

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED June 30, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-7933

Aon plc

(Exact Name of Registrant as Specified in Its Charter)

ENGLAND AND WALES
(State or Other Jurisdiction of
Incorporation or Organization)

98-1030901
(I.R.S. Employer
Identification No.)

122 LEADENHALL STREET , LONDON , ENGLAND
(Address of Principal Executive Offices)

EC3V 4AN
(Zip Code)

+44 20 7623 5500
(Registrant's Telephone Number,
Including Area Code)

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

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

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

Number of Class A Ordinary Shares of Aon plc, \$0.01 nominal value, outstanding as of July 25, 2019 : 235,841,886

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**Part I Financial Information
Item 1. Financial Statements**

Aon plc
**Condensed Consolidated Statements of Income
(Unaudited)**

<i>(millions, except per share data)</i>	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenue				
Total revenue	\$ 2,606	\$ 2,561	\$ 5,749	\$ 5,651
Expenses				
Compensation and benefits	1,501	1,494	3,085	3,110
Information technology	126	123	243	238
Premises	85	96	172	189
Depreciation of fixed assets	40	47	80	86
Amortization and impairment of intangible assets	97	282	194	392
Other general expenses	344	535	690	853
Total operating expenses	2,193	2,577	4,464	4,868
Operating income (loss)	413	(16)	1,285	783
Interest income	1	1	3	5
Interest expense	(77)	(69)	(149)	(139)
Other income (expense)	6	(3)	6	(18)
Income (loss) from continuing operations before income taxes	343	(87)	1,145	631
Income tax expense (benefit)	56	(144)	182	(30)
Net income from continuing operations	287	57	963	661
Net income from discontinued operations	—	1	—	7
Net income	287	58	963	668
Less: Net income attributable to noncontrolling interests	10	10	27	26
Net income attributable to Aon shareholders	\$ 277	\$ 48	\$ 936	\$ 642
Basic net income per share attributable to Aon shareholders				
Continuing operations	\$ 1.15	\$ 0.19	\$ 3.88	\$ 2.57
Discontinued operations	—	0.01	—	0.03
Net income	\$ 1.15	\$ 0.20	\$ 3.88	\$ 2.60
Diluted net income per share attributable to Aon shareholders				
Continuing operations	\$ 1.14	\$ 0.19	\$ 3.85	\$ 2.55
Discontinued operations	—	—	—	0.03
Net income	\$ 1.14	\$ 0.19	\$ 3.85	\$ 2.58
Weighted average ordinary shares outstanding - basic	240.6	246.0	241.4	247.2
Weighted average ordinary shares outstanding - diluted	242.8	247.4	243.2	248.8

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

<i>(millions)</i>	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net income	\$ 287	\$ 58	\$ 963	\$ 668
Less: Net income attributable to noncontrolling interests	10	10	27	26
Net income attributable to Aon shareholders	277	48	936	642
Other comprehensive income (loss), net of tax:				
Change in fair value of financial instruments	(8)	(1)	(1)	13
Foreign currency translation adjustments	(103)	(460)	30	(213)
Postretirement benefit obligation	14	122	45	170
Total other comprehensive income (loss)	(97)	(339)	74	(30)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	—	(6)	2	(3)
Total other comprehensive income (loss) attributable to Aon shareholders	(97)	(333)	72	(27)
Comprehensive income (loss) attributable to Aon shareholders	\$ 180	\$ (285)	\$ 1,008	\$ 615

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Financial Position

<i>(millions, except nominal value)</i>	(Unaudited) June 30, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	\$ 581	\$ 656
Short-term investments	235	172
Receivables, net	3,227	2,760
Fiduciary assets	12,071	10,166
Other current assets	631	618
Total current assets	16,745	14,372
Goodwill	8,198	8,171
Intangible assets, net	973	1,149
Fixed assets, net	599	588
Operating lease right-of-use assets	959	—
Deferred tax assets	599	561
Prepaid pension	1,213	1,133
Other non-current assets	521	448
Total assets	\$ 29,807	\$ 26,422
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,369	\$ 1,943
Short-term debt and current portion of long-term debt	844	251
Fiduciary liabilities	12,071	10,166
Other current liabilities	1,197	936
Total current liabilities	15,481	13,296
Long-term debt	6,740	5,993
Non-current operating lease liabilities	962	—
Deferred tax liabilities	211	181
Pension, other postretirement, and postemployment liabilities	1,576	1,636
Other non-current liabilities	924	1,097
Total liabilities	25,894	22,203
Equity		
Ordinary shares - \$0.01 nominal value		
Authorized: 750 shares (issued: 2019 - 235.7; 2018 - 240.1)	2	2
Additional paid-in capital	6,002	5,965
Retained earnings	1,669	2,093
Accumulated other comprehensive loss	(3,837)	(3,909)
Total Aon shareholders' equity	3,836	4,151
Noncontrolling interests	77	68
Total equity	3,913	4,219
Total liabilities and equity	\$ 29,807	\$ 26,422

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)

<i>(millions)</i>	Shares	Ordinary Shares and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Non- controlling Interests	Total
Balance at January 1, 2019	240.1	\$ 5,967	\$ 2,093	\$ (3,909)	\$ 68	\$ 4,219
Net income	—	—	659	—	17	676
Shares issued - employee stock compensation plans	1.4	(96)	—	—	—	(96)
Shares purchased	(0.6)	—	(101)	—	—	(101)
Share-based compensation expense	—	89	—	—	—	89
Dividends to shareholders (\$0.40 per share)	—	—	(96)	—	—	(96)
Net change in fair value of financial instruments	—	—	—	7	—	7
Net foreign currency translation adjustments	—	—	—	131	2	133
Net postretirement benefit obligation	—	—	—	31	—	31
Balance at March 31, 2019	240.9	5,960	2,555	(3,740)	87	4,862
Net income	—	—	277	—	10	287
Shares issued - employee stock compensation plans	0.6	(47)	—	—	—	(47)
Shares purchased	(5.8)	—	(1,056)	—	—	(1,056)
Share-based compensation expense	—	91	—	—	—	91
Dividends to shareholders (\$0.44 per share)	—	—	(107)	—	—	(107)
Net change in fair value of financial instruments	—	—	—	(8)	—	(8)
Net foreign currency translation adjustments	—	—	—	(103)	—	(103)
Net postretirement benefit obligation	—	—	—	14	—	14
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(20)	(20)
Balance at June 30, 2019	235.7	\$ 6,004	\$ 1,669	\$ (3,837)	\$ 77	\$ 3,913

Aon plc
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)

<i>(millions)</i>	Shares	Ordinary Shares and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Non- controlling Interests	Total
Balance at January 1, 2018	247.6	\$ 5,777	\$ 2,795	\$ (3,497)	\$ 65	\$ 5,140
Net income	—	—	594	—	16	610
Shares issued - employee stock compensation plans	1.5	(109)	—	—	—	(109)
Shares purchased	(3.9)	—	(553)	—	—	(553)
Share-based compensation expense	—	77	—	—	—	77
Dividends to shareholders (\$0.36 per share)	—	—	(89)	—	—	(89)
Net change in fair value of financial instruments	—	—	—	14	—	14
Net foreign currency translation adjustments	—	—	—	244	3	247
Net postretirement benefit obligation	—	—	—	48	—	48
Balance at March 31, 2018	245.2	5,745	2,747	(3,191)	84	5,385
Net income	—	—	48	—	10	58
Shares issued - employee stock compensation plans	0.6	(41)	—	—	—	(41)
Shares purchased	(2.8)	—	(402)	—	—	(402)
Share-based compensation expense	—	70	—	—	—	70
Dividends to shareholders (\$0.40 per share)	—	—	(98)	—	—	(98)
Net change in fair value of financial instruments	—	—	—	(1)	—	(1)
Net foreign currency translation adjustments	—	—	—	(454)	(6)	(460)
Net postretirement benefit obligation	—	—	—	122	—	122
Purchases of shares from noncontrolling interests	—	—	—	—	(1)	(1)
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(14)	(14)
Balance at June 30, 2018	243.0	\$ 5,774	\$ 2,295	\$ (3,524)	\$ 73	\$ 4,618

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

<i>(millions)</i>	Six Months Ended	
	June 30, 2019	June 30, 2018
Cash flows from operating activities		
Net income	\$ 963	\$ 668
Less: Net income from discontinued operations	—	7
Adjustments to reconcile net income to cash provided by operating activities:		
(Gain) loss from sales of businesses, net	(7)	1
Depreciation of fixed assets	80	86
Amortization and impairment of intangible assets	194	392
Share-based compensation expense	180	147
Deferred income taxes	(25)	(93)
Change in assets and liabilities:		
Fiduciary receivables	(926)	(883)
Short-term investments — funds held on behalf of clients	(961)	(154)
Fiduciary liabilities	1,887	1,037
Receivables, net	(477)	(371)
Accounts payable and accrued liabilities	(579)	(495)
Restructuring reserves	(18)	12
Current income taxes	10	(144)
Pension, other postretirement and postemployment liabilities	(92)	(84)
Other assets and liabilities	132	301
Cash provided by operating activities	361	413
Cash flows from investing activities		
Proceeds from investments	14	23
Payments for investments	(60)	(36)
Net sales (purchases) of short-term investments — non-fiduciary	(62)	352
Acquisition of businesses, net of cash acquired	(15)	(50)
Sale of businesses, net of cash sold	7	1
Capital expenditures	(106)	(111)
Cash provided by (used for) investing activities	(222)	179
Cash flows from financing activities		
Share repurchase	(1,155)	(971)
Issuance of shares for employee benefit plans	(144)	(150)
Issuance of debt	3,559	2,552
Repayment of debt	(2,228)	(2,027)
Cash dividends to shareholders	(203)	(187)
Noncontrolling interests and other financing activities	(61)	(15)
Cash used for financing activities	(232)	(798)
Effect of exchange rates on cash and cash equivalents	18	(63)
Net decrease in cash and cash equivalents	(75)	(269)
Cash and cash equivalents at beginning of period	656	756
Cash and cash equivalents at end of period	\$ 581	\$ 487
Supplemental disclosures:		
Interest paid	\$ 147	\$ 145
Income taxes paid, net of refunds	\$ 197	\$ 207

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements and Notes thereto (the “Financial Statements”) have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The Financial Statements include the accounts of Aon plc and all of its controlled subsidiaries (“Aon” or the “Company”). Intercompany accounts and transactions have been eliminated. The Financial Statements include, in the opinion of management, all adjustments (consisting of normal recurring adjustments and reclassifications) necessary to present fairly the Company’s consolidated financial position, results of operations and cash flows for all periods presented.

Certain information and disclosures normally included in the Financial Statements prepared in accordance with U.S. GAAP have been condensed or omitted. These Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018. The results for the three and six months ended June 30, 2019 are not necessarily indicative of operating results that may be expected for the full year ending December 31, 2019.

Use of Estimates

The preparation of the accompanying Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of reserves and expenses. These estimates and assumptions are based on management’s best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management believes its estimates to be reasonable given the current facts available. Aon adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity markets, and foreign currency exchange rate movements increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in estimates resulting from continuing changes in the economic environment would, if applicable, be reflected in the Financial Statements in future periods.

2. Accounting Principles and Practices

Adoption of New Accounting Standards

Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income

In February 2018, the FASB issued new accounting guidance related to reclassification of certain tax effects from accumulated other comprehensive income. The guidance allowed a reclassification from accumulated comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act of 2017. The guidance was effective for the Company in the first quarter of 2019. For the three and six months ended June 30, 2019, there was no impact on the net income of the Company as Aon did not elect to reclassify stranded tax effects on the Condensed Consolidated Statement of Financial Position. It is the Company’s policy to release income tax effects from accumulated other comprehensive loss using the portfolio approach.

Targeted Improvements to Accounting for Hedging Activities

In August 2017, the FASB issued new accounting guidance on targeted improvements to accounting for hedging activities. The new guidance amended its hedge accounting model to enable entities to better portray their risk management activities in the financial statements. The guidance eliminated the requirement to separately measure and report hedge ineffectiveness and required the effect of a hedging instrument to be presented in the same income statement line as the hedged item. The new guidance was effective for Aon in the first quarter of 2019 and the Company adopted it on a modified retrospective basis with no cumulative effect adjustment to accumulated other comprehensive income or corresponding adjustment to Retained earnings. Changes to the Condensed Consolidated Statement of Income and financial statement disclosures were applied prospectively. Under the new guidance, gains or losses on certain derivative hedging instruments are recognized in revenue, as opposed to other income (expense) under the previous guidance. For the three and six months ended June 30, 2019, the adoption of this guidance had no impact on the net income and an insignificant impact on the operating income of the Company.

Leases

In February 2016, the FASB issued a new accounting standard on leases, which requires lessees to recognize assets and liabilities for most leases. Under the new standard, a lessee is required to recognize in the Consolidated Statements of Financial Position, liabilities to make future lease payments and right-of-use (“ROU”) assets representing its right to use the underlying assets for the lease term. The recognition, measurement, timing, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous U.S. GAAP.

The Company adopted the new standard as of January 1, 2019, using the modified retrospective approach for all leases existing at, or entered into after, the period of adoption. Under this approach, prior periods were not restated. Rather, lease balances and other disclosures for prior periods were provided in the notes to the financial statements as previously reported, and the cumulative effect of initially applying the guidance was recognized in the Condensed Consolidated Statement of Financial Position.

The modified retrospective approach includes several optional practical expedients available that entities may elect to apply upon transition. These practical expedients relate to the identification and classification of leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which allows a lessee to carryforward their population of existing leases, the classification of each lease, as well as the treatment of initial direct costs as of the period of adoption. In addition, the Company elected the practical expedient related to lease and non-lease components, as an accounting policy election for all asset classes, which allows a lessee to not separate non-lease from lease components and instead account for consideration paid in a contract as a single lease component. Lastly, the Company did not elect the practical expedient related to hindsight analysis which allows a lessee to use hindsight in determining the lease term and in assessing impairment of the entity's ROU assets.

The Company has made a policy election to not recognize ROU assets and lease liabilities that arise from leases with an initial term of twelve months or less on the Condensed Consolidated Statements of Financial Position. However, the Company will recognize these lease payments in the Condensed Consolidated Statements of Income on a straight-line basis over the lease term and variable lease payments in the period in which the obligation is incurred. The Company has chosen to apply this accounting policy across all classes of underlying assets. Additionally, upon adoption, the Company utilized a discount rate to determine the present value of the lease payments based on information available as of January 1, 2019.

Beginning January 1, 2019, operating ROU assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at the commencement date. Operating leases in effect prior to January 1, 2019 were recognized at the present value of the remaining payments on the remaining lease term as of January 1, 2019. Upon adoption, the Company recognized ROU assets and lease liabilities of \$1.1 billion and \$1.3 billion, respectively. The standard had an insignificant impact on the Condensed Consolidated Statements of Income and no impact on the Condensed Consolidated Statements of Cash Flows. Refer to Note 20 "Lease Commitments" for further information including significant assumptions and judgments made.

As a result of applying the modified retrospective approach to adopt the new leasing standard, the following adjustments were made to the Condensed Consolidated Statements of Financial Position as of January 1, 2019 (in millions):

	December 31, 2018		January 1, 2019	
	As Reported	Adjustments	As Adjusted	
Assets				
Operating lease right-of-use assets	\$ —	\$ 1,021	\$ 1,021	
Other non-current assets	\$ 448	\$ 78	\$ 526	
Liabilities				
Other current liabilities	\$ 936	\$ 219	\$ 1,155	
Non-current operating lease liabilities	\$ —	\$ 1,014	\$ 1,014	
Other non-current liabilities	\$ 1,097	\$ (134)	\$ 963	

Accounting Standards Issued But Not Yet Adopted

Changes to the Disclosure Requirements for Defined Benefit Plans

In August 2018, the FASB issued new accounting guidance related to the disclosure requirements for employers that sponsor defined benefit pension and other postretirement benefit plans. The guidance requires sponsors of these plans to provide additional disclosures, including weighted average interest rates used in the entity's cash balance pension plans and a narrative description of reasons for any significant gains or losses impacting the benefit obligation for the period, and eliminates certain previous disclosure requirements. The new guidance is effective for Aon in the first quarter of 2021 with early adoption permitted and will be applied retrospectively. The Company is currently evaluating the impact that the guidance will have on the Financial Statements and the period of adoption.

Simplifying the Test for Goodwill Impairment

In January 2017, the FASB issued new accounting guidance on simplifying the test for goodwill impairment. Currently the standard requires an entity to perform a two-step test to determine the amount, if any, of goodwill impairment. In Step 1, an entity compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the entity performs Step 2 and compares the implied fair value of goodwill with the carrying amount of that goodwill for that reporting unit. An impairment charge equal to the amount by which the carrying amount of goodwill for the reporting unit exceeds the implied fair value of that goodwill is recorded, limited to the amount of goodwill allocated to that reporting unit. The new guidance removes Step 2. An entity will apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The new guidance does not amend the optional qualitative assessment of goodwill impairment. An entity will apply the new guidance on a prospective basis. The new guidance is effective for Aon in the first quarter of 2020 and early adoption is permitted. The Company is currently evaluating the period of adoption, but does not expect a significant impact on the Financial Statements.

Credit Losses

In June 2016, the FASB issued a new accounting standard on the measurement of credit losses on financial instruments. The new standard replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. An entity will apply the new standard through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the standard is effective. The new standard is effective for Aon in the first quarter of 2020 with early adoption permitted. The Company is currently evaluating the impact that the standard will have on the Financial Statements and will adopt the new accounting standard in the first quarter of 2020.

3. Revenue from Contracts with Customers

Disaggregation of Revenue

The following table summarizes revenue from contracts with customers by principal service line (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Commercial Risk Solutions	\$ 1,167	\$ 1,166	\$ 2,285	\$ 2,350
Reinsurance Solutions	420	380	1,208	1,122
Retirement Solutions	419	431	839	855
Health Solutions	317	309	803	760
Data & Analytic Services	286	277	622	571
Elimination	(3)	(2)	(8)	(7)
Total revenue	\$ 2,606	\$ 2,561	\$ 5,749	\$ 5,651

Consolidated revenue from contracts with customers by geographic area, which is attributed on the basis of where the services are performed, is as follows (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
United States	\$ 1,146	\$ 1,125	\$ 2,307	\$ 2,241
Americas other than United States	241	243	467	480
United Kingdom	400	413	852	897
Europe, Middle East, & Africa other than United Kingdom	501	493	1,510	1,472
Asia Pacific	318	287	613	561
Total revenue	\$ 2,606	\$ 2,561	\$ 5,749	\$ 5,651

Contract Costs

An analysis of the changes in the net carrying amount of costs to fulfill contracts with customers are as follows (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Balance at beginning of period	\$ 236	\$ 240	\$ 329	\$ 298
Additions	336	341	682	711
Amortization	(357)	(353)	(796)	(785)
Impairment	—	—	—	—
Foreign currency translation and other	1	(12)	1	(8)
Balance at end of period	\$ 216	\$ 216	\$ 216	\$ 216

An analysis of the changes in the net carrying amount of costs to obtain contracts with customers are as follows (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Balance at beginning of period	\$ 155	\$ 144	\$ 156	\$ 145
Additions	17	13	26	21
Amortization	(11)	(11)	(22)	(21)
Impairment	—	—	—	—
Foreign currency translation and other	—	(2)	1	(1)
Balance at end of period	\$ 161	\$ 144	\$ 161	\$ 144

4. Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents include cash balances and all highly liquid instruments with initial maturities of three months or less. Short-term investments consist of money market funds. The estimated fair value of cash and cash equivalents and short-term investments approximates their carrying values.

