MARSH & MCLENNAN COMPANIES, INC.
Form DEF 14A
March 29, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Marsh & McLennan Companies, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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Notice of Annual Meeting

of Stockholders and Proxy Statement

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of Marsh & McLennan Companies, Inc. at:

DATE:	TIME:	LOCATION:
Thursday, May 16, 2019	10:00 a.m.	1166 Avenue of the Americas, New York, NY 10036

If you plan to attend the meeting in person, you will need to register in advance and provide proof that you own the Company s common stock. Please see page 72 for more information about attending the meeting in person.

Items of Business

1. To elect twelve (12) persons named in the accompanying proxy statement to serve as directors for a one-year term;

2. To approve, by nonbinding vote, the compensation of our named executive officers;

3. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm; and

4. To conduct any other business that may properly come before the meeting.

Your Vote is Very Important

Only stockholders of record as of close of business on March 18, 2019 may vote, in person or by proxy, at the annual meeting. Whether or not you plan to attend the annual meeting, your vote is very important. We urge you to participate in the election of our directors and deciding the other items on the agenda for the annual meeting.

You may vote over the Internet or by telephone.

If you accessed this proxy statement through the Internet, instructions appear in the Notice of Internet Availability of Proxy Materials.

If you received this proxy statement by mail, you may also vote by mail and instructions appear on the enclosed proxy card.

KATHERINE J. BRENNAN

Deputy General Counsel, Corporate Secretary & Chief Compliance Officer

March 29, 2019

Important Notice Regarding the Availability of Proxy Materials for the Marsh & McLennan Companies Annual Meeting of Stockholders to be held on May 16, 2019: This proxy statement and the Company s 2018 Annual Report, which includes financial statements as of and for the fiscal year ended December 31, 2018, are available at http://proxy.mmc.com

This notice and proxy statement is being mailed or made available on the Internet to stockholders on or about March 29, 2019.

In these materials, we refer to Marsh & McLennan Companies, Inc. as the Company , we and our .

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Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. You should read the entire proxy statement carefully before voting.

Voting Matters	Page number for more information	Board's recommendation
Election of Directors (Item 1) To elect twelve (12) persons named in the accompanying proxy statement to serve as directors for a one-year term	15	FOR
	23	FOR

Advisory (Nonbinding) Vote to Approve Named Executive Officer Compensation (Item 2) To approve, by nonbinding vote, the compensation of our named executive officers		
Ratification of Independent Auditor (Item 3) To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm	60	FOR

Highlights of Our Business and Strategy

We are a global professional services firm offering clients advice and solutions in risk, strategy and people. Our businesses include:

BUSINESS	MARSH	GUY CARPENTER	MERCER	OLIVER WYMAN

			GROUP
Insurance broker, intermediary and risk advisor	Risk and reinsurance specialist	HR and investment related financial advice and services	Management, economic and brand consultancy

With over **65,000 COLLEAGUES** worldwide and **ANNUAL REVENUE OF $15 BILLION**, we provide analysis, advice and transactional capabilities to clients in more than **130 COUNTRIES**.

We are the leading professional services firm in the areas of risk, strategy and people. Our purpose is to make a meaningful difference in the moments that matter, and by doing so, create significant value for our clients, colleagues, stockholders and the broader community. We are focused on four imperatives

STRATEGY

Creating breakthrough impact for our clients	Embracing innovation and the digital future	Being a great place to work	Driving growth and creating value

This strategy is designed to create exceptional value and superior returns for our stockholders over time.

Every year, the Board reviews the Company s long-term strategic plan and the strategic plans of the Company s operating subsidiaries.

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Proxy Summary (Continued)

Key Governance Policies and Practices

BOARD OF DIRECTORS	Our chairman of the Board is an independent director
	Two directors have joined since 2016, enhancing the Board s breadth and depth of experience and diversity
	All of our directors are elected annually
	Our directors areas of expertise are presented in a matrix on page 9
	Our Governance Guidelines articulate the Board s responsibility, alongside management, for setting the tone at the top and overseeing management s strategy to promote a culture of integrity throughout the Company
STOCKHOLDER ENGAGEMENT	In 2011, we expanded the breadth and consistency of our stockholder engagement. In each of the past five years, we have engaged with institutional stockholders holding approximately 25% to 45% of the Company s common stock

STOCKHOLDER RIGHTS	Our bylaws provide for proxy access (3% ownership / 3 years / group of up to 20 / greater of 20% of Board seats or 2 directors)
	Our bylaws allow holders of at least 20% of the voting power of the Company s outstanding common stock to call a special meeting
	Directors must receive a majority of the votes cast to be elected in uncontested elections
COMPENSATION AND EQUITY	We have stock ownership guidelines for directors and senior executives
	We prohibit hedging transactions by directors and colleagues, including senior executives
	Directors and senior executives are prohibited from pledging Company securities as collateral for a loan or otherwise

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Proxy Summary (Continued)

Key Executive Compensation Policies and Practices

STOCKHOLDER ALIGNED EXECUTIVE COMPENSATION PROGRAM	Our senior executives have a high percentage of variable (at risk) pay
	Long-term incentive compensation for our senior executives is delivered predominantly in stock options and performance stock unit awards, the value of which is contingent on stock price appreciation or achievement of specific Company financial objectives
	We mitigate the potential dilutive effect of equity-based awards through our share repurchase program
	Our Compensation Committee has an independent compensation consultant
COMPENSATION RECOVERY POLICIES	We have clawback policies for senior executive annual bonus awards and for equity-based compensation
SEVERANCE AND CHANGE IN CONTROL	Severance protections for our senior executives, including our CEO, are at a 1x multiple of base salary and bonus
	We provide double-trigger vesting of equity-based awards and payment of severance benefits following a change in control of the Company

	We do not provide golden parachute excise tax gross-ups in connection with a change in control of the Company
SAY ON PAY	We hold an annual advisory vote on named executive officer compensation and stockholder support of the executive compensation program has been strong (95% in 2018 and 96% in 2017)

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Proxy Summary (Continued)

Highlights of Our 2018 Performance and Compensation

FINANCIAL OBJECTIVES	In 2018, Marsh & McLennan Companies **DELIVERED STRONG PERFORMANCE** as we successfully executed on our long-term financial and strategic objectives.
	GAAP EPS INCREASED 13%, and we delivered **11%* GROWTH IN ADJUSTED EPS**. This marks **ANOTHER YEAR OF DOUBLE-DIGIT GROWTH** following 15% adjusted EPS growth in 2017.
	We generated **$15 BILLION OF REVENUE**, an increase of 7% compared with 2017. We achieved **4.2% GROWTH** in underlying revenue significantly higher than the 3.5% growth we generated in 2017.
	We **INCREASED ADJUSTED OPERATING INCOME*** for both the Risk & Insurance Services and Consulting segments for the **NINTH CONSECUTIVE YEAR**, with our overall margin increasing for the eleventh consecutive year.
ANNUAL COMMITMENTS	We increased our quarterly dividend from $0.375 to $0.415 per share beginning in the third quarter of 2018, resulting in an **ANNUAL DIVIDEND INCREASE OF 10.5%**, from $1.43 to $1.58. Our dividend has increased every year since 2010.
	We used approximately $675 million in cash to **REPURCHASE APPROXIMATELY 8.2 MILLION SHARES**, reducing our outstanding common stock by approximately 4.9 million shares on a net basis.

POSITIONING FOR THE FUTURE	We **DEPLOYED $1.1 BILLION OF CAPITAL ACROSS 23 TRANSACTIONS** that were completed in 2018, representing another year of significant reinvestment in building our business through acquisitions. Our agreement to acquire **JARDINE LLOYD THOMPSON GROUP PLC** was the capstone of 2018 for us. This acquisition is the **LARGEST ACQUISITION IN OUR 148-YEAR HISTORY** and represents a meaningful step forward in our efforts to expand in higher-growth and higher-margin segments.
STOCK PERFORMANCE	Our total stockholder return **OUTPERFORMED THE S&P 500® INDEX BY 4.3 PERCENTAGE POINTS** for 2018. Our **FIVE-YEAR ANNUALIZED TOTAL STOCKHOLDER RETURN OF 12.8%** also outperformed the S&P 500® index total stockholder return of 8.5% by 4.3 percentage points.
EXECUTIVE COMPENSATION	The Compensation Committee assessed our achievement against 2018 financial and strategic objectives and determined **ABOVE-TARGET BONUSES** for most of our named executive officers. We achieved **THREE-YEAR ADJUSTED EPS GROWTH OF 12.3%** for our 2016 performance stock unit awards. Our **EQUITY RUN RATE** IN 2018 WAS 0.8%**. Shares repurchased during the year more than offset the increase in shares attributable to the exercise of stock options and the distribution of shares for stock units from previously granted equity-based awards.

* Please see Exhibit A for a reconciliation of our non-GAAP financial measures to GAAP financial measures and related disclosures.

** Equity run rate means the number of shares of our common stock underlying equity-based awards granted plus the number of shares of our common stock underlying equity-based awards assumed upon an acquisition (if any), divided by the weighted average number of shares of our common stock outstanding for the year.

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Corporate Governance

We describe key features of the Company s corporate governance environment below and in the next section of this proxy statement, captioned Board of Directors and Committees. Our key corporate governance materials are available online at http://www.mmc.com/about/governance.php.

Overview

Our Board of Directors currently has twelve (12) members, including H. Edward Hanway, our independent chairman, and Daniel S. Glaser, our President and Chief Executive Officer. Mr. Glaser is the only member of management who serves as a director. As described in more detail under Board of Directors and Committees, our Board maintains an Audit Committee, a Compensation Committee, a Directors and Governance Committee, a Finance Committee, a Corporate Responsibility Committee and an Executive Committee.

Corporate Governance Practices

The Company is committed to best practices in corporate governance. Highlights of our corporate governance practices are described below.

BOARD STRUCTURE

Board Independence. All of the Company s directors are independent, with the exception of our CEO, who is the only member of management serving on the Board.

Independent Chairman. The Company maintains separate roles of chief executive officer and chairman of the Board as a matter of policy. An independent director acts as chairman of the Board.

Offer to Resign upon Change in Circumstances. Pursuant to our Governance Guidelines, any director undergoing a significant change in professional circumstances must offer to resign from the Board.

ELECTION OF DIRECTORS

Annual Election of Directors. The Company s charter provides for the annual election of directors.

Majority Voting in Director Elections. The Company s bylaws provide that, in uncontested elections, director candidates must be elected by a majority of the votes cast. Each director candidate has previously tendered an irrevocable resignation that will be effective upon his or her failure to receive the requisite votes and the Board s acceptance of such resignation.

PROXY ACCESS

Proxy Access. The Company s bylaws permit a stockholder, or a group of up to 20 stockholders, owning 3% or more of the Company s outstanding common stock continuously for at least three years to nominate and include in the Company s proxy materials directors constituting up to the greater of two or 20% of board seats, if the stockholder(s) and the nominee(s) meet the requirements in our bylaws.

RIGHT OF STOCKHOLDERS TO CALL SPECIAL MEETINGS

Stockholder Right to Call Special Meetings. The Company s bylaws allow holders of record of at least 20% of the voting power of the Company s outstanding common stock to call a special meeting.

STOCKHOLDER RIGHTS PLAN

No Poison Pill. The Company does not have a Rights Agreement.

COMPENSATION PRACTICES

Compensation Structure for Independent Directors. The Company s director compensation structure is transparent to investors and does not provide for meeting fees or retainers for non-chair committee membership.

Cap on Executive Severance Payments. The Company is required as a matter of policy to obtain stockholder approval for severance agreements with certain senior executives if they provide for cash severance that exceeds 2.99 times the executive s base salary and three-year average annual bonus award.

Double-Trigger Condition for Vesting of Equity-Based Awards following a Change in Control. Our outstanding and unvested equity-based awards contain a double-trigger vesting provision, which requires both a change in control of the Company and a specified termination of employment in order for vesting to be accelerated.

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Corporate Governance (Continued)

Clawback Policies. The Company may as a matter of policy recoup (or claw back) certain executive bonuses in the event of misconduct leading to a financial restatement. Also, our 2011 Incentive and Stock Award Plan allows the Company to claw back outstanding or already settled equity-based awards.

EQUITY OWNERSHIP AND HOLDING REQUIREMENTS

Senior Executive Equity Ownership and Holding Requirements. The Company requires senior executives to hold shares or stock units of our common stock with a value equal to a multiple of base salary. The multiple for our Chief Executive Officer is six, and the multiple for our other senior executives is three. Senior executives are required to hold shares of the Company s common stock acquired in connection with equity-based awards until they reach their ownership multiple and may not sell any shares of the Company s common stock unless they maintain their ownership multiple.

Director Equity Ownership and Holding Requirements. Directors are required to acquire over time, and thereafter hold (directly or indirectly), shares or stock units of our common stock with a value equal to at least five times the Board s basic annual retainer. Directors may not sell shares of the Company s common stock until this ownership threshold is attained.

Guidelines for Corporate Governance

The Company and the Board of Directors formally express many of our governance policies through our Guidelines for Corporate Governance (our Governance Guidelines). The Governance Guidelines are posted on our website at http://www.mmc.com/about/governance.php.

The Governance Guidelines summarize certain policies and practices designed to assist the Board in fulfilling its fiduciary obligations to the Company s stockholders, including the following (parenthetical references are to the relevant section of the Governance Guidelines):

The Board s responsibility, alongside management, for setting the tone at the top and overseeing management s strategy to promote a culture of integrity throughout the Company. (Section A)

Specific Board functions (Section B), such as:

selecting, regularly evaluating the performance of, and approving the compensation paid to, the CEO;

providing oversight and guidance regarding the selection, evaluation, development and compensation of other senior executives;

planning for CEO and other senior management succession;

reviewing, monitoring and, where appropriate, approving the Company s strategic and operating plans, fundamental financial objectives and major corporate actions;

assessing major risks facing the Company and reviewing enterprise risk management programs and processes;

overseeing the integrity of the Company s financial statements and financial reporting processes;

reviewing processes to maintain the Company s compliance with legal and ethical standards; and

reviewing and monitoring the effectiveness of the Company s corporate governance practices.

Succession planning and management development. (Section C)

Director qualification standards and director independence. (Sections D.2 and D.3)

Limits on serving on more than four public company boards. (Section D.5)

Majority voting in director elections. (Section E.3)

Resignation and retirement requirements for independent directors. (Section E.5)

Separation of chairman and CEO roles. (Section F.2)

Executive sessions of independent directors at every in-person meeting of the Board. (Section H.3)

Annual Board review of the Company s long-term strategic plan and the strategic plans of the Company s operating subsidiaries. (H.4)

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Corporate Governance (Continued)

Board access to management and professional advisors. (Section I)

Director stock ownership requirements. (Section K.2)

Prohibition on directors hedging and pledging Company securities. (Section K.3)

Annual Board and committee evaluations. (Section L)

Policy on interested stockholder transactions. (Section O)

Stockholder Engagement

In 2011, we expanded the breadth and consistency of our stockholder engagement. In each of the past five years, we have engaged with institutional stockholders holding approximately 25% to 45% of the Company s common stock. Discussions with stockholders cover corporate governance, executive compensation and environmental and social topics. Feedback received during the stockholder engagement process is shared with senior executives, the Board and its committees. We are committed to ongoing engagement with our stockholders and intend to continue these outreach efforts.

Risk Oversight

It is the responsibility of the Company s senior management to assess and manage our exposure to risk and to bring to the Board s attention the most material risks facing the Company. The Board oversees risk management directly and through its committees.

Annually, the Board reviews management s assessment of the Company s key enterprise risks. Senior management then briefs the Board on its strategy with respect to each risk and provides a mid-year status update and a report at year-end. The Board receives updates from management on specific risks throughout the year, including on human capital management and cybersecurity.

The Audit Committee regularly reviews the Company s policies and practices with respect to risk assessment and risk management, including cybersecurity risk. The Directors and Governance Committee considers risks relating to CEO succession planning, and the Compensation Committee considers risks relating to the design of executive compensation programs and arrangements. See the discussion under Committees on page 11 for additional information about the Board s committees.

Environmental, Social and Governance (ESG) Oversight and Activities

With the creation of the Corporate Responsibility Committee in 2008, the Board has formally focused on key aspects of the Company s environmental, social and governance (ESG) initiatives for more than a decade. In 2018, the Company formed a cross-functional management committee to coordinate and communicate on the Company s ESG initiatives. Our Corporate Citizenship Report and related information is available on our website at http://www.mmc.com/esg.

The Board oversees the Company s ESG initiatives and strategies primarily through its committees.

Corporate Responsibility Committee. The Corporate Responsibility Committee has responsibility for sustainability, diversity and inclusion and social responsibility, as well as corporate communications and government relations. It includes members from each of the Board s other committees. The Corporate Responsibility Committee receives reports at least annually on environmental matters from the Company s Chief Sustainability Officer and on diversity and inclusion and social responsibility matters from the Company s Chief Human Resources Officer.

Compensation Committee. The Compensation Committee has responsibility to review certain key human resource strategic activities, including those relating to diversity, training and recruitment. The Compensation Committee coordinates with the Corporate Responsibility Committee on diversity initiatives and receives annual reports on diversity and inclusion from the Company s Chief Human Resources Officer.

Directors and Governance Committee. The Directors and Governance Committee takes a leadership role in shaping the Company s corporate governance principles and practices. It receives regular updates on governance practices and developments from the Company s General Counsel.

Audit Committee. The Audit Committee has responsibility for the Company s policies, systems and controls designed to promote ethical behavior and compliance with applicable legal and regulatory requirements. It receives regular updates from the Company s Chief Compliance Officer.

Corporate Governance (Continued)

Following each committee meeting, the respective committee chair reports on the meeting to the full Board. See the discussion under Committees on page 11 for additional information about the Board s committees.

Management ESG Committee. In 2018, a committee was formed with members drawn from across the Company to coordinate and communicate on the Company s ESG initiatives. The committee is comprised of colleagues from Legal, Compliance, Human Resources, Corporate Social Responsibility, Investor Relations, Communications and Government Relations. Members of the committee include the Company s Deputy General Counsel, Corporate Secretary & Chief Compliance Officer, the secretaries to the Board s committees, the Company s Chief Sustainability Officer, the Company s Head of Corporate Responsibility, as well as other colleagues who support the Company s ESG initiatives.

Codes of Conduct

Our reputation is fundamental to our business. The Company s directors and officers and other colleagues are expected to act ethically at all times. To provide guidance in this regard, the Company has adopted a Code of Conduct, *The Greater Good*, which applies to all of our directors, officers and other colleagues. Additionally, *The Greater Good* requires the Company s agents, subcontractors and suppliers to comply with relevant aspects of our compliance policies. The dissemination of *The Greater Good* to the Company s colleagues includes comprehensive training and communication. In 2016, there was a campaign requiring colleagues to recertify their commitment to *The Greater Good*. Each year, the Company s directors and senior executives certify their commitment to *The Greater Good*. The Company has also adopted an additional Code of Ethics for the Chief Executive Officer and Senior Financial Officers, which applies to our chief executive officer, chief financial officer and controller. Both of these codes are posted on the Company s website at http://www.mmc.com and print copies are available to any stockholder upon request. We will disclose any amendments to, or waivers of, the Code of Ethics for the Chief Executive Officer and Senior Financial Officers on our website within four business days.

CEO Succession Planning and Succession Planning for Senior Executives

The Board believes that planning for CEO succession is one of its most important responsibilities. CEO succession planning is regularly discussed at Board meetings and in executive sessions. The Board, taking into account the recommendations of the Directors and Governance Committee, approves and maintains a succession plan for the CEO. At least annually, independent directors meet with the CEO to discuss potential successors. In addition, a confidential procedure is maintained for the timely and efficient transfer of the CEO s responsibilities in the event of an emergency or his sudden incapacitation or departure.

