

MARSH & MCLENNAN COMPANIES, INC.  
Form DEF 14A  
March 30, 2018  
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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):

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No fee required.

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

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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. The meeting will be held at 10:00 a.m. on Thursday, May 17, 2018 at 1166 Avenue of the Americas, New York, NY 10036.

**PURPOSE:**

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;
4. To approve additional shares for two Marsh & McLennan Companies stock purchase plans; and
5. To conduct any other business that may properly come before the meeting.

Our Board of Directors recommends that you vote **FOR** the election of all director nominees, **FOR** the approval of the compensation of our named executive officers, **FOR** the ratification of the selection of Deloitte & Touche LLP and **FOR** the approval of additional shares for two Marsh & McLennan Companies stock purchase plans.

This notice and proxy statement is being mailed or made available on the Internet to stockholders on or about March 30, 2018. These materials describe the matters being voted on at the annual meeting and contain certain other information. In addition, these materials are accompanied by a copy of the Company's 2017 Annual Report, which includes financial statements as of and for the fiscal year ended December 31, 2017. In these materials we refer to Marsh & McLennan Companies, Inc. as the **Company**, **we** and **our**.

Only stockholders of record as of close of business on March 19, 2018 may vote, in person or by proxy, at the annual meeting. If you plan to attend the meeting in person, you will need to register in advance and provide proof of record or beneficial ownership of the Company's common stock as of that date in order to enter the meeting. Please see page 67 for more information about attending the meeting in person.

**If you accessed this proxy statement through the Internet after receiving a Notice of Internet Availability of Proxy Materials, you may cast your vote by telephone or over the Internet by following the instructions in that Notice. If you received this proxy statement by mail, you may cast your vote by mail, by telephone or over the Internet by following the instructions on the enclosed proxy card.**

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.

KATHERINE J. BRENNAN

Deputy General Counsel, Corporate Secretary & Chief Compliance Officer

March 30, 2018

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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)**

13 FOR

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

21 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)**

54 FOR

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

**Approval of Additional Shares for Two Stock Purchase Plans (Item 4)**

56 FOR

To approve additional shares for the Marsh & McLennan Companies 1999 Employee Stock Purchase Plan and Irish Savings Related Share Option Scheme

## Highlights of Our Business and Strategy

### **BUSINESS**

We are a global professional services firm offering clients advice and solutions in risk, strategy and people. Our businesses include: Marsh, the insurance broker, intermediary and risk advisor; Guy Carpenter, the risk and reinsurance specialist; Mercer, the provider of HR and investment related financial advice and services; and Oliver Wyman Group, the management, economic and brand consultancy. With nearly 65,000 colleagues worldwide and annual revenue of more than \$14 billion, we provide analysis, advice and transactional capabilities to clients in more than 130 countries.

### **STRATEGY**

At the core of our business strategy are four pillars that are designed to create exceptional value and superior returns for our stockholders:

Sustain long-term revenue and earnings growth;

Maintain low capital requirements;

Generate high levels of cash; and

Manage risk intelligently.

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

All of our directors are independent, other than our CEO

42% of our directors are diverse

The average tenure of our directors is 8 years

Two directors have joined since 2016, enhancing the Board's breadth and depth of experience and diversity

All of our directors are elected annually

**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 employees, including senior executives

Directors and senior executives must obtain pre-approval for any proposed pledges of Company stock, and none were requested in 2017

**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 (96% in 2017 and 97% in 2016)

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**Proxy Summary (Continued)**

**Highlights of Our 2017 Performance and Compensation**

**PERFORMANCE**

In 2017, we continued to execute on our long-term financial and strategic objectives.

Our total stockholder return ( TSR ) for 2017 was 22.7% vs. 21.8% for the S&P 500® index.

We delivered strong growth in adjusted earnings per share ( EPS ) of 14.6%\*. GAAP EPS declined 15.1%, reflecting one-time provisional charges due to U.S. tax reform.

We achieved 3.5% growth in underlying revenue and increased adjusted operating income\* for both the Risk and Insurance Services and Consulting segments for the eighth consecutive year.

We increased our quarterly dividend from \$0.34 to \$0.375 per share beginning in the third quarter of 2017, resulting in an annual dividend increase of 10% from \$1.30 to \$1.43.

We used approximately \$900 million in cash to repurchase approximately 11.5 million shares, reducing our outstanding common stock by approximately 5.7 million shares on a net basis.

## EXECUTIVE COMPENSATION

Our strong performance with respect to 2017 financial and strategic objectives led to above-target bonuses for our named executive officers.

Based on our 13.5% three-year adjusted EPS growth compared to a 13% long-term target for our 2015 performance stock unit ( PSU ) awards, the payout was 117% of target.

Our equity run rate\*\* in 2017 was 0.9%. 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 (currently, \$550,000). 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):

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)

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

Director stock ownership requirements. (Section K.2)

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**Corporate Governance (Continued)**

Annual Board and committee evaluations. (Section L)

Policy on interested stockholder transactions. (Section O)

**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.

**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. As part of the Board s self-evaluation process, each director completes a questionnaire soliciting quantitative ratings and qualitative commentary. The questionnaire solicits feedback on topics such as the Board s key priorities and fulfillment of the

Board's responsibilities under our Governance Guidelines. 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.

### **Codes of Conduct**

Our reputation is fundamental to our business. The Company's directors and officers and other employees 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 employees. *The Greater Good* has been distributed to the Company's employees, accompanied by a comprehensive training and communication effort that included a campaign in 2016 requiring employees to recertify 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.