At June 30, 2019, Cash and cash equivalents and Short-term investments were \$816 million compared to \$828 million at December 31, 2018, a decrease of \$12 million. Of the total balances, \$99 million and \$91 million were restricted as to their use at June 30, 2019 and December 31, 2018, respectively. Included within Short-term investments as of June 30, 2019 and December 31, 2018 were £42.8 million (\$54.3 million at June 30, 2019 exchange rates) and £42.7 million (\$53.9 million at December 31, 2018 exchange rates), respectively, of operating funds required to be held by the Company in the United Kingdom (the "U.K.") by the Financial Conduct Authority (the "FCA"), a U.K.-based regulator.

5. Other Financial Data

Condensed Consolidated Statements of Income Information

Other Income (Expense)

Other income (expense) consists of the following (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Foreign currency remeasurement	\$ 11	\$ 29	\$ —	\$ 13
Disposal of businesses	2	—	7	(1)
Pension and other postretirement	5	(7)	9	(5)
Equity earnings	1	1	2	2
Financial instruments	(13)	(27)	(12)	(27)
Other	—	1	—	—
Total	\$ 6	\$ (3)	\$ 6	\$ (18)

Condensed Consolidated Statements of Financial Position Information

Allowance for Doubtful Accounts

An analysis of the allowance for doubtful accounts are as follows (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Balance at beginning of period	\$ 64	\$ 65	\$ 64	\$ 59
Provision charged to Other general expenses	4	3	12	11
Accounts written off, net of recoveries	(3)	(6)	(11)	(8)
Balance at end of period	\$ 65	\$ 62	\$ 65	\$ 62

Other Current Assets

The components of Other current assets are as follows (in millions):

As of	June 30, 2019	December 31, 2018
Costs to fulfill contracts with customers ⁽¹⁾	\$ 216	\$ 329
Prepaid expenses	128	97
Taxes receivable	145	113
Other ⁽²⁾	142	79
Total	\$ 631	\$ 618

(1) Refer to Note 3 “Revenue from Contracts with Customers” for further information.

(2) December 31, 2018 includes \$12 million previously classified as “Receivables from the Divested Business”.

Other Non-Current Assets

The components of Other non-current assets are as follows (in millions):

As of	June 30, 2019	December 31, 2018
Costs to obtain contracts with customers ⁽¹⁾	\$ 161	\$ 156
Taxes receivable	100	100
Leases ⁽²⁾	65	—
Investments	54	54
Other	141	138
Total	\$ 521	\$ 448

(1) Refer to Note 3 “Revenue from Contracts with Customers” for further information.

(2) Refer to Note 20 “Lease Commitments” for further information.

Other Current Liabilities

The components of Other current liabilities are as follows (in millions):

As of	June 30, 2019	December 31, 2018
Deferred revenue ⁽¹⁾	\$ 337	\$ 251
Leases ⁽²⁾	223	—
Taxes payable	133	83
Other	504	602
Total	\$ 1,197	\$ 936

(1) During the three and six months ended June 30, 2019, \$95 million and \$241 million, respectively, was recognized in the Condensed Consolidated Statements of Income. During the three and six months ended June 30, 2018, \$115 million and \$215 million, respectively, was recognized in the Condensed Consolidated Statements of Income.

(2) Refer to Note 20 “Lease Commitments” for further information.

Other Non-Current Liabilities

The components of Other non-current liabilities are as follows (in millions):

As of	June 30, 2019	December 31, 2018
Taxes payable ⁽¹⁾	\$ 576	\$ 585
Leases	37	169
Deferred revenue	59	65
Compensation and benefits	49	56
Other	203	222
Total	\$ 924	\$ 1,097

(1) Includes \$221 million and \$240 million for the non-current portion of the one-time mandatory transition tax on accumulated foreign earnings as of June 30, 2019 and December 31, 2018, respectively.

6. Discontinued Operations

On February 9, 2017, the Company entered into a Purchase Agreement with Tempo Acquisition, LLC (the “Purchase Agreement”) to sell its benefits administration and business process outsourcing business (the “Divested Business”) to an entity formed and controlled by affiliates of The Blackstone Group L.P. (the “Buyer”) and certain designated purchasers that are direct or indirect subsidiaries of the Buyer.

On May 1, 2017, the Buyer purchased all of the outstanding equity interests of the Divested Business, plus certain related assets and liabilities, for a purchase price of \$4.3 billion in cash paid at closing, subject to customary adjustments set forth in the Purchase Agreement, and deferred consideration of up to \$500 million (the “Transaction”). Cash proceeds after customary adjustments and before taxes due were \$4.2 billion.

Aon and the Buyer entered into certain transaction related agreements at the closing, including two commercial agreements, a transition services agreement, certain intellectual property license agreements, subleases, and other customary agreements. Aon expects to continue to be a significant client of the Divested Business and the Divested Business has agreed to use Aon for its broking and other services for a specified period of time.

The financial results of the Divested Business for the three and six months ended June 30, 2019 and 2018 are presented as Income from discontinued operations on the Company’s Condensed Consolidated Statements of Income. The following table presents the financial results of the Divested Business (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Expenses				
Total operating expenses	\$ 1	\$ —	\$ 1	\$ 3
Loss from discontinued operations before income taxes	(1)	—	(1)	(3)
Income tax benefit	(1)	—	(1)	(1)
Net loss from discontinued operations excluding gain	—	—	—	(2)
Gain on sale of discontinued operations, net of tax	—	1	—	9
Net income from discontinued operations	\$ —	\$ 1	\$ —	\$ 7

There were no Cash and cash equivalents of discontinued operations at June 30, 2019. Total proceeds received for the sale of the Divested Business and taxes paid as a result of the sale are recognized on the Condensed Consolidated Statements of Cash Flows in Cash provided by investing activities - continuing operations and Cash provided by operating activities - continuing operations, respectively.

7. Restructuring

In 2017, Aon initiated a global restructuring plan (the “Restructuring Plan”) in connection with the sale of the Divested Business. The Restructuring Plan is intended to streamline operations across the organization and deliver greater efficiency, insight, and connectivity. The Company expects these restructuring activities and related expenses to affect continuing operations through the fourth quarter of 2019, including an estimated 5,000 to 5,600 total role eliminations. In the second quarter of 2019, Aon updated the Restructuring Plan for additional opportunities that were identified in the quarter, which are expected to result in additional estimated charges of \$125 million in 2019.

The Restructuring Plan is expected to result in cumulative charges of approximately \$1,350 million through the end of the plan, consisting of approximately \$530 million in employee termination costs, \$130 million in technology rationalization costs, \$80 million in lease consolidation costs, \$45 million in non-cash asset impairments, and \$565 million in other costs, including certain separation costs associated with the sale of the Divested Business.

From the inception of the Restructuring Plan through June 30, 2019, the Company has eliminated 5,091 positions and incurred total charges of \$1,200 million for restructuring and related separation costs. These charges are included in Compensation and benefits, Information technology, Premises, Depreciation of fixed assets, and Other general expenses in the accompanying Condensed Consolidated Statements of Income.

The following table summarizes restructuring and separation costs by type that have been incurred through June 30, 2019 and are estimated to be incurred through the end of the Restructuring Plan (in millions). Estimated costs by type may be revised in future periods as these assumptions are updated:

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019	Inception to Date	Estimated Remaining Costs	Estimated Total Cost ⁽¹⁾
Workforce reduction	\$ 78	\$ 102	\$ 516	\$ 14	\$ 530
Technology rationalization ⁽²⁾	4	15	95	35	130
Lease consolidation ⁽²⁾	5	14	50	30	80
Asset impairments	2	2	41	4	45
Other costs associated with restructuring and separation ^{(2) (3)}	38	85	498	67	565
Total restructuring and related expenses	\$ 127	\$ 218	\$ 1,200	\$ 150	\$ 1,350

- (1) Actual costs, when incurred, may vary due to changes in the assumptions built into the Restructuring Plan. Significant assumptions that may change when plans are finalized and implemented include, but are not limited to, changes in severance calculations, changes in the assumptions underlying sublease loss calculations due to changing market conditions, and changes in the overall analysis that might cause the Company to add or cancel component initiatives. Estimated Total Cost includes \$100 million of non-cash charges.
- (2) Total contract termination costs incurred under the Restructuring Plan associated with Technology rationalizations, Lease consolidations, and Other costs, respectively, associated with restructuring and separation were for the three months ended June 30, 2019, \$2 million, \$4 million, and \$1 million; for the six months ended June 30, 2019, were \$3 million, \$13 million, and \$3 million; and since inception of the Restructuring Plan, were \$9 million, \$46 million, and \$91 million. Total estimated contract termination costs expected to be incurred under the Restructuring Plan associated with Technology rationalizations, Lease consolidations, and Other costs associated with restructuring and separation, are \$15 million, \$80 million, and \$95 million, respectively.
- (3) Other costs associated with the Restructuring Plan include those to separate the Divested Business, as well as moving costs, and consulting and legal fees. These costs are generally recognized when incurred.

The changes in the Company’s liabilities for the Restructuring Plan as of June 30, 2019 are as follows (in millions):

Balance as of December 31, 2018	\$ 201
Expensed	204
Cash payments	(222)
Foreign currency translation	1
Balance as of June 30, 2019	\$ 184

8. Acquisitions and Dispositions of Businesses

Completed Acquisitions

The Company completed one acquisition during the six months ended June 30, 2019 and five acquisitions during the six months ended June 30, 2018 . The following table includes the fair values of consideration transferred, assets acquired, and liabilities assumed as a result of the Company's acquisitions (in millions):

	Six Months Ended June 30,	
	2019	
Consideration Transferred	\$	17
Deferred and contingent consideration		5
Aggregate consideration transferred	\$	22
Assets acquired		
Cash and cash equivalents	\$	2
Goodwill		15
Intangible assets, net		9
Other assets		4
Total assets acquired		30
Liabilities assumed		
Current liabilities		6
Other non-current liabilities		2
Total liabilities assumed		8
Net assets acquired	\$	22

The results of operations of these acquisitions are included in the Financial Statements as of the respective acquisition dates. The Company's results of operations would not have been materially different if these acquisitions had been reported from the beginning of the period in which they were acquired.

2019 Acquisitions

On January 1, 2019, the Company completed the transaction to acquire Chapka Assurances SAS based in France.

2018 Acquisitions

On May 9, 2018, the Company completed the transaction to acquire certain assets of 601West, a division of Lee & Hayes, P.L.L.C. based in the United States.

On April 24, 2018, the Company completed the transaction to acquire Inspiring Benefits, S.L., a Spain-based firm specialized in employee loyalty, wellbeing, and rewards programs.

On March 1, 2018, the Company completed the transaction to acquire the business and assets of the trade credit business of Niche International Business Proprietary Limited, a trade credit brokerage based in Johannesburg, South Africa.

On March 1, 2018, the Company completed the transaction to acquire Affinity Risk Partners (Brokers) Pty. Ltd., an insurance broker in Victoria, Australia.

On January 19, 2018, the Company completed the transaction to acquire substantially all of the assets of The Burchfield Group, a provider in pharmacy benefit consulting, auditing, and health plan compliance services based in the United States.

Completed Dispositions

The Company completed three dispositions during the three months ended June 30, 2019 and four dispositions during the six months ended June 30, 2019 . The Company completed one disposition during the three and six months ended June 30, 2018 .

Total pretax gains recognized for the three and six months ended June 30, 2019 were \$2 million and \$7 million , respectively. There were no pretax gains or losses for the three months ended June 30, 2018 and total pretax losses, net of gains, were \$1 million for

the six months ended June 30, 2018 . Gains and losses recognized as a result of a disposition are included in Other income (expense) in the Condensed Consolidated Statements of Income.

9. Goodwill and Other Intangible Assets

The changes in the net carrying amount of goodwill for the six months ended June 30, 2019 are as follows (in millions):

Balance as of December 31, 2018	\$	8,171
Goodwill related to current year acquisitions		15
Goodwill related to disposals		(9)
Goodwill related to prior year acquisitions		2
Foreign currency translation and other		19
Balance as of June 30, 2019	\$	8,198

Other intangible assets by asset class are as follows (in millions):

	June 30, 2019			December 31, 2018		
	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount
Customer related and contract based	\$ 2,254	\$ 1,517	\$ 737	\$ 2,240	\$ 1,444	\$ 796
Tradenames	1,028	847	181	1,027	740	287
Technology and other	385	330	55	391	325	66
Total	\$ 3,667	\$ 2,694	\$ 973	\$ 3,658	\$ 2,509	\$ 1,149

The estimated future amortization for finite lived intangible assets as of June 30, 2019 is as follows (in millions):

Remainder of 2019	\$	192
2020		223
2021		128
2022		87
2023		74
2024		58
Thereafter		211
Total	\$	973

10. Debt

Notes

On May 2, 2019, Aon Corporation issued \$750 million 3.75% Senior Notes due May 2029. The Company used the net proceeds of the offering to pay down a portion of outstanding commercial paper and for general corporate purposes.

On December 3, 2018, Aon Corporation issued \$350 million 4.50% Senior Notes due December 2028. The Company used the net proceeds of the offering to pay down a portion of outstanding commercial paper and for general corporate purposes.

On March 8, 2018, the Company's CAD 375 million (\$291 million at March 8, 2018 exchange rates) 4.76% Senior Note due March 2018 issued by a Canadian subsidiary of Aon Corporation matured and was repaid in full.

Revolving Credit Facilities

As of June 30, 2019 , Aon plc had two primary committed credit facilities outstanding: its \$900 million multi-currency United States ("U.S.") credit facility expiring in February 2022 and its \$400 million multi-currency U.S. credit facility expiring in October 2022 (collectively, the "2022 Facilities").

Each of these facilities includes customary representations, warranties and covenants, including financial covenants that require Aon to maintain specified ratios of adjusted consolidated earnings before interest, taxes, depreciation, and amortization (“EBITDA”) to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, in each case, tested quarterly. At June 30, 2019, Aon did not have borrowings under the 2022 Facilities, and was in compliance with the financial covenants and all other covenants contained therein during the rolling twelve months ended June 30, 2019.

Commercial Paper

Aon Corporation, a wholly owned subsidiary of Aon plc, has established a U.S. commercial paper program and Aon plc has established a European multi-currency commercial paper program (collectively, the “CP Programs”). Commercial paper may be issued in aggregate principal amounts of up to \$600 million under the U.S. program and €525 million under the European program, not to exceed the amount of the Company’s committed credit, which was \$1.3 billion at June 30, 2019. The U.S. commercial paper program is fully and unconditionally guaranteed by Aon plc and the European multi-currency commercial paper program is fully and unconditionally guaranteed by Aon Corporation.

Commercial paper outstanding, which is included in Short-term debt and current portion of long-term debt in the Company’s Condensed Consolidated Statements of Financial Position, is as follows (in millions):

As of	June 30, 2019		December 31, 2018	
Commercial paper outstanding	\$	843	\$	250

The weighted average commercial paper outstanding and its related interest rates are as follows (in millions, except percentages):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Weighted average commercial paper outstanding	\$ 639	\$ 744	482	\$ 437
Weighted average interest rate of commercial paper outstanding	0.70%	0.92%	0.63%	0.85%

11. Income Taxes

The effective tax rates on net income from continuing operations were 16.3% and 15.9% for the three and six months ended June 30, 2019, respectively. The effective tax rates on net income from continuing operations were 165.5% and (4.8)% for the three and six months ended June 30, 2018, respectively.

For the three and six months ended June 30, 2019, the tax rate was primarily driven by the geographical distribution of income, including restructuring charges, and certain favorable discrete items, primarily the impact of shared-based payments and changes in the assertion for unremitted earnings.

For the three and six months ended June 30, 2018, the tax rate was primarily driven by the geographical distribution of income including restructuring charges, legacy litigation, and the impairment charge related to certain assets and liabilities classified as held for sale. In addition, certain discrete items impacted the 2018 tax rate including the net tax benefit associated with the anticipated sale of certain assets and liabilities classified as held for sale, the impact of share-based payments, changes in uncertain tax positions and the deferred remeasurement related to the anticipated acceleration of contributions to the qualified U.S. pension plan.

12. Shareholders’ Equity

Ordinary Shares

Aon has a share repurchase program authorized by the Company’s Board of Directors (the “Repurchase Program”). The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases, and was increased by \$5.0 billion in authorized repurchases in each of November 2014 and February 2017 for a total of \$15.0 billion in repurchase authorizations.

Under the Repurchase Program, Class A Ordinary Shares may be repurchased through the open market or in privately negotiated transactions, from time to time, based on prevailing market conditions, and will be funded from available capital.

The following table summarizes the Company's Share Repurchase activity (in millions, except per share data):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Shares repurchased	5.8	2.8	6.4	6.7
Average price per share	\$ 183.23	\$ 141.23	\$ 181.07	\$ 141.06
Costs recorded to retained earnings:				
Total repurchase cost	\$ 1,050	\$ 400	\$ 1,150	\$ 950
Additional associated costs	6	2	7	5
Total costs recorded to retained earnings	\$ 1,056	\$ 402	\$ 1,157	\$ 955

At June 30, 2019, the remaining authorized amount for share repurchase under the Repurchase Program was \$2.8 billion. Under the Repurchase Program, the Company has repurchased a total of 124.6 million shares for an aggregate cost of approximately \$12.2 billion.

Net Income Per Share

Weighted average ordinary shares outstanding are as follows (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Basic weighted average ordinary shares outstanding	240.6	246.0	241.4	247.2
Dilutive effect of potentially issuable shares	2.2	1.4	1.8	1.6
Diluted weighted average ordinary shares outstanding	242.8	247.4	243.2	248.8

Potentially issuable shares are not included in the computation of diluted net income per share if its inclusion would be antidilutive. There were no shares excluded from the calculation for the three and six months ended June 30, 2019 and June 30, 2018.

Accumulated Other Comprehensive Loss

Changes in Accumulated other comprehensive loss by component, net of related tax, are as follows (in millions):

	Change in Fair Value of Financial Instruments ⁽¹⁾	Foreign Currency Translation Adjustments	Postretirement Benefit Obligation ⁽²⁾	Total
Balance at December 31, 2018	\$ (15)	\$ (1,319)	\$ (2,575)	\$ (3,909)
Other comprehensive income (loss) before reclassifications, net	(8)	28	5	25
Amounts reclassified from accumulated other comprehensive income:				
Amounts reclassified from accumulated other comprehensive income	8	—	52	60
Tax expense	(1)	—	(12)	(13)
Amounts reclassified from accumulated other comprehensive income, net	7	—	40	47
Net current period other comprehensive income (loss)	(1)	28	45	72
Balance at June 30, 2019	\$ (16)	\$ (1,291)	\$ (2,530)	\$ (3,837)

(1) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Revenue, Interest expense, and Compensation and benefits in the accompanying Condensed Consolidated Statements of Income. Refer to Note 15 "Derivatives and Hedging" for further information regarding the Company's derivative and hedging activity.

(2) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Other income (expense).

13. Employee Benefits

The following table provides the components of the net periodic (benefit) cost recognized in the Condensed Consolidated Statements of Income for Aon's significant U.K., U.S., and other international pension plans. Service cost is reported in Compensation and benefits and all other components are reported in Other income (expense) as follows (in millions):

	Three Months Ended June 30					
	U.K.		U.S.		Other	
	2019	2018	2019	2018	2019	2018
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest cost	27	29	27	25	7	7
Expected return on plan assets, net of administration expenses	(48)	(50)	(34)	(36)	(10)	(11)
Amortization of prior-service cost	—	—	—	1	—	—
Amortization of net actuarial loss	8	7	14	15	3	3
Net periodic (benefit) cost	(13)	(14)	7	5	—	(1)
Loss on pension settlement	—	16	—	—	—	—
Total net periodic (benefit) cost	\$ (13)	\$ 2	\$ 7	\$ 5	\$ —	\$ (1)

	Six Months Ended June 30					
	U.K.		U.S.		Other	
	2019	2018	2019	2018	2019	2018
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest cost	55	58	54	50	14	14
Expected return on plan assets, net of administration expenses	(97)	(101)	(68)	(72)	(20)	(23)
Amortization of prior-service cost	1	—	1	1	—	—
Amortization of net actuarial loss	15	15	27	30	6	6
Net periodic (benefit) cost	(26)	(28)	14	9	—	(3)
Loss on pension settlement	—	23	—	—	—	—
Total net periodic (benefit) cost	\$ (26)	\$ (5)	\$ 14	\$ 9	\$ —	\$ (3)

In March 2017, the Company approved a plan to offer a voluntary one-time lump sum payment option to certain eligible employees of the Company's U.K. pension plans that, if accepted, would settle the Company's pension obligations to them. The lump sum cash payment offer closed during 2018. For the six months ended June 30, 2018, lump sum payments from plan assets of £99 million (\$132 million using June 30, 2018 exchange rates) were paid. As a result of this settlement, the Company remeasured the assets and liabilities of the U.K. pension plan during the second quarter of 2018, which in aggregate resulted in a reduction to the projected benefit obligation of £87 million (\$115 million using June 30, 2018 exchange rates), as well as a non-cash settlement charge of £12 million (\$16 million using average June 30, 2018 exchange rates) in the second quarter of 2018 and £17 million (\$23 million using average exchange rates) for the six months ended June 30, 2018.