The Board also believes that planning for succession below the CEO level is a key responsibility. The CEO periodically reviews with the independent directors the performance of senior executives and any succession issues related to those individuals. The Compensation Committee has responsibility for reviewing the Company s executive talent review process for senior executives. Every year, the Compensation Committee reviews succession plans for direct reports to the CEO and other key executive positions.

Directors engage with senior executives and others at Board and committee meetings and in less formal settings to allow directors to personally assess potential candidates for CEO and senior executive roles.

Director Recruitment, Nomination and Succession Planning

The Board, taking into account the recommendation of the Directors and Governance Committee, is responsible for nominating a slate of director candidates for election at the Company s annual meeting of stockholders.

DIRECTOR RECRUITMENT

The Board has delegated to the Directors and Governance Committee the authority to identify, consider and recommend to the Board potential new director candidates and to engage one or more search firms to assist the Committee in that regard. The Directors and Governance Committee reviews with the Board periodically the skills and characteristics to be sought in any new director candidates. In evaluating the skills and characteristics to be sought in new director candidates, the Directors and Governance Committee considers, among other factors, the criteria described under Director Qualifications on page 8 and the skills and experiences shown in the Director Skills and Experience matrix on page 9. In its recruitment process, the Directors and Governance Committee and the Board seek to reflect gender, racial and ethnic diversity in the pool of director candidates.

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Corporate Governance (Continued)

DIRECTOR NOMINATION PROCESS

As part of the process for nominating director candidates, the Board evaluates each individual director in the context of the Board as a whole, with the objective of recommending a group that can best support the success of our business and represent stockholder interests. The Directors and Governance Committee may consider recommendations for director candidates from search firms, other directors and stockholders. In deciding whether to nominate an incumbent director for re-election, the Board considers many factors, including the criteria described under Director Qualifications on page 8, such as gender, racial and ethnic diversity, as well as his or her length of service and performance on the Board.

DIRECTOR SUCCESSION PLANNING

The Board is committed to effective succession planning. The Directors and Governance Committee has responsibility to review the composition and structure of the Board as a whole, taking into account such factors as the Board s current mix and diversity of skills, backgrounds and experiences, and to make recommendations to the Board as appropriate. In its review of Board composition, the Directors and Governance Committee considers succession planning in light of factors such as skills needed and upcoming retirements and other potential departures.

Director Orientation and Continuing Education

All new directors participate in an orientation program throughout their first year on the Board to familiarize them with the Company s business, strategy, finances, policies, corporate governance practices and culture. The orientation program includes in-person meetings with the Company s senior executives and comprehensive background materials. Directors are provided training on our code of conduct, *The Greater Good.* Thereafter, each director certifies annually that he or she has read it and agrees to abide by its policies and practices. Additional orientation sessions with key advisors are provided for Audit and Compensation Committee members. Orientation sessions are tailored upon request to meet directors needs and interests.

Directors are also encouraged to participate in continuing education programs. Continuing education programs may be part of regular Board or committee meetings or third-party presentations. Additionally, the Company pays for directors to have access to third-party resources that provide updates on issues and programs relevant to public companies and their directors.

Director Independence

The Board has determined that all directors other than Mr. Glaser are independent under the New York Stock Exchange (NYSE) listed company rules and the standards set forth in the Governance Guidelines. Therefore, the Board has satisfied the objective, set forth in the Governance Guidelines, that a substantial majority of the Company s directors be independent of management.

For a director to be considered independent, the Board must affirmatively determine that the director has no direct or indirect material relationship with the Company. The Board has established standards to assist it in making determinations of director independence. These standards conform to, or are more exacting than, the independence requirements provided in the NYSE listed company rules. The Company s director independence standards are set forth as Annex A to our Governance Guidelines.

All members of the Audit, Compensation and Directors and Governance Committees must be independent directors under the NYSE listed company rules and the standards set forth in the Company s Governance Guidelines. Members of the Audit Committee must also satisfy a separate Securities and Exchange Commission (SEC) and NYSE independence requirement, which provides that they may not be affiliates and may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, other than their directors compensation. The Board evaluated each member of the Compensation Committee under the additional NYSE compensation committee member independence standards and also determined that these members qualify as non-employee directors (as defined under Rule 16b-3 under the Securities Exchange Act of 1934) and as outside directors (as defined in Section 162(m) of the Internal Revenue Code).

Under our Governance Guidelines, if a director whom the Board has deemed independent has a change in circumstances or relationships that might cause the Board to reconsider that determination, he or she must immediately notify the chairman of the Board and the chair of the Directors and Governance Committee.

Corporate Governance (Continued)

Review of Related Person Transactions

The Company maintains a written Policy Regarding Related Person Transactions, which sets forth standards and procedures for the review and approval or ratification of transactions between the Company and related persons. The policy is administered by the Directors and Governance Committee with assistance from the Company s Corporate Secretary.

In determining whether to approve or ratify a related person transaction, the Directors and Governance Committee will review the facts and circumstances including: the commercial reasonableness of the transaction; the benefits of the transaction to the Company; the availability of other sources for the products or services involved in the transaction; the materiality and nature of the related person s direct or indirect interest in the transaction and the potential public perception of the transaction. The Directors and Governance Committee will approve or ratify a related person transaction only if the Committee determines that the related person transaction is in, or is not inconsistent with, the best interests of the Company and its stockholders.

If the Directors and Governance Committee determines not to approve or ratify a related person transaction, the transaction will not be entered into or continued. No member of the Directors and Governance Committee will participate in any review or determination if the Committee member or any of his or her immediate family members is the related person.

See the discussion under Transactions with Management and Others on page 70.

Stockholder Nominations for Director Candidates

Stockholders may recommend or nominate director candidates in writing to the Company s Corporate Secretary. All stockholder recommendations for director candidates are considered and they are evaluated in the same manner as other director candidates. Nominating stockholders must meet the requirements described in Article III of our bylaws. The notice of nomination must meet bylaw requirements, including as to timeliness and form, and be delivered to the Company s Corporate Secretary at our principal executive offices: Marsh & McLennan Companies, Inc., Attn: Directors and Governance Committee, c/o Katherine J. Brennan Corporate Secretary, 1166 Avenue of the Americas, New York, New York 10036-2774. See the discussion under Submission of Stockholder Proposals and Other Items of Business for 2020 Annual Meeting on page 75.

Director Election Voting Standard

The Company s bylaws provide that, in an uncontested election of directors (*i.e.*, where the number of nominees does not exceed the number of directors to be elected), a director nominee must receive more votes cast for than against his or her election in order to be elected to the Board.

In connection with the Company s majority voting standard for director elections, the Board has adopted the following procedures, which are set forth more fully in Section E.3 of our Governance Guidelines:

The Board shall nominate for election only director candidates who agree to tender to the Board an irrevocable resignation that will be effective upon (i) a director s failure to receive the required number of votes for re-election at the next meeting of stockholders at which he or she faces re-election and (ii) the Board s acceptance of such resignation.

Following a meeting of stockholders at which an incumbent director who was a nominee for re-election does not receive the required number of votes for election, the Directors and Governance Committee shall make a recommendation to the Board as to whether to accept or reject such director s resignation. Within 90 days following the certification of the election results, the Board shall decide whether to accept or reject the director s resignation and shall publicly disclose that decision and its rationale.

If the Board accepts a director s resignation, the Directors and Governance Committee will recommend to the Board whether to fill the resultant vacant Board seat or reduce the size of the Board.

Corporate Governance (Continued)

Communicating with Directors

Holders of the Company s common stock and other interested parties may send communications to the Board of Directors, the independent chairman, any of the directors or the independent directors as a group by mail (addressed to Katherine J. Brennan Corporate Secretary, at the address shown below), online at http://www.ethicscomplianceline.com or by telephone (local dialing instructions can be found at http://www.ethicscomplianceline.com). Items unrelated to the directors duties and responsibilities as Board members may be excluded by the Corporate Secretary, including solicitations and advertisements, junk mail, product-related communications, surveys and job referral materials such as resumes.

Communicating Concerns Regarding Accounting Matters

The Audit Committee of the Board of Directors has established procedures to enable anyone who has a concern about the Company s accounting, internal accounting controls or auditing practices to communicate that concern directly to the Audit Committee. These communications, which may be made on a confidential or anonymous basis, may be submitted in writing, by telephone or online as follows:

By mail to:

Marsh & McLennan Companies, Inc.

Audit Committee of the Board of Directors

c/o Katherine J. Brennan Corporate Secretary

1166 Avenue of the Americas, Legal Department

New York, New York 10036-2774

By telephone or online:

Go to this website for dialing instructions or to raise a concern online:

http://www.ethicscomplianceline.com

Further details of the Company s procedures for handling complaints and concerns of colleagues and other interested parties regarding accounting matters are posted on our website at http://www.mmc.com/about/governance.php.

Company policy prohibits retaliation against anyone who raises a concern in good faith.

Board of Directors and Committees

Board Composition, Leadership and Size

At the 2019 annual meeting, stockholders will vote on the election of twelve (12) directors. H. Edward Hanway currently serves as the Board s independent chairman.

The only member of management who serves on the Board is Daniel S. Glaser, the Company s President and Chief Executive Officer. The position of chairman of the Board has been held by an independent director since 2005. The Board believes that this currently is the best leadership structure for the Company.

Director Qualifications

As provided in our Governance Guidelines, all directors must demonstrate the highest standards of ethics and integrity, must be independent thinkers with strong analytical ability and must be committed to representing all of the Company s stockholders rather than any particular interest group. In addition to these characteristics, our Governance Guidelines provide that each director candidate be evaluated by the Board against the following criteria: (1) the candidate s personal and professional reputation and background; (2) the candidate s industry knowledge; (3) the candidate s experience with businesses or other organizations comparable to the Company in terms of size or complexity; (4) the interplay of the candidate s skills and experience with those of the incumbent directors; (5) the extent to which the candidate would provide substantive expertise that is currently sought by the Board or any committees of the Board; (6) the candidate s ability to commit the time necessary to fulfill a director s responsibilities; (7) relevant legal and regulatory requirements and evolving best practices in corporate governance; (8) the gender, racial, ethnic and cultural diversity of each potential candidate and (9) any other criteria the Board deems appropriate.

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Board of Directors and Committees (Continued)

Director Skills and Experience

As a global professional services firm offering clients advice and solutions in risk, strategy and people, the eight areas of expertise described in the chart below support our business and strategy. The chart identifies the five principal skills that the Directors and Governance Committee considered for each director when evaluating that director s experience and qualifications to serve as a director. Additional information about each director s background, business experience and other matters, as well a description of how each individual s experience qualifies him or her to serve as a director of the Company, is provided under the heading Item 1 Election of Directors beginning on page 15.

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Board of Directors and Committees (Continued)

Board Diversity

We are committed to maintaining a diverse and inclusive Board. Of our twelve directors, five (42%) are diverse, including two women.

Our Governance Guidelines specify that the gender, racial, ethnic and cultural diversity of each potential director candidate be considered by the Board. In its recruitment process, the Directors and Governance Committee and the Board seek to reflect gender, race and ethnic diversity in the pool of director candidates. The Directors and Governance Committee and the Board also consider gender, race and ethnic diversity in the director nomination process.

Board Refreshment

The Board is committed to effective succession planning and refreshment. Two directors have joined since 2016, enhancing the Board s breadth and depth of experience and diversity. The average tenure of our directors is nine years. In deciding whether to nominate an incumbent director for re-election, the Board considers many factors, including tenure. The Board believes that a variety of director tenures provides fresh perspectives and valuable insight developed over time into the Company s operations.

Retirement

Our Governance Guidelines require our independent directors to resign no later than at the annual meeting of stockholders following their 75th birthday. Any director who is an employee of the Company will resign from the Board when his or her employment ends.

Attendance

The Board held eleven meetings, including telephonic meetings, during 2018. All directors attended at least 75% of the meetings of the Board and committees on which they served. The Board s policy is to have all directors attend the annual meetings of stockholders. All of our directors were present at the 2018 annual meeting of stockholders.

Executive Sessions

Our independent directors meet in executive session without management at regularly scheduled in-person Board meetings. In 2018, they held six executive sessions, which were presided over by the independent chairman of the Board. In addition, the members of the Audit, Compensation and Directors and Governance Committees meet in executive session without management at regularly scheduled in-person committee meetings.

Board and Committee Evaluations

The Directors and Governance Committee oversees an annual evaluation of the Board s performance and effectiveness. The evaluation focuses on the Board s contribution to the Company over the preceding year, including areas in which the Board or management believes the Board could enhance its future contributions. Each year, the Directors and Governance Committee reviews and considers the self-evaluation for the upcoming year.

As part of the Board s self-evaluation process, each director completes a questionnaire soliciting quantitative ratings and qualitative commentary. Recent changes to the self-evaluation include beginning the questionnaire with open-ended questions and expanding qualitative feedback. The questionnaire solicits directors views on topics such as:

- the Board s key priorities,
- fulfillment of the Board s responsibilities under our Governance Guidelines,
- the Board s relationship with management and
- the Board s structure, composition and committees.

The responses to the questionnaire are compiled on an unattributed basis and are discussed by the Board in executive session. Based on the evaluation results, changes in practices or procedures are considered and, as appropriate, implemented. More generally, directors are encouraged to make suggestions at any time for improving the Board s practices.

In addition, each of the Audit, Compensation and Directors and Governance Committees evaluates its own performance annually pursuant to their respective charters. Each Committee s self-evaluation is conducted in an executive session and includes an assessment of its fulfillment of its responsibilities under its charter and our Governance Guidelines.

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Board of Directors and Committees (Continued)

Committees

Our Board maintains an Audit Committee, a Compensation Committee, a Directors and Governance Committee, a Finance Committee, a Corporate Responsibility Committee and an Executive Committee to assist the Board in discharging its responsibilities. Following each committee meeting, the respective committee chair reports the highlights of the meeting to the full Board.

Membership on each of the Audit, Compensation and Directors and Governance Committees is limited to independent directors as required by the Company, the listing standards of the NYSE and the SEC s independence rules. The Corporate Responsibility Committee must consist of a majority of independent directors as required by the Company. Each of these committees is governed by a charter, which can be viewed on our website at http://www.mmc.com/about/governance.php.

The table below indicates committee assignments for 2018 and the number of times each committee met in 2018:

Director	Audit	Compensation	Directors and Governance	Finance	Corporate Responsibility	Executive
Anthony K. Anderson	🌑				🌑	
Oscar Fanjul		🌑		**CHAIR**		🌑
Daniel S. Glaser				🌑		🌑

H. Edward Hanway		🌑	🌑	🌑		**CHAIR**
Deborah C. Hopkins		🌑	🌑		🌑	
Elaine La Roche	🌑			🌑	🌑	
Steven A. Mills		**CHAIR**	🌑			🌑
Bruce P. Nolop	**CHAIR**			🌑		🌑
Marc D. Oken	🌑			🌑		
Morton O. Schapiro		🌑	**CHAIR**			🌑
Lloyd M. Yates	🌑				🌑	
R. David Yost		🌑			**CHAIR**	
2018 Meetings	10	6	5	7	4	0

AUDIT COMMITTEE

The Audit Committee is charged, among other things, with assisting the Board in fulfilling its oversight responsibilities with respect to:

- the integrity of the Company s financial statements;
- the qualifications, independence and performance of our independent registered public accounting firm;
- the performance of the Company s internal audit function;
- the Company s policies and implementation of systems and controls designed to promote ethical behavior;
- compliance by the Company with legal and regulatory requirements; and
- the Company s enterprise risk management programs and processes.

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Board of Directors and Committees (Continued)

The Audit Committee selects, oversees and approves, pursuant to a pre-approval policy, all services to be performed by our independent registered public accounting firm. The Company s independent registered public accounting firm reports to the Audit Committee.

All members of the Audit Committee are financially literate, as required by the NYSE and determined by the Board. The Board has determined that Anthony K. Anderson, Bruce P. Nolop, Marc D. Oken and Lloyd M. Yates have the requisite qualifications to satisfy the SEC definition of audit committee financial expert.

COMPENSATION COMMITTEE

The primary responsibilities of the Compensation Committee are to:

- evaluate the performance and determine the compensation of our chief executive officer;
- review and approve the compensation of our other senior executives;
- review certain key human resource strategic activities, including those relating to diversity, training and recruitment; and
- oversee and discharge its responsibilities for the Company s incentive compensation plans for our senior executives and equity-based award plans.

Meeting Schedule. The Compensation Committee met six times in 2018, including a special meeting in February to complete its annual review of, and make decisions on, executive compensation. Decisions relating to significant matters are usually presented to the Compensation Committee and discussed at more than one meeting to allow for full consideration of the implications and possible alternatives before a final decision is made. The Compensation Committee receives support from its independent compensation consultant and the Company s management, including the Company s human resources staff, as described below. At each of its meetings, the Compensation Committee meets in executive session and without management present. The independent compensation consultant attends portions of the executive sessions.

The Compensation Committee may delegate all or a portion of its duties and responsibilities to the chair of the Compensation Committee or a subcommittee of the Compensation Committee. If necessary, the chair is authorized to take action on behalf of the Compensation Committee between its regularly scheduled meetings, within prescribed guidelines. If any such action is taken, the chair reports such action to the Compensation Committee at its next regularly scheduled meeting.

Independent Compensation Consultant. The Compensation Committee has engaged Pay Governance LLC as its independent compensation consultant to support the Compensation Committee in performing its duties and to provide analysis and make recommendations to the Compensation Committee regarding our executive compensation program. The independent compensation consultant reports directly to the Compensation Committee and provides advice and analysis solely to the Compensation Committee. The independent compensation consultant supports the Compensation Committee by:

- participating in meetings and executive sessions of the Compensation Committee to advise the Compensation Committee on specific matters that arise;

- offering objective advice regarding the compensation and policy recommendations presented to the Compensation Committee by the Company s management, including senior members of the Company s human resources staff; and

- supplying data regarding the compensation practices of comparable companies.

The Compensation Committee requested and received advice from the independent compensation consultant with respect to all significant matters addressed by the Compensation Committee during 2018. Except for the services provided to the Board, neither the individual compensation consultant nor Pay Governance LLC nor any of its affiliates provided any services to the Company or its affiliates in 2018.

The Compensation Committee assessed the work of Pay Governance LLC during 2018 pursuant to SEC rules and concluded that Pay Governance s work did not raise any conflict of interest.

Company Management. The Company s management, including the Company s human resources staff, supports the Compensation Committee by:

- developing meeting agendas in consultation with the chair of the Compensation Committee and preparing background materials for Compensation Committee meetings;

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Board of Directors and Committees (Continued)

making recommendations to the Compensation Committee on the Company s compensation philosophy, governance initiatives and short-term and long-term incentive (LTI) compensation design, and by providing input regarding the individual performance component of annual bonus awards; and

responding to actions and initiatives proposed by the Compensation Committee.

In addition, our President and Chief Executive Officer provides recommendations with respect to the compensation of our other senior executives.

Our President and Chief Executive Officer, senior members of the Company s human resources staff and internal legal counsel attended Compensation Committee meetings when invited but were not present for executive sessions or for any discussion of their own compensation.

Timing and Procedures of Equity-Based Compensation Awards. Annual awards under our LTI compensation program are approved at a prescheduled meeting of the Compensation Committee each February and, consistent with our historical practice, are granted on that same date.