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**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; the potential public perception of the transaction and the potential impact of the transaction on the independence of any of the Company's directors. 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 65.

**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.ethicscompliance.com>

Further details of the Company's procedures for handling complaints and concerns of employees 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.

**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 above), online at <http://www.ethicscompliance.com> or by telephone (local dialing instructions can be found at <http://www.ethicscompliance.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.

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**Board of Directors and Committees**

**Board Composition, Leadership and Size**

At the 2018 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 and Nomination Process**

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. The Board has delegated to the Directors and Governance Committee the authority to identify, screen 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 periodically reviews with the Board the skills and characteristics to be sought in any new director candidates, as well as the overall composition and structure of the incumbent Board, taking into account such factors as the Board's current mix and diversity of skills, backgrounds and experiences.

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**

The chart below 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. In addition, the chart provides descriptions for each area of expertise. 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 13.

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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, racial, ethnic and cultural diversity in the pool of director candidates.

**Stockholder Nominations for Director Candidates**

The Directors and Governance Committee will consider director candidates recommended by stockholders if the recommendation is submitted in writing at the address below. As described in Article III of the Company's bylaws, stockholders may submit nominations of persons for election as directors of the Company at an annual meeting of stockholders provided that the proposing stockholder is a stockholder of record both at the time the nomination is submitted and at the time of the annual meeting, is entitled to vote at the annual meeting and complies with the notice procedures set forth in Sections 3.01 and 3.02 of the bylaws. The notice of nomination must meet bylaw requirements 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 2019 Annual Meeting on page 70.

**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.

### **Attendance**

The Board held eight meetings, including telephonic meetings, during 2017. 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 annual meetings of stockholders. All of our directors were present at the 2017 annual meeting of stockholders.

### **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 eight years. 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.

### **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.

**Table of Contents****Board of Directors and Committees (Continued)****Executive Sessions**

Our independent directors meet in executive session without management at regularly scheduled in-person Board meetings. In 2017 they held eight 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.

**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 of Directors' 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. The Audit Committee regularly reviews the Company's policies and practices with respect to risk assessment and risk management. The Directors and Governance Committee considers risks related to CEO succession planning and the Compensation Committee considers risks relating to the design of executive compensation programs and arrangements. See below for additional information about the Board's committees.

**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 charters for these committees can be viewed on our website at <http://www.mmc.com/about/governance.php>.

The table below indicates committee assignments for 2017 and the number of times each committee met in 2017:

	Audit	Compensation	Finance	Corporate	Executive
Director				Responsibility	
		Directors			
		and			
		Governance			





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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; 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 seven times in 2017, 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 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 2017. 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 2017.

The Compensation Committee assessed the work of Pay Governance LLC during 2017 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;

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.

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**Board of Directors and Committees (Continued)**

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 2017 Highlights on page 22) 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.

## **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.

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**Board of Directors and Committees (Continued)**

**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 employee engagement. In particular, the Corporate Responsibility Committee focuses on government relations, corporate communications, social responsibility, diversity and inclusion and sustainability 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.

**Director Compensation**

**EXECUTIVE DIRECTORS**

Executive directors (currently only Mr. Glaser) receive no compensation for their service as directors.

**INDEPENDENT DIRECTORS**

Independent directors receive a basic annual retainer and annual stock grant as compensation for their service as directors. Our independent chairman and directors who serve as the chair of a committee also receive a supplemental annual retainer. The basic annual retainer and the supplemental retainers are paid quarterly for pay periods ending on August 15, November 15, February 15 and May 15. Under the terms of the Company's Directors' Stock Compensation Plan, independent directors may elect to receive these retainer amounts in cash, the Company's common stock or a combination thereof and may defer receipt of all or a portion of any compensation to be paid in the form of the Company's common stock until a specified future date. The annual stock grant is made on June 1st of each year. Independent directors are also eligible to participate in the Company's matching-gift program for certain charitable gifts to educational institutions.

The Board's compensation year runs from June 1 through May 31. The current compensation arrangements for independent directors are summarized in the table below.

*Elements of Independent Director Compensation*

Basic Annual Retainer for All Independent Directors	\$110,000
Supplemental Annual Retainer for Independent Chairman of the Board	\$200,000
Supplemental Annual Retainer for Chair of	\$25,000
Audit Committee	
Compensation Committee	
Supplemental Annual Retainer for Chairs of Committees other than Audit and Compensation	\$15,000
Annual Stock Grant for Independent Directors under the Company's Directors Stock Compensation Plan	Number of shares having a grant date market value of \$160,000
Stock Ownership Guidelines	5 times Basic Annual Retainer

Table of Contents**Board of Directors and Committees (Continued)****2017 Independent Director Compensation**

The table below indicates total compensation received by our independent directors for service on the Board and its committees during 2017:

Name	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)</sup>	All Other Compensation (\$) <sup>(3)</sup>	Total (\$)
Anthony K. Anderson	110,000	160,000		270,000
Oscar Fanjul	125,000	160,000		285,000
H. Edward Hanway	310,000	160,000		470,000
Deborah C. Hopkins <sup>(4)</sup>	96,250	160,000		256,250
Elaine La Roche	110,000	160,000		270,000

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Steven A. Mills	135,000	160,000		295,000
Bruce P. Nolop <sup>(5)</sup>	129,946	160,000	5,000	294,946
Marc D. Oken <sup>(6)</sup>	122,636	160,000		282,636
Morton O. Schapiro	125,000	160,000	5,000	290,000
Lloyd M. Yates	110,000	160,000		270,000
R. David Yost <sup>(7)</sup>	117,418	160,000	5,000	282,418