Contributions

The Company expects to make total cash contributions of approximately \$80 million, \$46 million, and \$19 million, based on exchange rates as of December 31, 2018, to its significant U.K., U.S., and other significant international pension plans, respectively, during 2019. During the three months ended June 30, 2019, cash contributions of \$23 million, \$6 million, and \$3 million were made to the Company's significant U.K., U.S., and other significant international pension plans, respectively. During the six months ended June 30, 2019, cash contributions of \$46 million, \$23 million, and \$10 million were made to the Company's significant U.K., U.S., and other significant international pension plans, respectively.

During the three months ended June 30, 2018, cash contributions of \$25 million, \$8 million, and \$3 million were made to the Company's significant U.K., U.S., and other significant international pension plans, respectively. During the six months ended June 30, 2018, cash contributions of \$48 million, \$25 million, and \$11 million were made to the Company's significant U.K., U.S., and other significant international pension plans, respectively.

14. Share-Based Compensation Plans

The following table summarizes share-based compensation expense recognized in the Condensed Consolidated Statements of Income in Compensation and benefits (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Restricted share units (“RSUs”)	\$ 50	\$ 46	\$ 113	\$ 104
Performance share awards (“PSAs”)	39	23	62	39
Employee share purchase plans	2	1	5	4
Total share-based compensation expense	\$ 91	\$ 70	\$ 180	\$ 147

Restricted Share Units

RSUs generally vest between three and five years. The fair value of RSUs is based upon the market value of Aon plc ordinary shares at the date of grant. With certain limited exceptions, any break in continuous employment will cause the forfeiture of all non-vested awards. Compensation expense associated with RSUs is recognized on a straight-line basis over the requisite service period. Dividend equivalents are paid on certain RSUs, based on the initial grant amount.

The following table summarizes the status of the Company’s RSUs, including shares related to the Divested Business (shares in thousands, except fair value):

	Six Months Ended June 30, 2019		Six Months Ended June 30, 2018	
	Shares	Fair Value ⁽¹⁾	Shares	Fair Value ⁽¹⁾
Non-vested at beginning of period	4,208	\$ 120	4,849	\$ 104
Granted	1,178	\$ 173	1,352	\$ 140
Vested	(1,451)	\$ 113	(1,664)	\$ 98
Forfeited	(97)	\$ 124	(109)	\$ 109
Non-vested at end of period	3,838	\$ 139	4,428	\$ 117

(1) Represents per share weighted average fair value of award at date of grant.

Unamortized deferred compensation expense amounted to \$426 million as of June 30, 2019, with a remaining weighted average amortization period of approximately 2.1 years.

Performance Share Awards

The vesting of PSAs is contingent upon meeting a cumulative level of earnings per share related performance over a three-year period. The actual issue of shares may range from 0 - 200% of the target number of PSAs granted, based on the terms of the plan and level of achievement of the related performance target. The grant date fair value of PSAs is based upon the market price of Aon plc ordinary shares at the date of grant. The performance conditions are not considered in the determination of the grant date fair value for these awards. Compensation expense is recognized over the performance period based on management’s estimate of the number of units expected to vest. Management evaluates its estimate of the actual number of shares expected to be issued at the end of the programs on a quarterly basis. The cumulative effect of the change in estimate is recognized in the period of change as an adjustment to Compensation and benefits in the Condensed Consolidated Statements of Income, if necessary. Dividend equivalents are not paid on PSAs.

The following table summarizes the Company’s target PSAs granted and shares that would be issued at current performance levels for PSAs granted during the six months ended June 30, 2019 and the years ended December 31, 2018 and 2017, respectively (shares in thousands and dollars in millions, except fair value):

	June 30, 2019	December 31, 2018	December 31, 2017
Target PSAs granted during period	467	564	548
Weighted average fair value per share at date of grant	\$ 164	\$ 134	\$ 114
Number of shares that would be issued based on current performance levels	464	970	1,066
Unamortized expense, based on current performance levels	\$ 69	\$ 67	\$ 20

15. Derivatives and Hedging

The Company is exposed to market risks, including changes in foreign currency exchange rates and interest rates. To manage the risk related to these exposures, the Company enters into various derivative instruments that reduce these risks by creating offsetting exposures. The Company does not enter into derivative transactions for trading or speculative purposes.

Foreign Exchange Risk Management

The Company is exposed to foreign exchange risk when it earns revenues, pays expenses, enters into monetary intercompany transfers or other transactions denominated in a currency that differs from its functional currency. The Company uses foreign exchange derivatives, typically forward contracts, options and cross currency swaps, to reduce its overall exposure to the effects of currency fluctuations on cash flows. These exposures are hedged, on average, for less than 2 years. These derivatives are accounted for as hedges, and changes in fair value are recorded each period in Other comprehensive income (loss) in the Condensed Consolidated Statements of Comprehensive Income.

The Company also uses foreign exchange derivatives, typically forward contracts and options, to economically hedge the currency exposure of the Company's global liquidity profile, including monetary assets or liabilities that are denominated in a non-functional currency of an entity, typically on a rolling 30 -day basis, but may be for up to 1 year in the future. These derivatives are not accounted for as hedges, and changes in fair value are recorded each period in Other income (expense) in the Condensed Consolidated Statements of Income.

The notional and fair values of derivative instruments are as follows (in millions):

	Notional Amount		Net Amount of Derivative Assets Presented in the Statements of Financial Position ⁽¹⁾		Net Amount of Derivative Liabilities Presented in the Statements of Financial Position ⁽²⁾	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Foreign exchange contracts:						
Accounted for as hedges	\$ 588	\$ 646	\$ 14	\$ 17	\$ 1	\$ 2
Not accounted for as hedges ⁽³⁾	285	269	5	1	—	6
Total	\$ 873	\$ 915	\$ 19	\$ 18	\$ 1	\$ 8

(1) Included within Other current assets (\$8 million at June 30, 2019 and \$3 million at December 31, 2018) or Other non-current assets (\$11 million at June 30, 2019 and \$15 million at December 31, 2018).

(2) Included within Other current liabilities (\$1 million at June 30, 2019 and \$5 million at December 31, 2018) or Other non-current liabilities (\$3 million at December 31, 2018).

(3) These contracts typically are for 30 day durations and executed close to the last day of the most recent reporting month, thereby resulting in nominal fair values at the balance sheet date.

The amounts of derivative gains (losses) recognized in the Financial Statements are as follows (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Loss recognized in Accumulated other comprehensive loss	\$ (12)	\$ (25)	\$ (8)	\$ (11)

The amounts of derivative gains (losses) reclassified from Accumulated other comprehensive loss into the Condensed Consolidated Statements of Income are as follows (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Revenue ⁽¹⁾	\$ (3)	\$ —	\$ (7)	\$ —
Compensation and benefits	—	—	—	1
Other general expenses	—	(1)	—	(2)
Interest expense	—	—	(1)	(1)
Other income (expense) ⁽¹⁾	—	(1)	—	(4)
Total	\$ (3)	\$ (2)	\$ (8)	\$ (6)

(1) With the adoption of new hedge accounting guidance in the first quarter of 2019, gains (losses) on derivatives accounted for as hedges are recognized in Total revenue in the Company's Condensed Consolidated Statements of Income rather than Other income (expense). Refer to Note 2 "Accounting Principles and Practices" for additional details.

The Company estimates that approximately \$14 million of pretax losses currently included within Accumulated other comprehensive loss will be reclassified into earnings in the next twelve months.

During the three and six months ended June 30, 2019, the Company recorded losses of \$9 million and \$4 million, respectively, in Other income (expense) for foreign exchange derivatives not accounted for as hedges. During the three and six months ended June 30, 2018, the Company recorded losses of \$20 million and \$11 million, respectively, in Other income (expense) for foreign exchange derivatives not accounted for as hedges.

Net Investments in Foreign Operations Risk Management

The Company uses non-derivative financial instruments to protect the value of its investments in a number of foreign subsidiaries. The Company has designated a portion of its euro-denominated commercial paper issuances as a non-derivative hedge of the foreign currency exposure of a net investment in its European operations. The change in fair value of the designated portion of the euro-denominated commercial paper due to changes in foreign currency exchange rates is recorded in Foreign currency translation adjustment, a component of Accumulated other comprehensive loss, to the extent it is effective as a hedge. The foreign currency translation adjustment of the hedged net investments is also recorded in Accumulated other comprehensive loss. Ineffective portions of net investment hedges, if any, are reclassified from Accumulated other comprehensive loss into earnings during the period of change.

As of June 30, 2019, the Company has €500 million (\$568 million at June 30, 2019 exchange rates) of outstanding euro-denominated commercial paper designated as a hedge of the foreign currency exposure of its net investment in its European operations. As of June 30, 2019, the unrealized gain recognized in Accumulated other comprehensive loss related to the net investment non derivative hedging instrument was \$16 million.

The Company did not reclassify any deferred gains or losses related to net investment hedges from Accumulated other comprehensive loss to earnings during the three and six months ended June 30, 2019 and 2018.

16. Fair Value Measurements and Financial Instruments

Accounting standards establish a three tier fair value hierarchy that prioritizes the inputs used in measuring fair values as follows:

- Level 1 — observable inputs such as quoted prices for identical assets in active markets;
- Level 2 — inputs other than quoted prices for identical assets in active markets, that are observable either directly or indirectly; and
- Level 3 — unobservable inputs in which there is little or no market data which requires the use of valuation techniques and the development of assumptions.

The following methods and assumptions are used to estimate the fair values of the Company's financial instruments:

Money market funds consist of institutional prime, treasury, and government money market funds. The Company reviews treasury and government money market funds to obtain reasonable assurance that the fund net asset value is \$1 per share, and reviews the floating net asset value of institutional prime money market funds for reasonableness.

Equity investments consist of domestic and international equity securities and equity derivatives valued using the closing stock price on a national securities exchange. Over the counter equity derivatives are valued using observable inputs such as underlying prices of the underlying security and volatility. On a sample basis the Company reviews the listing of Level 1 equity securities in the portfolio and agrees the closing stock prices to a national securities exchange, and independently verifies the observable inputs for Level 2 equity derivatives and securities.

Fixed income investments consist of certain categories of bonds and derivatives. Corporate, government, and agency bonds are valued by pricing vendors who estimate fair value using recently executed transactions and proprietary models based on observable inputs, such as interest rate spreads, yield curves, and credit risk. Asset-backed securities are valued by pricing vendors who estimate fair value using discounted cash flow models utilizing observable inputs based on trade and quote activity of securities with similar features. Fixed income derivatives are valued by pricing vendors using observable inputs such as interest rates and yield curves. The Company obtains an understanding of the models, inputs, and assumptions used in developing prices provided by its vendors through discussions with the fund managers. The Company independently verifies the observable inputs, as well as assesses assumptions used for reasonableness based on relevant market conditions and internal Company guidelines. If an assumption is deemed unreasonable, based on the Company's guidelines, it is then reviewed by management and the fair value estimate provided by the vendor is adjusted, if deemed appropriate. These adjustments do not occur frequently and historically are not material to the fair value estimates used in the Financial Statements.

Derivatives are carried at fair value, based upon industry standard valuation techniques that use, where possible, current market-based or independently sourced pricing inputs, such as interest rates, currency exchange rates, or implied volatilities.

Debt is carried at outstanding principal balance, less any unamortized issuance costs, discount or premium. Fair value is based on quoted market prices or estimates using discounted cash flow analyses based on current borrowing rates for similar types of borrowing arrangements.

The following tables present the categorization of the Company's assets and liabilities that are measured at fair value on a recurring basis at June 30, 2019 and December 31, 2018 (in millions):

	Balance at June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds ⁽¹⁾	\$ 2,356	\$ 2,356	\$ —	\$ —
Other investments:				
Government bonds	\$ 1	\$ —	\$ 1	\$ —
Equity investments	\$ 1	\$ —	\$ 1	\$ —
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 21	\$ —	\$ 21	\$ —
Liabilities				
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 3	\$ —	\$ 3	\$ —

	Fair Value Measurements Using			
	Balance at December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds ⁽¹⁾	\$ 1,759	\$ 1,759	\$ —	\$ —
Other investments:				
Government bonds	\$ 1	\$ —	\$ 1	\$ —
Equity investments	\$ 2	\$ —	\$ 2	\$ —
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 21	\$ —	\$ 21	\$ —
Liabilities				
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 12	\$ —	\$ 12	\$ —

(1) Included within Fiduciary assets or Short-term investments in the Condensed Consolidated Statements of Financial Position, depending on their nature and initial maturity.

(2) Refer to Note 15 “Derivatives and Hedging” for additional information regarding the Company’s derivatives and hedging activity.

There were no transfers of assets or liabilities between fair value hierarchy levels in either the six months ended June 30, 2019 or 2018. The Company recognized no realized or unrealized gains or losses in the Condensed Consolidated Statements of Income during either the six months ended June 30, 2019 or 2018, related to assets and liabilities measured at fair value using unobservable inputs.

The fair value of debt is classified as Level 2 of the fair value hierarchy. The following table provides the carrying value and fair value for the Company’s term debt (in millions):

	June 30, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 6,740	\$ 7,356	\$ 5,993	\$ 6,159

17. Claims, Lawsuits, and Other Contingencies

Legal

Aon and its subsidiaries are subject to numerous claims, tax assessments, lawsuits and proceedings that arise in the ordinary course of business, which frequently include errors and omissions (“E&O”) claims. The damages claimed in these matters are or may be substantial, including, in many instances, claims for punitive, treble or extraordinary damages. While Aon maintains meaningful E&O insurance and other insurance programs to provide protection against certain losses that arise in such matters, Aon has exhausted or materially depleted its coverage under some of the policies that protect the Company and, consequently, is self-insured or materially self-insured for some claims. Accruals for these exposures, and related insurance receivables, when applicable, are included in the Condensed Consolidated Statements of Financial Position and have been recognized in Other general expenses in the Condensed Consolidated Statements of Income to the extent that losses are deemed probable and are reasonably estimable. These amounts are adjusted from time to time as developments warrant. Matters that are not probable and reasonably estimable are not accrued for in the financial statements.

The Company has included in the current matters described below certain matters in which (1) loss is probable, (2) loss is reasonably possible, that is, more than remote but not probable, or (3) there exists the reasonable possibility of loss greater than the accrued amount. In addition, the Company may from time to time disclose matters for which the probability of loss could be remote but the claim amounts associated with such matters are potentially significant. The reasonably possible range of loss for the matters described below for which loss is estimable, in excess of amounts that are deemed probable and estimable and therefore already accrued, is estimated to be between \$0 and \$0.1 billion, exclusive of any insurance coverage. These estimates are based on available information as of the date of this filing. As available information changes, the matters for which Aon is able to estimate may change, and the estimates themselves may change. In addition, many estimates involve significant judgment and uncertainty. For example, at the time of making an estimate, Aon may only have limited information about the facts underlying the claim, and predictions and assumptions about future court rulings and outcomes may prove to be inaccurate. Although management at present believes that the ultimate outcome of all matters described below, individually or in the aggregate, will not have a material adverse effect on the consolidated financial position of Aon, legal proceedings are subject to inherent uncertainties and unfavorable rulings.

or other events. Unfavorable resolutions could include substantial monetary or punitive damages imposed on Aon or its subsidiaries. If unfavorable outcomes of these matters were to occur, future results of operations or cash flows for any particular quarterly or annual period could be materially adversely affected.

Current Matters

A pensions consulting and administration subsidiary of Aon provided advisory services to the Trustees of the Gleeds pension fund in the United Kingdom and, on occasion, to the relevant employer of the fund. In April 2014, the High Court, Chancery Division, London found that certain governing documents of the fund that sought to alter the fund's benefit structure and that had been drafted by Aon were procedurally defective and therefore invalid. No lawsuit naming Aon as a party was filed, although a tolling agreement was entered. The High Court decision says that the additional liabilities in the pension fund resulting from the alleged defect in governing documents amount to approximately £45 million (\$57 million at June 30, 2019 exchange rates). In December 2014, the Court of Appeal granted the employer leave to appeal the High Court decision. At a hearing in October 2016, the Court of Appeal approved a settlement of the pending litigation. On October 31, 2016, the fund's trustees and employer sued Aon in the High Court, Chancery Division, London, alleging negligence and breach of duty in relation to the governing documents. The proceedings were served on Aon on December 20, 2016. The claimants seek damages of approximately £70 million (\$89 million at June 30, 2019 exchange rates) plus interest and costs. In February 2018, the claimants instructed new lawyers and added their previous lawyers as defendants to the Aon lawsuit. Claimants have alleged that the previous lawyers were responsible for some of the losses sought from Aon because the lawyers gave negligent legal advice during the course of the High Court and Court of Appeal proceedings. Aon believes that it has meritorious defenses and intends to vigorously defend itself against this claim.

On October 3, 2017, Christchurch City Council ("CCC") invoked arbitration to pursue a claim that it asserts against Aon New Zealand. Aon provided insurance broking services to CCC in relation to CCC's 2010-2011 material damage and business interruption program. In December 2015, CCC settled its property and business interruption claim for its losses arising from the 2010-2011 Canterbury earthquakes against the underwriter of its material damage and business interruption program and the reinsurers of that underwriter. CCC contends that acts and omissions by Aon caused CCC to recover less in that settlement than it otherwise would have. CCC claims damages of approximately NZD 528 million (\$353 million at June 30, 2019 exchange rates) plus interest and costs. Aon believes that it has meritorious defenses and intends to vigorously defend itself against these claims.

A retail insurance brokerage subsidiary of Aon was sued on September 6, 2018 in the United States District Court for the Southern District of New York by a client, Pilkington North America, Inc., that sustained damage from a tornado to its Ottawa, Illinois property. The lawsuit seeks between \$45 million and \$85 million in property and business interruption damages from either its insurer or Aon. The insurer contends that insurance proceeds were limited to \$15 million in coverage by a windstorm sub-limit purportedly contained in the policy procured by Aon for Pilkington. The insurer therefore has tendered \$15 million to Pilkington and denied coverage for the remainder of the loss. Pilkington sued the insurer and Aon seeking full coverage for the loss from the insurer or, in the alternative, seeking the same damages against Aon on various theories of professional liability if the court finds that the \$15 million sub-limit applies to the claim. Aon believes it has meritorious defenses and intends to vigorously defend itself against these claims.