In addition, the Compensation Committee periodically grants restricted stock unit awards to newly hired senior executives and to continuing senior executives for increased responsibilities that accompany changes in position and for retention purposes. These awards are approved at prescheduled meetings of the Compensation Committee. The Compensation Committee has also authorized our President and Chief Executive Officer to make such awards to individuals who are not senior executives, subject to prescribed parameters. These awards are granted on the first calendar day of the month following approval of the award by the Compensation Committee or our President and Chief Executive Officer, as applicable. In the event that an award is approved prior to an individual s start date with the Company, the award will be granted on the first calendar day of the first month on or following the individual s start date; however, if an award is approved contingent on the award recipient providing documentation supporting the forfeiture of compensation from a former employer and that documentation has not been provided as of the individual s start date, the award will be granted on the first calendar day of the month following the provision of such documentation and acceptance by the Company.

Typically, equity-based awards are denominated as a dollar value and then converted into a number of performance stock units, restricted stock units or stock options. The number of performance stock units or restricted stock units is determined based on the grant date fair value of the Company s common stock, which is defined as the average of the high and low trading prices of the Company s common stock on the trading day immediately preceding the grant date. The number of stock options is determined based on the grant date fair value of a stock option to purchase a share of the Company s common stock. The grant date fair value of stock options is determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation-Stock Compensation* (FASB ASC Topic 718). Stock options have an exercise price equal to the average of the high and low trading prices of the Company s common stock on the trading day immediately preceding the grant date. We believe that our equity-based compensation grant procedures effectively protect against the manipulation of grant timing for employee gain.

The Company s human resources staff regularly monitors, and updates the Compensation Committee on, the use of shares of the Company s common stock for equity-based awards and the number of shares available for future awards under our equity-based compensation plans. As part of the process of granting annual LTI compensation, the Compensation Committee considers share use and equity run rate (as defined in 2018 Highlights on page 24) so that annual LTI awards, and the extent to which shares of the Company s common stock are used for those awards, are maintained at a reasonable level.

DIRECTORS AND GOVERNANCE COMMITTEE

The Directors and Governance Committee s duties and responsibilities include, among other things:

- assisting the Board by identifying, considering and recommending, consistent with criteria approved by the Board, qualified candidates for election as directors, including the slate of directors to be nominated by the Board for election at the Company s annual meeting of stockholders;
- recommending Board committee assignments;
- overseeing the development and implementation of succession planning for the Company s chief executive officer; and
- developing and recommending to the Board the Company s Governance Guidelines, including taking a leadership role in shaping the Company s corporate governance.

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Board of Directors and Committees (Continued)

FINANCE COMMITTEE

The Finance Committee reviews and makes recommendations to the Board concerning, among other matters, the Company s capital structure, capital management and methods of corporate finance (including proposed issuances of securities or other financing transactions) and proposed acquisitions, divestitures or other strategic transactions.

CORPORATE RESPONSIBILITY COMMITTEE

The Corporate Responsibility Committee s purpose is to create value for our stakeholders by enhancing the Company s reputation, business position and colleague engagement. In particular, the Corporate Responsibility Committee focuses on government relations, corporate communications, social responsibility, diversity and inclusion and sustainability. The Corporate Responsibility Committee receives at least annual updates on sustainability, environmental matters, social responsibility and diversity and inclusion topics and reports to the Board on a regular basis.

EXECUTIVE COMMITTEE

The Executive Committee is empowered to act for the full Board during the intervals between Board meetings, except with respect to matters that, under Delaware law or the Company s bylaws, may not be delegated to a committee of the Board. The Executive Committee meets as necessary, with all actions taken by the Committee reported at the next Board meeting.

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Election of Directors

Item 1 Election of Directors

At the 2019 annual meeting, stockholders will vote on the election of the twelve (12) nominees listed below for a one-year term Anthony K. Anderson, Oscar Fanjul, Daniel S. Glaser, H. Edward Hanway, Deborah C. Hopkins, Elaine La Roche, Steven A. Mills, Bruce P. Nolop, Marc D. Oken, Morton O. Schapiro, Lloyd M. Yates and R. David Yost.

The Board has nominated each of these individuals to serve until the 2020 annual meeting. Each nominee has indicated that he or she will serve if elected. We do not anticipate that any of the nominees will be unable or unwilling to stand for election, but if that happens, your proxy may be voted for another person nominated by the Board or the Board may reduce its size. Each director holds office until his or her successor has been duly elected and qualified or his or her earlier resignation, death or removal.

In nominating the following slate of director candidates for election at the Company s annual meeting of stockholders, the Board has evaluated each nominee by reference to the criteria described above on pages 8 and 9 under the headings Director Qualifications and Director Skills and Experience. In addition, the Board evaluates each individual director in the context of the Board as a whole, with the objective of recommending a group that can best support the success of our businesses and represent stockholder interests.

The following section contains information provided by the nominees about their principal occupations, business experience and other matters, including their 2019 committee assignments, as well as a description of how each individual s experience qualifies him or her to serve as a director of the Company.

The Board of Directors recommends that you vote FOR all of the director nominees.

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Election of Directors (Continued)

Name/Age	Director Since	Background	Independent	Other Public Company Boards	Committees
Anthony K. Anderson, 63	2016	Former Vice Chair and Midwest Area Managing Partner of Ernst & Young LLP	Yes	3	Audit Corporate Responsibility
Oscar Fanjul, 69	2001	Vice Chairman of Omega Capital, Founding Chairman and Former Chief Executive Officer of Repsol	Yes	2	Compensation Executive Finance (Chair)
Daniel S. Glaser, 58	2013	President and Chief Executive Officer of Marsh & McLennan Companies, Inc.	No	0	Executive Finance
H. Edward Hanway, 67	2010	Former Chairman and Chief Executive Officer of CIGNA Corporation	Yes	0	Compensation Directors and Governance Executive (Chair) Finance

Deborah C. Hopkins, 64	2017	Former Chief Executive Officer of Citi Ventures, Former Chief Innovation Officer of Citigroup	Yes	2	Compensation Corporate Responsibility Directors and Governance
Elaine La Roche, 69	2012	Chief Executive Officer, China International Capital Corporation US Securities, Inc.	Yes	0	Audit Corporate Responsibility Finance
Steven A. Mills, 67	2011	Former Executive Vice President of Software & Systems of International Business Machines Corporation (IBM)	Yes	0	Compensation (Chair) Directors and Governance Executive
Bruce P. Nolop, 68	2008	Former Executive Vice President and Chief Financial Officer of E*Trade Financial Corporation	Yes	2	Audit (Chair) Executive Finance
Marc D. Oken, 72	2006	Founding Partner of Falfurrias Capital Partners	Yes	1	Audit Finance
Morton O. Schapiro, 65	2002	President and Professor of Economics, Northwestern University	Yes	0	Compensation Directors and Governance (Chair) Executive

Lloyd M. Yates, 58	2011	Executive Vice President of Duke Energy and President of Duke Energy s Carolinas Region	Yes	0	Audit Corporate Responsibility
R. David Yost, 71	2012	Former President and Chief Executive Officer of AmerisourceBergen	Yes	2	Compensation Corporate Responsibility (Chair)

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Election of Directors (Continued)

Anthony K. Anderson

Director since 2016

Age 63

Other Public Company Boards

AAR Corp.

Avery Dennison Corporation

Exelon Corporation

Past five years: First American Financial Corporation

Committees

Audit

Corporate Responsibility

Key Skills and Experience

Leadership

Financial

Industry

Corporate Governance & Responsibility

Risk Management

Mr. Anderson served as Vice Chair and Midwest Area Managing Partner of Ernst & Young LLP from 2006 until his retirement in April 2012. He joined Ernst & Young in 1977 and held various management positions during his 35-year career there. Mr. Anderson served on the Board of the Federal Reserve Bank of Chicago from 2008 to 2010. He is a member of the American, California and Illinois Institutes of Certified Public Accountants. Mr. Anderson is also a director of AAR Corp., Avery Dennison Corporation and Exelon Corporation. He is a former director of First American Financial Corporation.

We believe Mr. Anderson s qualifications to sit on our Board of Directors include his significant experience as an audit partner serving insurance and insurance brokerage entities and his leadership and management experience with a global professional services organization.

Oscar Fanjul

Director since 2001

Age 69

Other Public Company Boards

LafargeHolcim

Ferrovial

Past five years: Acerinox and Deoleo

Committees

Compensation

Executive

Finance (Chair)

Key Skills and Experience

Leadership

Financial

International

Corporate Governance & Responsibility

Government Relations & Regulatory

Mr. Fanjul is Vice Chairman of Omega Capital, a private investment firm in Spain. Mr. Fanjul is the Founding Chairman and former Chief Executive Officer of Repsol. Mr. Fanjul is Vice Chairman of the Board of LafargeHolcim and a director of Ferrovial. He is a Trustee of the Museo Nacional Centro de Arte Reina Sofia. Mr. Fanjul is a former director of Unilever, the London Stock Exchange, Areva, Acerinox and Deoleo. He is a dual Spanish and Chilean national.

We believe Mr. Fanjul s qualifications to sit on our Board of Directors and chair our Finance Committee include his extensive experience in various international markets with global companies and his understanding of global business practices.

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Election of Directors (Continued)

Daniel S. Glaser

Director since 2013

Age 58

Committees

Executive

Finance

Other Public Company Boards

N/A

Key Skills and Experience

Leadership

Financial

Industry

International

Risk Management

Mr. Glaser is President and Chief Executive Officer of Marsh & McLennan Companies. Prior to assuming his current role in 2013, Mr. Glaser served as Group President and Chief Operating Officer of the Company, with operational and strategic oversight of its Risk and Insurance Services and Consulting segments. He rejoined Marsh & McLennan Companies in December 2007 as Chairman and Chief Executive Officer of Marsh, returning to the firm where he had begun his career right out of university in 1982. Mr. Glaser is an insurance industry veteran who has held senior positions in commercial insurance and insurance brokerage, working in the United States, Europe and the Middle East. Mr. Glaser serves as the Chairman of the Federal Advisory Committee on Insurance (FACI). He is a member of the Board of Trustees for The Institutes and Ohio Wesleyan University; the Board of Directors for the Partnership for New York City; and the Advisory Councils for St. George s Society of New York and BritishAmerican Business.

As the only member of the Company s management team on the Board, Mr. Glaser s presence on the Board provides directors with direct access to the Company s chief executive officer and helps facilitate director contact with other members of the Company s senior management.

H. Edward Hanway

Director since 2010

Age 67

Other Public Company Boards

N/A

Committees

Compensation

Directors and Governance

Executive (Chair)

Finance

Key Skills and Experience

Leadership

Financial

Industry

International

Government Relations & Regulatory

Mr. Hanway served as Chairman and Chief Executive Officer of CIGNA Corporation from 2000 to the end of 2009. From 1999 to 2000, he served as President and Chief Operating Officer of CIGNA. From 1996 to 1999, he was President of CIGNA HealthCare and from 1989 to 1996 was President of CIGNA International. Mr. Hanway is a former member of the Board of Directors of America s Health Insurance Plans (AHIP). He is also a past Chairman of the Council on Affordable Quality Healthcare (CAQH) and has been active in a wide range of issues and initiatives associated with children s health and education. He serves on the Board of Trustees of the Delaware County

Community Foundation and is Chairman of the Drexel Neumann Academy and Faith in the Future Foundation, an organization committed to growth of Catholic education in the Archdiocese of Philadelphia.

We believe Mr. Hanway s qualifications to chair our Board of Directors include his years of executive experience in the insurance industry, together with his background in the health and benefits sector, which provide our Board with insight into important areas in which the Company conducts business.

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Election of Directors (Continued)

Deborah C. Hopkins

Director since 2017

Age 64

Other Public Company Boards

Union Pacific Corporation

Virtusa Corporation

Past five years: Qlik Technologies

Committees

Compensation

Corporate Responsibility

Directors and Governance

Key Skills and Experience

Leadership

Financial

International

Technology

Risk Management

Ms. Hopkins was the founder and Chief Executive Officer of Citi Ventures and served as Citigroup s first Chief Innovation Officer, where she and her team introduced a systematic approach to respond to digital disruption. Prior to joining Citigroup in 2003 as Head of Corporate Strategy and M&A, she was Chief Financial Officer of Lucent Technologies and The Boeing Company and held senior-level positions at General Motors in the US and Zurich and at Unisys Corporation, after starting her career at Ford. Ms. Hopkins was twice named to Fortune s 10 most powerful women in business and was on Institutional Investor s Top 50 list every year from 2011 until her retirement from Citi at the end of 2016. Ms. Hopkins serves on the Advisory Boards of M3 Biotechnology Inc. and SalesHero and is an Executive Fellow at the University of California Berkeley s Haas School of Business. She serves on the Board of St. John s Hospital Foundation and is a Trustee at Silicon Couloir, both located in Jackson, Wyoming. Ms. Hopkins is a director of Union Pacific Corporation, Virtusa Corporation and privately held cybersecurity company, Deep Instinct. She is a former director of Qlik Technologies, E.I. DuPont de Nemours & Company and Dendrite International. Ms. Hopkins holds honorary doctorate degrees from Westminster College and Walsh College and a B.A. in Accounting from Walsh College.

We believe Ms. Hopkins s qualifications to sit on our Board of Directors include her significant leadership positions in finance, technology and innovation at various multinational companies.

Elaine La Roche

Director since 2012

Age 69

Other Public Company Boards

N/A

Past five years: Harsco Corporation

Committees

Audit

Corporate Responsibility

Finance

Key Skills and Experience

Leadership

Financial

International

Government Relations & Regulatory

Risk Management

Ms. La Roche is Chief Executive Officer, China International Capital Corporation US Securities, Inc. She served as Chief Executive Officer of China International Capital Corporation in Beijing from 1997 to 2000. Over the course of a 20-year career at Morgan Stanley, Ms. La Roche rose from Associate to Managing Director, serving in a variety of roles including Chief of Staff to the Chairman, and President and Head of the Asia Desk. From 2008 to 2010, Ms. La Roche was with JPMorgan Chase & Co. in Beijing, where she served as Vice Chairman, J.P. Morgan China Securities. Ms. La Roche served on the Board of Directors of China Construction Bank from 2006 to 2011 and from 2012 to 2015 and Harsco Corporation, where she served on the Audit Committee and the Nominating and Corporate Governance Committee.

We believe Ms. La Roche s qualifications to sit on our Board of Directors include her executive experience in financial services, particularly internationally, and her corporate governance experience from other board service.

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Election of Directors (Continued)

Steven A. Mills

Director since 2011

Age 67

Other Public Company Boards

N/A

Committees

Compensation (Chair)

Directors and Governance

Executive

Key Skills and Experience

Leadership

Financial

Industry

International

Technology

Mr. Mills was a senior executive at International Business Machines Corporation (IBM) before his retirement at the end of December 2015. Mr. Mills joined IBM in 1973 and during the course of his 40-plus-year career held various executive leadership positions. At the time of his retirement, Mr. Mills was the Executive Vice President of Software & Systems, with responsibility for directing IBM s $40 billion product business, which included over 100,000 employees spanning development, manufacturing, sales, marketing and support professions.

We believe Mr. Mills qualifications to sit on our Board of Directors and chair our Compensation Committee include his executive leadership and management experience, his technology expertise, his extensive international experience at IBM and his overall knowledge of global markets.

Bruce P. Nolop

Director since 2008

Age 68

Other Public Company Boards

TEGNA Inc.

On Deck Capital, Inc.

Committees

Audit (Chair)

Executive

Finance

Key Skills and Experience

Leadership

Financial

Corporate Governance & Responsibility

Government Relations & Regulatory

Risk Management

Mr. Nolop retired in 2011 from E*TRADE Financial Corporation, where he served as Executive Vice President and Chief Financial Officer from September 2008 through 2010. Previously he was Executive Vice President and Chief Financial Officer of Pitney Bowes Inc. from 2000 to 2008 and Managing Director of Wasserstein Perella from 1993 to 2000. Prior thereto he held positions with Goldman, Sachs & Co., Kimberly-Clark Corporation and Morgan Stanley & Co. Mr. Nolop also serves on the Board of Directors of TEGNA Inc. (formerly Gannett Co., Inc.), On Deck Capital, Inc. and privately held CLS Group Holdings AG.

We believe Mr. Nolop s qualifications to sit on our Board of Directors and chair our Audit Committee include his experience in financial accounting and corporate finance and his familiarity with internal financial controls and strategic transactions acquired through executive-level finance positions held in public companies and 18 years experience as an investment banker.

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Election of Directors (Continued)

Marc D. Oken

Director since 2006

Age 72

Committees

Audit

Finance

Other Public Company Boards

Sonoco Products Company

Past five years: Capital Bank Financial Corp.

Key Skills and Experience

Leadership

Financial

Industry

Government Relations & Regulatory

Risk Management

Mr. Oken is a Founding Partner of Falfurrias Capital Partners, a private equity firm. He was Chief Financial Officer of Bank of America Corporation from 2004 to 2005. Mr. Oken joined Bank of America in 1989 as Executive Vice President-Chief Accounting Officer, a position he held until 1998, when he became Executive Vice President-Principal Finance Executive. Prior to joining Bank of America, he was a partner at Price Waterhouse, serving there for 13 years. Mr. Oken is also a director of Sonoco Products Company and a former Director of Capital Bank Financial Corp. He also served in Vietnam as a Navy pilot.

We believe Mr. Oken s qualifications to sit on our Board of Directors include his extensive experience with public and financial accounting matters for complex global organizations, as well as his executive leadership and management experience.

Morton O. Schapiro

Director since 2002

Age 65

Other Public Company Boards

N/A

Committees

Compensation

Directors and Governance (Chair)

Executive

Key Skills and Experience

Leadership

Financial

International

Corporate Governance & Responsibility

Risk Management

Mr. Schapiro has been President and Professor of Economics at Northwestern University since 2009. Prior to that, he was President and Professor at Williams College from 2000. Previous positions include Dean of the College of Letters, Arts and Sciences of the University of Southern California from 1994 to 2000, the University s Vice President for planning from 1999 to 2000 and Chair of its Department of Economics from 1991 to 1994.

We believe Mr. Schapiro s qualifications to sit on our Board of Directors and chair our Directors and Governance Committee include his experience in managing large and complex educational institutions, which provides the Board with a diverse approach to management, as well as his more than 30 years of experience as a professor of economics.

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Election of Directors (Continued)

Lloyd M. Yates

Director since 2011

Age 58

Other Public Company Boards

N/A

Committees

Audit

Corporate Responsibility

Key Skills and Experience

Leadership

Financial

Technology

Government Relations & Regulatory

Risk Management

Mr. Yates is Executive Vice President of Duke Energy and President of Duke Energy s Carolinas Region. Previously, he served as Executive Vice President of Customer Operations for Duke Energy. Mr. Yates has more than 35 years of experience in the energy industry, including the areas of nuclear and fossil generation and energy delivery. Before the merger between Duke Energy and Progress Energy in July 2012, Mr. Yates served as President and Chief Executive Officer for Progress Energy Carolinas. Mr. Yates joined Progress Energy s predecessor, Carolina Power & Light, in 1998. Before joining Progress Energy, he worked for PECO Energy for 16 years in several line operations and management positions. Mr. Yates serves on several community-based boards including Charlotte Center City Partners and Trees Charlotte.

We believe Mr. Yates s qualifications to sit on our Board of Directors include the executive leadership and management experience he has acquired throughout his career in the energy industry.

R. David Yost

Director since 2012

Age 71

Committees

Compensation

Corporate Responsibility (Chair)

Other Public Company Boards

Bank of America

Johnson Controls International plc

Past five years: Exelis Inc.

