

MARSH & MCLENNAN COMPANIES, INC.
Form DEF 14A
March 29, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Marsh & McLennan Companies, Inc.

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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No fee required.

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

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

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

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

- (4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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**Notice of Annual Meeting
of Stockholders and Proxy Statement**

Dear Stockholder:

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

DATE:
Thursday,
May 16, 2019

TIME:
10:00 a.m.

LOCATION:
1166 Avenue of the Americas,
New York, NY 10036

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

Items of Business

- 1.** To elect twelve (12) persons named in the accompanying proxy statement to serve as directors for a one-year term;
- 2.** To approve, by nonbinding vote, the compensation of our named executive officers;
- 3.** To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm; and
- 4.** To conduct any other business that may properly come before the meeting.

Your Vote is Very Important

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

You may vote over the Internet or by telephone.

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

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

KATHERINE J. BRENNAN

Deputy General Counsel, Corporate Secretary & Chief Compliance Officer

March 29, 2019

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

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

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

[Marsh & McLennan Companies, Inc. Notice of Annual Meeting and 2019 Proxy Statement](#)

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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)	15	FOR
To elect twelve (12) persons named in the accompanying proxy statement to serve as directors for a one-year term	23	FOR

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

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

Ratification of Independent Auditor (Item 3)

60 FOR

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

Highlights of Our Business and Strategy

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

BUSINESS

MARSH

GUY CARPENTER

MERCER

OLIVER WYMAN

GROUP

Insurance broker,
intermediary and risk
advisor

Risk and reinsurance
specialist

HR and investment
related financial
advice and services

Management,
economic and brand
consultancy

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

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

STRATEGY

Creating
breakthrough impact
for our clients

Embracing
innovation and the
digital future

Being a
great place to work

Driving growth and
creating value

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

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

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Proxy Summary (Continued)

Key Governance Policies and Practices

BOARD OF DIRECTORS

Our chairman of the Board is an independent director

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

All of our directors are elected annually

Our directors' areas of expertise are presented in a matrix on page 9

Our Governance Guidelines articulate the Board's responsibility, alongside management, for setting the tone at the top and overseeing management's strategy to promote a culture of integrity throughout the Company

**STOCKHOLDER
ENGAGEMENT**

In 2011, we expanded the breadth and consistency of our stockholder engagement. In each of the past five years, we have engaged with institutional stockholders holding approximately 25% to 45% of the Company's common stock

**STOCKHOLDER
RIGHTS**

Our bylaws provide for proxy access (3% ownership / 3 years / group of up to 20 / greater of 20% of Board seats or 2 directors)

Our bylaws allow holders of at least 20% of the voting power of the Company's outstanding common stock to call a special meeting

Directors must receive a majority of the votes cast to be elected in uncontested elections

**COMPENSATION AND
EQUITY**

We have stock ownership guidelines for directors and senior executives

We prohibit hedging transactions by directors and colleagues, including senior executives

Directors and senior executives are prohibited from pledging Company securities as collateral for a loan or otherwise

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Proxy Summary (Continued)

Key Executive Compensation Policies and Practices

**STOCKHOLDER ALIGNED
EXECUTIVE COMPENSATION**

Our senior executives have a high percentage of variable (at risk) pay

PROGRAM

Long-term incentive compensation for our senior executives is delivered predominantly in stock options and performance stock unit awards, the value of which is contingent on stock price appreciation or achievement of specific Company financial objectives

We mitigate the potential dilutive effect of equity-based awards through our share repurchase program

Our Compensation Committee has an independent compensation consultant

**COMPENSATION RECOVERY
POLICIES**

We have clawback policies for senior executive annual bonus awards and for equity-based compensation

**SEVERANCE AND CHANGE IN
CONTROL**

Severance protections for our senior executives, including our CEO, are at a 1x multiple of base salary and bonus

We provide double-trigger vesting of equity-based awards and payment of severance benefits following a change in control of the Company