In April 2017, the FCA announced an investigation relating to suspected competition law breaches in the aviation and aerospace broking industry, which, for Aon in 2016, represented less than \$100 million in global revenue. The European Commission has now assumed jurisdiction over the investigation in place of the FCA. Other antitrust agencies outside the European Union are also conducting formal or informal investigations regarding these matters. Aon intends to work diligently with all antitrust agencies concerned to ensure they can carry out their work as efficiently as possible. At this time, in light of the uncertainties and many variables involved, Aon cannot estimate the ultimate impact on our company from these investigations or any related private litigation, nor any damages, penalties, or fines related to them. There can be no assurance that the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

Settled/Closed Matters

On June 29, 2015, Lyttelton Port Company Limited ("LPC") sued Aon New Zealand in the Christchurch Registry of the High Court of New Zealand. LPC alleges, among other things, that Aon was negligent and in breach of contract in arranging LPC's property insurance program for the period covering June 30, 2010 to June 30, 2011. LPC contended that acts and omissions by Aon caused LPC to recover less than it otherwise would have from insurers for losses suffered in the 2010 and 2011 Canterbury earthquakes. LPC claimed damages of approximately NZD 184 million (\$123 million at June 30, 2019 exchange rates) plus interest and costs. In April 2019, the case was settled with no admission of liability on the part of Aon. The terms of this settlement did not have a significant impact on Aon's results of operations or financial condition.

Guarantees and Indemnifications

The Company provides a variety of guarantees and indemnifications to its customers and others. The maximum potential amount of future payments represents the notional amounts that could become payable under the guarantees and indemnifications if there were a total default by the guaranteed parties, without consideration of possible recoveries under recourse provisions or other methods. These amounts may bear no relationship to the expected future payments, if any, for these guarantees and indemnifications. Any anticipated amounts payable are included in the Company's Financial Statements, and are recorded at fair value.

The Company expects that, as prudent business interests dictate, additional guarantees and indemnifications may be issued from time to time.

Redomestication

In connection with the Redomestication, the Company on April 2, 2012 entered into various agreements pursuant to which it agreed to guarantee the obligations of its subsidiaries arising under issued and outstanding debt securities. Those agreements included the (1) Amended and Restated Indenture, dated as of April 2, 2012, among Aon Corporation, Aon plc, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") (amending and restating the Indenture, dated as of September 10, 2010, between Aon Corporation and the Trustee), (2) Amended and Restated Indenture, dated as of April 2, 2012, among Aon Corporation, Aon plc and the Trustee (amending and restating the Indenture, dated as of December 16, 2002, between Aon Corporation and the Trustee), and (3) Amended and Restated Indenture, dated as of April 2, 2012, among Aon Corporation, Aon plc and the Trustee (amending and restating the Indenture, dated as of January 13, 1997, as supplemented by the First Supplemental Indenture, dated as of January 13, 1997).

Sale of the Divested Business

In connection with the sale of the Divested Business, the Company guaranteed future operating lease commitments related to certain facilities assumed by the Buyer. The Company is obligated to perform under the guarantees if the Divested Business defaults on such leases at any time during the remainder of the lease agreements, which expire on various dates through 2025. As of June 30, 2019, the undiscounted maximum potential future payments under the lease guarantee is \$77 million, with an estimated fair value of \$15 million. No cash payments were made in connection to the lease commitments during the six months ended June 30, 2019.

Additionally, the Company is subject to performance guarantee requirements under certain client arrangements that were assumed by the Buyer. Should the Divested Business fail to perform as required by the terms of the arrangements, the Company would be required to fulfill the remaining contract terms, which expire on various dates through 2023. As of June 30, 2019, the undiscounted maximum potential future payments under the performance guarantees were \$170 million, with an estimated fair value of \$1 million. No cash payments were made in connection to the performance guarantees during the three and six months ended June 30, 2019.

Letters of Credit

Aon has entered into a number of arrangements whereby the Company's performance on certain obligations is guaranteed by a third party through the issuance of letters of credit ("LOCs"). The Company had total LOCs outstanding of approximately \$74 million at June 30, 2019, compared to \$83 million at December 31, 2018. These LOCs cover the beneficiaries related to certain of Aon's U.S. and Canadian non-qualified pension plan schemes and secure deductible retentions for Aon's own workers compensation program. The Company has also obtained LOCs to cover contingent payments for taxes and other business obligations to third parties, and other guarantees for miscellaneous purposes at its international subsidiaries.

Premium Payments

The Company has certain contractual contingent guarantees for premium payments owed by clients to certain insurance companies. The maximum exposure with respect to such contractual contingent guarantees was approximately \$102 million at June 30, 2019 compared to \$103 million at December 31, 2018.

18. Segment Information

The Company operates as one segment that includes all of Aon's continuing operations, which as a global professional services firm provides advice and solutions to clients focused on risk, retirement, and health through five revenue lines which make up its principal products and services. The Chief Operating Decision Maker (the "CODM") assesses the performance of the Company and allocates resources based on one segment: Aon United.

The Company's reportable operating segment has been determined using a management approach, which is consistent with the basis and manner in which Aon's CODM uses financial information for the purposes of allocating resources and evaluating performance. The CODM assesses performance and allocates resources based on total Aon results against its key four metrics,

including organic revenue growth, expense discipline, and collaborative behaviors that maximize value for Aon and its shareholders, regardless of which revenue line it benefits.

As Aon operates as one segment, segment profit or loss is consistent with consolidated reporting as disclosed on the Condensed Consolidated Statements of Income. Refer to Note 3 “Revenue from Contracts with Customers” for further information on revenue by principal service line.

19. Guarantee of Registered Securities

As described in Note 17 “Claims, Lawsuits, and Other Contingencies,” in connection with the Redomestication, Aon plc entered into various agreements pursuant to which it agreed to guarantee the obligations of Aon Corporation arising under issued and outstanding debt securities, including the 5.00% Notes due September 2020, the 8.205% Notes due January 2027, and the 6.25% Notes due September 2040 (collectively, the “Aon Corporation Notes”). Additionally, Aon plc has guaranteed the obligations of Aon Corporation arising under the 4.50% Senior Notes due 2028 and the 3.75% Senior Notes due 2029. Aon Corporation is a 100% indirectly owned subsidiary of Aon plc. All guarantees of Aon plc are full and unconditional. There are no other subsidiaries of Aon plc that are guarantors of the Aon Corporation Notes.

In addition, Aon Corporation entered into an agreement pursuant to which it guaranteed the obligations of Aon plc arising under the 4.25% Notes due 2042 exchanged for Aon Corporation’s outstanding 8.205% Notes due January 2027, and has also guaranteed the obligations of Aon plc arising under the 4.45% Notes due 2043, the 4.00% Notes due November 2023, the 2.875% Notes due May 2026, the 3.50% Notes due June 2024, the 4.60% Notes due June 2044, the 4.75% Notes due May 2045, the 2.80% Notes due March 2021, and the 3.875% Notes due December 2025 (collectively, the “Aon plc Notes”). In each case, the guarantee of Aon Corporation is full and unconditional. There are no subsidiaries of Aon plc, other than Aon Corporation, that are guarantors of the Aon plc Notes. As a result of the existence of these guarantees, the Company has elected to present the financial information set forth in this footnote in accordance with Rule 3-10 of Regulation S-X.

In the fourth quarter of 2018, Aon plc obtained direct ownership in two subsidiaries that were previously indirectly owned by Aon Corporation. In the first quarter of 2019, Aon Corporation obtained indirect ownership of subsidiaries that were previously indirectly owned by Aon plc. The financial results of these subsidiaries are included in the Other Non-Guarantor Subsidiaries column of the Condensed Consolidating Financial Statements. The Company has retrospectively reflected the impact of these transactions on the Condensed Consolidating Statements of Income and Condensed Consolidating Statements of Comprehensive Income for the periods ended June 30, 2018 and the Condensed Consolidated Statement of Financial Position as of December 31, 2018.

The following tables set forth Condensed Consolidating Statements of Income and Condensed Consolidating Statements of Comprehensive Income for the three and six months ended June 30, 2019 and 2018 , Condensed Consolidating Statements of Financial Position as of June 30, 2019 and December 31, 2018 , and Condensed Consolidating Statements of Cash Flows for the six months ended June 30, 2019 and 2018 in accordance with Rule 3-10 of Regulation S-X. The Condensed Consolidating Financial Information includes the accounts of Aon plc, the accounts of Aon Corporation, and the combined accounts of the Other Non-Guarantor Subsidiaries. The Condensed Consolidating Financial Statements are presented in all periods as a merger under common control. The principal consolidating adjustments are to eliminate the investment in subsidiaries and intercompany balances and transactions.

Condensed Consolidating Statement of Income

Three Months Ended June 30, 2019

<i>(millions)</i>	Aon plc		Aon Corporation		Other Non-Guarantor Subsidiaries		Consolidating Adjustments		Consolidated	
Revenue										
Total revenue	\$	—	\$	—	\$	2,606	\$	—	\$	2,606
Expenses										
Compensation and benefits		22		4		1,475		—		1,501
Information technology		—		—		126		—		126
Premises		—		9		76		—		85
Depreciation of fixed assets		—		—		40		—		40
Amortization and impairment of intangible assets		—		—		97		—		97
Other general expenses		3		6		335		—		344
Total operating expenses		25		19		2,149		—		2,193
Operating income (loss)		(25)		(19)		457		—		413
Interest income		—		9		—		(8)		1
Interest expense		(45)		(34)		(6)		8		(77)
Intercompany interest income (expense)		3		(116)		113		—		—
Intercompany other income (expense)		137		(164)		27		—		—
Other income (expense)		(11)		(14)		24		7		6
Income (loss) from continuing operations before income taxes		59		(338)		615		7		343
Income tax expense (benefit)		—		(64)		120		—		56
Net income (loss) from continuing operations		59		(274)		495		7		287
Net income from discontinued operations		—		—		—		—		—
Net income (loss) before equity in earnings of subsidiaries		59		(274)		495		7		287
Equity in earnings of subsidiaries		211		301		27		(539)		—
Net income		270		27		522		(532)		287
Less: Net income attributable to noncontrolling interests		—		—		10		—		10
Net income attributable to Aon shareholders	\$	270	\$	27	\$	512	\$	(532)	\$	277

Condensed Consolidating Statement of Income

Three Months Ended June 30, 2018

<i>(millions)</i>	Aon plc		Aon Corporation		Other Non-Guarantor Subsidiaries		Consolidating Adjustments		Consolidated	
Revenue										
Total revenue	\$	—	\$	—	\$	2,561	\$	—	\$	2,561
Expenses										
Compensation and benefits		15		1		1,478		—		1,494
Information technology		—		—		123		—		123
Premises		—		—		96		—		96
Depreciation of fixed assets		—		—		47		—		47
Amortization and impairment of intangible assets		—		—		282		—		282
Other general expenses		2		91		442		—		535
Total operating expenses		17		92		2,468		—		2,577
Operating income (loss)		(17)		(92)		93		—		(16)
Interest income		—		15		—		(14)		1
Interest expense		(48)		(25)		(10)		14		(69)
Intercompany interest income (expense)		3		(129)		126		—		—
Intercompany other income (expense)		(93)		10		83		—		—
Other income (expense)		48		(20)		(13)		(18)		(3)
Income (loss) from continuing operations before income taxes		(107)		(241)		279		(18)		(87)
Income tax expense (benefit)		(3)		(50)		(91)		—		(144)
Net income (loss) from continuing operations		(104)		(191)		370		(18)		57
Net income from discontinued operations		—		—		1		—		1
Net income (loss) before equity in earnings of subsidiaries		(104)		(191)		371		(18)		58
Equity in earnings of subsidiaries		170		207		16		(393)		—
Net income		66		16		387		(411)		58
Less: Net income attributable to noncontrolling interests		—		—		10		—		10
Net income attributable to Aon shareholders	\$	66	\$	16	\$	377	\$	(411)	\$	48

Condensed Consolidating Statement of Income

	Six Months Ended June 30, 2019				
<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Revenue					
Total revenue	\$ —	\$ —	\$ 5,749	\$ —	\$ 5,749
Expenses					
Compensation and benefits	42	12	3,031	—	3,085
Information technology	—	—	243	—	243
Premises	—	13	159	—	172
Depreciation of fixed assets	—	—	80	—	80
Amortization and impairment of intangible assets	—	—	194	—	194
Other general expenses	3	2	685	—	690
Total operating expenses	45	27	4,392	—	4,464
Operating income (loss)	(45)	(27)	1,357	—	1,285
Interest income	—	18	—	(15)	3
Interest expense	(91)	(62)	(11)	15	(149)
Intercompany interest income (expense)	7	(232)	225	—	—
Intercompany other income (expense)	168	(263)	95	—	—
Other income (expense)	(6)	(25)	32	5	6
Income (loss) from continuing operations before income taxes	33	(591)	1,698	5	1,145
Income tax expense (benefit)	(5)	(106)	293	—	182
Net income (loss) from continuing operations	38	(485)	1,405	5	963
Net income from discontinued operations	—	—	—	—	—
Net income (loss) before equity in earnings of subsidiaries	38	(485)	1,405	5	963
Equity in earnings of subsidiaries	893	1,025	540	(2,458)	—
Net income	931	540	1,945	(2,453)	963
Less: Net income attributable to noncontrolling interests	—	—	27	—	27
Net income attributable to Aon shareholders	\$ 931	\$ 540	\$ 1,918	\$ (2,453)	\$ 936

Condensed Consolidating Statement of Income

	Six Months Ended June 30, 2018				
<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Revenue					
Total revenue	\$ —	\$ —	\$ 5,651	\$ —	\$ 5,651
Expenses					
Compensation and benefits	34	2	3,074	—	3,110
Information technology	—	—	238	—	238
Premises	—	—	189	—	189
Depreciation of fixed assets	—	—	86	—	86
Amortization and impairment of intangible assets	—	—	392	—	392
Other general expenses	3	91	759	—	853
Total operating expenses	37	93	4,738	—	4,868
Operating income (loss)	(37)	(93)	913	—	783
Interest income	—	29	—	(24)	5
Interest expense	(97)	(49)	(17)	24	(139)
Intercompany interest income (expense)	7	(257)	250	—	—
Intercompany other income (expense)	(146)	5	141	—	—
Other income (expense)	23	(26)	—	(15)	(18)
Income (loss) from continuing operations before income taxes	(250)	(391)	1,287	(15)	631
Income tax expense (benefit)	(19)	(77)	66	—	(30)
Net income (loss) from continuing operations	(231)	(314)	1,221	(15)	661
Net income from discontinued operations	—	—	7	—	7
Net income (loss) before equity in earnings of subsidiaries	(231)	(314)	1,228	(15)	668
Equity in earnings of subsidiaries	888	912	598	(2,398)	—
Net income	657	598	1,826	(2,413)	668
Less: Net income attributable to noncontrolling interests	—	—	26	—	26
Net income attributable to Aon shareholders	\$ 657	\$ 598	\$ 1,800	\$ (2,413)	\$ 642

Condensed Consolidating Statement of Comprehensive Income

	Three Months Ended June 30, 2019				
<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net income	\$ 270	\$ 27	\$ 522	\$ (532)	\$ 287
Less: Net income attributable to noncontrolling interests	—	—	10	—	10
Net income attributable to Aon shareholders	270	27	512	(532)	277
Other comprehensive income (loss), net of tax:					
Change in fair value of financial instruments	—	—	(8)	—	(8)
Foreign currency translation adjustments	—	—	(96)	(7)	(103)
Postretirement benefit obligation	—	10	4	—	14
Total other comprehensive income (loss)	—	10	(100)	(7)	(97)
Equity in other comprehensive income (loss) of subsidiaries, net of tax	(90)	(118)	(108)	316	—
Less: Other comprehensive income (loss) attributable to noncontrolling interests	—	—	—	—	—
Total other comprehensive income (loss) attributable to Aon shareholders	(90)	(108)	(208)	309	(97)
Comprehensive income attributable (loss) to Aon shareholders	\$ 180	\$ (81)	\$ 304	\$ (223)	\$ 180

Condensed Consolidating Statement of Comprehensive Income

	Three Months Ended June 30, 2018				
<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net income	\$ 66	\$ 16	\$ 387	\$ (411)	\$ 58
Less: Net income attributable to noncontrolling interests	—	—	10	—	10
Net income attributable to Aon shareholders	66	16	377	(411)	48
Other comprehensive income (loss), net of tax:					
Change in fair value of financial instruments	—	(4)	3	—	(1)
Foreign currency translation adjustments	—	—	(478)	18	(460)
Postretirement benefit obligation	—	11	111	—	122
Total other comprehensive income (loss)	—	7	(364)	18	(339)
Equity in other comprehensive income (loss) of subsidiaries, net of tax	(351)	(345)	(338)	1,034	—
Less: Other comprehensive income (loss) attributable to noncontrolling interests	—	—	(6)	—	(6)
Total other comprehensive income (loss) attributable to Aon shareholders	(351)	(338)	(696)	1,052	(333)
Comprehensive income attributable (loss) to Aon shareholders	\$ (285)	\$ (322)	\$ (319)	\$ 641	\$ (285)

Condensed Consolidating Statement of Comprehensive Income

Six Months Ended June 30, 2019

<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net income	\$ 931	\$ 540	\$ 1,945	\$ (2,453)	\$ 963
Less: Net income attributable to noncontrolling interests	—	—	27	—	27
Net income attributable to Aon shareholders	931	540	1,918	(2,453)	936
Other comprehensive income (loss), net of tax:					
Change in fair value of financial instruments	—	2	(3)	—	(1)
Foreign currency translation adjustments	—	—	35	(5)	30
Postretirement benefit obligation	—	32	13	—	45
Total other comprehensive income (loss)	—	34	45	(5)	74
Equity in other comprehensive income (loss) of subsidiaries, net of tax	77	(3)	31	(105)	—
Less: Other comprehensive income (loss) attributable to noncontrolling interests	—	—	2	—	2
Total other comprehensive income (loss) attributable to Aon shareholders	77	31	74	(110)	72
Comprehensive income attributable (loss) to Aon shareholders	\$ 1,008	\$ 571	\$ 1,992	\$ (2,563)	\$ 1,008

Condensed Consolidating Statement of Comprehensive Income

Six Months Ended June 30, 2018

<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net income	\$ 657	\$ 598	\$ 1,826	\$ (2,413)	\$ 668
Less: Net income attributable to noncontrolling interests	—	—	26	—	26
Net income attributable to Aon shareholders	657	598	1,800	(2,413)	642
Other comprehensive income (loss), net of tax:					
Change in fair value of financial instruments	—	(1)	14	—	13
Foreign currency translation adjustments	—	—	(228)	15	(213)
Postretirement benefit obligation	—	22	148	—	170
Total other comprehensive income (loss)	—	21	(66)	15	(30)
Equity in other comprehensive income (loss) of subsidiaries, net of tax	(42)	(60)	(39)	141	—
Less: Other comprehensive income (loss) attributable to noncontrolling interests	—	—	(3)	—	(3)
Total other comprehensive income (loss) attributable to Aon shareholders	(42)	(39)	(102)	156	(27)
Comprehensive income attributable (loss) to Aon shareholders	\$ 615	\$ 559	\$ 1,698	\$ (2,257)	\$ 615