Key Skills and Experience

Leadership

Financial

Industry

Corporate Governance & Responsibility

Risk Management

Mr. Yost was the President and Chief Executive Officer of AmerisourceBergen, a comprehensive pharmaceutical services provider, from 2001 until his retirement in 2011. Mr. Yost also held a variety of other positions with AmeriSource Health Corporation and its predecessors from 1974 to 2001, including Chairman, President and

Chief Executive Officer from 1997 to 2001. Mr. Yost is a graduate of the U.S. Air Force Academy and was previously a Captain in the United States Air Force. He also holds an M.B.A. from the University of California, Los Angeles. Mr. Yost serves on the Board of Directors of Johnson Controls International plc and Bank of America. Mr. Yost is a former director of Exelis Inc. Mr. Yost also serves on the U.S. Air Force Academy Endowment Board.

We believe Mr. Yost s qualifications to sit on our Board of Directors and chair our Corporate Responsibility Committee include his extensive leadership experience gained as the chief executive of a large publicly traded company in the healthcare industry and as a director of other publicly traded companies.

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Executive Compensation

Item 2 Advisory (Nonbinding) Vote to Approve Named Executive Officer Compensation

Recognizing that executive compensation is an important matter for our stockholders, and in accordance with SEC rules, we are asking our stockholders to approve an advisory resolution on the compensation of our named executive officers as disclosed in this proxy statement.

This proposal, commonly known as a say-on-pay proposal, is not intended to address any specific item of compensation,

but rather the overall compensation of our named executive officers and our executive compensation philosophy, policies and practices as described in this proxy statement. Although the voting results are not binding, the Board and the Compensation Committee will take into account the results of the vote when considering future executive compensation arrangements. We

will conduct this annual advisory vote through our 2023 Annual Meeting of Stockholders, when the next advisory vote on the frequency of future say-on-pay votes will occur.

We encourage our stockholders to read the Compensation Discussion and Analysis, which immediately follows this proposal. The Compensation Discussion and Analysis describes our executive compensation program and related policies and practices and explains the decisions the Compensation Committee has made under this program and the factors considered in making those decisions. We also encourage our stockholders to review the 2018 Summary Compensation Table and the other compensation tables and accompanying narratives, which provide detailed information on the compensation of our named executive officers.

STOCKHOLDERS ARE BEING ASKED TO VOTE ON THE FOLLOWING RESOLUTION:

RESOLVED, that the stockholders of Marsh & McLennan Companies approve, on an advisory basis, the compensation of the Company s named executive officers as disclosed in this proxy statement, including the Compensation Discussion and Analysis, the executive compensation tables and the related narratives.

The Board of Directors recommends that you vote FOR the approval of our named executive officer compensation on an advisory basis.

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Executive Compensation (Continued)

Compensation Discussion and Analysis

The following is a discussion and analysis of our compensation program for our senior executives, focusing on our key compensation principles, policies and practices.

This section describes the compensation decisions with respect to the individuals who served during 2018 as our President and Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers as of December 31, 2018, as listed below. These individuals are included in the 2018 Summary Compensation Table on page 45.

Name	Title
Daniel S. Glaser	President and Chief Executive Officer (CEO)
Mark C. McGivney	Chief Financial Officer
John Q. Doyle	President and Chief Executive Officer of Marsh LLC
Julio A. Portalatin	President and Chief Executive Officer of Mercer Consulting Group, Inc.
Peter C. Hearn	President and Chief Executive Officer of Guy Carpenter & Company, LLC

We refer to these individuals collectively in this Compensation Discussion and Analysis as our named executive officers. When we refer to our senior executives in this proxy statement, we mean our CEO, the chief executive officers of our four operating companies and certain leaders of our corporate staff. Background information regarding our senior executives is provided on our website at http://www.mmc.com/about-us/leadership.html.

2018 Highlights

FINANCIAL OBJECTIVES

In 2018, Marsh & McLennan Companies **DELIVERED STRONG PERFORMANCE** as we successfully executed on our long-term financial and strategic objectives.

GAAP EPS INCREASED 13%, and we delivered **11%* GROWTH IN ADJUSTED EPS**. This marks **ANOTHER YEAR OF DOUBLE-DIGIT GROWTH** following 15% adjusted EPS growth in 2017.

We generated **$15 BILLION OF REVENUE**, an increase of 7% compared with 2017. We achieved **4.2% GROWTH** in underlying revenue significantly higher than the 3.5% growth we generated in 2017.

We **INCREASED ADJUSTED OPERATING INCOME*** for both the Risk & Insurance Services and Consulting segments for the **NINTH CONSECUTIVE YEAR**, with our overall margin increasing for the eleventh consecutive year.

* Please see Exhibit A for a reconciliation of our non-GAAP financial measures to GAAP financial measures and related disclosures.

ANNUAL COMMITMENTS

We increased our quarterly dividend from $0.375 to $0.415 per share beginning in the third quarter of 2018, resulting in an **ANNUAL DIVIDEND INCREASE OF 10.5%**, from $1.43 to $1.58. Our dividend has increased every year since 2010.

We used approximately $675 million in cash to **REPURCHASE APPROXIMATELY 8.2 MILLION SHARES**, reducing our outstanding common stock by approximately 4.9 million shares on a net basis.

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Executive Compensation (Continued)

2018 Highlights (continued)

POSITIONING FOR THE FUTURE	We **DEPLOYED $1.1 BILLION OF CAPITAL ACROSS 23 TRANSACTIONS** that were completed in 2018, representing another year of significant reinvestment in building our business through acquisitions.
	Our agreement to acquire **JARDINE LLOYD THOMPSON PLC** was the capstone of 2018 for us. This acquisition is the **LARGEST ACQUISITION IN OUR 148-YEAR HISTORY** and represents a meaningful step forward in our efforts to expand in higher-growth and higher-margin segments.
STOCK PERFORMANCE	Our total stockholder return (TSR) **OUTPERFORMED THE S&P 500 INDEX BY 4.3 PERCENTAGE POINTS** for 2018.
	Our **FIVE-YEAR ANNUALIZED TSR OF 12.8%** also outperformed the S&P 500® index TSR of 8.5% by 4.3 percentage points.
EXECUTIVE COMPENSATION	The Compensation Committee assessed our achievement against 2018 financial and strategic objectives and determined **ABOVE-TARGET BONUSES** for most of our named executive officers.

We achieved **THREE-YEAR ADJUSTED EPS GROWTH OF 12.3%** for our 2016 performance stock unit awards.

Our **EQUITY RUN RATE* IN 2018 WAS 0.8%**. Shares repurchased during the year more than offset the increase in shares attributable to the exercise of stock options and the distribution of shares for stock units from previously granted equity-based awards.

* Equity run rate means the number of shares of our common stock underlying equity-based awards granted plus the number of shares of our common stock underlying equity-based awards assumed upon an acquisition (if any), divided by the weighted average number of shares of our common stock outstanding for the year.

SENIOR EXECUTIVE CHANGES

Effective March 1, 2019, Martine Ferland was appointed President and Chief Executive Officer of Mercer, replacing Julio A. Portalatin, who was appointed Vice Chairman of Marsh & McLennan Companies.

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Executive Compensation (Continued)

Executive Summary

OUR BUSINESS

The Company is a global professional services firm offering clients advice and solutions in risk, strategy and people. With over 65,000 colleagues worldwide and annual revenue of $15 billion, we provide analysis, advice and transactional capabilities to clients in more than 130 countries.

Our businesses include:

MARSH	GUY CARPENTER	MERCER	OLIVER WYMAN GROUP
Insurance broker, intermediary and risk advisor	Risk and reinsurance specialist	HR and investment related advice and services	Management, economic and brand consultancy

As a professional services firm, our product is the expertise and capabilities of our colleagues. Our long-term success depends on their skill, integrity and dedication. To achieve our business objectives, we have designed our executive compensation program to attract, motivate and retain highly talented individuals to lead the Company and our various businesses in ways that meet our clients needs and, in turn, promote the long-term interests of our stockholders.

OUR STRATEGY

We are the leading professional services firm in the areas of risk, strategy and people. Our purpose is to make

a meaningful difference in the moments that matter, and by doing so, create significant value for our clients, colleagues, stockholders and the broader community. We are focused on four imperatives creating breakthrough impact for our clients, embracing innovation and the digital future, being a great place to work, and driving growth and creating value.

Our business strategy is designed to create exceptional value and superior returns for our stockholders:

REVENUE	CAPITAL	CASH FLOW	RISK
Sustain long-term revenue and earnings growth	Maintain low capital requirements	Generate high levels of cash	Manage risk intelligently

OUR FINANCIAL AND STRATEGIC OBJECTIVES AND 2018 PERFORMANCE

We continued to execute on our long-term financial and strategic objectives:

Deliver on financial objectives	Generate top line growth through innovation and organic investments	Make Marsh & McLennan Companies a great place to work
Focus on strategic priorities, including mergers and acquisitions, technology and innovation	Execute a balanced capital management strategy	Promote a high standard of ethical behavior and social responsibility throughout the Company

Our adjusted earnings per share (EPS) growth has averaged 13% since 2009. We are one of only 5% of S&P 500® companies with revenue over $5 billion that have grown adjusted EPS by at least 8% in each year since 2009.

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Executive Compensation (Continued)

Executive Summary (continued)

The strength of our financial performance and strategic accomplishments over the past five years is reflected in our total stockholder return. The following graph compares the annual cumulative stockholder return for the five-year period ended December 31, 2018 of Marsh & McLennan Companies common stock with the Standard & Poor s 500® Stock Index, assuming an investment of $100 on December 31, 2013.

2018 STOCKHOLDER ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION AND STOCKHOLDER ENGAGEMENT

At our 2018 Annual Meeting of Stockholders, we held a nonbinding advisory vote with respect to the compensation of our named executive officers (commonly referred to as a say-on-pay vote). Approximately 95% of the votes cast on the say-on-pay proposal were voted in favor of our executive compensation policies and practices.

Following our 2018 Annual Meeting of Stockholders, members of our management, at the direction of the Compensation Committee, discussed our executive compensation policies and practices, as well as the results of our 2018 say-on-pay vote, with a number of our large institutional stockholders and the major proxy advisory firms. These discussions were favorable, consistent with our 95% approval rate in 2018.

The Compensation Committee is committed to ongoing engagement with our stockholders and the major proxy advisory firms and intends to continue these outreach efforts.

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Executive Compensation (Continued)

Executive Summary (continued)

2018 AND 2019 ANNUAL TOTAL DIRECT COMPENSATION OF NAMED EXECUTIVE OFFICERS

The following table summarizes the decisions made by the Compensation Committee in February 2019 and February 2018 with respect to the annual total direct compensation of our named executive officers. The compensation decisions reflected here, and the rationale for such decisions, are discussed in Executive Compensation Determinations beginning on page 31. For Mr. Hearn, only February 2019 compensation decisions are shown because he was not a named executive officer in our 2018 proxy statement.

Mr. Portalatin completed service as President and CEO of Mercer and as an executive officer of the Company effective February 28, 2019 and transitioned into a Vice Chairman role. As a result, the Compensation Committee s decision regarding Mr. Portalatin s 2018 compensation was limited to his annual bonus award for the 2018 performance year.

Name	Decision Date	Base Salary	Annual Bonus Award	Annual LTI Award	Total Direct Compensation
Mr. Glaser	2/19/2019	$1,500,000	$4,500,000	$11,500,000	$17,500,000
	2/21/2018	$1,500,000	$4,300,000	$11,000,000	$16,800,000
	Change	0.0%	+4.7%	+4.5%	+4.2%
Mr. McGivney	2/19/2019	$800,000	$1,750,000	$2,500,000	$5,050,000

	2/21/2018	$750,000	$1,650,000	$2,250,000	$4,650,000
	Change	+6.7%	+6.1%	+11.1%	+8.6%
Mr. Doyle	2/19/2019	$1,000,000	$3,250,000	$2,800,000	$7,050,000
	2/21/2018	$1,000,000	$3,000,000	$2,700,000	$6,700,000
	Change	0.0%	+8.3%	+3.7%	+5.2%
Mr. Portalatin	2/19/2019	N/A	$2,200,000	N/A	N/A
	2/21/2018	$1,000,000	$2,525,000	$2,700,000	$6,225,000
	Change	N/A	-12.9%	N/A	N/A
Mr. Hearn					
	2/19/2019	$800,000	$2,500,000	$1,750,000	$5,050,000

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Executive Compensation (Continued)

Executive Compensation Design, Elements and Process

Our executive compensation program is governed by four guiding principles:

- **Align with stockholder value creation** with a focus on balancing risk and reward in compensation programs, policies and practices

- **Support a strong performance culture** through short-term and long-term variable compensation, with the ability to differentiate among individuals based upon actual results

- **Set target compensation at competitive levels in markets where we operate** with flexibility to recognize different business models and markets for talent

- **Maximize colleagues perceived value of our programs** through transparent processes and communication

The principal elements of our executive compensation program are base salary, annual bonuses and annual LTI awards. The Compensation Committee believes that each compensation element, and all of these elements combined, are important to maintain an executive compensation program that is competitive, performance-based and stockholder-focused.

Our integrated compensation framework heavily weights variable compensation to reward achievements against pre-established, quantifiable financial performance objectives and individual strategic performance objectives. In addition, because a significant portion of variable compensation is delivered in the form of equity-based awards, the value ultimately realized by our senior executives from these awards depends on stockholder value creation as measured by the future performance of our stock price.

As of December 31, 2018, variable compensation represented about 89% of our CEO s target total direct compensation and about 82% for our other named executive officers, as shown in the following chart.

COMPETITIVENESS OF PAY

The Compensation Committee regularly reviews market data with the objective of understanding and evaluating the competitiveness of our executive compensation program and each senior executive s total direct compensation and pay mix, taking into account the individual s role, responsibilities and performance. The Compensation Committee

uses this information and exercises its judgment in determining individual compensation levels and seeks input from its independent compensation consultant prior to making compensation decisions for our senior executives. Market-based executive compensation data is used as a market check only and compensation levels for our senior executives are not set to correspond to any specific level of market competitiveness.

The Compensation Committee reviews executive compensation information for direct competitors as well as companies in the broader financial services and general industry sectors. Competitive analyses from these different perspectives recognize that the Company is diverse on an enterprise-wide basis and competes for executive talent in different businesses on an operating company basis.

Peer Group for Executive Compensation Purposes

In 2018, the Compensation Committee reviewed the executive compensation data disclosed in the publicly available filings of the companies that comprise our peer group for executive compensation purposes. The peer group is based

Executive Compensation (Continued)

on business lines, talent pool and company size, as reflected by revenue and market capitalization, and includes insurance, consulting and other business services companies, as listed in the table below. The Compensation Committee reviews the peer group periodically and makes adjustments that it deems are appropriate or necessary,

for example, as a result of business combinations and other changes. The Compensation Committee did not make changes to the peer group in 2018.

Marsh & McLennan Companies, Inc.
2018 Peer Group for Executive Compensation

Accenture plc	Automatic Data Processing, Inc.	The Travelers Companies, Inc.
Aon plc	Chubb Limited	Willis Towers Watson plc
Arthur J. Gallagher & Co.		

Financial Services and General Industry Surveys

The Compensation Committee also reviewed executive compensation data drawn from two industry subsets (Financial Services and General Industry) of S&P 500® companies that participated in an executive compensation survey conducted by an independent compensation consulting firm. Each subset was refined based on revenue and market capitalization. For a list of the companies comprising these subsets, please refer to Exhibit B. The operating company CEO comparisons were based on subsidiaries or divisions of all companies that participated in the executive compensation survey (instead of only S&P 500® companies) in order to have a significant sample size for these particular comparisons.

EMPLOYMENT LETTERS

Each of our senior executives has an employment letter that sets forth his or her compensation arrangements and other terms and conditions of employment. These letters are discussed in Employment Letters on page 47.

BASE SALARY

Base salary is intended to provide a fixed level of compensation that is appropriate given a senior executive s role in the organization, his or her skills and experience, the competitive market for his or her position and internal equity considerations. A senior executive s base salary is set forth in his or her employment letter and may be adjusted when the Compensation Committee determines an adjustment is appropriate to reflect a change in these factors.

ANNUAL BONUS

Our annual bonus is a variable pay program intended to link the cash-based incentive compensation to:

- the Company s financial performance,
- each senior executive s achievement of pre-established individual strategic objectives and
- the Company s relative competitive financial performance compared to our peer group and the S&P 500®.

The Compensation Committee takes a holistic approach to assessing performance and determining the actual bonus award for each senior executive. The Compensation Committee believes that annual bonus awards should be based on the achievement of objective, measurable financial results and how those results are achieved. In addition, the Compensation Committee believes it is important to measure individual executive performance against his or her achievement toward strategic objectives and other Company priorities. After the end of the year, each senior executive s performance was assessed by Mr. Glaser and the Compensation Committee (and, in the case of Mr. Glaser s performance, solely by the Compensation Committee).

A senior executive s target annual bonus is set forth in his or her employment letter and may be adjusted when the Compensation Committee determines an adjustment is appropriate or necessary to reflect a change in his or her responsibilities, the competitive market for talent or internal equity considerations. The target annual bonuses for our named executive officers for 2018 are set forth in Determination of 2018 Annual Bonuses on page 36.

ANNUAL LTI AWARD

Annual LTI compensation is a variable pay program intended to align the financial interests of our senior executives with maximizing the return to our stockholders. Annual LTI compensation for our senior executives is delivered in a mix of equity-based awards consisting of stock options, which reward stock price appreciation and the creation of stockholder value; performance stock units (PSUs), which reward the achievement of specific Company financial objectives; and restricted stock units (RSUs), which further align the financial interests of our senior executives with our stockholders and also support our retention objectives.

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Executive Compensation (Continued)

The Compensation Committee reviews the mix of equity-based awards each year. In 2019, the Compensation Committee determined that the mix reflected in the table below is consistent with the objective of aligning the financial interests of our senior executives with maximizing stockholder value. The annual LTI compensation of our senior executives is delivered predominantly in stock options and PSU awards, the value of which is contingent on stock price appreciation or achieving specific Company financial objectives.

Proportion of Grant Date Fair Value		
Stock Options	Performance Stock Units	Restricted Stock Units
50%	25%	25%

Executive Compensation Determinations

The Compensation Committee takes a total compensation approach in setting the pay of our senior executives and makes decisions regarding base salary, annual bonuses and LTI awards in February of each year. This approach enables the Compensation Committee to evaluate performance on a consistent basis each year and to consider the appropriate level of fixed and variable compensation within each senior executive s total compensation package.

While the Compensation Committee recognizes that elements of compensation may be interrelated, it does not require or assume any fixed relationship among the various elements of compensation within the total direct compensation framework or between the compensation of our CEO and that of any other senior executive. In addition, accrued pension and amounts realized or realizable under previously granted equity-based awards did not influence the Compensation Committee s decisions.

The Compensation Committee considers the recommendations of our CEO when determining the compensation of our other senior executives.

BASE SALARY

The Compensation Committee increased Mr. Glaser s base salary from $1,400,000 to $1,500,000 effective April 1, 2018. Mr. Glaser s increase was based on the competitive market and his long-term performance and contributions as CEO. This is the first increase in Mr. Glaser s base salary since he was appointed CEO in 2013.

The Compensation Committee did not adjust the base salaries of our other named executive officers during 2018.

ANNUAL BONUS

The Compensation Committee determined the 2018 annual bonus awards for our named executive officers using the following framework:

Each senior executive s target bonus was allocated between financial and strategic performance according to weightings associated with his or her position. The Compensation Committee then assessed financial performance and each senior executive s strategic performance and determined a payout level for each portion of the senior executive s target annual bonus. The multiplier for competitive financial performance was determined and applied to the sum of the payout levels for financial and strategic performance for each senior executive. Using this result, the Compensation Committee then conducted a qualitative assessment to determine the actual bonus award for each senior executive. The Compensation Committee believes that the use of judgment in the qualitative assessment helps reward performance appropriately, particularly on a year-to-year basis.