(1) The amounts in this "Fees Earned or Paid in Cash" column reflect payments of the \$110,000 basic annual retainer and any supplemental retainer made during fiscal 2017, as set forth in more detail below. The chairs of the Audit and Compensation Committees each received \$25,000 for such service, the chairs of committees other than Audit and Compensation each received \$15,000 for such service, and the independent chairman of the Board received \$200,000 for such service. In May 2017, Mr. Nolop succeeded Mr. Oken as chair of the Audit Committee and Mr. Yost succeeded Mr. Nolop as chair of the Corporate Responsibility Committee. The committee chairs compensated during fiscal year 2017 were: Mr. Fanjul (Finance), Mr. Mills (Compensation), Mr. Nolop (Corporate Responsibility then Audit), Mr. Oken (Audit), Mr. Schapiro (Directors and Governance) and Mr. Yost (Corporate Responsibility). Committee members other than the chairs receive no additional compensation for service on a committee.

Mr. Mills elected to receive his quarterly payments in the form of the Company's common stock. Mr. Yost and Mr. Schapiro elected to receive their quarterly payments in the form of the Company's common stock on a deferred basis. Ms. La Roche elected to receive 30% of her quarterly payments in the form of the Company's common stock on a deferred basis. Effective June 1, 2017, Mr. Anderson elected to receive 70% of his quarterly payments in the form of the Company's common stock on a deferred basis and Ms. Hopkins elected to receive 100% of her quarterly payments in the form of the Company's common stock on a deferred basis. For fiscal 2017, Mr. Anderson received quarterly payments in cash in February and May 2017 (\$55,000) and 70% of his quarterly payments in the form of the Company's common stock on a deferred basis in August and November 2017 (\$38,500). For fiscal 2017, Ms. Hopkins received quarterly payments in cash in February and May 2017 (\$41,250) and quarterly

payments in the form of the Company's common stock on a deferred basis in August and November 2017 (\$55,000). All of the other independent directors received these amounts in cash.

(2) This column reflects the award of 2,065 shares of the Company's common stock to each independent director on June 1, 2017. The shares awarded to each director had an aggregate grant date fair value of \$160,000, based on a per share price of \$77.46, which was the average of the high and low prices on May 31, 2017, the trading day immediately preceding the grant. The amounts shown in this column constitute the dollar amount recognized by the Company for financial statement reporting purposes for the fiscal year ended December 31, 2017, in accordance with FASB ASC Topic 718. Mr. Anderson, Ms. Hopkins, Ms. La Roche, Mr. Schapiro and Mr. Yost elected to defer receipt of all of the shares awarded to them.

As of December 31, 2017, the aggregate number of deferred shares held for the account of each current independent director who has previously elected to defer shares was as follows: Mr. Anderson, 2,565 shares, Ms. Hopkins, 2,771 shares, Ms. La Roche, 5,266 shares, Mr. Schapiro, 60,353 shares and Mr. Yost, 22,143 shares. Dividend equivalents on these deferred shares are reinvested into additional deferred shares for the account of the independent director.

(3) The Company maintains a matching gift program for employees and directors, pursuant to which the Company matches, on a dollar-for-dollar basis, charitable contributions to certain educational institutions up to a total of \$5,000 per employee or director in any one year. The amounts shown in the table represent the Company's matching contribution to educational institutions pursuant to this program.

(4) Ms. Hopkins joined the Board on January 1, 2017.

(5) Mr. Nolop served as chair of the Corporate Responsibility Committee until he was appointed chair of the Audit Committee on May 18, 2017.

(6) Mr. Oken served as chair of the Audit Committee until Mr. Nolop was appointed chair on May 18, 2017.

(7) Mr. Yost was appointed chair of the Corporate Responsibility Committee on May 18, 2017 when Mr. Nolop became chair of the Audit Committee.

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**Election of Directors**

**Item 1 Election of Directors**

At the 2018 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 2019 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 5 and 6 under the headings Director Qualifications and Nomination Process 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 2018 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.**

Table of Contents**Election of Directors (Continued)**

Name/Age	Director Since	Background	Independent	Other Public Company Boards	Committees
<b>Anthony K. Anderson, 62</b>	2016	Former Vice Chair and Midwest Area Managing Partner of Ernst & Young LLP	Yes	3	Audit Corporate Responsibility
<b>Oscar Fanjul, 68</b>	2001	Vice Chairman of Omega Capital, Founding Chairman and Former Chief Executive Officer of Repsol	Yes	2	Compensation Executive Finance (Chair)
<b>Daniel S. Glaser, 57</b>	2013	President and Chief Executive Officer of Marsh & McLennan Companies, Inc.	No	0	Executive Finance
<b>H. Edward Hanway, 66</b>	2010	Former Chairman and Chief Executive Officer of CIGNA Corporation	Yes	0	Compensation Directors and Governance Executive (Chair)