Condensed Consolidating Statement of Financial Position

	As of June 30, 2019				
<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Assets					
Current assets					
Cash and cash equivalents	\$ —	\$ 1,371	\$ 537	\$ (1,327)	\$ 581
Short-term investments	—	125	110	—	235
Receivables, net	—	—	3,227	—	3,227
Fiduciary assets	—	—	12,071	—	12,071
Current intercompany receivables	167	3,421	12,843	(16,431)	—
Other current assets	—	10	621	—	631
Total current assets	167	4,927	29,409	(17,758)	16,745
Goodwill	—	—	8,198	—	8,198
Intangible assets, net	—	—	973	—	973
Fixed assets, net	—	—	599	—	599
Operating lease right-of-use assets	—	112	847	—	959
Deferred tax assets	93	498	150	(142)	599
Prepaid pension	—	5	1,208	—	1,213
Non-current intercompany receivables	404	261	7,200	(7,865)	—
Other non-current assets	1	28	492	—	521
Investment in subsidiary	8,937	20,147	(424)	(28,660)	—
Total assets	\$ 9,602	\$ 25,978	\$ 48,652	\$ (54,425)	\$ 29,807
Liabilities and equity					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	\$ 582	\$ 57	\$ 2,057	\$ (1,327)	\$ 1,369
Short-term debt and current portion of long-term debt	569	275	—	—	844
Fiduciary liabilities	—	—	12,071	—	12,071
Current intercompany payables	378	14,633	1,420	(16,431)	—
Other current liabilities	—	78	1,119	—	1,197
Total current liabilities	1,529	15,043	16,667	(17,758)	15,481
Long-term debt	4,234	2,506	—	—	6,740
Non-current operating lease liabilities	—	149	813	—	962
Deferred tax liabilities	—	—	353	(142)	211
Pension, other postretirement, and postemployment liabilities	—	1,232	344	—	1,576
Non-current intercompany payables	—	7,366	499	(7,865)	—
Other non-current liabilities	3	106	815	—	924
Total liabilities	5,766	26,402	19,491	(25,765)	25,894
Equity					
Total Aon shareholders' equity	3,836	(424)	29,084	(28,660)	3,836
Noncontrolling interests	—	—	77	—	77
Total equity	3,836	(424)	29,161	(28,660)	3,913
Total liabilities and equity	\$ 9,602	\$ 25,978	\$ 48,652	\$ (54,425)	\$ 29,807

Condensed Consolidating Statement of Financial Position

As of December 31, 2018

<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Assets					
Current assets					
Cash and cash equivalents	\$ —	\$ 862	\$ 575	\$ (781)	\$ 656
Short-term investments	—	56	116	—	172
Receivables, net	—	—	2,760	—	2,760
Fiduciary assets	—	—	10,166	—	10,166
Current intercompany receivables	191	897	11,634	(12,722)	—
Other current assets	—	16	602	—	618
Total current assets	191	1,831	25,853	(13,503)	14,372
Goodwill	—	—	8,171	—	8,171
Intangible assets, net	—	—	1,149	—	1,149
Fixed assets, net	—	—	588	—	588
Operating lease right-of-use assets	—	—	—	—	—
Deferred tax assets	94	467	144	(144)	561
Prepaid pension	—	5	1,128	—	1,133
Non-current intercompany receivables	403	261	7,225	(7,889)	—
Other non-current assets	1	30	417	—	448
Investment in subsidiary	8,433	19,132	(882)	(26,683)	—
Total assets	\$ 9,122	\$ 21,726	\$ 43,793	\$ (48,219)	\$ 26,422
Liabilities and equity					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	\$ 274	\$ 70	\$ 2,380	\$ (781)	\$ 1,943
Short-term debt and current portion of long-term debt	250	—	1	—	251
Fiduciary liabilities	—	—	10,166	—	10,166
Current intercompany payables	213	11,875	634	(12,722)	—
Other current liabilities	—	69	867	—	936
Total current liabilities	737	12,014	14,048	(13,503)	13,296
Long-term debt	4,231	1,762	—	—	5,993
Non-current operating lease liabilities	—	—	—	—	—
Deferred tax liabilities	—	—	325	(144)	181
Pension, other postretirement, and postemployment liabilities	—	1,275	361	—	1,636
Non-current intercompany payables	—	7,390	499	(7,889)	—
Other non-current liabilities	3	167	927	—	1,097
Total liabilities	4,971	22,608	16,160	(21,536)	22,203
Equity					
Total Aon shareholders' equity	4,151	(882)	27,565	(26,683)	4,151
Noncontrolling interests	—	—	68	—	68
Total equity	4,151	(882)	27,633	(26,683)	4,219
Total liabilities and equity	\$ 9,122	\$ 21,726	\$ 43,793	\$ (48,219)	\$ 26,422

Condensed Consolidating Statement of Cash Flows

Six Months Ended June 30, 2019

<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash flows from operating activities					
Cash provided by (used for) operating activities	\$ 366	\$ (110)	\$ 690	\$ (585)	\$ 361
Cash flows from investing activities					
Proceeds from investments	—	9	5	—	14
Payments for investments	—	(19)	(41)	—	(60)
Net sales (purchases) of short-term investments - non-fiduciary	—	(69)	7	—	(62)
Acquisition of businesses, net of cash acquired	—	—	(15)	—	(15)
Sale of businesses, net of cash sold	—	—	7	—	7
Capital expenditures	—	—	(106)	—	(106)
Cash provided by (used for) investing activities	—	(79)	(143)	—	(222)
Cash flows from financing activities					
Share repurchase	(1,155)	—	—	—	(1,155)
Advances from (to) affiliates	823	(320)	(542)	39	—
Issuance of shares for employee benefit plans	(144)	—	—	—	(144)
Issuance of debt	1,219	2,340	—	—	3,559
Repayment of debt	(906)	(1,322)	—	—	(2,228)
Cash dividends to shareholders	(203)	—	—	—	(203)
Noncontrolling interests and other financing activities	—	—	(61)	—	(61)
Cash provided by (used for) financing activities	(366)	698	(603)	39	(232)
Effect of exchange rate changes on cash and cash equivalents	—	—	18	—	18
Net increase (decrease) in cash and cash equivalents	—	509	(38)	(546)	(75)
Cash and cash equivalents at beginning of period	—	862	575	(781)	656
Cash and cash equivalents at end of period	\$ —	\$ 1,371	\$ 537	\$ (1,327)	\$ 581

Condensed Consolidating Statement of Cash Flows

Six Months Ended June 30, 2018

<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash flows from operating activities					
Cash provided by (used for) operating activities	\$ (126)	\$ 582	\$ 759	\$ (802)	\$ 413
Cash flows from investing activities					
Proceeds from investments	—	13	10	—	23
Payments for investments	(12)	(17)	(19)	12	(36)
Net sales (purchases) of short-term investments - non-fiduciary	—	296	56	—	352
Acquisition of businesses, net of cash acquired	—	—	(50)	—	(50)
Sale of businesses, net of cash sold	—	—	1	—	1
Capital expenditures	—	—	(111)	—	(111)
Cash provided by (used for) investing activities	(12)	292	(113)	12	179
Cash flows from financing activities					
Share repurchase	(971)	—	—	—	(971)
Advances from (to) affiliates	965	(810)	(395)	240	—
Issuance of shares for employee benefit plans	(150)	—	—	—	(150)
Issuance of debt	752	1,800	—	—	2,552
Repayment of debt	(272)	(1,461)	(294)	—	(2,027)
Cash dividends to shareholders	(187)	—	—	—	(187)
Noncontrolling interests and other financing activities	—	—	(15)	—	(15)
Cash provided by (used for) financing activities	137	(471)	(704)	240	(798)
Effect of exchange rate changes on cash and cash equivalents	—	—	(63)	—	(63)
Net increase (decrease) in cash and cash equivalents	(1)	403	(121)	(550)	(269)
Cash and cash equivalents at beginning of period	1	2,524	793	(2,562)	756
Cash and cash equivalents at end of period	\$ —	\$ 2,927	\$ 672	\$ (3,112)	\$ 487

20. Lease Commitments

The Company leases office facilities, equipment, and automobiles under non-cancelable operating and finance leases. The Company's lease obligations are primarily for the use of office space. The Company evaluates if a leasing arrangement exists upon inception of a contract. A contract contains a lease if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. Identified property, plant, or equipment may include a physically distinct portion of a larger asset, or a portion of an asset that represents substantially all of the capacity of the asset but is not physically distinct. The Company assesses whether a contract implicitly contains the right to control the use of a tangible asset that is not already owned. In addition, the Company subleases certain real estate properties to third parties, which consist of operating leases.

The Company's leases expire at various dates and may contain renewal and expansion options. The exercise of lease renewal and expansion options are at the Company's sole discretion and are only included in the determination of the lease term if the Company is reasonably certain to exercise the option. The Company's leases do not typically contain termination options. In addition, the Company's lease agreements typically do not contain any material residual value guarantees or restrictive covenants.

ROU assets and lease liabilities are based on the present value of the minimum lease payments over the lease term. As stated in Note 2 "Accounting Principles and Practices", the Company has elected the practical expedient related to lease and non-lease components, as an accounting policy election for all asset classes, which allows a lessee to not separate non-lease from lease components and instead account for consideration received in a contract as a single lease component.

A portion of the Company's lease agreements include variable lease payments that are not recorded in the initial measurement of the lease liability and ROU asset balances. For real estate arrangements, base rental payments may be escalated according to annual changes in the Consumer Price Index ("CPI") or other indices. The escalated rental payments based on the estimated CPI at the lease commencement date are included within minimum rental payments; however, changes in CPI are considered variable in nature and are recognized as variable lease costs in the period in which the obligation is incurred. Additionally, real estate lease agreements may include other variable payments related to operating expenses charged by the landlord based on actual expenditures. Information technology equipment agreements may include variable payments based on usage of the equipment.

The Company utilizes discount rates to determine the present value of the lease payments based on information available at the commencement date of the lease. The Company uses an incremental borrowing rate based on factors such as the lease term and the economic environment where the lease exists to determine the appropriate present value of future lease payments as the rate implicit in the lease is not always readily available. When determining the incremental borrowing rate, the Company considers the rate of interest it would pay on a secured borrowing in an amount equal to the lease payments for the underlying asset under similar terms.

Operating leases are included in Operating lease right-of-use assets, Other current liabilities, and Non-current operating lease liabilities on the Condensed Consolidated Statements of Financial Position. Finance leases are included in Other non-current assets, Other current liabilities, and Other non-current liabilities on the Condensed Consolidated Statements of Financial Position.

The classification of operating and finance lease asset and liability balances within the Condensed Consolidated Statements of Financial Position is as follows (in millions):

As of	June 30, 2019	
Assets		
Operating lease assets	Operating lease right-of-use assets	\$ 959
Finance lease assets	Other non-current assets	65
Total lease assets		<u>\$ 1,024</u>
Liabilities		
Current lease liabilities		
Operating	Other current liabilities	\$ 199
Finance	Other current liabilities	27
Non-current lease liabilities		
Operating	Non-current operating lease liabilities	962
Finance	Other non-current liabilities	37
Total lease liabilities		<u>\$ 1,225</u>

The components of lease costs are as follows (in millions):

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease cost	\$ 65	\$ 133
Finance lease costs		
Amortization of leased assets	6	13
Interest on lease liabilities	—	1
Variable lease cost	12	18
Short-term lease cost ⁽¹⁾	1	2
Sublease income	(8)	(16)
Net lease cost	\$ 76	\$ 151

(1) Short-term lease cost does not include expenses related to leases with a lease term of one month or less.

Weighted average remaining lease term and discount rate related to operating and finance leases are as follows:

As of	June 30, 2019
Weighted average remaining lease term (years)	
Operating leases	8.0
Finance leases	2.5
Weighted average discount rate	
Operating leases	3.3%
Finance leases	2.4%

Other cash and non-cash related activities are as follows (in millions):

	Six Months Ended June 30, 2019
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows for operating leases	\$ 116
Non-cash related activities	
ROU assets obtained in exchange for new operating lease liabilities	\$ 50

The Company has recorded non-cash changes in Operating lease ROU assets and Non-current operating lease liabilities through Other assets and liabilities in cash flows from operations within the Condensed Consolidated Statements of Cash Flows. Non-cash ROU asset lease expense was \$68 million and the change in Non-current operating lease liabilities was a decrease of \$52 million for the six months ended June 30, 2019 .

Maturity analysis of operating and finance leases as of June 30, 2019 are as follows (in millions):

	Operating Leases	Finance Leases	Less: Subleases	Total
Remainder of 2019	\$ 127	\$ 14	\$ (17)	\$ 124
2020	248	28	(34)	242
2021	224	22	(33)	213
2022	198	2	(34)	166
2023	144	—	(15)	129
Thereafter	511	—	(8)	503
Total undiscounted future minimum lease payments	\$ 1,452	\$ 66	\$ (141)	\$ 1,377
Less: Imputed interest	(151)	(1)	—	(152)
Present value of lease liabilities	\$ 1,301	\$ 65	\$ (141)	\$ 1,225

At December 31, 2018, future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows (in millions):

Year Ended December 31, 2018	Gross rental commitments	Rentals from subleases	Net rental commitments
2019	\$ 303	\$ (34)	\$ 269
2020	253	(30)	223
2021	221	(30)	191
2022	182	(30)	152
2023	148	(12)	136
Thereafter	472	(5)	467
Total minimum payments required	\$ 1,579	\$ (141)	\$ 1,438

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

EXECUTIVE SUMMARY OF SECOND QUARTER 2019 FINANCIAL RESULTS

Aon plc (“Aon”, the “Company”, “we”, or “our”) is a leading global professional services firm providing a broad range of risk, retirement, and health solutions underpinned by proprietary data and analytics. Management is leading a set of initiatives designed to strengthen Aon and unite the firm with one portfolio of capability enabled by proprietary data and analytics and one operating model to deliver additional insight, connectivity, and efficiency.

Financial Results

The following is a summary of our second quarter of 2019 financial results from continuing operations:

- For the second quarter of 2019, revenue increased \$45 million, or 2%, to \$2.6 billion compared to the prior year period due primarily to organic revenue growth of 6%, partially offset by a 3% unfavorable impact from translating prior year period results at current period foreign exchange rates (“foreign currency translation”) and a 1% unfavorable impact related to divestitures, net of acquisitions. For the six months ended June 30, 2019, revenue increased \$98 million, or 2%, to \$5,749 million compared to the prior year period due primarily to organic revenue growth of 6%, partially offset by a 4% unfavorable impact from foreign currency translation.
- Operating expenses for the second quarter of 2019 were \$2.2 billion, a decrease of \$384 million compared to the prior year period. The decrease was due primarily to a \$176 million decrease from a non-cash impairment charge related to certain assets and liabilities that were classified as held for sale in the prior year period, a \$103 million decrease in expense related to legacy litigation, a \$74 million favorable impact from foreign currency translation, a \$68 million decrease in restructuring charges, \$38 million of incremental savings related to restructuring and other operational improvement initiatives, and a \$21 million decrease in expenses related to divestitures, net of acquisitions, partially offset by an increase in expense associated with 6% organic revenue growth. Operating expenses for the first six months of 2019 decreased \$404 million compared to the prior year period primarily due to a \$176 million decrease from a non-cash impairment charge related to certain assets and liabilities that were classified as held for sale in the prior year period, a \$167 million favorable impact from foreign currency translation, a \$103 million decrease in expense related to legacy litigation, \$83 million of incremental savings related to restructuring and other operational improvement initiatives, a \$51 million decrease in restructuring charges, and a \$42 million decrease in expenses related to divestitures, net of acquisitions, partially offset by an increase in expense associated with 6% organic revenue growth.
- Operating margin increased to 15.8% in the second quarter of 2019 from (0.6)% in the prior year period. Operating margin for the first six months of 2019 increased to 22.4% from 13.9% in the prior year period. The increase in both periods was driven by organic revenue growth of 6%, core operational improvement, savings related to restructuring and other operational improvement initiatives, a decrease from a non-cash impairment charge related to certain assets and liabilities that were classified as held for sale in the prior year period, and a decrease in expense related to legacy litigation.
- Due to the factors set forth above, net income from continuing operations increased \$230 million, or 404%, to \$287 million for the second quarter of 2019 compared to the prior year period. During the first six months of 2019, net income from continuing operations increased \$302 million, or 45.7%, to \$963 million compared to the first six months of 2018.
- Diluted earnings per share from continuing operations was \$1.14 per share for the second quarter of 2019 compared to \$0.19 per share for the prior year period. During the first six months of 2019, diluted earnings per share from continuing operations was \$3.85 per share compared to \$2.55 per share for the prior year period.

- Cash flow provided by operating activities was \$361 million for the first six months of 2019 , a decrease of \$52 million from the prior year period. Approximately \$85 million of net cash payments in the first quarter related to legacy litigation were partially offset by strong operational improvement and a \$26 million decrease in restructuring cash outlays.

We focus on four key non-GAAP metrics that we communicate to shareholders: organic revenue growth, adjusted operating margin, adjusted diluted earnings per share, and free cash flow. These non-GAAP metrics should be viewed in addition to, not instead of, our Financial Statements. The following is our measure of performance against these four metrics from continuing operations for the second quarter of 2019 :

- Organic revenue growth, a non-GAAP measure defined under the caption “Review of Consolidated Results — Organic Revenue Growth,” was 6% for the second quarter of 2019 , an acceleration from 5% in the prior year period. Organic revenue growth was 6% for the first six months of 2019 , an acceleration from 4% in the prior year period. Organic revenue growth in both periods was driven by growth across every major revenue line, with particular strength in Reinsurance Solutions and Commercial Risk Solutions.
- Adjusted operating margin, a non-GAAP measure defined under the caption “Review of Consolidated Results — Adjusted Operating Margin,” was 24.4% for the second quarter of 2019 compared to 22.0% in the prior year period. For the first six months of 2019 , adjusted operating margin was 29.5% compared to 27.4% for the prior year period. The increase in adjusted operating margin in both periods primarily reflects organic revenue growth of 6% , core operational improvement, and savings related to restructuring and other operational improvement initiatives.
- Adjusted diluted earnings per share from continuing operations, a non-GAAP measure defined under the caption “Review of Consolidated Results — Adjusted Diluted Earnings per Share,” was \$1.87 per share for the second quarter of 2019 and \$5.19 in the first six months of 2019, compared to \$1.71 and \$4.69 per share for the respective prior year periods.
- Free cash flow, a non-GAAP measure defined under the caption “Review of Consolidated Results — Free Cash Flow,” decreased in the first six months of 2019 by \$47 million , or 16% , from the prior year period, to \$255 million , reflecting a decrease in cash flow from operations, partially offset by an \$5 million decrease in capital expenditures.

REVIEW OF CONSOLIDATED RESULTS

Summary of Results

Our consolidated results are as follow (in millions):

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenue				
Total revenue	\$ 2,606	\$ 2,561	\$ 5,749	\$ 5,651
Expenses				
Compensation and benefits	1,501	1,494	3,085	3,110
Information technology	126	123	243	238
Premises	85	96	172	189
Depreciation of fixed assets	40	47	80	86
Amortization and impairment of intangible assets	97	282	194	392
Other general expenses	344	535	690	853
Total operating expenses	2,193	2,577	4,464	4,868
Operating income (loss)	413	(16)	1,285	783
Interest income	1	1	3	5
Interest expense	(77)	(69)	(149)	(139)
Other income (expense)	6	(3)	6	(18)
Income (loss) from continuing operations before income taxes	343	(87)	1,145	631
Income tax expense (benefit)	56	(144)	182	(30)
Net income from continuing operations	287	57	963	661
Net income from discontinued operations	—	1	—	7
Net income	287	58	963	668
Less: Net income attributable to noncontrolling interests	10	10	27	26
Net income attributable to Aon shareholders	\$ 277	\$ 48	\$ 936	\$ 642
Diluted net income per share attributable to Aon shareholders				
Continuing operations	\$ 1.14	\$ 0.19	\$ 3.85	\$ 2.55
Discontinued operations	—	—	—	0.03
Net income	\$ 1.14	\$ 0.19	\$ 3.85	\$ 2.58
Weighted average ordinary shares outstanding - diluted	242.8	247.4	243.2	248.8

Revenue

Total revenue increased by \$45 million , or 2% , in the second quarter of 2019 compared to the second quarter of 2018 . This increase reflects organic revenue growth of 6% , partially offset by a 3% unfavorable impact from foreign currency translation and a 1% unfavorable impact related to divestitures, net of acquisitions. For the first six months of 2019 , revenue increased by \$98 million , or 2% , compared to the prior year period. This change reflects organic revenue growth of 6% , partially offset by a 4% unfavorable impact from foreign currency translation.