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Executive Compensation (Continued)

The following table defines each financial performance measure used in the 2018 annual bonus framework:

Financial Performance Measure	Definition
Company or operating company net operating income *Used in the 2018 financial performance assessment for our senior executives*	Net operating income calculated in accordance with GAAP, adjusted for the impact of noteworthy items identified in Exhibit A to this proxy statement and further adjusted for the impact of currency exchange rate fluctuations and acquisitions and dispositions
Company earnings per share *Used in the 2018 multiplier for competitive financial performance*	EPS from continuing operations calculated in accordance with GAAP, adjusted for the impact of noteworthy items identified in Exhibit A to this proxy statement

2018 Target Bonuses

In 2018, the Compensation Committee increased Mr. Glaser s target bonus from $2,800,000 to $3,000,000. Mr. Glaser s increase was based on the competitive market and his long-term performance and contributions as CEO. The Compensation Committee did not adjust the target bonuses for our other named executive officers in 2018.

Financial and Strategic Performance Measures

The Compensation Committee selected the following measures and weightings for the 2018 annual bonus awards:

	Financial Performance		Strategic Performance	
Senior Executive	Weighting	Measure	Weighting	Measure
Company CEO	80%	Company net operating income	20%	
Other Corporate Senior Executives	70%		30%	Individual objectives established for each senior executive
Operating Company Chief Executive Officers	80%	Operating company net operating income	20%	

The financial performance factor ranged from 0% to 150% of the target level as indicated in the following table:

Performance Level	Performance as a % of Target	Financial Performance Factor
Maximum	³110%	150%

Target	100%	100%
Threshold	90%	50%
Below Threshold	<90%	<50%

Note: Interpolation is used to determine the performance factor for performance as a percentage of target between threshold/target or target/maximum. In the event of performance below threshold, the Compensation Committee would exercise its discretion to determine a financial performance factor from 0% up to 50%.

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Executive Compensation (Continued)

2018 Financial Performance Measure

For 2018, the financial performance measure for all senior executives was Company or operating company net operating income, as applicable, as modified for executive compensation purposes. The Compensation Committee set challenging targets for our named executive officers to align with our 2018 objective of driving strong earnings growth across the Company.

Performance targets for 2018 were set above the targeted and actual performance for 2017. Performance targets were based on threshold, target and maximum levels in dollars rather than growth rates. Target and actual results in the table below are expressed as a percentage of prior-year results.

Name	Measure	2018 Actual Growth as % of Prior-Year Results	2018 Target Growth as % of Prior-Year Results	**2018 Actual as % of Target**
Mr. Glaser				
	Company net operating income	108.6%	108.8%	**99.8%**
Mr. McGivney				
Mr. Doyle	Marsh net operating income	111.0%	109.2%	**101.7%**
	Mercer net operating income	102.5%	109.5%	**93.6%**
Mr. Portalatin				

Mr. Hearn	Guy Carpenter net operating income	114.5%	105.6%	**108.4%**

2018 Strategic Performance Measure

At the beginning of 2018, the Compensation Committee reviewed strategic objectives relating to operational performance, risk management and human capital for each named executive officer. At the beginning of 2019, the Compensation Committee reviewed the strategic accomplishments for each named executive officer for 2018. The Compensation Committee and Mr. Glaser (and, in the case of Mr. Glaser, solely the Compensation Committee) assessed each named executive officer s strategic performance as above target for the year and determined a payout factor for 2018 strategic performance. The Compensation Committee considered the following in its assessment of each named executive officer s performance:

Name	Description
Mr. Glaser	MMC s underlying revenue growth of 4.2%, which is significantly higher than the 3.5% growth generated in 2017 Delivered strong adjusted EPS growth of 11.0% and adjusted net operating income growth of 8% Led the Jardine Lloyd Thompson Group plc transaction Mr. Glaser s continued leadership of a dynamic and effective leadership team, including successful succession planning which led to the appointment of Martine Ferland as Mercer s new president and CEO
Mr. McGivney	Effective oversight of the Company s near-term financial plan and continued focus on our long-term growth strategy Development and execution of our capital management and financing strategies, including achievement of our two capital commitments to stockholders with a double-digit increase in our dividends per share and reduction in our total shares outstanding Mr. McGivney s key role in our corporate development initiatives, including successfully securing the financing required for the Jardine Lloyd Thompson Group plc transaction

Mr. Doyle	Marsh s underlying revenue growth of 4.3%, the best result since 2014, leading to $6.9 billion in revenue, with $1.4 billion in new business, which surpassed last year s record Enhanced Marsh s portfolio of businesses through strategic acquisitions, including Wortham Insurance, one of the largest independent brokerage firms in the United States, and Marsh & McLennan Agency s acquisition of seven firms in 2018 Mr. Doyle s leadership role in continuing to progress Marsh s innovation agenda, including the launch of Bluestream, a cloud-based digital broking platform that gives our affinity clients a streamlined way to offer insurance products and services to their customers, contractors and employees

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Executive Compensation (Continued)

Name	Description
Mr. Portalatin	Mercer s achievement of 3% underlying revenue growth despite a 4% decline in the defined benefit administration business Effective execution of Mercer s digital strategy, including the strategic alliance with Morningstar, which provides digital subscription access to Mercer s proprietary investment manager research and opens up a new distribution outlet for Mercer Mr. Portalatin s simplification of Mercer s organization by consolidating geographic regions to align more closely with the regional structures in place across Marsh & McLennan Companies other businesses, streamlining its operating model and enabling better execution
Mr. Hearn	Guy Carpenter s delivery of strong underlying revenue growth of 7%, the best result since 2009 Achieved strong growth in new business Mr. Hearn s role in leading the launch of GC Genesis, a new proprietary advisory business that helps insurer clients find insurtech opportunities to enhance their operations and technology strategies

* Please see Exhibit A for a reconciliation of our non-GAAP financial measures to GAAP financial measures and related disclosures.

2018 Multiplier for Competitive Financial Performance

Overview

The multiplier for competitive financial performance was intended to calibrate our performance on a relative basis by comparing adjusted EPS growth for the Company with adjusted EPS growth of our peer group companies and the S&P 500®. The effectiveness of the calibration of the Company s performance versus the external market depends on the consistency and comparability of all companies adjusted EPS results for purposes of measuring growth.

Over the course of 2017 and 2018, the Compensation Committee reviewed adjusted EPS growth projections for the comparator group and identified challenges in comparing results for certain peer group companies and the S&P 500®. Based on these reviews, the Compensation Committee anticipated that the multiplier may not accurately reflect the Company s competitive financial performance for 2018.

The multiplier for competitive financial performance in 2018 was calculated and applied in a manner consistent with past practice. However, due to anomalies in results for peer group companies and the S&P 500® in 2017 and 2018, which are described below, the Compensation Committee does not believe that the calculated multiplier was indicative of the Company s competitive financial performance for 2018.

Multiplier Framework

Within the comparator group, the S&P 500® was weighted most heavily at 30% as it represents the broadest market comparison. Aon and Willis Towers Watson were weighted at 25% and 20%, respectively, as they are direct competitors of the Company and have divisions that compete directly with our Risk & Insurance Services and Consulting segments. The five additional companies listed in the table below were each equally weighted at 5%.

Component	Weighting
S&P 500®	30%
Aon plc	25%
Willis Towers Watson plc	20%
Accenture plc	5%

Arthur J. Gallagher & Co.	5%
Automatic Data Processing, Inc.	5%
Chubb Limited	5%
The Travelers Companies, Inc.	5%

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Executive Compensation (Continued)

The multiplier for competitive financial performance uses our adjusted EPS growth as reported by the Company and by our peer group in press releases for fourth quarter earnings, as well as an estimate of 2018 EPS growth for the S&P 500® as available from FactSet Research Systems Inc. These publicly reported results were selected based on their availability and comparability. Adjusted EPS growth is assessed on a percentile basis with the weightings in the preceding table. The following table shows the threshold, target and maximum multiplier based on percentile ranking.

Performance Level	Actual Performance	Multiplier
Maximum	75th percentile or higher	1.30x
Target	50th percentile	1.00x
Threshold	25th percentile or lower	0.70x

Note: Interpolation is used to determine the multiplier for a percentile ranking between threshold/target or target/maximum.

Using the framework described above, our adjusted EPS growth achieved a threshold ranking on a weighted basis, which resulted in a multiplier of 0.70x. Final results for the multiplier were reviewed by Pay Governance LLC, the Compensation Committee s independent compensation consultant. Despite the Compensation Committee s belief that the calculated multiplier was not indicative of the Company s competitive financial performance for 2018, it was applied to the sum of the bonus payout levels for 2018 Financial Performance and 2018 Strategic Performance for each named executive officer.

The Compensation Committee s Review of the 2018 Multiplier

In its review of adjusted EPS growth for the 2018 fiscal year as reported by the Company and by our peer group, as well as an estimate of 2018 EPS growth for the S&P 500®; the Compensation Committee identified significant challenges in using this data to assess the Company s relative performance for 2018.

The Compensation Committee recognized that the reported results were not directly comparable due to tax reform, mergers and acquisition transactions and above-normal catastrophe losses for insurance carriers in 2017.

The Compensation Committee also recognized the differential impact of the new revenue recognition standard on reported results and noted meaningful differences due to significant currency exchange impact at certain companies.

Considering that the 2018 relative performance assessment was impacted by these anomalies, the Compensation Committee reviewed an analysis of 2016 to 2018 growth rates to enhance comparability of performance. The 2016-2018 analysis showed that the Company outperformed six of the eight components in the comparator group. The Compensation Committee believed that this two-year analysis was more reflective of the Company s relative performance in 2018.

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Executive Compensation (Continued)

Qualitative Assessment

The Compensation Committee believes that the use of judgment in making final bonus award decisions helps reward performance appropriately on a year-to-year basis and also on an internal equity basis among senior executives. In addition to performance as measured against the previously described financial and strategic objectives, the Compensation Committee also assessed how these objectives were achieved and considered each senior executive s current-year performance and bonus award vis-à-vis his or her prior-year performance and bonus award; compensation relative to peers at direct competitors; and his or her total direct compensation.

Consistently strong year-over-year financial results considered in assessing 2018 performance	Factors considered in determining 2018 bonus awards for the named executive officers
Increased consolidated revenue by 7%	Strong overall execution delivered in a challenging macroeconomic environment
Double-digit adjusted EPS growth and margin improvement by 30 basis points	Positioned the Company for continued long-term growth through strategic acquisitions and development of new technologies
Fulfilled our capital commitment to stockholders, returning nearly $1.5 billion in dividends and share repurchases	Anomalies in comparing the Company s strong 2018 performance against our peer group companies and the S&P 500®
Outperformed the TSR for the S&P 500® index by 4.3 percentage points	

Using its assessment of the 2018 financial and strategic performance factors and the Company s competitive financial performance as its basis, the Compensation Committee determined the 2018 bonus award for each named executive officer in the manner described above.

Determination of 2018 Annual Bonuses

The actual annual bonuses paid to our named executive officers for 2018 were as follows.

Name	2018 Target Bonus Award	2018 Bonus as a % of Target	2017 Actual Bonus	**2018 Actual Bonus**	% Change
Mr. Glaser	$ 3,000,000	150%	$ 4,300,000	**$ 4,500,000**	+4.7%
Mr. McGivney	1,200,000	146%	1,650,000	**1,750,000**	+6.1%
Mr. Doyle	2,250,000	144%	3,000,000	**3,250,000**	+8.3%
Mr. Portalatin	2,250,000	98%	2,525,000	**2,200,000**	-12.9%
Mr. Hearn	1,500,000	167%	N/A	**2,500,000**	N/A

Executive Compensation (Continued)

ANNUAL LTI AWARDS

The annual equity-based awards granted to our senior executives are determined by the Compensation Committee as part of its annual total compensation review. In determining the awards, the Compensation Committee considers the senior executive s performance and his or her expected future contributions to the Company s performance along with external market competitiveness, internal equity comparisons and the target LTI award set forth in the senior executive s employment letter. Mr. Glaser also provides LTI award recommendations for senior executives other than himself.

The grant date fair values of the annual LTI awards granted to our named executive officers in February 2019 are shown in the following table. They are not reflected in the 2018 Summary Compensation Table on page 45 because the awards were made after the end of the 2018 fiscal year. Mr. Portalatin, who completed service as President and CEO of Mercer effective February 28, 2019, was not granted an LTI award in February 2019.

	Grant Date Fair Value of Annual LTI Awards Granted in 2019			
	Stock Options	Performance Stock Units	Restricted Stock Units	**Total**
Mr. Glaser	$ 5,750,000	$ 2,875,000	$ 2,875,000	**$ 11,500,000**
Mr. McGivney	1,250,000	625,000	625,000	**2,500,000**
Mr. Doyle				

	1,400,000	700,000	700,000	**2,800,000**
Mr. Portalatin	N/A	N/A	N/A	**N/A**
Mr. Hearn	875,000	437,500	437,500	**1,750,000**

The value ultimately realized from these awards is contingent on the named executive officer s continued service, except in certain circumstances such as retirement. The value also depends on the future performance of our stock price and, for PSU awards, achieving specific Company financial objectives. The terms and conditions of these awards are described in the narrative following the 2018 Grants of Plan-Based Awards Table on page 48.

PSU Awards

The performance measure for PSU awards, which represent 25% of the grant date fair value of LTI compensation for our senior executives, is adjusted EPS growth as modified for executive compensation purposes and measured on a three-year annualized growth rate basis. Depending on our actual financial performance results, 0% to 200% of the number of PSUs granted is delivered in shares of our common stock. The following tables provide the payout (as a percentage of target) for maximum, target and threshold performance levels for the 2019 and 2016 PSU awards, respectively. The Compensation Committee sets the performance levels after reviewing our financial strategy, the design of PSU awards at peer group companies and historical EPS growth data for the S&P 500®. At the time of setting the target and determining the payouts at varying levels of performance for these awards, the Compensation Committee believed that achievement of the target for adjusted EPS growth was a challenging goal.

Adjusted EPS as modified for executive compensation purposes is defined as GAAP earnings per share, adjusted for the impact of noteworthy items identified in Exhibit A and modified to exclude (i) the impact of currency exchange rate fluctuations, (ii) the variation between actual and budgeted results for Marsh & McLennan Risk Capital Holdings, Ltd. (the legal entity through which the Company owns interests in private equity funds and other investments), and (iii) the costs related to the early extinguishment of debt.

Performance and Payout Levels for Our 2019 PSU Awards

		2019 PSU Awards
Performance Level	Payout (as a % of Target)	Adjusted EPS Growth
	200%	³12%

Maximum		
Target	100%	8%
Threshold	50%	4%
Below Threshold	0%	<4%

Note: Interpolation is used to determine the payout (as a percentage of target) for a performance result between threshold/target or target/maximum.

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Executive Compensation (Continued)

Performance Results for Our 2016 PSU Awards

The following chart shows the threshold, target and maximum performance levels, with corresponding payouts as a percentage of target, for the 2016 PSU awards granted to our senior executives. The chart also shows our actual EPS growth for the three-year performance period (2016-2018) applicable to the determination of the number of shares of our common stock earned for these awards.

Performance Level	Annualized Adjusted EPS Growth	Payout (as a % of Target)
Maximum	≥15%	200%
Target	13%	100%
Threshold	3%	50%

Below Threshold	<3%	0%

Note: Interpolation is used to determine the payout (as a percentage of target) for a performance result between threshold/target or target/maximum.

Performance level
🌑 Payout of 2016 PSU Award

Summary of PSU Awards Granted from 2016 through 2019

The table below summarizes the three-year performance periods for PSU awards granted from 2016 through 2019, including the payout at 97% of target for our 2016 PSU award based on 12.3% annualized adjusted EPS growth.

			Adjusted EPS Growth						Results through 2018	
Award	**Status**	**Completed Years**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Adjusted EPS Growth**	**Performance Factor**
2016 PSU Award	Completed	3 of 3	12.8%	14.0%	10.2%				12.3%	97%
2017 PSU Award	In Progress	2 of 3		14.0%	10.2%	TBD			12.1%	200%

2018 PSU Award	In Progress	1 of 3			10.2%	TBD	TBD		10.2%	155%
2019 PSU Award	In Progress	None				TBD	TBD	TBD	TBD	TBD

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Executive Compensation (Continued)

Changes for 2019

For 2019, we made certain changes with respect to executive compensation and our annual bonus framework, as discussed below.

SENIOR EXECUTIVE COMPENSATION ACTIONS AND DECISIONS

Mr. Glaser. The Compensation Committee increased Mr. Glaser s target annual bonus from $3,000,000 to $3,750,000, effective for the 2019 performance year and his target LTI award from $9,500,000 to $11,000,000, effective for the February 2019 grant. Mr. Glaser s increases were made taking into account the competitive market, internal equity and his long-term performance and contributions as President and CEO of the Company.

Mr. McGivney. The Compensation Committee increased Mr. McGivney s annual base salary from $750,000 to $800,000 effective April 1, 2019, his target annual bonus from $1,200,000 to $1,300,000, effective for the 2019 performance year, and his target LTI award from $2,000,000 to $2,600,000, effective for the February 2019 grant. Mr. McGivney s increases were made taking into account the competitive market, internal equity and his long-term performance and contributions as Chief Financial Officer of the Company.

Mr. Portalatin. On January 16, 2019, we announced that Mr. Portalatin would step down from the role of President and CEO of Mercer and would be appointed Vice Chairman of the Company effective March 1, 2019. Mr. Portalatin s compensation for his new role was set as follows:

- Annual base salary of $500,000
- Eligible for an annual bonus with a target of $1,000,000 commencing with the 2019 performance year (awarded in 2020)
- Not eligible for any additional awards under the Company s long-term incentive program
- Not eligible for any severance benefits upon the conclusion of his employment
- Continue to be eligible to participate in the Company s employee benefit plans and programs on terms and conditions as are generally provided to similarly situated employees of the Company, as in effect from time to time

While employed by the Company and for 12 months following his termination of employment, Mr. Portalatin will be subject to certain restrictive covenants. Mr. Portalatin s employment as Vice Chairman of the Company was conditioned on his entry into a waiver and release in connection with a letter agreement documenting the terms of his employment and at the termination of his employment.

ANNUAL BONUS FRAMEWORK

The Compensation Committee made two changes to the annual bonus framework for 2019:

In light of challenges in assessing competitive financial performance using adjusted EPS growth across peer companies and the S&P 500®, the Compensation Committee will use a multiplier based on the Company s annual adjusted EPS growth compared to our target growth.

The Compensation Committee will assess the Company s relative financial performance, including for adjusted EPS growth and total stockholder return against peer companies and the S&P 500®, as part of its qualitative assessment before determining final bonus awards.

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Executive Compensation (Continued)

Benefit Plans and Other Programs

RETIREMENT AND DEFERRED COMPENSATION PLANS

We offer retirement and deferred compensation plans, in which all of our senior executives are eligible to participate, to maintain a competitive compensation program.

We maintain a defined contribution retirement program in the U.S. consisting of the Supplemental Savings & Investment Plan (SSIP), an unfunded nonqualified defined contribution retirement plan that is coordinated with our 401(k) Savings & Investment Plan. Additional information about the SSIP, including individual amounts deferred by our named executive officers, Company matching credits and earnings during 2018, as well as account balances as of the end of 2018, is presented in Nonqualified Deferred Compensation Table on page 55. Earnings with respect to all of our nonqualified defined contribution plans are based upon actual market performance, and preferential or above-market earnings are not offered.

We discontinued future service accruals in our U.S. defined benefit retirement program effective December 31, 2016. The features of our U.S. retirement program, including the present value of the accumulated pension benefits for our named executive officers as of the end of 2018, are presented in further detail in Defined Benefit Retirement Program on page 53. We do not have individually-designed defined benefit arrangements for any named executive officer.