Finance

<b>Deborah C. Hopkins, 63</b>	2017	Former Chief Executive Officer of Citi Ventures, Former Chief Innovation Officer of Citigroup	Yes	1	Compensation Directors and Governance
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<b>Elaine La Roche, 68</b>	2012	Chief Executive Officer, China International Capital Corporation US Securities, Inc.	Yes	1	Audit Finance
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<b>Steven A. Mills, 66</b>	2011	Former Executive Vice President of Software & Systems of International Business Machines Corporation (IBM)	Yes	0	Compensation (Chair) Directors and Governance Executive
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<b>Bruce P. Nolop, 67</b>	2008	Former Executive Vice President and Chief Financial Officer of E*Trade Financial Corporation	Yes	2	Audit (Chair) Corporate Responsibility Executive Finance
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<b>Marc D. Oken, 71</b>	2006	Managing Partner of Falfurrias Capital Partners	Yes	1	Audit Finance
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<b>Morton O. Schapiro, 64</b>	2002	President and Professor of Economics, Northwestern University	Yes	0	Compensation Directors and Governance (Chair) Executive
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<b>Lloyd M. Yates, 57</b>	2011	Executive Vice President Market Solutions of Duke Energy and President of Duke Energy's Carolinas Region	Market	Yes	0	Audit Corporate Responsibility
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<b>R. David Yost, 70</b>	2012	Former President and Chief Executive Officer of AmerisourceBergen		Yes	2	Compensation Corporate Responsibility (Chair)
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Table of Contents**Election of Directors (Continued)****Anthony K. Anderson****Director since** 2016**Committees**

Audit

**Age** 62

Corporate Responsibility

**Other Public Company Boards****Key Skills and Experience**

AAR Corp.

Leadership

Avery Dennison Corporation

Financial

Exelon Corporation

Industry

*Past five years:* First American Financial

Corporate Governance &amp; Responsibility

Corporation

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.

<b>Oscar Fanjul</b>	
<p><b>Director since</b> 2001</p> <p><b>Age</b> 68</p> <p><b>Other Public Company Boards</b></p> <p>LafargeHolcim</p> <p>Ferrovial</p> <p><i>Past five years:</i> Acerinox and Deoleo</p>	<p><b>Committees</b></p> <p>Compensation</p> <p>Executive</p> <p>Finance (Chair)</p> <p><b>Key Skills and Experience</b></p> <p>Leadership</p> <p>Financial</p> <p>International</p> <p>Corporate Governance &amp; Responsibility</p> <p>Government Relations &amp; Regulatory</p>

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. He is a Trustee of the Museo Nacional Centro de Arte Reina Sofia. Mr. Fanjul is Vice Chairman of the Board of LafargeHolcim and a director of Ferrovial. 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)**

	<b>Daniel S. Glaser</b>	
		<b>Committees</b>
	<b>Director since</b> 2013	Executive
		Finance
	<b>Age</b> 57	
		<b>Key Skills and Experience</b>
	<b>Other Public Company Boards</b>	Leadership
	N/A	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 was named Chairman of the Federal Advisory Committee on Insurance (FACI) in August 2014. He

also serves on the Steering Committee of the Insurance Development Forum and on the International Advisory Board of BritishAmerican Business. He is a member of the Board of Trustees for The Institutes (American Institute for Chartered Property Casualty Underwriters) and Ohio Wesleyan University, and a member of the Board of Directors for the Partnership for New York City.

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** 66

**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 Drexel Neumann Academy and the Foundation for Delaware County and is the Chairman of the Faith in the Future Foundation 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** 63

**Other Public Company Boards**

Union Pacific Corporation

*Past five years:* Qlik Technologies

**Committees**

Compensation

Directors and Governance

**Key Skills and Experience**

Leadership

Financial

International

Technology

Risk Management

Ms. Hopkins served as the Chief Executive Officer of Citi Ventures and as Citigroup’s Chief Innovation Officer until her retirement at the end of 2016. Prior to joining Citigroup in 2003, she was Chief Financial Officer of Lucent Technologies and Boeing Company and held senior-level positions at General Motors and Unisys Corporation. Ms. Hopkins is an Executive Fellow at the University of California Berkeley’s Haas School of Business and serves on the Advisory Boards of Riverwood Capital Partners and the non-profit VentureWell. 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. She is a former director of Qlik Technologies, E.I. DuPont de Nemours &

Company and Dendrite International.

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.

<b>Elaine La Roche</b>	
<p><b>Director since</b> 2012</p> <p><b>Age</b> 68</p> <p><b>Other Public Company Boards</b></p> <p>Harsco Corporation</p>	<p><b>Committees</b></p> <p>Audit</p> <p>Finance</p> <p><b>Key Skills and Experience</b></p> <p>Leadership</p> <p>Financial</p> <p>International</p> <p>Government Relations &amp; Regulatory</p> <p>Risk Management</p>

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. Ms. La Roche currently serves on the Board of Directors of Harsco Corporation, where she serves 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)**

	<b>Steven A. Mills</b>	
		<b>Committees</b>
	<b>Director since</b> 2011	Compensation (Chair)
		Directors and Governance
	<b>Age</b> 66	Executive
	<b>Other Public Company Boards</b>	<b>Key Skills and Experience</b>
	N/A	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 across the Company. 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**

**Committees**

**Director since** 2008

Audit (Chair)

Corporate Responsibility

**Age** 67

Executive

Finance

**Other Public Company Boards**

TEGNA Inc.

**Key Skills and Experience**

On Deck Capital, Inc.

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** 71

**Other Public Company Boards**

Sonoco Products Company

*Past five years:* Capital Bank

Financial Corp.

**Committees**

Audit

Finance

**Key Skills and Experience**

Leadership

Financial

Industry

Government Relations & Regulatory

Risk Management

Mr. Oken is the Managing 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.