Commercial Risk Solutions revenue increased \$1 million to \$1,167 million in the second quarter of 2019 , compared to \$1,166 million in the second quarter of 2018 . For the first six months of 2019 , revenue decreased \$65 million , or 3% , to \$2,285 million , compared to \$2,350 million in the first six months of 2018 . Organic revenue growth was 6% in each of the second quarter of 2019 and the first six months of 2019 compared to the prior year periods, reflecting solid growth globally driven by strong new business generation and management of the renewal book portfolio.

Reinsurance Solutions revenue increased \$40 million , or 11% , to \$420 million in the second quarter of 2019 , compared to \$380 million in the second quarter of 2018 . For the first six months of 2019 , revenue increased \$86 million , or 8% , to \$1,208 million , compared to \$1,122 million in the first six months of 2018 . Organic revenue growth was 12% in the second quarter of 2019 and 10% in the first six months of 2019 compared to the prior year periods. Growth in both periods was driven by strong net

new business generation globally in treaty, as well as strong growth globally in facultative placements. In addition, market impact was modestly positive on results in the both periods.

Retirement Solutions revenue decreased \$12 million , or 3% , to \$419 million in the second quarter of 2019 , compared to \$431 million in the second quarter of 2018 . For the first six months of 2019 , revenue decreased \$16 million , or 2% , to \$839 million , compared to \$855 million in the first six months of 2018 . Organic revenue growth was 1% in each of the second quarter of 2019 and the first six months of 2019 compared to the prior year periods, primarily driven by solid growth in delegated investment management and in our rewards and assessment businesses within the Human Capital practice, partially offset by an unfavorable impact from certain businesses that were divested in the second quarter.

Health Solutions revenue increased \$8 million , or 3% , to \$317 million in the second quarter of 2019 , compared to \$309 million in the second quarter of 2018 . For the first six months of 2019 , revenue increased \$43 million , or 6% , to \$803 million , compared to \$760 million in the first six months of 2018 . Organic revenue growth was 6% in the second quarter of 2019 and 5% in the first six months of 2019 . Growth in both periods was driven by solid growth globally in health and benefits brokerage, highlighted by particular strength internationally in Asia and continental Europe.

Data & Analytic Services revenue increased \$9 million , or 3% , to \$286 million in the second quarter of 2019 , compared to \$277 million in the second quarter of 2018 . For the first six months of 2019 , revenue increased \$51 million , or 9% , to \$622 million , compared to \$571 million in the first six months of 2018 . Organic revenue growth was 4% in each of the second quarter of 2019 and the first six months of 2019 compared to the prior year periods, driven by growth globally across our Affinity business, with particular strength across both business and consumer solutions in the U.S.

Compensation and Benefits

Compensation and benefits increased \$7 million in the second quarter of 2019 compared to the second quarter of 2018 . This increase was primarily driven by a \$45 million increase in restructuring charges and an increase in expense associated with 6% organic revenue growth, partially offset by a \$53 million favorable impact from foreign currency translation, \$19 million of incremental savings related to restructuring and other operational improvement initiatives, and an \$11 million decrease in expenses related to divestitures, net of acquisitions. For the first six months of 2019 , compensation and benefits decreased \$25 million , or 1% , compared to the first six months of 2018 . The decrease was primarily driven by a \$122 million favorable impact from foreign currency translation, \$67 million of incremental savings related to restructuring and other operational improvement initiatives, and a \$20 million decrease in expenses related to divestitures, net of acquisitions, partially offset by a \$36 million increase in restructuring charges and an increase in expense associated with 6% organic revenue growth.

Information Technology

Information technology, which represents costs associated with supporting and maintaining our infrastructure, increased \$3 million , or 2% , in the second quarter of 2019 compared to the second quarter of 2018 . This increase was primarily driven by an increase in investments supporting growth initiatives and an increase in expense associated with 6% organic revenue growth, partially offset by a \$4 million decrease in restructuring charges. For the first six months of 2019 , Information technology increased \$5 million , or 2% , compared to the first six months of 2018 . This increase was primarily driven by an increase in investments supporting growth initiatives and an increase in expense associated with 6% organic revenue growth, partially offset by a \$6 million favorable impact from foreign currency translation, a \$4 million decrease in expenses related to divestitures, net of acquisitions, and a \$3 million decrease in restructuring charges.

Premises

Premises, which represents the cost of occupying offices in various locations throughout the world, decreased \$11 million , or 11% , in the second quarter of 2019 compared to the second quarter of 2018 . This decrease was primarily driven by a \$6 million decrease in restructuring charges, \$5 million of incremental savings related to restructuring and other operational improvement initiatives, and a \$4 million favorable impact from foreign currency translation. For the first six months of 2019 , Premises decreased \$17 million , or 9% , compared to the first six months of 2018 . This decrease was primarily driven by \$10 million of incremental savings related to restructuring and other operational improvement initiatives and an \$8 million favorable impact from foreign currency translation.

Depreciation of Fixed Assets

Depreciation of fixed assets primarily relates to software, leasehold improvements, furniture, fixtures and equipment, computer equipment, buildings, and automobiles. Depreciation of fixed assets decreased \$7 million , or 15% , in the second quarter of 2019 compared to the second quarter of 2018 . This decrease was primarily driven by a \$6 million decrease in restructuring charges. For the first six months of 2019 , Depreciation of fixed assets decreased \$6 million , or 7% , compared to the first six months of 2018 . This decrease was primarily driven by a \$7 million decrease in restructuring charges.

Amortization and Impairment of Intangibles Assets

Amortization and impairment of intangibles primarily relates to finite-lived tradenames and customer-related, contract-based, and technology assets. Amortization and impairment of intangibles decreased \$185 million , or 66% , in the second quarter of 2019 compared to the second quarter of 2018 , and decreased \$198 million , or 51% , for the first six months of 2019 compared to the first six months of 2018 . The prior year periods included a \$176 million non-cash impairment charge related to certain assets and liabilities that were classified as held for sale.

Other General Expenses

Other general expenses in the second quarter of 2019 decreased \$191 million , or 36% , compared to the second quarter of 2018 due primarily to a \$103 million decrease in expense related to legacy litigation, a \$97 million decrease in restructuring charges, \$19 million of incremental savings related to restructuring and other operational improvement initiatives, and an \$11 million favorable impact related to foreign currency translation, partially offset by an increase in expense associated with 6% organic revenue growth. For the first six months of 2019 , Other general expenses decreased \$163 million , or 19% , compared to the prior year period. This decrease was primarily driven by a \$103 million decrease in expense related to legacy litigation, a \$78 million decrease in restructuring charges, a \$25 million favorable impact from foreign currency translation, and \$10 million of incremental savings related to restructuring and other operational improvement initiatives, partially offset by an increase in expense associated with 6% organic revenue growth.

Interest Income

Interest income represents income earned on operating cash balances and other income-producing investments. It does not include interest earned on funds held on behalf of clients. During the second quarter of 2019 , Interest income was \$1 million , similar to the prior year period. For the first six months of 2019 , Interest income was \$3 million , compared to \$5 million during the prior year period.

Interest Expense

Interest expense, which represents the cost of our debt obligations, was \$77 million for the three months ended June 30 , 2019 , an increase of \$8 million , or 12% , from the second quarter of 2018 . For the first six months of 2019 , Interest expense was \$149 million , an increase of \$10 million , or 7% , from the prior year period. The increase in both periods was due to higher outstanding debt.

Other Income (Expense)

Total other income was \$6 million for the second quarter of 2019 , compared to other expense of \$3 million for the second quarter of 2018 . Other income for the second quarter of 2019 primarily includes \$11 million of gains due to the favorable impact of exchange rates on the remeasurement of assets and liabilities in non-functional currencies, \$5 million of pension and other postretirement income, a \$2 million gain on sale of certain businesses, and \$1 million of equity earnings, partially offset by \$13 million of losses on financial instruments. Other expense of \$3 million in the second quarter of 2018 primarily includes \$27 million of losses on financial instruments and \$7 million of pension and other postretirement expense, partially offset by \$29 million of gains due to the favorable impact of exchange rates on the remeasurement of assets and liabilities in non-functional currencies. Other income was \$6 million for the first six months of 2019 , compared to other expense of \$18 million for the prior year period. Other income for the first six months of 2019 primarily includes \$9 million of pension and other postretirement income and a \$7 million gain on sale of certain businesses, partially offset by \$12 million of losses on financial instruments.

Income From Continuing Operations before Income Taxes

Due to the factors discussed above, income from continuing operations before income taxes for the second quarter of 2019 was \$343 million , a 494% increase from a loss from continuing operations before income taxes of \$87 million in the second quarter of 2018 , and income from continuing operations before income taxes was \$1,145 million for the first six months of 2019 , an 81% increase from \$631 million from the first six months of 2018 .

Income Taxes From Continuing Operations

The effective tax rates on net income from continuing operations were 16.3% and 165.5% for the second quarter of 2019 and 2018 , respectively. The effective tax rates on net income from continuing operations were 15.9% and (4.8)% for the six months ended June 30, 2019 and 2018 , respectively.

For the six months ended June 30, 2019 , the tax rate was primarily driven by the geographical distribution of income, including restructuring charges, and certain favorable discrete items, including the impact of share-based payments and changes in the assertion for unremitted earnings.

For the six months ended June 30, 2018, the tax rate was primarily driven by the geographical distribution of income including restructuring charges, legacy litigation and the impairment charge related to certain assets and liabilities classified as held for sale. In addition, certain discrete items favorably impacted the 2018 tax rate including the net tax benefit associated with the anticipated sale of certain assets and liabilities classified as held for sale, the impact of share-based payments, changes in uncertain tax positions and the deferred remeasurement related to the anticipated acceleration of contributions to the qualified U.S. pension plan.

Net Income from Discontinued Operations

Net income from discontinued operations was \$0 million in the first three and six months of 2019 compared to net income of \$1 million and \$7 million in the respective prior year periods.

Net Income Attributable to Aon Shareholders

Net income attributable to Aon shareholders for the second quarter of 2019 increased to \$277 million, or \$1.14 per diluted share, from \$48 million, or \$0.19 per diluted share, in the prior year period. Net income attributable to Aon shareholders for the first six months of 2019 increased to \$936 million, or \$3.85 per diluted share, from \$642 million, or \$2.58 per diluted share, in the prior year period.

Non-GAAP Metrics

In our discussion of consolidated results, we sometimes refer to certain non-GAAP supplemental information derived from consolidated financial information specifically related to organic revenue growth, adjusted operating margin, adjusted diluted earnings per share, free cash flow, and the impact of foreign exchange rate fluctuations on operating results. This non-GAAP supplemental information should be viewed in addition to, not instead of, our Financial Statements.

Organic Revenue Growth

We use supplemental information related to organic revenue growth to help us and our investors evaluate business growth from existing operations. Organic revenue growth is a non-GAAP measure that includes the impact of intercompany activity and excludes the impact of changes in foreign exchange rates, fiduciary investment income, acquisitions, divestitures, transfers between revenue lines, and gains or losses on derivatives accounted for as hedges. This supplemental information related to organic revenue growth represents a measure not in accordance with U.S. GAAP and should be viewed in addition to, not instead of, our Financial Statements. Industry peers provide similar supplemental information about their revenue performance, although they may not make identical adjustments. A reconciliation of this non-GAAP measure to the reported Total revenue is as follows (in millions, except percentages):

	Three Months Ended			Less: Currency Impact ⁽¹⁾	Less: Fiduciary Investment Income ⁽²⁾	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth ⁽³⁾
	June 30, 2019	June 30, 2018	% Change				
Revenue							
Commercial Risk Solutions	\$ 1,167	\$ 1,166	—%	(3)%	—%	(3)%	6%
Reinsurance Solutions	420	380	11	(2)	1	—	12
Retirement Solutions	419	431	(3)	(3)	—	(1)	1
Health Solutions	317	309	3	(5)	—	2	6
Data & Analytic Services	286	277	3	(4)	—	3	4
Elimination	(3)	(2)	N/A	N/A	N/A	N/A	N/A
Total revenue	\$ 2,606	\$ 2,561	2%	(3)%	—%	(1)%	6%

(millions)	Six Months Ended			Less: Currency Impact ⁽¹⁾	Less: Fiduciary Investment Income ⁽²⁾	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth ⁽³⁾
	Jun 30, 2019	Jun 30, 2018	% Change				
Revenue							
Commercial Risk Solutions	\$ 2,285	\$ 2,350	(3)%	(4)%	—%	(5)%	6%
Reinsurance Solutions	1,208	1,122	8	(2)	1	(1)	10
Retirement Solutions	839	855	(2)	(3)	—	—	1
Health Solutions	803	760	6	(5)	—	6	5
Data & Analytic Services	622	571	9	(4)	—	9	4
Elimination	(8)	(7)	N/A	N/A	N/A	N/A	N/A
Total revenue	\$ 5,749	\$ 5,651	2 %	(4)%	—%	— %	6%

(1) Currency impact is determined by translating prior period's revenue at this period's foreign exchange rates.

(2) Fiduciary investment income for the three months ended June 30, 2019 and 2018 , respectively, was \$18 million and \$12 million . Fiduciary investment income for the six months ended June 30, 2019 and 2018 , respectively, was \$37 million and \$22 million .

(3) Organic revenue growth includes the impact of intercompany activity and excludes the impact of changes in foreign exchange rates, fiduciary investment income, acquisitions, divestitures, transfers between revenue lines, and gains or losses on derivatives accounted for as hedges.

Adjusted Operating Margin

We use adjusted operating margin as a non-GAAP measure of core operating performance of the Company. Adjusted operating margin excludes the impact of certain items, as listed below, because management does not believe these expenses are the best indicators of our core operating performance. This supplemental information related to adjusted operating margin represents a measure not in accordance with U.S. GAAP and should be viewed in addition to, not instead of, our Financial Statements.

A reconciliation of this non-GAAP measure to the reported operating margin is as follows (in millions, except percentages):

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenue from continuing operations	\$ 2,606	\$ 2,561	\$ 5,749	\$ 5,651
Operating income from continuing operations - as reported	\$ 413	\$ (16)	\$ 1,285	\$ 783
Amortization and impairment of intangible assets ⁽¹⁾	97	282	194	392
Restructuring	127	195	218	269
Legacy Litigation	—	103	—	103
Operating income from continuing operations - as adjusted	\$ 637	\$ 564	\$ 1,697	\$ 1,547
Operating margin from continuing operations - as reported	15.8%	(0.6)%	22.4%	13.9%
Operating margin from continuing operations - as adjusted	24.4%	22.0 %	29.5%	27.4%

(1) Included in the three and six months ended June 30, 2018 was a \$176 million non-cash impairment charges taken on certain assets and liabilities held for sale.

Adjusted Diluted Earnings per Share

We use adjusted diluted earnings per share as a non-GAAP measure of our core operating performance. Adjusted diluted earnings per share excludes the items identified above, along with pension settlements and related income taxes, because management does not believe these expenses are representative of our core earnings. This supplemental information related to adjusted diluted earnings per share represents a measure not in accordance with U.S. GAAP and should be viewed in addition to, not instead of, our Financial Statements and Notes thereto.

A reconciliation of this non-GAAP measure to the reported Diluted earnings per share is as follows (in millions, except per share data and percentages):

	Three Months Ended June 30, 2019		
	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income from continuing operations	\$ 413	\$ 224	\$ 637
Interest income	1	—	1
Interest expense	(77)	—	(77)
Other income (expense)	6	—	6
Income from continuing operations before income taxes	343	224	567
Income taxes ⁽²⁾	56	46	102
Net income from continuing operations	287	178	465
Net income from discontinued operations ⁽³⁾	—	—	—
Net income	287	178	465
Less: Net income attributable to noncontrolling interests	10	—	10
Net income attributable to Aon shareholders	\$ 277	\$ 178	\$ 455
Diluted net income per share attributable to Aon shareholders			
Continuing operations	\$ 1.14	\$ 0.73	\$ 1.87
Discontinued operations	—	—	—
Net income	\$ 1.14	\$ 0.73	\$ 1.87
Weighted average ordinary shares outstanding - diluted			
	242.8	—	242.8
Effective Tax Rates ⁽³⁾			
Continuing Operations	16.3%		18.0%
Discontinued Operations	58.5%		58.5%

Three Months Ended June 30, 2018

	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income (loss) from continuing operations	\$ (16)	\$ 580	\$ 564
Interest income	1	—	1
Interest expense	(69)	—	(69)
Other income (expense) ⁽¹⁾	(3)	16	13
Income (loss) from continuing operations before income taxes	(87)	596	509
Income tax expense (benefit) ⁽²⁾	(144)	219	75
Net income from continuing operations	57	377	434
Net income from discontinued operations ⁽³⁾	1	(1)	—
Net income	58	376	434
Less: Net income attributable to noncontrolling interests	10	—	10
Net income attributable to Aon shareholders	\$ 48	\$ 376	\$ 424
Diluted net income per share attributable to Aon shareholders			
Continuing operations	\$ 0.19	\$ 1.52	\$ 1.71
Discontinued operations	—	—	—
Net income	\$ 0.19	\$ 1.52	\$ 1.71
Weighted average ordinary shares outstanding - diluted			
	247.4	—	247.4
Effective Tax Rates ⁽³⁾			
Continuing Operations	165.5%		14.7%
Discontinued Operations	1.7%		63.7%

Six Months Ended June 30, 2019

	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income from continuing operations	\$ 1,285	\$ 412	\$ 1,697
Interest income	3	—	3
Interest expense	(149)	—	(149)
Other income (expense)	6	—	6
Income from continuing operations before income taxes	1,145	412	1,557
Income taxes ⁽²⁾	182	87	269
Net income from continuing operations	963	325	1,288
Net income from discontinued operations ⁽³⁾	—	—	—
Net income	963	325	1,288
Less: Net income attributable to noncontrolling interests	27	—	27
Net income attributable to Aon shareholders	\$ 936	\$ 325	\$ 1,261
Diluted net income per share attributable to Aon shareholders			
Continuing operations	\$ 3.85	\$ 1.34	\$ 5.19
Discontinued operations	—	—	—
Net income	\$ 3.85	\$ 1.34	\$ 5.19
Weighted average ordinary shares outstanding - diluted			
	243.2	—	243.2
Effective Tax Rates ⁽³⁾			
Continuing Operations	15.9%		17.3%
Discontinued Operations	58.5%		58.5%

Six Months Ended June 30, 2018

	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income from continuing operations	\$ 783	\$ 764	\$ 1,547
Interest income	5	—	5
Interest expense	(139)	—	(139)
Other income (expense) ⁽¹⁾	(18)	23	5
Income from continuing operations before income taxes	631	787	1,418
Income tax expense (benefit) ⁽²⁾	(30)	255	225
Net income from continuing operations	661	532	1,193
Net income (loss) from discontinued operations ⁽³⁾	7	(9)	(2)
Net income	668	523	1,191
Less: Net income attributable to noncontrolling interests	26	—	26
Net income attributable to Aon shareholders	\$ 642	\$ 523	\$ 1,165
Diluted net income per share attributable to Aon shareholders			
Continuing operations	\$ 2.55	\$ 2.14	\$ 4.69
Discontinued operations	0.03	(0.04)	(0.01)
Net income	\$ 2.58	\$ 2.10	\$ 4.68
Weighted average ordinary shares outstanding - diluted			
	248.8	—	248.8
Effective Tax Rates ⁽³⁾			
Continuing Operations	(4.8)%		15.9%
Discontinued Operations	14.7 %		49.3%

- (1) Adjusted Other income (expense) excludes Pension settlement charges of \$16 million for the three months ended June 30, 2018 and \$23 million for the six months ended June 30, 2018 .
- (2) Adjusted items are generally taxed at the estimated annual effective tax rate, except for the applicable tax impact associated with estimated Restructuring Plan expenses, legacy litigation, accelerated tradename amortization, impairment charges and non-cash pension settlement charges, which are adjusted at the related jurisdictional rate. In addition, tax expense excludes the tax impacts of the sale of the disposal group as well as enactment date impacts of the Tax Cuts and Jobs Act of 2017.
- (3) Adjusted income from discontinued operations, net of tax, excludes the gain on sale of discontinued operations of \$1 million for the three months ended June 30, 2018 and \$9 million for the six months ended June 30, 2018 . The effective tax rate was further adjusted for the applicable tax impact associated with the gain on sale, as applicable.