SEVERANCE ARRANGEMENTS

Severance payments and benefits for our senior executives, other than Mr. Portalatin in his role as Vice Chairman of the Company effective March 1, 2019, are provided under our Senior Executive Severance Pay Plan, which provides for severance payments in the event of an involuntary termination of employment without cause (as defined in the plan) in an amount equal to the sum of the senior executive s then-current base salary and average annual bonus award over the three prior years, plus an amount equal to a pro rata bonus for the year of termination.

While compensation decisions regarding our senior executives affect the potential payments under these arrangements, the existence of these severance arrangements did not affect the Compensation Committee s decisions with respect to other elements of compensation for our named executive officers because these severance arrangements are contingent in nature and may never be triggered.

The terms of the Senior Executive Severance Pay Plan are discussed more fully in Termination of Employment on page 58. The amount of the estimated payments and benefits payable to our named executive officers, assuming a termination of employment as of the last business day of 2018, is presented in Potential Payments Upon Termination or Change in Control on page 56.

CHANGE-IN-CONTROL ARRANGEMENTS

Change-in-control payments and benefits are provided to our senior executives through our equity-based compensation plans and the Senior Executive Severance Pay Plan, as applicable. These arrangements are intended to retain our senior executives and provide continuity of management in the event of an actual or potential change in control of the Company. Consistent with this objective, the terms of our equity-based awards contain a double-trigger vesting provision, which requires both a change in control of the Company and a subsequent specified termination of employment for vesting to be accelerated. The Senior Executive Severance Pay Plan also includes a double-trigger change-in-control provision rather than providing severance payments and benefits solely on the basis of a change in control of the Company. We believe that requiring a double trigger, rather than providing severance payments (and accelerated vesting of equity-based awards) solely on the basis of a change in control, is more consistent with the purpose of encouraging the continued employment of our senior executives following a change in control of the Company.

We do not provide any excise tax payments, reimbursements or gross ups in connection with a change in control of the Company to any of our senior executives under any plan or arrangement.

The amount of the estimated payments and benefits payable to our named executive officers, assuming a change in control of the Company and subsequent specified termination of employment as of the last business day of 2018, is presented in Potential Payments Upon Termination or Change in Control on page 56.

OTHER BENEFITS AND PERQUISITES

Our senior executives are eligible to participate in our health and welfare benefit programs on the same basis as our other eligible employees. We also provide certain perquisites and other personal benefits to our senior executives. In general, the perquisites or other personal benefits provided to our senior executives include (i) the cost of financial counseling and certain income tax return preparation and (ii) from time to time, relocation or housing costs associated with hiring a newly recruited or promoted senior executive.

In addition, the Compensation Committee has determined to provide Mr. Glaser access to a car and driver for business and commuting purposes and to corporate aircraft, in which we maintain fractional interests, for business and personal travel. Such personal air travel is limited to an amount not to exceed $130,000 per calendar year as determined based on the aggregate incremental cost of such travel to the Company. The imputed income attributable to Mr. Glaser s personal use of corporate aircraft and a car and driver was taxable income to Mr. Glaser. The taxes associated with this income were not reimbursed or paid by the Company.

The incremental cost of providing perquisites and other personal benefits during 2018 to our named executive officers is presented in the footnotes to the All Other Compensation column of the 2018 Summary Compensation Table on page 45.

Executive Compensation (Continued)

Risk and Reward Features of Executive Compensation Program

The Compensation Committee strives to maintain an appropriate balance between risk and reward in support of our overall business strategy. Our executive compensation principles, policies and practices are designed to encourage an appropriate level of risk-taking but not to encourage our senior executives to take excessive or unnecessary risks. To achieve this balance, we maintain the following policies and practices:

Feature	Description
Balanced Total Compensation Approach	The mix of base salary, annual bonus opportunity and LTI awards appropriately balances the shorter-term and longer-term aspects of each senior executive s responsibilities and performance, without undue emphasis on any single element of compensation.
Performance-Based Annual Bonus Program	Awards to senior executives are made based on both financial performance measures, which relate to fiscal-year performance, and strategic performance objectives, which may relate to longer-term and qualitative objectives. All bonus decisions for our senior executives are made by the Compensation Committee. Bonuses are individually determined and are limited to a maximum of 200% of pre-established target levels. We do not guarantee annual bonuses for our senior executives, except in special situations such as the initial bonus award after a senior executive s hire if the guarantee is deemed necessary to attract a candidate to join the Company.
Stockholder-Focused LTI Program	Equity-based awards to our senior executives are granted annually on a discretionary basis by the Compensation Committee taking into consideration each individual s past performance and expected future contributions. Awards are made in a combination of

	stock options, RSU awards and PSU awards to align the financial interests of our senior executives with maximizing our return to stockholders. PSU awards are earned based on our achievement against financial performance objectives, as determined by the Compensation Committee, over a three-year performance period.
	All equity-based awards are subject to multi-year vesting requirements or performance periods with complete forfeiture of unvested awards upon a voluntary termination of employment by a senior executive (other than by reason of retirement) or termination of employment for cause. None of our equity-based awards are scheduled to begin vesting until after one year following their grant. In addition, the terms of our outstanding and unvested equity-based awards contain a double-trigger vesting provision in the event of a change in control of the Company. We do not provide any excise tax payments, reimbursements or gross ups in connection with a change in control of the Company to any of our senior executives under any plan or arrangement.
Executive Stock Ownership Guidelines	Our senior executives are required to acquire and hold shares or stock units of our common stock with an aggregate value at least equal to a specified multiple of their base salary. Our senior executives may not sell shares acquired in connection with the distribution of stock units or exercise of stock options until and unless the specified multiple of base salary is reached and maintained.
Prohibition Against Speculative Activities, Hedging or Pledging of Company Stock	We prohibit our employees, including our senior executives, from engaging in speculative or hedging activities (including short sales, purchases or sales of puts or calls and trading on a short-term basis) in our common stock. We prohibit our senior executives from pledging our securities as collateral for a loan or for any other purpose.

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Executive Compensation (Continued)

Feature	Description
Compensation Recovery (Clawback) Policies	We may, to the extent permitted by applicable law, cancel or require reimbursement of any annual bonus awards received by a senior executive if and to the extent that: (i) the amount of the award was based on the achievement of specified consolidated, segment or operating company financial results, and we subsequently restate those financial results; (ii) in the Compensation Committee s judgment, the senior executive engaged in intentional misconduct that contributed to the need for the restatement; and (iii) the senior executive s award would have been lower if the financial results in question had been properly reported. In such case, we will seek to recover from the senior executive the amount by which the actual annual bonus award paid for the relevant period exceeded the amount that would have been paid based on the restated financial results. The policy provides that we will not seek to recover compensation paid more than three years prior to the date the applicable restatement is disclosed. Also, our 2011 Incentive and Stock Award Plan allows us to claw back outstanding or already-settled equity-based awards.
Severance Payments	Severance protections for our senior executives are set at a uniform level equal to his or her base salary and three-year average annual bonus award (a 1x multiple). In addition, without stockholder approval, we will not enter into a severance agreement with a senior executive that provides for any cash severance payment that exceeds 2.99 times the sum of his or her base salary and three-year average annual bonus award.

In light of the above, and based on management s annual review and analysis focused on the incentive compensation programs covering our general employee population, we believe our compensation policies and practices do not encourage excessive or inappropriate risk-taking and that the risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on the Company.

Stock Ownership Guidelines

We maintain stock ownership guidelines for our senior executives that are intended to align the financial interests of our senior executives with our stockholders by requiring them to acquire and maintain a meaningful ownership interest in our common stock. These guidelines are intended to take into account an individual s needs for portfolio diversification, while maintaining an ownership interest at levels sufficient to assure our stockholders of management s commitment to long-term value creation. Our senior executives are required, over a five-year period, to acquire and hold shares or stock units of our common stock with an aggregate value at least equal to a specified multiple of their base salary. The current multiples for our named executive officers are as follows:

Named Executive Officer	Ownership Level (as a multiple of base salary)
CEO	6x
Other named executive officers	3x

As of February 28, 2019, all of our named executive officers exceeded their required ownership level under our stock ownership guidelines.

Additional information concerning our stock ownership guidelines is available on our website under:

http://www.mmc.com/about/SeniorExecutiveStockOwnershipGuidelines2014.pdf.

HOLDING REQUIREMENT FOR EQUITY-BASED AWARDS

Under our stock ownership guidelines, our senior executives are required to hold shares of our common stock acquired in connection with the distribution of stock units or exercise of stock options (net of any tax withholding and, in the case of stock options, the exercise price) until the required multiple of base salary is reached. In addition, our senior executives may not sell any shares of our common stock, however acquired, unless their ownership interest after such sale is at or above the required multiple of base salary stipulated under our stock ownership guidelines.

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Executive Compensation (Continued)

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code generally disallows public companies a federal income tax deduction for compensation in excess of $1 million that is paid to a named executive officer in any taxable year. Given the recent changes to Section 162(m), the incentive compensation and base salary over $1 million paid to our named executive officers for 2018 generally will not be tax deductible. The Compensation Committee reserves the right to award compensation that is not tax deductible.

We also structure compensation in a manner intended to avoid the incurrence of any additional tax, interest or penalties under Section 409A of the Internal Revenue Code governing the provision of nonqualified deferred compensation to our service providers.

We account for stock-based compensation in accordance with FASB ASC Topic 718, which requires us to recognize compensation expense relating to share-based payments (such as stock options, PSU awards and RSU awards) in our financial statements. The recognition of this expense has not caused us to limit or otherwise significantly alter the equity- based compensation element of our executive compensation program. This is because we believe equity-based compensation is a necessary component of a competitive executive compensation program and fulfills important program objectives. The Compensation Committee considers the potential impact of FASB ASC Topic 718 on any proposed change to the equity-based compensation element of our program.

Additional Considerations

This Compensation Discussion and Analysis includes statements regarding the use of various performance measures and related target levels in the limited context of our executive compensation program. These target levels are not intended to be statements of management s expectations of our future financial results or other guidance. Investors should not apply these target levels in any other context.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the preceding Compensation Discussion and Analysis, as well as the accompanying compensation tables and related narratives. Based on that review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated into the Company s Annual Report on Form 10-K for the year ended December 31, 2018.

SUBMITTED BY THE COMPENSATION COMMITTEE OF THE COMPANY S BOARD OF DIRECTORS

Steven A. Mills (Chair)	Deborah C. Hopkins

Oscar Fanjul	Morton O. Schapiro
H. Edward Hanway	R. David Yost

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Executive Compensation (Continued)

Compensation of Executive Officers

2018 Summary Compensation Table

The following table provides information regarding the compensation of our President and Chief Executive Officer, Chief Financial Officer and our three other most highly-compensated executive officers who were executive officers as of December 31, 2018.

Name & Principal Position (1)	Year	Salary ($)	Bonus ($)	Stock Awards ($) (2)	Option Awards ($) (2)	Non-Equity Incentive Plan Compensation ($) (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (4)	All Other Compensation ($) (5)	Total ($) (6)
Daniel S. Glaser	2018	1,475,000		5,500,136	5,500,004	4,500,000		306,779	17,281,919
President and CEO, Marsh & McLennan Companies, Inc.	2017	1,400,000		5,250,130	5,250,003	4,300,000	555,967	257,116	17,013,216
	2016	1,400,000		4,800,052	4,800,001	4,100,000	473,344	176,543	15,749,939
Mark C. McGivney	2018	750,000		1,125,108	1,125,018	1,750,000		64,976	4,815,102
Chief Financial Officer, Marsh	2017	750,000		875,120	875,008	1,650,000	210,841	65,137	4,426,106
	2016	750,000		750,040	750,001	1,500,000	177,461	34,565	3,962,067

& McLennan Companies, Inc.									
John Q. Doyle	2018	1,000,000		1,350,162	1,350,003	3,250,000		72,915	7,023,080
President and Chief Executive Officer, Marsh LLC	2017	883,333		2,000,211	1,000,011	3,000,000		45,899	6,929,455
	2018	1,000,000		1,350,162	1,350,003	2,200,000		83,366	5,983,531
Julio A. Portalatin President and	2017	941,667		2,325,197	1,325,008	2,525,000	212,635	71,774	7,401,281
Chief Executive Officer, Mercer Consulting Group Inc.	2016	900,000		1,200,042	1,200,009	2,800,000	249,608	37,768	6,387,427
Peter C. Hearn President and Chief Executive Officer, Guy Carpenter & Company, LLC	2018	800,000		800,066	800,005	2,500,000		171,673	5,071,744

(1) Mr. Doyle was appointed President and Chief Executive Officer of Marsh LLC on July 5, 2017; his compensation is shown for 2018 and 2017 only since he was not a named executive officer in 2016. As indicated in the Compensation Discussion and Analysis, Mr. Portalatin completed service as President and CEO of Mercer Consulting Group, Inc. effective February 28, 2019, after which date he was no longer an executive officer of the Company. For Mr. Hearn, only compensation for 2018 is shown because he was not a named executive officer for 2017 and 2016.

(2)

The amounts reported in the Stock Awards and Option Awards columns represent the grant date fair value of the awards for the years ended December 31, 2018, December 31, 2017 and December 31, 2016, respectively, computed in accordance with FASB ASC Topic 718. The amounts reported in the Stock Awards column represent both PSU and RSU awards. The grant date fair value of the PSU award granted in each of these years to each of the named executive officers is reported based on performance at the target level. As stated in the description of the PSU awards following the 2018 Grants of Plan-Based Awards Table on page 48, the payout based on maximum performance is 200% of the target level, which, if achieved, would correspond to the values reported in the table below, holding constant the grant date fair value of the Company s common stock. The assumptions used in calculating the amounts reported for awards granted in 2018 are included in footnote 9 to the Company s audited financial statements for the fiscal year ended December 31, 2018, included in the Company s Annual Report on Form 10-K filed with the SEC on February 21, 2019. The assumptions used in calculating the amounts reported for awards granted prior to 2018 are included in the footnote captioned Stock Benefit Plans to the Company s audited financial statements for the relevant fiscal year, included in the Company s Annual Reports on Form 10-K previously filed with the SEC. The amounts reported in these columns may differ slightly from the corresponding amounts shown in the 2018 Grants of Plan-Based Awards Table on page 48 due to rounding to the nearest whole dollar as required by SEC rules. In addition, the amounts reported in these columns differ slightly from the amounts disclosed in the 2018 and 2019 Annual Total Direct Compensation of Named Executive Officers section on page 28 of the Compensation Discussion and Analysis due to rounding to the nearest whole share.

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Executive Compensation (Continued)

Name	Year	Grant Date Fair Value of Performance Stock Unit Awards Granted Assuming Target Performance (100%) ($)	Grant Date Fair Value of Performance Stock Unit Awards Granted Assuming Maximum Performance (200%) ($)
Mr. Glaser	2018	2,750,068	5,500,137
	2017	2,625,065	5,250,131
	2016	2,400,026	4,800,052
Mr. McGivney	2018	562,554	1,125,107
	2017	437,560	875,119
	2016	375,020	750,040
Mr. Doyle	2018	675,081	1,350,162
	2017	500,068	1,000,136
Mr. Portalatin	2018	675,081	1,350,162
	2017	662,561	1,325,122
	2016	600,021	1,200,042

Mr. Hearn	2018	400,033	800,065

(3) The amounts reported in the Non-Equity Incentive Plan Compensation column represent the amounts received for annual bonus awards, as described in the Annual Bonus section on page 30 of the Compensation Discussion and Analysis. The awards earned in respect of 2018 were determined by the Compensation Committee at its meeting on February 19, 2019 and were paid on February 28, 2019.

(4) The amounts reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column represent the increase, if any, in the present value of the named executive officers benefits (both vested and unvested) under the tax-qualified Marsh & McLennan Companies Retirement Plan, the Company s Benefit Equalization Plan and the Company s Supplemental Retirement Plan. For 2018, the amount reported for each named executive officer reflects changes in age and service, the interest rate and the mortality assumption projecting longer life expectancies, and any change in base salary. In 2018, the sums of the change in pension value and nonqualified deferred compensation earnings for Mr. Glaser, Mr. McGivney, Mr. Doyle, Mr. Portalatin and Mr. Hearn were negative (-$219,474, -$103,238, -$12,110, -$83,828 and -$3,390, respectively); as required by SEC rules, the negative changes are shown in the Summary Compensation Table as zero. The assumptions used in calculating the amounts reported are included in footnote 8 to the Company s audited financial statements for the fiscal year ended December 31, 2018, included in the Company s Annual Report on Form 10-K filed with the SEC on February 21, 2019. The Company s retirement program is described in further detail in Defined Benefit Retirement Program on page 53. No named executive officer received preferential or above-market earnings on deferred compensation. The Company discontinued future service accruals in the defined benefit retirement program effective December 31, 2016.

(5) The following items are reported in the All Other Compensation column for the named executive officers in 2018:

ALL OTHER COMPENSATION

Name	Company Contributions to Defined Contribution Plans ($) [a]	Employee Stock Purchase Plan Interest ($) [b]	Financial Planning and Income Tax Preparation ($) [c]	Personal Use of Corporate Aircraft ($) [d]	Personal Use of Car Service ($) [e]	Other ($) [f]	Total ($)
Mr. Glaser	103,250	0	13,519	118,580	71,430	0	306,779
Mr. McGivney	52,500	0	12,476	0	0	0	64,976

Mr. Doyle	60,125	0	12,790	0	0	0	72,915
Mr. Portalatin	70,000	0	13,366	0	0	0	83,366
Mr. Hearn	36,250	47	13,172	0	0	122,204	171,673

(a) These amounts include the Company s matching contributions under the Company s 401(k) Savings & Investment Plan and Supplemental Savings and Investment Plan (SSIP) attributable to 2018. The Company s 401(k) Savings & Investment Plan is a tax-qualified defined contribution plan. The SSIP is a nonqualified defined contribution plan and is described in further detail in the Nonqualified Deferred Compensation Table section on page 55.

(b) This amount represents interest credited on the named executive officer s account within the Company s tax-qualified employee stock purchase plan.

(c) These amounts represent the cost to the Company of offering personal financial planning and tax preparation services to the named executive officers. The imputed income attributable to these services was taxable income to the named executive officer. The taxes associated with this income were not reimbursed or paid by the Company.

(d) This amount represents the incremental cost to the Company of Mr. Glaser s personal use of corporate aircraft in which the Company owns fractional interests. The incremental cost has been calculated by adding the incremental variable costs associated with personal flights on each of the aircraft (including hourly charges, taxes, passenger fees, international fees and catering). The imputed income attributable to his personal use of corporate aircraft was taxable income to Mr. Glaser. The taxes associated with this income were not reimbursed or paid by the Company.

(e) This amount represents the approximate cost to the Company of Mr. Glaser s personal use of a car and driver, including work/home travel. The imputed income attributable to this use was taxable income to Mr. Glaser. The taxes associated with this income were not reimbursed or paid by the Company.

(f) This amount represents the Company s net payment to Mr. Hearn of $8,200 per month to cover the expense of a rental apartment in New York City in connection with Mr. Hearn s 2017 continued employment letter. The monthly payments were discontinued effective August 31, 2018 in accordance with the terms of the letter. The taxes associated with this income, which totaled $46,604 for 2018, were reimbursed or paid by the Company.

(6) The total amounts reported in this column may not equal the sum of amounts reflected in the preceding columns due to rounding to the nearest whole dollar as required by SEC rules.