We do not provide golden parachute excise tax gross-ups in connection with a change in control of the Company

SAY ON PAY

We hold an annual advisory vote on named executive officer compensation and stockholder support of the executive compensation program has been strong (95% in 2018 and 96% in 2017)

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Proxy Summary (Continued)

Highlights of Our 2018 Performance and Compensation

FINANCIAL OBJECTIVES

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

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

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

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

ANNUAL COMMITMENTS

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

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

**POSITIONING
FOR THE FUTURE**

We **DEPLOYED \$1.1 BILLION OF CAPITAL ACROSS 23 TRANSACTIONS** that were completed in 2018, representing another year of significant reinvestment in building our business through acquisitions.

Our agreement to acquire **JARDINE LLOYD THOMPSON GROUP PLC** was the capstone of 2018 for us. This acquisition is the **LARGEST ACQUISITION IN OUR 148-YEAR HISTORY** and represents a meaningful step forward in our efforts to expand in higher-growth and higher-margin segments.

STOCK PERFORMANCE

Our total stockholder return **OUTPERFORMED THE S&P 500® INDEX BY 4.3 PERCENTAGE POINTS** for 2018.

Our **FIVE-YEAR ANNUALIZED TOTAL STOCKHOLDER RETURN OF 12.8%** also outperformed the S&P 500® index total stockholder return of 8.5% by 4.3 percentage points.

**EXECUTIVE
COMPENSATION**

The Compensation Committee assessed our achievement against 2018 financial and strategic objectives and determined **ABOVE-TARGET BONUSES** for most of our named executive officers.

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

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

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

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

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Corporate Governance

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

Overview

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

Corporate Governance Practices

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

BOARD STRUCTURE

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

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

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

ELECTION OF DIRECTORS

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

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

PROXY ACCESS

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

RIGHT OF STOCKHOLDERS TO CALL SPECIAL MEETINGS

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

STOCKHOLDER RIGHTS PLAN

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

COMPENSATION PRACTICES

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

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

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

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Corporate Governance (Continued)

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

EQUITY OWNERSHIP AND HOLDING REQUIREMENTS

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

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

Guidelines for Corporate Governance

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

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

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

Specific Board functions (Section B), such as:

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

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

planning for CEO and other senior management succession;

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

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

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

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

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

Succession planning and management development. (Section C)

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

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

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

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

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

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

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

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Corporate Governance (Continued)

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

Director stock ownership requirements. (Section K.2)

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

Annual Board and committee evaluations. (Section L)

Policy on interested stockholder transactions. (Section O)

Stockholder Engagement

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

Risk Oversight

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

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

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

Environmental, Social and Governance (ESG) Oversight and Activities

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

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

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

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

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

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

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Corporate Governance (Continued)

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

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

Codes of Conduct

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

CEO Succession Planning and Succession Planning for Senior Executives

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

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

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

Director Recruitment, Nomination and Succession Planning

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

DIRECTOR RECRUITMENT

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

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Corporate Governance (Continued)

DIRECTOR NOMINATION PROCESS

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

DIRECTOR SUCCESSION PLANNING

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

Director Orientation and Continuing Education

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

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

Director Independence

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

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

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

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

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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 and the potential public perception of the transaction. The Directors and Governance Committee will approve or ratify a related person transaction only if the Committee determines that the related person transaction is in, or is not inconsistent with, the best interests of the Company and its stockholders.

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

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

Stockholder Nominations for Director Candidates

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

Director Election Voting Standard

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

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

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

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

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

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Corporate Governance (Continued)

Communicating with Directors

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

Communicating Concerns Regarding Accounting Matters

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

By mail to:

Marsh & McLennan Companies, Inc.
Audit Committee of the Board of Directors
c/o Katherine J. Brennan Corporate Secretary
1166 Avenue of the Americas, Legal Department
New York, New York 10036-2774

By telephone or online:

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

<http://www.ethicscomplianceline.com>

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

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

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