Free Cash Flow

We use free cash flow, defined as cash flow provided by operations less capital expenditures, as a non-GAAP measure of our core operating performance and cash-generating capabilities of our business operations. This supplemental information related to free cash flow represents a measure not in accordance with U.S. GAAP and should be viewed in addition to, not instead of, our Financial Statements. The use of this non-GAAP measure does not imply or represent the residual cash flow for discretionary expenditures. A reconciliation of this non-GAAP measure to the reported cash provided by operating activities is as follows (in millions):

	Six Months Ended	
	June 30, 2019	June 30, 2018
Cash Provided by Operating Activities	\$ 361	\$ 413
Capital Expenditures Used for Operations	(106)	(111)
Free Cash Flow Provided By Operations	\$ 255	\$ 302

Impact of Foreign Exchange Rate Fluctuations

Because we conduct business in more than 100 countries, foreign exchange rate fluctuations have a significant impact on our business. Foreign exchange rate movements may be significant and may distort true period-to-period comparisons of changes in revenue or pretax income. Therefore, to give financial statement users meaningful information about our operations, we have provided an illustration of the impact of foreign currency exchange rates on our financial results. The methodology used to calculate this impact isolates the impact of the change in currencies between periods by translating the prior year quarter's revenue, expenses, and net income using the current quarter's foreign exchange rates.

Translating prior year quarter results at current quarter foreign exchange rates, currency fluctuations had an unfavorable impact of \$0.03 and an unfavorable impact of \$0.15, respectively, on net income per diluted share during the three and six months ended June 30, 2019. Currency fluctuations had an unfavorable impact of \$0.02 and a favorable impact of \$0.14, respectively, on net income per diluted share during the three and six months ended June 30, 2018, when 2017 results were translated at 2018 rates.

Translating prior year quarter results at current quarter foreign exchange rates, currency fluctuations had an unfavorable impact of \$0.05 and an unfavorable impact of \$0.18, respectively on adjusted net income per diluted share during the three and six months ended June 30, 2019. Currency fluctuations had no impact and a favorable impact of \$0.19, respectively, on adjusted net income per diluted share during the three and six months ended June 30, 2018, when 2017 results were translated at 2018 rates. These translations are performed for comparative and illustrative purposes only and do not impact the accounting policies or practices for amounts included in the Financial Statements.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity

Executive Summary

We believe that our balance sheet and strong cash flow provide us with adequate liquidity. Our primary sources of liquidity are cash flows from operations, available cash reserves, and debt capacity available under our credit facilities. Our primary uses of liquidity are operating expenses, restructuring activities, capital expenditures, acquisitions, share repurchases, pension obligations, and shareholder dividends. We believe that cash flows from operations, available credit facilities and the capital markets will be sufficient to meet our liquidity needs, including principal and interest payments on debt obligations, capital expenditures, pension contributions, and anticipated working capital requirements, for the foreseeable future.

Cash on our balance sheet includes funds available for general corporate purposes, as well as amounts restricted as to their use. Funds held on behalf of clients in a fiduciary capacity are segregated and shown together with uncollected insurance premiums in Fiduciary assets in the Condensed Consolidated Statements of Financial Position, with a corresponding amount in Fiduciary liabilities.

In our capacity as an insurance broker or agent, we collect premiums from insureds and, after deducting our commission, remit the premiums to the respective insurance underwriters. We also collect claims or refunds from underwriters on behalf of insureds, which are then returned to the insureds. Unremitted insurance premiums and claims are held by us in a fiduciary capacity. In addition, some of our outsourcing agreements require us to hold funds on behalf of clients to pay obligations on their behalf. The levels of fiduciary assets and liabilities can fluctuate significantly, depending on when we collect premiums, claims, and refunds, make payments to underwriters and insureds, and collect funds from clients and make payments on their behalf, and upon the impact of foreign currency movements. Fiduciary assets, because of their nature, are generally invested in very liquid securities with highly rated, credit-worthy financial institutions. In our Condensed Consolidated Statements of Financial Position, the amounts we report for Fiduciary assets and Fiduciary liabilities are equal and offsetting. Our Fiduciary assets included cash and short-term investments of \$4.8 billion and \$3.9 billion at June 30, 2019 and December 31, 2018, respectively, and fiduciary receivables of \$7.2 billion and \$6.3 billion at June 30, 2019 and December 31, 2018, respectively. While we earn investment income on the fiduciary assets held in cash and investments, the cash and investments cannot be used for general corporate purposes.

We maintain multicurrency cash pools with third-party banks in which various Aon entities participate. Individual Aon entities are permitted to overdraw on their individual accounts provided the overall global balance does not fall below zero. At June 30, 2019, non-U.S. cash balances of one or more entities were negative; however, the overall balance was positive.

The following table summarizes our Fiduciary assets, non-fiduciary Cash and cash equivalents, and Short-term investments as of June 30, 2019 (in millions):

Asset Type	Statement of Financial Position Classification				Total
	Cash and Cash Equivalents	Short-term Investments	Fiduciary Assets		
Certificates of deposit, bank deposits or time deposits	\$ 581	\$ —	\$ 2,719	\$ 3,300	
Money market funds	—	235	2,121	2,356	
Cash and short-term investments	581	235	4,840	5,656	
Fiduciary receivables	—	—	7,231	7,231	
Total	\$ 581	\$ 235	\$ 12,071	\$ 12,887	

Cash and cash equivalents decreased \$75 million in 2019. A summary of our cash flows provided by and used for operations from operating, investing, and financing activities is as follows (in millions):

	Six Months Ended	
	June 30, 2019	June 30, 2018
Cash provided by operating activities	\$ 361	\$ 413
Cash provided (used for) investing activities	\$ (222)	\$ 179
Cash used for financing activities	\$ (232)	\$ (798)
Effect of exchange rates changes on cash and cash equivalents	\$ 18	\$ (63)

Operating Activities

Net cash provided by operating activities during the six months ended June 30, 2019 decreased \$52 million, or 13%, from the prior year period to \$361 million. This amount represents net income reported, as adjusted for gains or losses on sales of businesses, share-based compensation expense, depreciation expense, amortization and impairments, and other non-cash income and expenses, as well as changes in working capital that relate primarily to the timing of payments of accounts payable and accrued liabilities and collection of receivables.

Pension Contributions

Pension contributions were \$79 million for the six months ended June 30, 2019, as compared to \$84 million for the six months ended June 30, 2018. For the remainder of 2019, we expect to contribute approximately \$66 million in cash to our pension plans, including contributions to non-U.S. pension plans, which are subject to changes in foreign exchange rates.

Restructuring Plan

In 2017, Aon initiated the Restructuring Plan in connection with the sale of the Divested Business. The Restructuring Plan is intended to streamline operations across the organization and deliver greater efficiency, insight, and connectivity. The Company expects these restructuring activities and related expenses to affect continuing operations through the fourth quarter of 2019, including an estimated 5,000 to 5,600 total role eliminations. In the second quarter of 2019, Aon updated the Restructuring Plan for additional opportunities that were identified in the quarter, which are expected to result in an additional estimated charges of \$125 million in 2019.

The Restructuring Plan is expected to result in cumulative charges of approximately \$1,350 million through the end of the plan, consisting of approximately \$530 million in employee termination costs, \$130 million in technology rationalization costs, \$80 million in lease consolidation costs, \$45 million in non-cash asset impairments, and \$565 million in other costs, including certain separation costs associated with the sale of the Divested Business.

From the inception of the Restructuring Plan through June 30, 2019, the Company has eliminated 5,091 positions and incurred total charges of \$1,200 million for restructuring and related separation costs. These charges are included in Compensation and benefits, Information technology, Premises, Depreciation of fixed assets, and Other general expenses in the accompanying Condensed Consolidated Statements of Income.

The following summarizes restructuring and separation costs by type that have been incurred through June 30, 2019 and are estimated to be incurred through the end of the Restructuring Plan (in millions). Estimated costs by type may be revised in future periods as these assumptions are updated:

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019	Inception to Date	Estimated Remaining Costs	Estimated Total Cost ⁽¹⁾
Workforce reduction	\$ 78	\$ 102	\$ 516	\$ 14	\$ 530
Technology rationalization ⁽²⁾	4	15	95	35	130
Lease consolidation ⁽²⁾	5	14	50	30	80
Asset impairments	2	2	41	4	45
Other costs associated with restructuring and separation ^{(2) (3)}	38	85	498	67	565
Total restructuring and related expenses	\$ 127	\$ 218	\$ 1,200	\$ 150	\$ 1,350

- (1) Actual costs, when incurred, may vary due to changes in the assumptions built into the Restructuring Plan. Significant assumptions that may change when plans are finalized and implemented include, but are not limited to, changes in severance calculations, changes in the assumptions underlying sublease loss calculations due to changing market conditions, and changes in the overall analysis that might cause the Company to add or cancel component initiatives. Estimated Total Costs includes \$100 million of non-cash charges.
- (2) Total contract termination costs incurred under the Restructuring Plan associated with Technology rationalizations, Lease consolidations, and Other costs, respectively, associated with restructuring and separation were for the three months ended June 30, 2019, \$2 million, \$4 million, and \$1 million; for the six months ended June 30, 2019, were \$3 million, \$13 million, and \$3 million; and since inception of the Restructuring Plan, were \$9 million, \$46 million, and \$91 million. Total estimated contract termination costs expected to be incurred under the Restructuring Plan associated with Technology rationalizations, Lease consolidations, and Other costs associated with restructuring and separation, are \$15 million, \$80 million, and \$95 million, respectively.
- (3) Other costs associated with the Restructuring Plan include those to separate the Divested Business, as well as moving costs, and consulting and legal fees. These costs are generally recognized when incurred.

As of June 30, 2019, the changes in our liabilities for the Restructuring Plan were as follows (in millions):

	Restructuring Plan
Balance as of December 31, 2018	\$ 201
Expensed	204
Cash payments	(222)
Foreign currency translation	1
Balance as of June 30, 2019	\$ 184

Investing Activities

Cash flow used for investing activities was \$222 million during the six months ended June 30, 2019, a decrease of \$401 million compared to the prior year period. The primary drivers of cash flow used for investing activities are acquisition of businesses, purchases of short-term investments, capital expenditures, and payments for investments. The primary drivers of cash flow provided by investing activities are sales of businesses, sales of short-term investments, and proceeds from investments. The gains and losses corresponding to cash flows provided by proceeds from investments and used for payments for investments are primarily recognized in Other income (expense) in the Condensed Consolidated Statements of Income.

Short-term Investments

Short-term investments increased \$63 million as compared to December 31, 2018. As disclosed in Note 16 "Fair Value Measurements and Financial Instruments" of the Financial Statements contained in Part I, Item 1 of this report, the majority of our investments carried at fair value are money market funds. These money market funds are held throughout the world with various financial institutions. We are not aware of any market liquidity issues that would materially impact the fair value of these investments.

Acquisitions and Dispositions of Businesses

During the first six months of 2019, the Company completed the acquisition of one business for a total consideration of \$22 million and four businesses were sold for \$7 million.

During the first six months of 2018, the Company completed the acquisition of five businesses for a total consideration of \$59 million and the sale of one business for an insignificant amount.

Capital Expenditures

The Company's additions to fixed assets, including capitalized software, which amounted to \$106 million and \$111 million for the six months ended June 30, 2019 and 2018, respectively, primarily relate to computer equipment purchases, the refurbishing and modernizing of office facilities, and software development costs.

Financing Activities

Cash flow used for financing activities during the six months ended June 30, 2019 was \$232 million, a decrease of \$566 million compared to prior year period. The primary drivers of cash flow used for financing activities are share repurchases, issuances of debt, net of repayments, dividends paid to shareholders, issuances of shares for employee benefit plans, transactions with noncontrolling interests, and other financing activities, such as collection of or payments for deferred consideration in connection with prior-year business acquisitions and divestitures.

Share Repurchase Program

Aon has a share repurchase program authorized by the Company's Board of Directors. The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases, and was increased by \$5.0 billion in authorized repurchases in each of November 2014 and February 2017 for a total of \$15.0 billion in repurchase authorizations.

The following table summarizes the Company's Share Repurchase activity (in millions, except per share data):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Shares repurchased	5.8	2.8	6.4	6.7
Average price per share	\$ 183.23	\$ 141.23	\$ 181.07	\$ 141.06
Costs recorded to retained earnings:				
Total repurchase cost	\$ 1,050	\$ 400	\$ 1,150	\$ 950
Additional associated costs	6	2	7	5
Total costs recorded to retained earnings	\$ 1,056	\$ 402	\$ 1,157	\$ 955

At June 30, 2019, the remaining authorized amount for share repurchase under the Repurchase Program was \$2.8 billion. Under the Repurchase Program, we have repurchased a total of 124.6 million shares for an aggregate cost of approximately \$12.2 billion. For further information regarding share repurchases made during the second quarter of 2019, see Part II, Item 2 of this report.

Borrowings

Total debt at June 30, 2019 was \$7.6 billion, an increase of \$1.3 billion compared to December 31, 2018. Further, commercial paper activity during the six months ended June 30, 2019 and 2018 is as follows (in millions):

	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Total issuances ⁽¹⁾	\$ 1,947	\$ 1,746	\$ 2,816	\$ 2,551
Total repayments	\$ (1,533)	\$ (1,321)	(2,227)	(1,732)
Net issuances	\$ 414	\$ 425	\$ 589	\$ 819

(1) The proceeds of the commercial paper issuances were used primarily for short-term working capital needs.

On May 2, 2019, Aon Corporation issued \$750 million 3.75% Senior Notes due May 2029. The Company used the net proceeds of the offering to pay down a portion of outstanding commercial paper and for general corporate purposes.

On December 3, 2018, Aon Corporation issued \$350 million 4.50% Senior Notes due December 2028. The Company used the net proceeds of the offering to pay down a portion of outstanding commercial paper and for general corporate purposes.

On March 8, 2018, the Company's CAD 375 million (\$291 million at March 8, 2018 exchange rates) 4.76% Senior Note due March 2018 issued by a Canadian subsidiary of Aon Corporation matured and was repaid in full.

Other Liquidity Matters

Distributable Reserves

As a company incorporated in England and Wales, we are required under U.K. law to have available “distributable reserves” to make share repurchases or pay dividends to shareholders. Distributable reserves are created through the earnings of the U.K. parent company and, among other methods, through a reduction in share capital approved by the High Court of Justice in England. Distributable reserves are not linked to a U.S. GAAP reported amount (e.g., retained earnings). As of June 30, 2019 and December 31, 2018, we had distributable reserves in excess of \$2.4 billion and \$2.2 billion, respectively. On July 16, 2019, we received approval from the High Court of Justice in England to complete a reduction in share capital to create distributable reserves of \$31 billion to support the payment of possible future dividends or future share repurchases, if and to the extent declared by the directors in compliance with their duties under U.K. law. We believe that we will have sufficient distributable reserves for the foreseeable future.

Credit Facilities

We expect cash generated by operations for 2019 to be sufficient to service our debt and contractual obligations, finance capital expenditures, continue purchases of shares under the Repurchase Program, and continue to pay dividends to our shareholders. Although cash from operations is expected to be sufficient to service these activities, we have the ability to access the commercial paper markets or borrow under our credit facilities to accommodate any timing differences in cash flows. Additionally, under current market conditions, we believe that we could access capital markets to obtain debt financing for longer-term funding, if needed.

As of June 30, 2019, we had two committed credit facilities outstanding: our \$900 million multi-currency U.S. credit facility expiring in February 2022 and our \$400 million multi-currency U.S. credit facility expiring in October 2022.

Each of these facilities includes customary representations, warranties, and covenants, including financial covenants that require us to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to consolidated adjusted EBITDA, tested quarterly. At June 30, 2019, we did not have borrowings under either facility, and we were in compliance with the financial covenants and all other covenants contained therein during the rolling twelve months ended June 30, 2019.

Shelf Registration Statement

On September 25, 2018, we filed a shelf registration statement with the SEC, registering the offer and sale from time to time of an indeterminate amount of, among other securities, debt securities, preference shares, Class A Ordinary Shares and convertible securities. Our ability to access the market as a source of liquidity is dependent on investor demand, market conditions, and other factors.

Rating Agency Ratings

The major rating agencies' ratings of our debt at July 26, 2019 appear in the table below.

	Ratings		Outlook
	Senior Long-term Debt	Commercial Paper	
Standard & Poor's	A-	A-2	Stable
Moody's Investor Services	Baa2	P-2	Stable
Fitch, Inc.	BBB+	F-2	Stable

A downgrade in the credit ratings of our senior debt or commercial paper could increase our borrowing costs, reduce or eliminate our access to capital, reduce our financial flexibility, restrict our access to the commercial paper market altogether, or impact future pension contribution requirements.

Guarantees in Connection with the Sale of the Divested Business

In connection with the sale of the Divested Business, we guaranteed future operating lease commitments related to certain facilities assumed by the Buyer. We are obligated to perform under the guarantees if the Divested Business defaults on the leases at any time during the remainder of the lease agreements, which expire on various dates through 2024. As of June 30, 2019, the undiscounted maximum potential future payments under the lease guarantee were \$77 million, with an estimated fair value of \$15 million. No cash payments were made in connection to the lease commitments during the three and six months ended June 30, 2019.

Additionally, we are subject to performance guarantee requirements under certain client arrangements that were assumed by the Buyer. Should the Divested Business fail to perform as required by the terms of the arrangements, we would be required to fulfill the remaining contract terms, which expire on various dates through 2023. As of June 30, 2019, the undiscounted maximum potential future payments under the performance guarantees were \$170 million, with an estimated fair value of \$1 million. No cash payments were made in connection to the performance guarantees during the three and six months ended June 30, 2019.

Letters of Credit and Other Guarantees

We have entered into a number of arrangements whereby our performance on certain obligations is guaranteed by a third party through the issuance of a letter of credit. We had total LOCs outstanding of approximately \$74 million at June 30, 2019, compared to \$83 million at December 31, 2018. These LOCs cover the beneficiaries related to certain of our U.S. and Canadian non-qualified pension plan schemes and secure deductible retentions for our own workers compensation program. We also have obtained LOCs to cover contingent payments for taxes and other business obligations to third parties, and other guarantees for miscellaneous purposes at our international subsidiaries.

We have certain contractual contingent guarantees for premium payments owed by clients to certain insurance companies. The maximum exposure with respect to such contractual contingent guarantees was approximately \$102 million at June 30, 2019, compared to \$103 million at December 31, 2018.

Off-Balance Sheet Arrangements

Apart from commitments, guarantees, and contingencies, as disclosed herein and Note 17 “Claims, Lawsuits, and Other Contingencies” to the Financial Statements contained in Part I, Item 1 of this report, the Company had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company’s financial condition, results of operations, or liquidity. Our cash flows from operations, borrowing availability, and overall liquidity are subject to risks and uncertainties. See “Information Concerning Forward-Looking Statements” below.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no changes in our critical accounting policies, which include revenue recognition, pensions, goodwill and other intangible assets, contingencies, share-based payments, and income taxes, as discussed in our Annual Report on Form 10-K for the year ended December 31, 2018 (our “2018 Annual Report on Form 10-K”) other than those described below.

Lease consolidation costs

Where we have provided notice of cancellation pursuant to a lease agreement, we remove the associated right-of-use asset and the related lease liability, including any additional termination penalties incurred that were not previously included within the liability. To the extent that the associated right-of-use assets and lease liabilities are removed, a corresponding loss is recorded.