<b>Morton O. Schapiro</b>	
<p><b>Director since</b> 2002</p> <p><b>Age</b> 64</p> <p><b>Other Public Company Boards</b></p> <p>N/A</p>	<p><b>Committees</b></p> <p>Compensation</p> <p>Directors and Governance (Chair)</p> <p>Executive</p> <p><b>Key Skills and Experience</b></p> <p>Leadership</p> <p>Financial</p> <p>International</p> <p>Corporate Governance &amp; Responsibility</p> <p>Risk Management</p>

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** 57

**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 - Market Solutions of Duke Energy and President of Duke Energy's Carolinas Region. Previously, Mr. Yates served as Executive Vice President of Customer Operations for Duke Energy. Mr. Yates has more than 30 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 and industry

boards and also serves as the President and Chairman of the Association of Edison Illuminating Companies.

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** 70

### Other Public Company Boards

Bank of America

Johnson Controls International plc

*Past five years:* Excelis Inc.

### Committees

Compensation

Corporate Responsibility (Chair)

### 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 (formerly, Tyco International plc) and Bank of America. Mr. Yost is a former director of Excelis 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 2017 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.**

**Table of Contents****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 2017 as our President and Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers as of December 31, 2017, as listed below. These individuals are included in the 2017 Summary Compensation Table on page 39.

Name

Title

Daniel S. Glaser

President and Chief Executive Officer ( CEO )

Mark C. McGivney

Chief Financial Officer ( CFO )

Julio A. Portalatin

President and Chief Executive Officer of Mercer Consulting Group, Inc.

John Q. Doyle

President and Chief Executive Officer of Marsh LLC

Peter J. Beshar

Executive Vice President and General Counsel

Mr. Doyle was appointed President and Chief Executive Officer of Marsh in July 2017. Previously, he was President of Marsh.

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/board.php#eo>.

## 2017 Highlights

### OUR PERFORMANCE

In 2017, we continued to execute on our long-term financial and strategic objectives.

Our total stockholder return (TSR) for 2017 was 22.7% vs. 21.8% for the S&P 500 index.

We delivered strong growth in adjusted earnings per share (EPS) of 14.6%\*. GAAP EPS declined 15.1%, reflecting one-time provisional charges due to U.S. tax reform.

We achieved 3.5% growth in underlying revenue and increased adjusted operating income\* for both the Risk and Insurance Services and Consulting segments for the eighth consecutive year.

We increased our quarterly dividend from \$0.34 to \$0.375 per share beginning in the third quarter of 2017, resulting in an annual dividend increase of 10%, from \$1.30 to \$1.43.

We used approximately \$900 million in cash to repurchase approximately 11.5 million shares, reducing our outstanding common stock by approximately 5.7 million shares on a net basis.

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

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**Executive Compensation (Continued)**

**2017 Highlights (continued)**

**OUR EXECUTIVE COMPENSATION**

Our strong performance with respect to 2017 financial and strategic objectives led to above-target bonuses for our named executive officers.

Based on our 13.5% three-year adjusted EPS growth compared to a 13% long-term target for our 2015 performance stock unit ( PSU ) awards, the payout was 117% of target.

Our equity run rate\* in 2017 was 0.9%. 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.

**Executive Summary**

The Company is a global professional services firm offering clients advice and solutions in risk, strategy and people. Our businesses include: Marsh, the insurance broker, intermediary and risk advisor; Guy Carpenter, the risk and reinsurance specialist; Mercer, the provider of HR and investment related financial advice and services; and Oliver Wyman Group, the management, economic and brand consultancy. With nearly 65,000 colleagues worldwide and annual revenue of more than \$14 billion, we provide analysis, advice and transactional capabilities to clients in more than 130 countries.

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 FINANCIAL AND STRATEGIC OBJECTIVES AND 2017 PERFORMANCE

At the core of our business strategy are four pillars that are designed to create exceptional value and superior returns for our stockholders:

Sustain long-term revenue and earnings growth;

Maintain low capital requirements;

Generate high levels of cash; and

Manage risk intelligently.

The strength of our financial performance over the past five years is reflected in our TSR, which includes stock price appreciation and reinvested dividends. The following table displays our TSR versus the S&P 500® index over the past five years.

### Annualized Total Stockholder Return

	5 Years	4 Years	3 Years	2 Years	1 Year
Marsh & McLennan Companies, Inc.	21.3%	16.3%	14.8%	23.6%	22.7%
S&P 500® Index	15.8%	12.0%	11.4%	16.8%	21.8%

**Table of Contents**

**Executive Compensation (Continued)**

**Executive Summary (continued)**

**2017 STOCKHOLDER ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION AND STOCKHOLDER ENGAGEMENT**

At our 2017 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 96% of the votes cast on the say-on-pay proposal were voted in favor of our executive compensation policies and practices.

Following our 2017 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 2017 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 96% approval rate in 2017.

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

**2017 AND 2018 ANNUAL TOTAL DIRECT COMPENSATION OF NAMED EXECUTIVE OFFICERS**

The following table summarizes the decisions made by the Compensation Committee in February 2018 and February 2017 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 on page 27.

For Mr. Doyle, only February 2018 compensation decisions are shown because he was not a named executive officer in our 2017 proxy statement.