Executive Compensation (Continued)

EMPLOYMENT LETTERS

The Company has employment letters with each of the named executive officers that follow a common template, approved by the Compensation Committee, and include the following principal terms:

- Base salary, target annual bonus and target annual long-term incentive (LTI) award, and applicable payment ranges. Actual annual bonus payments and annual LTI awards are based on factors described in the Annual Bonus section on page 30 and Annual LTI Award section on pages 30 to 31 of the Compensation Discussion and Analysis;

- Participation in the Company s Senior Executive Severance Pay Plan, as described in the Severance Arrangements section on page 40 of the Compensation Discussion and Analysis and the Potential Payments Upon Termination or Change in Control section on page 56; and

- Noncompetition, nonsolicitation and confidentiality covenants in favor of the Company.

Mr. Glaser s Employment Arrangements

Mr. Glaser s current terms of employment as our President and Chief Executive Officer, as approved by the Compensation Committee, are as follows:

- an annual base salary of $1,500,000;

- an annual bonus with a target level of $3,750,000;

- an annual LTI award with a target grant date fair value of $11,000,000;

- continued participation in the Senior Executive Severance Pay Plan; and

- access to a car and driver for business and commuting purposes and to the corporate aircraft, in which we maintain fractional interests, for business and personal travel (with such personal air travel limited to an amount not to exceed $130,000 per calendar year as determined based on the aggregate incremental cost of such travel to the Company).

In consideration for his employment arrangements, Mr. Glaser entered into noncompetition and nonsolicitation covenants in favor of the Company for the duration of his employment and for 24 months following his termination of employment.

The Compensation Committee increased Mr. Glaser s target annual bonus from $3,000,000 to $3,750,000, effective for the 2019 performance year and his target LTI award from $9,500,000 to $11,000,000, effective for the February 2019 grant. Mr. Glaser s increases were made taking into account the competitive market, internal equity and his long-term performance and contributions as President and CEO of the Company.

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Executive Compensation (Continued)

2018 Grants of Plan-Based Awards Table

The following table provides information on the grants of plan-based awards made to the named executive officers in 2018. Amounts shown under the Estimated Future Payouts Under Non-Equity Incentive Plan Awards columns relate to the target annual cash bonus opportunities in respect of 2018. The terms and conditions of these awards are described in the Annual Bonus section on page 30 of the Compensation Discussion and Analysis. The remaining columns relate to plan-based equity-based awards granted in 2018 under the 2011 Incentive and Stock Award Plan. The equity-based awards consist of PSU awards, RSU awards and stock options with respect to shares of the Company s common stock. The terms and conditions of these awards are described in the narrative following this table.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards [3]			All Other Stock Awards: Number of Shares of Stock or Units (#) [4]	All Other Option Awards: Number of Securities Underlying Options (#) [5]	Exercise or Base Price of Option Awards ($/Sh) [6]	Closing Stock Price on Date of Grant ($/Sh) [6]	Grant Fair V o Stock Opt Awa ($)
)	(b) [1]	(c)	(d) [2]	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m
e	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)					

el S.												
r		0	3,000,000	6,000,000								
	2/21/2018				0	33,115	66,230					2,750
	2/21/2018							33,115				2,750
	2/21/2018								300,711	83.046	82.760	5,500
k C.												
vney		0	1,200,000	2,400,000								
	2/21/2018				0	6,774	13,548					562
	2/21/2018							6,774				562
	2/21/2018								61,510	83.046	82.760	1,12
Q.												
		0	2,250,000	4,500,000								
	2/21/2018				0	8,129	16,258					67
	2/21/2018							8,129				67
	2/21/2018								73,811	83.046	82.760	1,350
A.												
atin		0	2,250,000	4,500,000								
	2/21/2018				0	8,129	16,258					67
	2/21/2018							8,129				67
	2/21/2018								73,811	83.046	82.760	1,350
r C.												
		0	1,500,000	3,000,000								
	2/21/2018				0	4,817	9,634					400
	2/21/2018							4,817				400
	2/21/2018								43,740	83.046	82.760	800

(1) The equity-based awards granted on February 21, 2018 reported in this table were approved by the Compensation Committee at its meeting on the same date.

(2) The actual annual cash bonuses awarded to the named executive officers are reported in the Non-Equity Incentive Plan Compensation column of the 2018 Summary Compensation Table.

(3) The amounts reported in columns (f), (g) and (h) reflect PSU awards granted on February 21, 2018. The terms and conditions of these awards are described in the narrative following this table.

(4) The amounts reported in column (i) reflect the RSU awards granted on February 21, 2018. The terms and conditions of these awards are described in the narrative following this table.

(5) The amounts reported in column (j) reflect nonqualified stock options granted on February 21, 2018. The terms and conditions of these awards are described in the narrative following this table.

(6) The stock options granted on February 21, 2018 have an exercise price of $83.046 per share, equal to the average of the high and low trading prices of shares of the Company common stock on February 20, 2018, the trading date immediately preceding the date of grant. The closing market price of the Company s common stock on the date of grant was $82.76 per share, which was lower than the stock option exercise price.

(7) The grant date fair value reported for the PSU awards is based on payment at the target level.

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Executive Compensation (Continued)

STOCK OPTIONS

Stock options represent the right to purchase a specified number of shares of the Company s common stock at a specified exercise price for a specified period of time. Stock options are scheduled to vest in four equal annual installments beginning on the first anniversary of the grant date, with earlier vesting and shortened exercisability in the event of death, disability and specified terminations of employment. The stock options granted to the named executive officers on February 21, 2018 are scheduled to vest on February 21, 2019, 2020, 2021 and 2022 and will expire no later than February 20, 2028. The stock options have an exercise price equal to the average of the high and low trading prices of shares of the Company s common stock on the trading day immediately preceding the grant date.

RESTRICTED STOCK UNIT AWARDS

An RSU represents a promise to deliver a share of the Company s common stock as soon as practicable after vesting. Annual awards of RSUs are scheduled to vest in three equal annual installments beginning on the 28^{th} of the month in which the first anniversary of the grant date occurs, with full or pro rata vesting in the event of death, disability and specified terminations of employment. The RSU awards granted to the named executive officers on February 21, 2018 are scheduled to vest on February 28 of 2019, 2020 and 2021. RSU awards include the right to payment of dividend equivalents for each share of common stock that is paid in respect of a vested RSU. Dividend equivalents that relate to RSU awards that do not vest or are forfeited also will be forfeited. Holders of RSU awards have no right to vote the shares of common stock subject to the award.

PERFORMANCE STOCK UNIT AWARDS

A PSU represents a promise to deliver, as soon as practicable after the end of the performance period, a number of shares of the Company s common stock ranging from 0% to 200% of the number of PSUs granted, depending on the Company s achievement of a financial performance objective as determined by the Compensation Committee over a three-year performance period. The performance measure is the Company s adjusted EPS as modified for executive compensation purposes (as defined in the Annual LTI Awards section on pages 30 to 31 of the Compensation Discussion and Analysis) on a three-year annualized growth rate basis. The target adjusted EPS growth rate for the PSU awards is 8%. The PSU awards granted to the named executive officers on February 21, 2018 are scheduled to vest on February 28, 2021, with full or pro rata vesting in the event of death, disability and specified terminations of employment. PSU awards include the right to payment of dividend equivalents for each share of common stock that is paid in respect of vested PSU awards. Dividend equivalents that relate to PSU awards that do not vest or are forfeited also will be forfeited. Holders of PSU awards have no right to vote the shares of common stock subject to the award.

The treatment of these awards upon termination of employment or a change in control of the Company is described in further detail in Potential Payments Upon Termination or Change in Control on page 56.

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Executive Compensation (Continued)

2018 Outstanding Equity Awards at Fiscal Year-End Table

The following table provides certain information concerning equity-based awards held by the named executive officers as of December 31, 2018. All outstanding equity awards are with respect to shares of the Company s common stock.

	Option Awards					Stock Awards				
e	Option Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#) (1)	Number of Securities Underlying Unexercised Options Unexercisable (#) (1)	Option Exercise Price ($)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#) (2)	Market Value of Shares or Units of Stock That Have Not Vested ($) (3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (4)	E Incentive Av Mar P Une Shares, or H Hav V
el S.										
	2/21/2011 (5)	149,924	0	30.595	2/20/2021					
	2/24/2012 (5)	206,952	0	31.885	2/23/2022					
	2/25/2013 (5)	314,516	0	36.495	2/24/2023					

	2/24/2014 (5)	237,110	0	48.000	2/23/2024					
	2/23/2015 (5)	166,966	72,858	56.840	2/22/2025					
	2/22/2016 (5)	118,290	163,934	57.325	2/21/2026					
						2/22/2016 (5)	10,601	845,430		
						2/22/2016 (5)			31,801	2,53
	2/22/2017 (5)	68,156	241,436	73.195	2/21/2027					
						2/22/2017 (5)	21,712	1,731,532		
						2/22/2017 (5)			66,454	5,29
	2/21/2018	0	300,711	83.046	2/20/2028					
						2/21/2018	33,115	2,640,921		
						2/21/2018			66,230	5,28
C.										
vney	2/24/2014	13,867	0	48.000	2/23/2024					
	2/23/2015	11,574	3,859	56.840	2/22/2025					
	2/22/2016	32,439	32,440	57.325	2/21/2026					
						2/22/2016	2,181	173,935		
						2/22/2016			6,542	52
	2/22/2017	14,573	43,722	73.195	2/21/2027					
						2/22/2017	3,986	317,884		
						2/22/2017			11,956	95
	2/21/2018	0	61,510	83.046	2/20/2028					
						2/21/2018	6,774	540,227		
						2/21/2018			13,548	1,08
Q.										
	5/1/2016	42,159	42,159	63.090	4/30/2026					
						5/1/2016	2,642	210,700		
						5/1/2016			7,926	63
	2/22/2017	16,655	49,968	73.195	2/21/2027					
						2/22/2017	4,555	363,261		
						2/22/2017			13,664	1,08
						8/1/2017	12,739	1,015,935		
	2/21/2018	0	73,811	83.046	2/20/2028					
						2/21/2018	8,129	648,288		
						2/21/2018			16,258	1,29

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Executive Compensation (Continued)

	Option Awards					Stock Awards				
Name	Option Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#) (1)	Number of Securities Underlying Unexercised Options Unexercisable (#) (1)	Option Exercise Price ($)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#) (2)	Market Value of Shares or Units of Stock That Have Not Vested ($) (3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (4)	Equit Incentive Pla Awards Market o Payou Valu o Unearne Shares, Unit or Othe Right Tha Have No Veste ($) (
ulio A. ortalatin	2/24/2012	36,217	0	31.885	2/23/2022					
	2/25/2013	161,291	0	36.495	2/24/2023					
	2/24/2014	108,696	0	48.000	2/23/2024					
	2/23/2015	74,405	24,802	56.840	2/22/2025					
	2/22/2016	51,903	51,904	57.325	2/21/2026					
						2/22/2016	3,489	278,248		
						2/22/2016			10,467	834,74
	2/22/2017	22,068	66,207	73.195	2/21/2027					
						2/22/2017	6,035	481,291		

						2/22/2017			18,104	1,443,79
						8/1/2017	12,739	1,015,935		
	2/21/2018	0	73,811	83.046	2/20/2028					
						2/21/2018	8,129	648,288		
						2/21/2018			16,258	1,296,57
Peter C. earn						7/1/2016	14,766	1,177,589		
	2/22/2017	6,246	18,738	73.195	2/21/2027					
						2/22/2017	6,832	544,852		
						2/22/2017			10,248	817,27
	2/21/2018	0	43,740	83.046	2/20/2028					
						2/21/2018	4,817	384,156		
						2/21/2018			9,634	768,31

(1) Represents vested and unvested, non-performance contingent stock options. The unvested stock options ratably vest and become exercisable in 25% increments on the first four anniversaries of the grant date.

(2) The following table provides the vesting schedule of the RSU awards that were not vested as of December 31, 2018.

Grant Date	Name of Executive	Vesting Schedule
2/22/2016	All (except Mr. Doyle and Mr. Hearn)	100% vesting on February 28, 2019
5/1/2016	Mr. Doyle	100% vesting on May 1, 2019
7/1/2016	Mr. Hearn	100% vesting on July 15, 2019
2/22/2017	All	50% vesting on each February 28, 2019 and 2020

	Mr. Doyle	
8/1/2017	Mr. Portalatin	100% vesting on August 15, 2020
2/21/2018	All	33⅓% vesting on each February 28, 2019, 2020 and 2021

(3) Based on the closing price per share of the Company s common stock on December 31, 2018 ($79.75), the last trading day of 2018.

(4) Represents the number of shares to be received in respect of PSU awards assuming target performance for the 2016 PSU award and the achievement of maximum performance for the 2017 and 2018 PSU awards. The PSU awards granted in February 2016 vested on February 28, 2019, and PSU awards granted in May 2016, February 2017, and February 2018 will vest on May 1, 2019, February 28, 2020, and February 28, 2021, respectively, and will be paid in a number of shares of the Company s common stock determined based on actual performance over the applicable three-year performance period. Our adjusted EPS growth as modified for executive compensation purposes for 2016, 2017 and 2018, were determined by the Compensation Committee in the first quarter after the end of the year. As of December 31, 2018, performance was tracking between threshold and target for the 2016 PSU award and above target payout level for the 2017 and 2018 PSU awards. If the Company does not attain target performance for the 2016 PSU award or the maximum performance for the 2017 or 2018 PSU awards over the applicable three-year performance period, the number of shares received by the named executive officers upon settlement will be lower. The number of deliverable shares will range from 0% to 200% of the number of PSUs granted. See the Performance Results for Our 2016 PSU Awards section on page 38 of the Compensation Discussion and Analysis and the narrative following the 2018 Grants of Plan-Based Awards Table above with respect to the 2018 PSU awards granted to the named executive officers.

(5) Pursuant to a domestic relations order, Mr. Glaser transferred a portion of each award to his former spouse. As of December 31, 2018, Mr. Glaser held options to purchase 2,040,853 shares of common stock, 65,428 restricted stock units and 98,143 performance stock units and Mr. Glaser s former spouse held options to purchase 1,244,589 shares of common stock, 5,553 restricted stock units and 12,703 performance stock units.

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Executive Compensation (Continued)

2018 Option Exercises and Stock Vested Table

The following table provides certain information concerning (i) stock options exercised by the named executive officers in 2018 and (ii) other stock awards held by the named executive officers that vested or were earned in 2018.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($) [1]	Number of Shares Acquired on Vesting (#) [2]	Value Realized on Vesting ($) [3]
Daniel S. Glaser	0	0	88,726	7,530,176
Mark C. McGivney	22,528	1,035,924	9,829	834,187
John Q. Doyle	0	0	4,919	410,441
	0	0	21,385	1,814,945

Julio A. Portalatin				
Peter C. Hearn	0	0	3,415	289,831

(1) Based on the difference between the market price of the underlying shares of the Company s common stock on the date of exercise and the exercise price of the stock options.
(2) Includes distribution of shares of the Company s common stock in connection with 2015 PSU awards that vested in 2018 and paid out at 117% of target based on Company performance (Mr. Glaser 48,888 PSUs, Mr. McGivney 3,603 PSUs, and Mr. Portalatin 11,580 PSUs). Mr. Doyle and Mr. Hearn did not receive a 2015 PSU award.
(3) Based on the average of the high and low trading prices of a share of the Company s common stock on the trading date immediately preceding the award vesting date.

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Executive Compensation (Continued)

Defined Benefit Retirement Program

The Company discontinued future service accruals effective December 31, 2016 in the tax-qualified Marsh & McLennan Companies Retirement Plan, the nonqualified Benefit Equalization Plan and the nonqualified Supplemental Retirement Plan (collectively, the U.S. Retirement Program). The Benefit Equalization Plan is a restoration plan that provides those participants subject to certain Internal Revenue Code limitations with retirement benefits on a comparable basis to those provided to employees who are not subject to such limitations. The Supplemental Retirement Plan provides for an enhanced benefit for a select group of highly compensated employees. Messrs. Glaser, McGivney and Portalatin participate in the United States defined benefit retirement program. Mr. Doyle and Mr. Hearn are not eligible to participate in the United States defined benefit retirement program because they did not meet the eligibility requirements to join the retirement program prior to December 31, 2016.

For participants who are eligible for these plans, annual benefits payable at age 65 in the form of a single-life annuity are determined generally by the following formula:

2.0% of eligible salary for each of the first 25 years of eligible benefit service through December 31, 2016; plus

1.6% of eligible salary for each of the next five years of eligible benefit service through December 31, 2016; plus

1.0% of eligible salary for each year of eligible benefit service over 30 years through December 31, 2016.

The above sum is reduced by an amount representing a portion of the participant s estimated Social Security benefit. Participants who are at least age 65 are eligible for normal retirement benefits and participants who have attained five years of vesting service and are at least age 55 are eligible for early retirement benefits. Of the named executive officers, Mr. Glaser and Mr. Portalatin are eligible for an early retirement benefit. Benefits under the retirement program vest upon the earliest of (i) a participant s attainment of five years of vesting service, (ii) attainment of age 65 or (iii) a change in control of the Company. Messrs. Glaser, McGivney and Portalatin currently have a vested benefit under the retirement program.

The present value of the accumulated pension benefits of the named executive officers who participate in these plans as of the end of 2018, as well as other information about each of our defined benefit retirement plans, is reported in the table below. Assumptions used in the calculation of these amounts, other than retirement age, are included in footnote 8 to the Company s audited financial statements for the fiscal year ended December 31, 2018, included in the Company s Annual Report on Form 10-K filed with the SEC on February 21, 2019. The assumed retirement age used for purposes of this table is 65 years for all named executives who participate in these plans. Benefits under the tax-qualified Marsh & McLennan Companies Retirement Plan are generally paid as a monthly annuity for the life of the retiree and his or her designated survivor, if the participant has elected to be paid on a joint and survivor basis. The Company s policy for funding its obligation under the tax-qualified plan is to contribute amounts at least sufficient to meet the funding requirements set forth in applicable law. The Company is not required to, and does not, fund any of its obligations to the named executive officers who participate in these plans under any of its nonqualified defined benefit retirement plans.

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Executive Compensation (Continued)

Pension Benefits Table for 2018

Name	Plan Name	Number of Years Credited Service (#) (1)	Present Value of Accumulated Benefit ($) (2)	Payments During Last Fiscal Year ($)
Daniel S. Glaser (3)	Qualified Retirement Plan	19.0	433,691	0
	Benefit Equalization Plan	19.0	1,306,435	0
	Supplemental Retirement Plan	19.0	439,960	0
	Total		2,180,086	0
Mark C. McGivney	Qualified Retirement Plan	9.7	265,313	0
	Benefit Equalization Plan	9.7	263,869	0
	Supplemental Retirement Plan	9.7	111,159	0

			640,341	
	Total			0
John Q. Doyle	None			
Julio A. Portalatin [3]	Qualified Retirement Plan	4.9	201,476	0
	Benefit Equalization Plan	4.9	502,928	0
	Supplemental Retirement Plan	4.9	175,067	0
			879,471	
	Total			0
Peter C. Hearn	None			

(1) Represents years of benefit accrual service as of December 31, 2016. Mr. Glaser s 19.0 years of service includes 9.9 years of service for his prior period of service with Marsh from July 1982 through May 1992.

(2) Assumptions used in the calculation of these amounts, other than retirement age, which has been assumed for purposes of this table to be 65 years for all of the named executive officers, are included in footnote 8 to the Company s audited financial statements for the fiscal year ended December 31, 2018, included in the Company s Annual Report on Form 10-K filed with the SEC on February 21, 2019. The U.S. Retirement Program provides a survivor benefit, in the form of a monthly annuity, to a qualifying spouse or domestic partner upon the death of a

vested participant. The present value of this survivor benefit in the event of death on December 31, 2018 was $740,572 for Mr. McGivney and $697,189 for Mr. Portalatin. The total amounts reported in this column may not equal the sum of amounts reflected due to rounding to the nearest whole dollar as required by SEC rules.

