PSU Scheduled Vesting Date, as described in Section II.B.4., as applicable; provided that you have satisfied the conditions described in Section IV.B. 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 as described in Section IV.A.3 (to the extent permitted in accordance with the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix)(B)) 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 (i) December 31 of the year preceding the year in which the Change in Control occurs for determination of the EPS Performance Factor and (ii) the date of the occurrence of the Change in Control for determination of the Relative TSR Modifier, 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, the number of shares of Common Stock distributable with respect to the PSUs will be determined based on (i) the "target" EPS Performance Factor and (ii) the actual Relative TSR modifier, determined as of the date of the occurrence of the Change in Control.

**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, 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.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.** **"*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 (i) December 31 of the year prior to the occurrence of such Change in Control for determination of the EPS Performance Factor and (ii) the date of the occurrence of such Change in Control for determination of the Relative TSR Modifier.

**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.** **"*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).

**K.** "*Tax-Related Items*" shall have the meaning ascribed to such term in the Plan.

## 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, the Company Incentive Compensation Clawback Policy or any other 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 in the event of fraud, financial restatements, or other events as may be determined by the Committee.

   **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.K 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.

9. **Eligibility for Award**. In order to be granted an Award, you must satisfy the eligibility criteria for grantees set forth in the Plan as of the grant date.

**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 Tax- Related Items 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 Tax-Related Items 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:

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 People 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 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/ Carmen Fernandez**

**Carmen Fernandez**
**SVP, Chief People Officer**

MARSH & McLENNAN COMPANIES, INC.

2020 INCENTIVE AND STOCK AWARD PLAN

# TERMS AND CONDITIONS
# OF
# STOCK OPTION AWARDS
# GRANTED ON [DATE] 2021

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## I. BACKGROUND

A Stock Option award ("*Award*") has been granted to you under the Marsh & McLennan Companies, Inc. 2020 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 Executive Compensation and/or the stock plan service provider of the Company (as defined in Section V). 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 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.G.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 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 (as defined in Section V.) 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.F.

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) at your election.

**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 Tax-Related Items (as defined in Section V.) that Marsh & McLennan Companies expects to be payable under the laws of any country, state, province, city or other jurisdiction. If applicable, Marsh & McLennan Companies and/or your employer will, to the extent permissible under applicable law or otherwise agreed between you and Marsh & McLennan Companies and/or your employer, retain and sell a sufficient number of whole shares of Common Stock distributable in respect of the Award for purposes of satisfying applicable obligations with respect to Tax-Related Items.

## 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.G.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 – Age and Service Vesting.** If you have satisfied the Age and Service Criteria for Vesting (as defined in Section V.) 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, then this Section III.C. shall apply. For the avoidance of doubt, Section III.D. 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.).

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.G.1. Provided that you satisfy the conditions described in Section III.G.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, the date of your termination of employment for purposes of determining whether you have satisfied the Age and Service Criteria for Vesting under this Section III.C. will be determined in accordance with Section III.F.

Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it has received an opinion of counsel that there has been a legal judgment and/or legal development in the jurisdiction where you are employed that would likely result in the favorable treatment applicable to the Option pursuant to this Section III.C. being deemed unlawful and/or discriminatory, then the Company will not apply this favorable treatment upon your termination of employment, and the Option will be treated as set forth in the other subparagraphs of this Section III., as applicable.

**D. Termination by the Company Other Than for Cause.**

**1. Treatment of Stock Options.**

**a. General.** Except as otherwise provided in Sections III.D.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.G.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.** 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, 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.G.2. Provided that you satisfy the conditions described in Section III.G.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.

**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.

**E. All Other Terminations.** For all other terminations of employment not described in Sections III.A. through D. or Section IV. (including, but not limited to, a termination by the Company for Cause, or your resignation without having satisfied the Age and Service Criteria for Vesting as described in Section III.C), 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.F. Provided that you satisfy the conditions to vesting described in Section III.G.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.F.

**F. Date of Termination of Employment.**

**1.** If Section III.F.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 obligated (whether by law or contract) to provide the Company advance notice of your intention to terminate your employment or service relationship then, in the event you terminate your employment pursuant to Section III.C., or III.E. (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), for purposes of determining vesting under Section II.B.2., your employment will be treated as having terminated on your last day of active service with the Company, as determined by the Company in its sole discretion.

You shall be deemed to have ceased active service with the Company when you are no longer required by the Company to provide regular services to the Company even if you remain legally employed by the Company, such as may occur if the Company were to place you on “garden leave”, a terminal leave of absence or any similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any (in each case as determined by the Company in its sole discretion).

**G. 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., or (iii) your termination of employment (other than a termination by the Company for Cause) 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.E., 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.D., 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.), 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 (as defined in Section V.), 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., 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.

**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.** **"Tax-Related Items"** shall have the meaning ascribed to such term in the Plan.

## VI. ADDITIONAL PROVISIONS

### A. Additional Provisions—General

1. **Administrative Rules.** The Award shall be subject to such additional administrative regulations as the Committee (as defined in Section V.) 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 the Company Incentive Compensation Clawback Policy or any other 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 in the event of fraud, financial restatements, or other events as may be determined by the Committee.

   **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.K 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.

9. **Eligibility for Award.** In order to be granted an Award, you must satisfy the eligibility criteria for grantees set forth in the Plan as of the grant date.

**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 Tax-Related Items 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 Tax-Related Items, 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:


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 People 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 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/ Carmen Fernandez**
**Carmen Fernandez**
**SVP, Chief People Officer**

**Exhibit 31.1**

**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 27, 2021

/s/ Daniel S. Glaser

Daniel S. Glaser
President and Chief Executive Officer

**Exhibit 31.2**

**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 27, 2021

/s/ Mark C. McGivney

Mark C. McGivney
Chief Financial Officer

**Exhibit 32.1**

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, 2021 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 27, 2021

/s/ Daniel S. Glaser
Daniel S. Glaser
President and Chief Executive Officer

Date: April 27, 2021

/s/ Mark C. McGivney
Mark C. McGivney
Chief Financial Officer