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Name	Decision Date	Base Salary	Annual Bonus Award	Annual LTI Award	Total Direct Compensation
Mr. Glaser	2/21/2018	\$ 1,500,000	\$ 4,300,000	\$ 11,000,000	\$ 16,800,000
	2/22/2017	\$ 1,400,000	\$ 4,100,000	\$ 10,500,000	\$ 16,000,000
	Change	+7.1%	+4.9%	+4.8%	+5.0%
Mr. McGivney	2/21/2018	\$ 750,000	\$ 1,650,000	\$ 2,250,000	\$ 4,650,000
	2/22/2017	\$ 750,000	\$ 1,500,000	\$ 1,750,000	\$ 4,000,000
	Change	0.0%	+10.0%	+28.6%	+16.3%
Mr. Portalatin*	2/21/2018	\$ 1,000,000	\$ 2,525,000	\$ 2,700,000	\$ 6,225,000
	2/22/2017	\$ 900,000	\$ 2,800,000	\$ 2,650,000	\$ 6,350,000
	Change	+11.1%	-9.8%	+1.9%	-2.0%
Mr. Doyle	2/21/2018	\$ 1,000,000	\$ 3,000,000	\$ 2,700,000	\$ 6,700,000
Mr. Beshar	2/21/2018	\$ 800,000	\$ 1,600,000	\$ 2,250,000	\$ 4,650,000
	2/22/2017	\$ 800,000	\$ 1,400,000	\$ 2,250,000	\$ 4,450,000
	Change	0.0%	+14.3%	0.0%	+4.5%

\* Mr. Portalatin's base salary was increased from \$900,000 to \$1,000,000 effective August 1, 2017. His change in base salary is shown on a year- over-year basis including the mid-year change.

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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; and

**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, 2017, variable compensation represented about 90% of our CEO's target total direct compensation and about 81% for our other named executive officers, as displayed 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.

**Table of Contents****Executive Compensation (Continued)***Peer Group for Executive Compensation Purposes*

In 2017, 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 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.

**Marsh & McLennan Companies, Inc.  
2017 Peer Group for Executive Compensation**

Accenture plc  
Aon plc  
Arthur J. Gallagher & Co.

Automatic Data Processing, Inc.  
Chubb Limited

The Travelers Companies, Inc.  
Willis Towers Watson plc

*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<sup>®</sup> 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<sup>®</sup> 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 41.

**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 of our senior executives to (i) our financial performance, (ii) their achievement of pre-established individual strategic objectives and (iii) our relative competitive financial performance compared to our peer group and the S&P 500<sup>®</sup>. The Compensation Committee believes that annual bonus awards should be determined primarily based on the achievement of objective, measurable financial results and how those results are achieved. The Compensation Committee also believes that individual executive performance should be measured by factors other than just the short-term financial performance of the Company or our operating companies. Therefore, in addition to short-term financial objectives, the strategic objectives component rewards achievement toward other business priorities and is intended to complement our annual LTI compensation program. 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, market conditions or internal equity considerations. The target annual bonuses for our named executive officers for 2017 are set forth in "Determination of 2017 Annual Bonuses" on page 31.

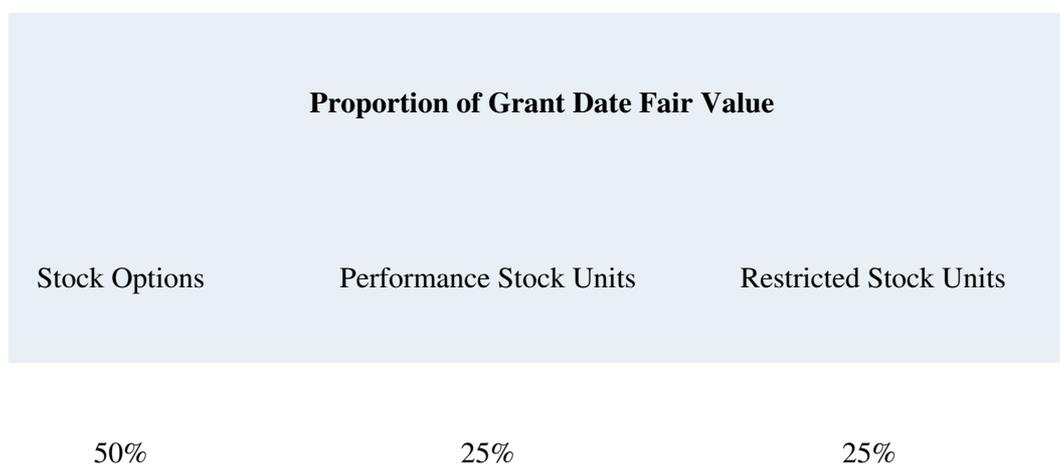
## **ANNUAL LTI AWARD**

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.

**Table of Contents****Executive Compensation (Continued)**

The Compensation Committee reviews the mix of equity-based awards each year. In 2018, 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 our TSR.

As shown in the table below, 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.

**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, pension accruals 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. Doyle's base salary from \$800,000 to \$1,000,000 and Mr. Portalatin's base salary from \$900,000 to \$1,000,000, both effective August 1, 2017. Mr. Doyle's increase was based on his appointment and increased responsibilities as CEO of Marsh. Mr. Portalatin's increase was made taking into account the competitive market, internal equity and his long-term performance and contributions as CEO of Mercer. The Compensation Committee did not adjust the base salaries of our other named executive officers during 2017.

## **ANNUAL BONUS**

The Compensation Committee determined the 2017 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.

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**Executive Compensation (Continued)**

The following table defines each financial performance measure used in the 2017 annual bonus framework:

Financial Performance Measure	Definition
Company or operating company net operating income	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
<i>Used in the 2017 financial performance assessment for our senior executives</i>	
Company earnings per share	EPS from continuing operations calculated in accordance with GAAP, adjusted for the impact of noteworthy items identified in Exhibit A to this proxy statement
<i>Used in the 2017 multiplier for competitive financial performance 2017 Target Bonuses</i>	

In 2017, the Compensation Committee increased Mr. Doyle’s target bonus from \$1,500,000 to \$2,250,000 and Mr. Portalatin’s target bonus from \$1,800,000 to \$2,250,000. Mr. Doyle’s increase was made based on his appointment and increased responsibilities as CEO of Marsh. Mr. Portalatin’s increase was made taking into account the competitive market, internal equity and his long-term performance and contributions as CEO of Mercer. The Compensation Committee did not adjust the target bonuses for our other named executive officers in 2017.