(3) Mr. Glaser and Mr. Portalatin are eligible for an early retirement benefit. Their early retirement benefits are separately quantified in the table included in the Potential Payments Upon Termination or Change in Control section on page 56.

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Executive Compensation (Continued)

Nonqualified Deferred Compensation Table

The Company maintains the Supplemental Savings & Investment Plan (the SSIP), a nonqualified deferred compensation plan that coordinates with the Company s 401(k) Savings & Investment Plan to give eligible participants the opportunity to defer compensation on a pre-tax basis in addition to what is allowed under the tax-qualified plan.

Under the SSIP, selected participants who have reached any one of the limitations set forth in the Internal Revenue Code under the Company s 401(k) Savings & Investment Plan may, at their election, defer up to 30% of their base salary and notionally invest this amount in any or all of the plan s notional investment alternatives. These alternatives consist of a variety of mutual funds and units of the Company s common stock. Participants in the SSIP may change their investment elections at any time, both as to future deferrals and existing balances; however, once a participant notionally invests an amount in units of the Company s common stock, that amount cannot be reallocated to any other notional investment.

After a participant completes one year of service with the Company, the Company provides matching credits at the same rate as the Company s 401(k) Savings & Investment Plan. Effective January 1, 2017, eligible participants who are employed by an eligible participating company and have completed one year of service receive a 4% fixed company credit with respect to their base salary over the Internal Revenue Service limit on compensation that may be considered under the Company s 401(k) Savings & Investment Plan, whether or not they elect to make employee deferrals to the SSIP.

Participants are not permitted to make withdrawals from their accounts while they are employed by the Company. Participants are generally entitled to payment of their accounts after their employment ends, including upon retirement, death or disability in a lump sum or annual installments over 2 to 15 years.

All of the named executive officers are eligible to participate in the SSIP.

Name	Executive Contributions in Last Fiscal Year	Registrant Contributions in Last Fiscal Year ($) (1)	Aggregate Earnings in Last Fiscal Year ($) (2)	Aggregate Withdrawals or Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)

	($)				
Daniel S. Glaser	73,800	84,900	(77,720)	0	1,227,029
Mark C. McGivney	28,667	33,250	(34,375)	0	470,352
John Q. Doyle	31,500	44,750	(12,110)	0	88,199
Julio A. Portalatin	46,637	51,959	(34,642)	0	490,238
Peter C. Hearn	0	21,000	(3,390)	0	36,205

(1) Amounts reported in this column are also reported in the All Other Compensation column in the 2018 Summary Compensation Table on page 45.

(2) Aggregate earnings are based upon the performance of a variety of mutual funds and shares of the Company s common stock. Because these earnings are based upon actual market performance, they are not considered above-market or preferential for purposes of SEC rules. Therefore, none of the amounts reported in this column are reportable in the 2018 Summary Compensation Table on page 45.

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Executive Compensation (Continued)

Potential Payments Upon Termination or Change in Control

The following table sets forth the estimated payments and benefits to be provided to the named executive officers in the event of the specified terminations of employment, including following a change in control of the Company. In accordance with SEC rules, this table assumes that the relevant triggering event occurred on December 31, 2018, the last business day of the last completed fiscal year, and that the market price of the Company s common stock was the closing stock price as of December 31, 2018 ($79.75 per share), the last trading day of 2018.

The employment letter for each named executive officer, other than Mr. Portalatin in his role as Vice Chairman of the Company effective March 1, 2019, provides that he will participate in the Company s Senior Executive Severance Pay Plan. In general, the Senior Executive Severance Pay Plan provides for cash severance in the event of an involuntary termination of employment without cause (as described below) or, within the two-year period following a change in control of the Company, either by the successor entity without cause or by the participant for a termination of employment for good reason (as described in Termination of Employment below). In addition, each such named executive officer is eligible for specified benefits upon death or disability (as described in Termination of Employment below).

Cash severance under the Senior Executive Severance Pay Plan is paid in a lump sum equal to:

- one times annual base salary;
- one times the average of the annual bonuses paid to the participant for each of the three prior calendar years; and
- a pro rata bonus for the year of termination.

The Senior Executive Severance Pay Plan also provides 12 months of outplacement services and continued medical and dental coverage for 12 months at active employee rates. Severance payments and benefits are conditioned on a participant having executed a waiver and release of claims (including restrictive covenants). The cash severance amounts included in the following table reflect the employment arrangements in effect on December 31, 2018.

The terms and conditions of equity-based awards provide for full or pro rata vesting in the event of death, disability and specified terminations of employment.

Mr. Portalatin s employment letter as Vice Chairman of the Company provides that he will not be eligible for any severance benefits upon the termination of his employment.

As of December 31, 2018, Mr. Glaser and Mr. Portalatin were eligible to commence benefit payments under the Company s defined benefit retirement program upon an early retirement.

Name	Termination Reason	Total Cash Payment ($) [1]	Unvested Stock Awards ($) [2]	Unvested Option Awards ($) [2]	Accumulated Dividend Equivalents on Outstanding Stock Units ($)	Welfare and Retirement Benefits ($) [3] [4] [5]	Total ($) [6]
Daniel S. Glaser	Involuntary termination without cause	10,266,667	8,617,945	6,928,010	267,329	11,561	26,091,511
	Involuntary termination without cause or termination for good reason following a change in control	8,766,667	16,201,930	6,928,010	447,864	11,561	32,356,031
	Death	3,000,000	16,201,930	6,928,010	447,864	0	26,577,804
	Disability	3,000,000	16,620,777	6,928,010	436,763	0	26,985,549
	Early Retirement	0	8,617,945	6,928,010	267,329	0	15,813,283
Mark C. McGivney	Involuntary termination without cause	3,966,667	1,689,823	0	61,237	17,833	5,735,559
	Involuntary termination without cause or termination for good reason following a change in control	3,416,667	3,151,880	1,102,474	99,018	17,833	7,787,872
	Death	1,200,000	3,151,880	1,102,474	99,018	0	5,553,372
	Disability	1,200,000	3,246,782	1,102,474	94,933	0	5,644,190
John Q. Doyle	Involuntary termination	6,625,000	2,398,402	0	78,251	15,344	9,116,997

	without cause						
	Involuntary termination without cause or termination for good reason following a change in control	5,625,000	4,734,758	1,029,909	137,989	15,344	11,543,000
	Death	2,250,000	4,734,758	1,029,909	137,989	36,309	8,188,964
	Disability	2,250,000	4,851,352	1,029,909	133,720	36,309	8,301,290
Julio A. Portalatin	Involuntary termination without cause	5,925,000	2,963,430	2,166,148	107,225	12,430	11,174,233
	Involuntary termination without cause or termination for good reason following a change in control	5,975,000	5,517,584	2,166,148	173,147	12,430	13,844,308
	Death	2,250,000	5,517,584	2,166,148	173,147	0	10,106,878
	Disability	2,250,000	5,560,968	2,166,148	165,084	0	10,142,199
	Early Retirement	0	2,490,194	2,166,148	93,608	0	4,749,950

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Executive Compensation (Continued)

Name	Termination Reason	Total Cash Payment ($) (1)	Unvested Stock Awards ($) (2)	Unvested Option Awards ($) (2)	Accumulated Dividend Equivalents on Outstanding Stock Units ($)	Welfare and Retirement Benefits ($) (3) (4) (5)	Total ($) (6)
Peter C. Hearn	Involuntary termination without cause	5,325,000	1,940,477	0	73,877	17,833	7,357,187
	Involuntary termination without cause or termination for good reason following a change in control	4,325,000	3,308,030	122,828	111,699	17,833	7,885,390
	Death	1,500,000	3,308,030	122,828	111,699	29,397	5,071,953
	Disability	1,500,000	3,450,464	122,828	112,726	29,397	5,215,414

(1) The following table sets forth the calculation of amounts shown in the Total Cash Payment column of the table above. For purposes of this calculation, because this table assumes that termination of employment occurs at year-end, the amount shown in the Pro Rata Bonus column of the table below is equal to the individual s actual or target bonus for the entire year.

Name	Termination Reason	Base Salary ($)	Average Bonus ($)	Total ($)	Severance Multiplier	Total Severance ($) (a)	Pro Rata Bonus ($) (b)	Total Cash Payment ($) (c)
Mr. Glaser	Involuntary termination without cause	1,500,000	4,266,667	5,766,667	1	5,766,667	4,500,000	10,266,667

	Involuntary termination without cause or termination for good reason following a change in control	1,500,000	4,266,667	5,766,667	1	5,766,667	3,000,000	8,766,667
	Death	N/A	N/A	N/A	0	0	3,000,000	3,000,000
	Disability	N/A	N/A	N/A	0	0	3,000,000	3,000,000
	Early Retirement	N/A	N/A	N/A	0	0	0	0
Mr. McGivney	Involuntary termination without cause	750,000	1,466,667	2,216,667	1	2,216,667	1,750,000	3,966,667
	Involuntary termination without cause or termination for good reason following a change in control	750,000	1,466,667	2,216,667	1	2,216,667	1,200,000	3,416,667
	Death	N/A	N/A	N/A	0	0	1,200,000	1,200,000
	Disability	N/A	N/A	N/A	0	0	1,200,000	1,200,000
Mr. Doyle	Involuntary termination without cause	1,000,000	2,375,000	3,375,000	1	3,375,000	3,250,000	6,625,000
	Involuntary termination without cause or termination for good reason following a change in control	1,000,000	2,375,000	3,375,000	1	3,375,000	2,250,000	5,625,000
	Death	N/A	N/A	N/A	0	0	2,250,000	2,250,000
	Disability	N/A	N/A	N/A	0	0	2,250,000	2,250,000
Mr. Portalatin	Involuntary termination without cause	1,000,000	2,725,000	3,725,000	1	3,725,000	2,200,000	5,925,000
		1,000,000	2,725,000	3,725,000	1	3,725,000	2,250,000	5,975,000

	Involuntary termination without cause or termination for good reason following a change in control							
	Death	N/A	N/A	N/A	0	0	2,250,000	2,250,000
	Disability	N/A	N/A	N/A	0	0	2,250,000	2,250,000
	Early Retirement	N/A	N/A	N/A	0	0	0	0
Mr. Hearn	Involuntary termination without cause	800,000	2,025,000	2,825,000	1	2,825,000	2,500,000	5,325,000
	Involuntary termination without cause or termination for good reason following a change in control	800,000	2,025,000	2,825,000	1	2,825,000	1,500,000	4,325,000
	Death	N/A	N/A	N/A	0	0	1,500,000	1,500,000
	Disability	N/A	N/A	N/A	0	0	1,500,000	1,500,000

(a) Reflects amounts payable by the Company in the form of a lump sum as soon as practicable following termination of employment, subject to the individual s execution of a waiver and release of claims (including restrictive covenants) for the benefit of the Company.

(b) Pro Rata Bonus amounts, if any, are payable by the Company at the same time as annual bonuses for the applicable year are paid to the Company s senior executives generally, subject to the individual s execution of a waiver and release of claims (including restrictive covenants) for the benefit of the Company.

(c) Total amounts reported in this column may not equal the sum of amounts reflected in the preceding columns due to rounding to the nearest whole dollar as required by SEC rules.

Mr. Portalatin s employment letter, effective March 1, 2019 for his role as Vice Chairman of the Company, provides that he will not be eligible for any severance benefits upon the termination of his employment.

(2) Reflects equity-based awards, with respect to the Company s common stock, outstanding as of December 31, 2018. The values for 2016, 2017 and 2018 PSU awards depend on the termination reason. For certain events such as retirement, the values are based on results as determined by the Compensation Committee and the Company s long-term target performance for the remaining years of the award period for each award. For events in which the vesting of equity-based awards accelerates, such as death, the values are based on performance for abbreviated award periods.

(3) Each of the named executive officers is eligible to continue receiving Company-sponsored health insurance for 12 months following certain terminations of employment. To receive such benefits, a named executive officer is required to contribute at the same level as similarly situated active employees. Each of the named executive officers is eligible to receive outplacement services for a period of 12 months.

(4) The amounts reported in this column, where applicable, include the Company s 401(k) Savings & Investment Plan matching contributions made by the Company that would vest in the event of death or permanent disability (as defined the Company s Long-Term Disability Plan).

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Executive Compensation (Continued)

(5) Mr. Glaser and Mr. Portalatin are eligible for early retirement, as indicated in the Defined Benefit Retirement Program section on page 53. If Mr. Glaser or Mr. Portalatin had retired from the Company effective December 31, 2018, the present value of their accumulated pension benefits would have been $2,243,412 and $907,725, respectively. In addition, Mr. Glaser and Mr. Portalatin would have been entitled to payment of their account balances under the Company s 401(k) Savings & Investment Plan and the SSIP. These amounts are not reflected in the total set forth in this column.

(6) Total amounts reported in this column may not equal the sum of amounts reflected in the preceding columns due to rounding to the nearest whole dollar as required by SEC rules.

TERMINATION OF EMPLOYMENT

Upon any termination of employment, including a termination for cause or without good reason, a named executive officer will receive any accrued pay and regular post-employment payments and benefits under the terms of the Company s applicable plans. The amounts reported in the table above do not include payments and benefits that are provided on a nondiscriminatory basis to eligible employees upon termination of employment, including:

- base salary through the date of termination and accrued but unused vacation time;
- post-employment group medical benefit continuation at the employee s cost;
- welfare benefits provided to eligible U.S. retirees;
- distributions of defined benefit plan benefits, whether or not tax-qualified (our U.S. defined benefit retirement program is described in the Defined Benefit Retirement Program section on page 53);
- distributions of tax-qualified defined contribution plans and nonqualified deferred compensation plans (the nonqualified deferred compensation plans are described in the Nonqualified Deferred Compensation Table section on page 55); and
- vested benefits.

The Senior Executive Severance Pay Plan defines cause as a participant s: (i) willful failure to substantially perform the duties consistent with his or her position which is not remedied within 10 days after receipt of written notice from the Company specifying such failure; (ii) willful violation of any written Company policy, including, but not limited to, the Company s Code of Business Conduct & Ethics; (iii) 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; (iv) unlawful use (including being under the influence) or possession of illegal drugs; (v) gross negligence or willful misconduct which results in, or could reasonably be expected to result in, a material loss to the Company or material damage to the reputation of the Company; or (vi) 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.

The Senior Executive Severance Pay Plan defines good reason as: (i) a material reduction in the participant s base salary; (ii) a material reduction in the participant s annual incentive opportunity (including a material adverse change in the method of calculating the participant s annual incentive); (iii) a material diminution of the participant s duties, responsibilities or authority; or (iv) a relocation of more than 50 miles from the participant s office location in effect immediately prior to the change in control of the Company. This definition of good reason only applies during the 24-month period following a change in control of the Company.

The employment letter for each named executive officer defines permanent disability as occurring when it is determined (by the Company s disability carrier for the primary long-term disability plan or program applicable to the named executive officer because of his or her employment with the Company) that the named executive officer is 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.

Executive Compensation (Continued)

CHANGE IN CONTROL

As described in the Change-in-Control Arrangements section on page 40, the terms of our outstanding and unvested equity-based awards contain a double-trigger change-in-control vesting provision, which requires a change in control of the Company followed by a specified termination of employment for accelerated vesting to occur. Under the double-trigger provision, a change in control of the Company by itself would not cause an employee s equity-based award to vest, so long as the award is assumed or replaced on equivalent terms. In that case, vesting would continue pursuant to the award s original vesting schedule unless, in addition to the change in control, the employee s employment terminates without cause or for good reason during the 24 months following the change in control.

The change-in-control provisions included in our Senior Executive Severance Pay Plan also require both double-trigger events to occur for payments and benefits to be provided.

We do not provide change-in-control excise tax reimbursements to any of our senior executives under any plan

or arrangement.

Cash severance payments are not eligible for any tax reimbursement benefit.

We use the same definition of change in control in the equity incentive plans and the Senior Executive Severance

Pay Plan.

The definitions of cause and good reason in equity-based awards for the named executive officers are similar to those described above in Termination of Employment.

RESTRICTIVE COVENANTS

Each of the named executive officers is subject to nonsolicitation covenants that prohibit the executive from:

- soliciting any customer or client with respect to a competitive activity; and

- soliciting or employing any employee for the purpose of causing the employee to terminate employment.

Each of the named executive officers is also subject to noncompetition covenants that prohibit the executive from engaging in a competitive activity.

For Mr. Glaser, the noncompetition and nonsolicitation period ends 24 months after the date of termination of employment. For the other named executive officers other than Mr. Portalatin, this period ends 12 months after the date of termination of employment. For Mr. Portalatin, this period ends on March 1, 2020.

In addition, at all times prior to and following termination of employment, the named executive officers are subject to a perpetual confidentiality covenant.

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Audit

Item 3 Ratification of Selection of Independent Registered Public Accounting Firm

The Audit Committee is directly responsible for the appointment, compensation and oversight of the independent external audit firm retained to audit the Company s financial statements. The Audit Committee has appointed Deloitte & Touche LLP as the Company s independent registered public accounting firm for the 2019 fiscal year, subject to stockholder ratification. Deloitte & Touche was first retained as the independent registered accounting firm of the Company in 1989. The Audit Committee is responsible for reviewing and approving the compensation of Deloitte & Touche in connection with the annual appointment process. As part of its regular process, the Audit Committee annually reviews and approves the leadership, composition and organization of the external audit team. The Audit Committee also periodically considers the rotation of the independent external audit firm. Further, in conjunction with the mandated rotation of the independent registered public accounting firm s lead audit partner, the Audit Committee and its chairman are directly involved in the review and approval of Deloitte & Touche s lead audit partner. The members of the Audit Committee and the Board believe that the continued retention of Deloitte & Touche to serve as the Company s independent registered public accounting firm is in the best interests of the Company and its investors.

Deloitte & Touche will audit our consolidated financial statements for fiscal year 2019 and perform other services. Deloitte & Touche acted as the Company s independent registered public accounting firm for the year ended December 31, 2018. A Deloitte & Touche representative will be present at the 2019 annual meeting of stockholders and will have an opportunity to make a statement and to answer your questions.

Although ratification is not required by the Company s bylaws or otherwise, the Board is submitting this proposal as

a matter of good corporate practice. If the selection is not ratified, the Audit Committee will consider whether it is appropriate to select another independent auditor. Even if the selection is ratified, the Audit Committee may select

a different auditor at any time during the year if it determines that this would be in the best interests of the Company and its stockholders.

The Board of Directors recommends that you vote FOR this proposal.

FEES OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

For the fiscal years ended December 31, 2018 and 2017, fees for services provided by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu and their respective affiliates were as follows:

	($ in 000s)	
	2018	2017
Audit Fees Includes audits of the effectiveness of the Company s internal control over financial reporting at December 31, 2018 and 2017, audits of consolidated financial statements and reviews of the consolidated financial statements included in the Company s quarterly reports on Form 10-Q, statutory reports and regulatory audits.	$ 19,458	$ 20,346
Audit-Related Fees Includes audits of employee benefit plans, computer- and control-related audit services, agreed-upon procedures, merger and acquisition assistance and accounting research services.	3,117	2,846
Tax Fees Includes tax compliance and other services not related to the audit.	2,774	1,155
All Other Fees Includes consulting fees related to outsourcing projects.	70	15
Total	$ 25,419	$ 24,362

AUDIT COMMITTEE PRE-APPROVAL POLICY

The Audit Committee has adopted a policy regarding pre-approval of audit and non-audit services provided by Deloitte & Touche to the Company and its subsidiaries. The policy provides the guidelines necessary to adhere to the Company s commitment to auditor independence and compliance with relevant rules and regulations relating to auditor independence. The policy contains a list of prohibited non-audit services, and sets forth four categories of permitted services (Audit, Audit-Related, Tax and Other), listing the types of permitted services in each category. All of the permitted services require

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