*Financial and Strategic Performance Measures*

The Compensation Committee selected the following measures and weightings for the 2017 annual bonus awards:

Senior Executive	Financial Performance		Strategic Performance	
	Weighting	Measure	Weighting	Measure
Company CEO	80%	Company	20%	Individual objectives established for each senior executive
Other Corporate		net operating income		
Senior Executives	70%	Operating company	30%	
Chief Executive Officers	80%	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%
	100%	100%

Target

Threshold	90%	50%
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Below Threshold	<90%	Discretionary
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Note: Interpolation is used to determine the performance factor for performance as a percentage of target between threshold/target or target/maximum.

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**Table of Contents****Executive Compensation (Continued)***2017 Financial Performance Measure*

For 2017, 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, as displayed below, to align with our 2017 objective of driving strong earnings growth across the Company. Target and actual results in the table below are expressed as a percentage of prior-year results. Bonus calculations were based on our actual results as compared to the pre-established targets.

Name	Measure	2017 Actual	2017 Target	
		Growth as % of Prior-Year Results	Growth as % of Prior-Year Results	2017 Actual as % of Target
Mr. Glaser				
Mr. McGivney	Company net operating income	109.5%	111.2%	98.5%
Mr. Beshar				
Mr. Portalatin	Mercer net operating income	107.1%	113.0%	94.7%
Mr. Doyle	Marsh net operating income	108.0%	108.7%	99.3%

*2017 Strategic Performance Measure*

For 2017, the Compensation Committee reviewed strategic objectives for each named executive officer relating to operational performance, risk management and human capital. 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 2017 strategic performance. The Compensation Committee considered the following in its assessment of each named executive officer's performance:

Name	Description
Mr. Glaser	<p>MMC's underlying revenue growth of 3.5% and strong growth in both adjusted EPS and adjusted operating income</p> <p>Increase in adjusted operating margin to 21.2%* our tenth consecutive year of margin improvement</p> <p>Mr. Glaser's continued leadership of a dynamic and effective leadership team, including the Marsh CEO transition</p>
Mr. McGivney	<p>Effective oversight of the Company's near-term financial plan and continued focus on our long-term growth strategy</p> <p>Development and execution of our capital management and financing strategies, including dividends, share repurchases, and acquisitions</p> <p>Mr. McGivney's key role in our corporate development initiatives, including acquisitions</p>
Mr. Portalatin	<p>Mercer's achievement of record revenue and net operating income</p> <p>Effective execution of Mercer's digital strategy, including new products and platforms to position Mercer as an innovator and thought leader in the digital and people markets</p> <p>Mr. Portalatin's focus on investing in faster growing markets and shifting resources from less strategic operations</p>
Mr. Doyle	<p>Marsh's underlying revenue growth of 3% leading to \$6.3B in revenue and the achievement of \$1.2B in new business both record amounts</p>

Strong execution of the Marsh & McLennan Agency (MMA) strategy resulting in revenue exceeding \$1B

Mr. Doyle's successful transition to the Marsh CEO role and actions to simplify Marsh's organizational structure and enhance Marsh's senior leadership team

Mr. Beshar Strong leadership of our legal, compliance, and public affairs department

Effective advocacy in support of the Company's public policy priorities, including U.S. tax reform

Mr. Beshar's role as a strategic advisor to our Board, CEO and Executive Committee on key business matters

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

**Table of Contents****Executive Compensation (Continued)***2017 Multiplier for Competitive Financial Performance*

The multiplier for competitive financial performance was determined based on our adjusted EPS growth compared to that of a weighted composite of our peer group companies for executive compensation purposes and the S&P 500<sup>®</sup>. We included the S&P 500<sup>®</sup> to assess our competitive financial performance in a broader context.

The S&P 500<sup>®</sup> 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 and 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 <sup>®</sup>	30%
Aon plc	25%
Willis Towers Watson plc	20%
Accenture plc	5%

Arthur J. Gallagher & Co.	5%
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Automatic Data Processing, Inc.	5%
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Chubb Limited	5%
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The Travelers Companies, Inc.	5%
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Our adjusted EPS growth, assessed on a percentile basis using the weightings in the preceding table, was used in determining the multiplier for competitive financial performance. The following table shows the threshold, target and maximum multiplier based on percentile ranking.

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

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

The Compensation Committee reviewed adjusted EPS growth for the 2017 fiscal year as reported by the Company and by our peer group in press releases for fourth quarter earnings, as well as an estimate of 2017 EPS growth for the S&P 500<sup>®</sup> as available from FactSet Research Systems Inc. These publicly reported results were selected based on their availability and comparability.

In 2017, our adjusted EPS growth exceeded those of all of our peer group companies and the S&P 500<sup>®</sup>, resulting in a 1.30x multiplier. This multiplier for competitive financial performance was applied to the sum of the bonus payout levels for 2017 Financial Performance and 2017 Strategic Performance for each named executive officer. Final results for the multiplier were reviewed by Pay Governance LLC, the Compensation Committee's independent compensation consultant.

#### *Qualitative Assessment*

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. The Compensation Committee believes that the exercise of discretion 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.

Using its assessment of the 2017 financial and strategic performance factors and the multiplier for competitive financial performance as its basis, the Compensation Committee exercised its discretion in the manner described above to determine the 2017 bonus award for each named executive officer.

Table of Contents**Executive Compensation (Continued)***Determination of 2017 Annual Bonuses*

The actual annual bonuses paid to our named executive officers for 2017 were as follows.

Name	2017 Actual Bonus	2017 Target Bonus Award	2017 Bonus as a % of Target
	\$ 4,300,000	\$ 2,800,000	154%
Mr. Glaser			
Mr. McGivney	1,650,000	1,200,000	138%
Mr. Portalatin	2,525,000	2,250,000	112%
Mr. Doyle	3,000,000	2,250,000	133%
Mr. Beshar	1,600,000	950,000	168%

When determining bonuses, the Compensation Committee considered our:

financial results against challenging growth targets;

double-digit growth in adjusted EPS, which led to the achievement of competitive financial performance that exceeded all of our peer group companies and the S&P 500®;

strong underlying revenue growth;

continued increase in adjusted operating margin; and

named executive officers' achievements with respect to their strategic objectives

The Compensation Committee believes that the bonus awards in the preceding table are aligned with our performance for 2017.

## 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 2018 are shown in the following table. They are not reflected in the 2017 Summary Compensation Table on page 39 because the awards were made after the end of the 2017 fiscal year.

<b>Grant Date Fair Value of</b>			
<b>Annual LTI Awards Granted in 2018</b>			
	Performance	Restricted	<b>Total</b>
	Stock	Stock	
	Options	Units	
	Stock Units	Units	

	\$ 5,500,000	\$ 2,750,000	\$ 2,750,000	<b>\$ 11,000,000</b>
Mr. Glaser	1,125,000	562,500	562,500	<b>2,250,000</b>
Mr. McGivney	1,350,000	675,000	675,000	<b>2,700,000</b>
Mr. Portalatin	1,350,000	675,000	675,000	<b>2,700,000</b>
Mr. Doyle	1,125,000	562,500	562,500	<b>2,250,000</b>

Mr. Beshar

Separately, in August 2017, Messrs. Doyle and Portalatin were each granted a special RSU award with a grant date fair value of \$1 million. The RSU award granted to Mr. Doyle recognized his increased responsibilities as CEO of Marsh. The RSU award granted to Mr. Portalatin was granted for his long-term performance and contributions as CEO of Mercer, retention and internal equity. These RSU awards are scheduled to vest in August 2020, subject to the terms and conditions of the award.

**Table of Contents**

**Executive Compensation (Continued)**

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 2017 Grants of Plan-Based Awards Table on page 42.

*Performance and Payout Levels for Our 2018 PSU Awards*

The performance measure for the 2018 PSU awards, which represent 25% of the grant date fair value of the 2018 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.

The following table displays the payout (as a percentage of target) for maximum, target and threshold performance levels for the 2018 PSU awards. The Compensation Committee set the performance levels after a review of our financial strategy, the design of PSU awards at peer group companies and historical EPS growth data for the S&P 500®.

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.

		2018
		PSU Awards
	Payout	
Performance Level	(as a % of Target Adjusted EPS Growth)	
Maximum	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.

*Performance Results for Our 2015 PSU Awards*

The performance measure for the 2015 PSU awards was adjusted EPS growth as modified for executive compensation purposes and measured on a three-year annualized growth rate basis.

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 13% adjusted EPS growth was a challenging goal. Depending on our actual financial performance results, 0% to 200% of the number of PSUs granted is delivered in shares of our common stock.

Performance Level	Payout (as a % of Target)	Adjusted EPS Growth
Maximum	200%	316%
	100%	13%

Target

Threshold

40%

7%

Below Threshold

0%

<7%

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

**Table of Contents****Executive Compensation (Continued)**

The following chart shows the threshold, target and maximum performance levels, with corresponding payouts as a percentage of target, for the 2015 PSU awards granted to our senior executives. The chart also shows our actual EPS growth for the three-year performance period (2015-2017) applicable to the determination of the number of shares of our common stock earned for these awards.

## Performance Level

&#127761; Payout of 2015 PSU Award

The following table shows our annualized EPS growth for the three-year performance period and the corresponding payout for our 2015 PSU awards as a percentage of target.

**Adjusted EPS Growth**

	Adjusted EPS Growth			Annualized	Payout of 2015 PSU Award
	2015	2016	2017	2015-2017	(as a % of Target)
	13.8%	12.8%	14.0%	13.5%	117%

**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 2017, as well as account balances as of the end of 2017, is presented in Nonqualified Deferred Compensation Table on page 49. 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 2017, are presented in further detail in [Defined Benefit Retirement Program](#) on page 47. We do not have individually-designed defined benefit arrangements for any named executive officer.

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**Executive Compensation (Continued)**

**SEVERANCE ARRANGEMENTS**

Severance payments and benefits for our senior executives 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 52. 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 2017, is presented in "Potential Payments Upon Termination or Change in Control" on page 50.

**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 2017, is presented in "Potential Payments Upon Termination or Change in Control" on page 50.

**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, the relocation 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 incremental cost of providing perquisites and other personal benefits during 2017 to our named executive officers is presented in the footnotes to the All Other Compensation column of the 2017 Summary Compensation Table on page 39. 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.

**Table of Contents****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. We have also incorporated a relative financial measure based on EPS growth into the assessment of our financial performance. 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. Our senior executives must obtain approval from our legal department before pledging our securities as collateral for a loan or for any other purpose.

**Table of Contents****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, 2018, all of our named executive officers satisfied 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 compa