For properties where we plan to permanently cease use of a space and have the intent and ability to sublease the property, we will test the right-of-use asset for impairment to determine if a loss has occurred. The test for impairment will adjust the book value of the asset based on the net present value of the future cash flows expected from a sublease agreement using current market quotes for similar properties. When we finalize definitive agreements with the sublessee, we may record an additional impairment to reflect actual outcomes.

For properties where we plan to permanently cease use of a space and have no intention of reoccupying or subleasing the property, the amortization related to the right-of-use asset will be accelerated and recognized on a straight-line basis from the date that we commit to a plan to abandon the space through the date we permanently exit the property.

Additionally, a loss will also be recognized for lease related costs that are not reflected within the lease liability, such as operating expenses, taxes, and insurance that we are obligated to pay to the landlord after we have permanently exited the property.

NEW ACCOUNTING PRONOUNCEMENTS

Note 2 “Accounting Principles and Practices” to the Financial Statements contained in Part I, Item 1 of this report contains a discussion of recently issued accounting pronouncements and their impact or future potential impact on our financial results, if determinable.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This report and reports we will subsequently file or furnish and have previously filed or furnished with the SEC contains certain statements related to future results, or states our intentions, beliefs and expectations or predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent management's expectations or forecasts of future events. Forward-looking statements are typically identified by words such as "anticipate," "believe," "estimate," "expect," "forecast," "project," "intend," "plan," "probably," "potential," "looking forward," "continue," and other similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will," and "would." You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. For example, we may use forward-looking statements when addressing topics such as: market and industry conditions, including competitive and pricing trends; changes in our business strategies and methods of generating revenue; the development and performance of our services and products; changes in the composition or level of our revenues; our cost structure and the outcome of cost-saving or restructuring initiatives; the outcome of contingencies; dividend policy; the expected impact of acquisitions and dispositions; pension obligations; cash flow and liquidity; expected effective tax rate; future actions by regulators; and the impact of changes in accounting rules. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. Potential factors, which may be revised or supplemented in subsequent reports filed or furnished with the SEC, that could impact results include:

- general economic and political conditions in the countries in which we do business around the world, including the U.K.'s expected withdrawal from the European Union;
- changes in the competitive environment or damage to our reputation;
- fluctuations in exchange and interest rates that could influence revenues and expenses;
- changes in global equity and fixed income markets that could affect the return on invested assets;
- changes in the funding status of our various defined benefit pension plans and the impact of any increased pension funding resulting from those changes;
- the level of our debt limiting financial flexibility or increasing borrowing costs;
- rating agency actions that could affect our ability to borrow funds;
- volatility in our tax rate due to a variety of different factors including U.S. federal income tax reform;
- changes in estimates or assumptions on our financial statements;
- limits on our subsidiaries to make dividend and other payments to us;
- the impact of lawsuits and other contingent liabilities and loss contingencies arising from errors and omissions and other claims against us;
- the impact of, and potential challenges in complying with, legislation and regulation in the jurisdictions in which we operate, particularly given the global scope of our businesses and the possibility of conflicting regulatory requirements across jurisdictions in which we do business;
- the impact of any investigations brought by regulatory authorities in the U.S., U.K., and other countries;
- the impact of any inquiries relating to compliance with the U.S. Foreign Corrupt Practices Act and non-U.S. anti-corruption laws and with U.S. and non-U.S. trade sanctions regimes;
- failure to protect intellectual property rights or allegations that we infringe on the intellectual property rights of others;
- the effects of English law on our operating flexibility and the enforcement of judgments against us;
- the failure to retain and attract qualified personnel;
- international risks associated with our global operations;
- the effect of natural or man-made disasters;
- the potential of a system or network breach or disruption resulting in operational interruption or improper disclosure of personal data;

- our ability to develop and implement new technology;
- damage to our reputation among clients, markets or third parties;
- the actions taken by third parties that perform aspects of our business operations and client services;
- the extent to which we manage certain risks created in connection with the various services, including fiduciary and investment consulting and other advisory services, among others, that we currently provide, or will provide in the future, to clients;
- our ability to continue, and the costs and risks associated with, growing, developing and integrating companies that we acquire or new lines of business;
- changes in commercial property and casualty markets, commercial premium rates or methods of compensation;
- changes in the health care system or our relationships with insurance carriers;
- our ability to implement initiatives intended to yield cost savings and the ability to achieve those cost savings;
- our risks and uncertainties in connection with the sale of the Divested Business; and
- our ability to realize the expected benefits from our restructuring plan.

Any or all of our forward-looking statements may turn out to be inaccurate, and there are no guarantees about our performance. The factors identified above are not exhaustive. Aon and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, readers should not place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statement that we may make from time to time, whether as a result of new information, future events or otherwise. Further information about factors that could materially affect Aon, including our results of operations and financial condition, is contained in Part III, Item 1A Risk Factors of this report and in the “Risk Factors” section in Part I, “Item 1A Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2018 . These factors may be revised or supplemented in subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to potential fluctuations in earnings, cash flows and the fair value of certain of our assets and liabilities due to changes in interest rates and foreign exchange rates. To manage the risk from these exposures, we enter into a variety of derivative instruments. We do not enter into derivatives or financial instruments for trading or speculative purposes.

The following discussion describes our specific exposures and the strategies we use to manage these risks. There have been no changes in our critical accounting policies for financial instruments and derivatives as discussed in our 2018 Annual Report on Form 10-K.

Foreign Exchange Risk

We are subject to foreign exchange rate risk. Our primary exposures include exchange rates between the U.S. dollar and the euro, the British pound, the Canadian dollar, the Australian dollar, the Indian rupee, and the Japanese yen. We use over-the-counter options and forward contracts to reduce the impact of foreign currency risk to our financial statements.

Additionally, some of our non-U.S. brokerage subsidiaries receive revenue in currencies that differ from their functional currencies. Our U.K. subsidiaries earn a portion of their revenue in U.S. dollars, euro, and Japanese yen, but most of their expenses are incurred in British pounds. At June 30, 2019 , we have hedged approximately 45% of our U.K. subsidiaries’ expected exposures to U.S. dollar, euro, and Japanese yen transactions for the years ending December 31, 2019 and 2020 , respectively. We generally do not hedge exposures beyond three years.

We also use forward and option contracts to economically hedge foreign exchange risk associated with monetary balance sheet exposures, such as inter-company notes and short-term assets and liabilities that are denominated in a non-functional currency and are subject to remeasurement.

The translated value of revenues and expenses from our international brokerage operations are subject to fluctuations in foreign exchange rates. If we were to translate prior year results at current quarter exchange rates, diluted earnings per share would have an unfavorable \$0.03 impact and an unfavorable \$0.15 impact, respectively, during the three and six months ended June 30, 2019 . Further, adjusted diluted earnings per share, a non-GAAP measure as defined and reconciled under the caption “Review of Consolidated Results — Adjusted Diluted Earnings Per Share,” would have an unfavorable \$0.05 impact and an unfavorable \$0.18

impact, respectively, during the three and six months ended June 30, 2019 if we were to translate prior year results at current quarter exchange rates.

Interest Rate Risk

Our fiduciary investment income is affected by changes in international and domestic short-term interest rates. We monitor our net exposure to short-term interest rates and, as appropriate, hedge our exposure with various derivative financial instruments. This activity primarily relates to brokerage funds held on behalf of clients in the U.S. and in continental Europe. A decrease in global short-term interest rates adversely affects our fiduciary investment income.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. We have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this quarterly report of June 30, 2019. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective such that the information relating to Aon, including our consolidated subsidiaries, required to be disclosed in our SEC reports is recorded, processed, summarized and reported within the time periods specified in appropriate statute, SEC rules and forms, and is accumulated and communicated to Aon’s management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting. No changes in Aon’s internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during the quarter ended June 30, 2019 that have materially affected, or that are reasonably likely to materially affect, Aon’s internal control over financial reporting.

Part II Other Information

Item 1. Legal Proceedings

See Note 17 “Claims, Lawsuits, and Other Contingencies” to the Financial Statements contained in Part I, Item 1 of this report, which is incorporated by reference herein.

Item 1A. Risk Factors

The risk factors set forth in Part I, “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2018 reflect certain risks associated with existing and potential lines of business and contain “forward-looking statements” as discussed in Part I, Item 2 of this report. Readers should consider them in addition to the other information contained in this report as our business, financial condition or results of operations could be adversely affected if any of these risks actually occur.

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

Issuer Purchases of Equity Securities.

The following information relates to the purchase of equity securities by Aon or any affiliated purchaser during each month within the second quarter of 2019 :

Period	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾⁽²⁾
4/1/19 - 4/30/19	352,308	\$ 172.82	352,308	\$ 3,812,638,339
5/1/19 - 5/31/19	2,908,935	\$ 178.97	2,908,935	\$ 3,292,040,277
6/1/19 - 6/30/19	2,469,273	\$ 189.74	2,469,273	\$ 2,823,525,949
	<u>5,730,516</u>	\$ 183.23	<u>5,730,516</u>	\$ 2,823,525,949

(1) Does not include commissions or other costs paid to repurchase shares.

(2) The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases, and was increased by \$5.0 billion in authorized repurchases in each of November 2014 and February 2017 for a total of \$15.0 billion in repurchase authorizations.

We did not make any unregistered sales of equity in the second quarter of 2019 .

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits

Exhibits — The exhibits filed with this report are listed on the attached Exhibit Index.

Signature

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

Aon plc
(Registrant)

July 26, 2019

By: /s/ Michael Neller
Michael Neller
SENIOR VICE PRESIDENT AND
GLOBAL CONTROLLER
(Principal Accounting Officer and duly authorized officer of Registrant)

Exhibit Index

Exhibit Number	Description of Exhibit
3.1	Articles of Association of Aon plc
10.1#	Aon plc 2011 Incentive Plan, as amended and restated effective March 29, 2019.
10.2#	Aon plc Senior Executive Combined Severance and Change in Control Plan, as amended and restated effective June 21, 2019.
31.1	Certification of CEO.
31.2	Certification of CFO.
32.1	Certification of CEO Pursuant to section 1350 of Title 18 of the United States Code.
32.2	Certification of CFO Pursuant to section 1350 of Title 18 of the United States Code.
101	Interactive Data Files. The following materials are filed electronically with this Quarterly Report on Form 10-Q: 101.SCH XBRL Taxonomy Extension Schema Document 101.CAL XBRL Taxonomy Calculation Linkbase Document 101.DEF XBRL Taxonomy Definition Linkbase Document 101.PRE XBRL Taxonomy Presentation Linkbase Document 101.LAB XBRL Taxonomy Calculation Linkbase Document

Indicates a management contract or compensatory plan or arrangement.

CERTIFICATIONS

I, Gregory C. Case, the Chief Executive Officer of Aon plc, certify that:

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

Date: July 26, 2019

/s/ GREGORY C. CASE

Gregory C. Case
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Christa Davies, the Chief Financial Officer of Aon plc, certify that:

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

Date: July 26, 2019

/s/ CHRISTA DAVIES

Christa Davies
Chief Financial Officer

**Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code**

I, Gregory C. Case, the Chief Executive Officer of Aon plc (the “*Company*”), certify that (i) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2019 (the “*Report*”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GREGORY C. CASE

Gregory C. Case
Chief Executive Officer
July 26, 2019

**Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code**

I, Christa Davies, the Chief Financial Officer of Aon plc (the “*Company*”), certify that (i) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2019 (the “*Report*”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ CHRISTA DAVIES

Christa Davies
Chief Financial Officer
July 26, 2019

COMPANIES ACT 2006

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

Aon plc

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COMPANIES ACT 2006

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

Aon plc

(adopted by special resolution passed on 29 March 2012)

PRELIMINARY

Relevant model articles

1. The regulations in the relevant model articles shall not apply to the Company.

Definitions

2. In these Articles, except where the subject or context otherwise requires:

Act means the Companies Act 2006 including any modification or re-enactment of it for the time being in force;

Articles means these articles of association as altered from time to time by special resolution;

auditors means the auditors of the Company;

the board means the directors or any of them acting as the board of directors of the Company;

certificated share means a share in the capital of the Company which is held in physical certificated form and references in these Articles to a share being held in *certificated form* shall be construed accordingly;

Class A Ordinary Shares has the meaning given to it in Article 6;

Class B Ordinary Shares has the meaning given to it in Article 6;

Class C Ordinary Shares has the meaning given to it in Article 6;

Class D Ordinary Shares has the meaning given to it in Article 6 ;

clear days in relation to the sending of a notice means the period excluding the day on which a notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

Depository means any depository, custodian or nominee approved by the board that holds legal title to shares in the capital of the Company for the purposes of facilitating beneficial ownership of such shares by other individuals;

director means a director of the Company;

dividend means dividend or bonus;

entitled by transmission means, in relation to a share in the capital of the Company, entitled as a consequence of the death or bankruptcy of the holder or otherwise by operation of law;

holder in relation to a share in the capital of the Company means the member whose name is entered in the register as the holder of that share;

member means a member of the Company;

office means the registered office of the Company;

paid means paid or credited as paid;

Preference Shares has the meaning given to it in Article 6;

register means the register of members of the Company;

seal means the common seal of the Company and includes any official seal kept by the Company by virtue of section 49 or 50 of the Act;

secretary means the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;

uncertificated share means a share in the capital of the Company which is not held in physical certificated form and references in these Articles to a share being held in **uncertificated form** shall be construed accordingly; and

United Kingdom means Great Britain and Northern Ireland.

Construction

3. References to a document or information being **sent, supplied or given** to or by a person mean such document or information, or a copy of such document or information, being sent, supplied, given, delivered, issued or made available to or by, or served on or by, or deposited with or by that person by any method authorised by these Articles, and **sending, supplying** and **giving** shall be construed accordingly.

References to **writing** mean the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether in electronic form or otherwise, and **written** shall be construed accordingly.

Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.

Words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Act have the same meaning as in the Act (but excluding any modification of the Act not in force at the date these Articles took effect) unless inconsistent with the subject or context.

Subject to the preceding two paragraphs, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.

Headings and marginal notes are inserted for convenience only and do not affect the construction of these Articles.

In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them; (b) the word **board** in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director, any other officer of the Company and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

SHARE CAPITAL AND LIMITED LIABILITY

Limited liability

4. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

Shares with special rights

5. Subject to the provisions of the Companies Acts and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the board shall determine.

Classes of share

6. Subject to Article 5, and without limitation, the Company may issue the following shares in the capital of the Company with rights attaching to them and denominated, in each case, as follows:

(a) **Class A Ordinary Shares** : Class A ordinary shares (the **Class A Ordinary Shares**) shall be denominated in US Dollars with a nominal value of US\$0.01 each. Class A Ordinary Shares shall be issued with voting rights attached to them and each Class A Ordinary Share shall rank equally with all other ordinary shares in the capital of the Company that have voting rights for voting purposes. Each Class A Ordinary Share shall rank equally with all other ordinary shares in the capital of the Company for any dividend declared. Each Class A Ordinary Share shall rank equally with all other ordinary shares

in the capital of the Company for any distribution made on a winding up of the Company. Class A Ordinary Shares may be issued as redeemable shares, at the option of the board.

- (b) **Class B Ordinary Shares** : Class B ordinary shares (the *Class B Ordinary Shares*) shall be denominated in British Pounds Sterling with a nominal value of GBP£0.10 each (or such other nominal value as determined by the board). Class B Ordinary Shares may be issued with or without voting rights attached to them and, if with voting rights, each Class B Ordinary Share shall rank equally with all other ordinary shares in the capital of the Company that have voting rights for voting purposes. Each Class B Ordinary Share shall rank equally with all other ordinary shares in the capital of the Company for any dividend declared. Each Class B Ordinary Share shall rank equally with all other ordinary shares in the capital of the Company for any distribution made on a winding up. Class B Ordinary Shares may not be issued as redeemable shares.
- (c) **Class C Ordinary Shares** : Class C ordinary shares (the *Class C Ordinary Shares*) shall be denominated in US Dollars with a nominal value of US\$0.01 each. Class C Ordinary Shares shall be issued without voting rights attached to them. Each Class C Ordinary Share shall rank equally with all other ordinary shares in the capital of the Company for any dividend declared. Each Class C Ordinary Share shall rank equally with all other ordinary shares in the capital of the Company for any distribution made on a winding up. Class C Ordinary Shares may be issued as redeemable shares, at the option of the board.
- (d) **Preference Shares** : Preference shares (the *Preference Shares*) shall be denominated in US Dollars with a nominal value to be determined by the board. Preference Shares may be issued in one or more classes or series with or without voting rights attached to them, with the board to determine the existence of such voting rights and, if any, the ranking of such voting rights in relation to the other shares in the capital of the Company. The board may determine any other terms and conditions of the Preference Shares, including with regards to their rights: (i) to receive dividends (which may include, without limitation, the right to receive preferential or cumulative dividends); (ii) to distributions made by the Company on a winding up; and (iii) to be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of shares, at such prices or prices or at such rates of exchange and with such adjustments as may be determined by the board. Preference Shares may be issued as redeemable shares, at the option of the board.
- (e) **Class D Ordinary Shares** : Class D ordinary shares (the *Class D Ordinary Shares*) shall be denominated in US Dollars each with a nominal value to be determined by the board. The Class D Shares shall be issued without voting rights attached to them, and shall not count towards the nominal value threshold outlined in the first sentence of Article 115. Without prejudice to the rights of all other ordinary shares in the capital of the Company, the Class D Shares shall have no right to receive dividends. The Class D Ordinary Shares shall, in respect of a distribution made on a winding up, entitle its holders to receive the nominal value of each Class D Ordinary Shares, but only after the holders of all other ordinary shares in the capital of the Company shall have received the amount paid up or credited as paid on such shares. The Class D Ordinary Shares shall not entitle its holders to any further participation in the assets or profits in the Company. The Class D Ordinary Shares may not be issued as redeemable shares and are not redeemable. A reduction by the Company of the capital paid up or credited as paid up on the Class D Ordinary Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the Class D Ordinary Shares and will not involve any variation

of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holder(s) of such Class D Ordinary Shares to reduce its capital (in accordance with the Act) by cancelling the Class D Ordinary Shares.

Share warrants to bearer

7. The board may issue share warrants to bearer in respect of any fully paid shares under a seal of the Company or in any other manner authorised by the board. Any share while represented by such a warrant shall be transferable by delivery of the warrant relating to it. In any case in which a warrant is so issued, the board may provide for the payment of dividends or other moneys on the shares represented by the warrant by coupons or otherwise. The board may decide, either generally or in any particular case or cases, that any signature on a warrant may be applied by electronic or mechanical means or printed on it or that the warrant need not be signed by any person.

Conditions of issue of share warrants

8. The board may determine, and from time to time vary, the conditions on which share warrants to bearer shall be issued and, in particular, the conditions on which:

- (a) a new warrant or coupon shall be issued in place of one worn-out, defaced, lost or destroyed (but no new warrant shall be issued unless the Company is satisfied beyond reasonable doubt that the original has been destroyed);
- (b) the bearer shall be entitled to attend and vote at general meetings; or
- (c) a warrant may be surrendered and the name of the bearer entered in the register in respect of the shares specified in the warrant.

The bearer of such a warrant shall be subject to the conditions for the time being in force in relation to the warrant, whether made before or after the issue of the warrant. Subject to those conditions and to the provisions of the Companies Acts, the bearer shall be deemed to be a member of the Company and shall have the same rights and privileges as he would have if his name had been included in the register as the holder of the shares comprised in the warrant.

No right in relation to share

9. The Company shall not be bound by or be compelled in any way to recognise any right in respect of the share represented by a share warrant other than the bearer's absolute right to the warrant.

Uncertificated shares

10. The board may permit the holding of shares in any class of shares in uncertificated form.

Not separate class of shares

11. Shares in the capital of the Company that fall within a certain class shall not form a separate class of shares from other shares in that class because any share in that class is held in uncertificated form.

Exercise of Company's entitlements in respect of uncertificated share

12. Where the Company is entitled under any provision of the Companies Acts or these Articles to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of, or

otherwise enforce a lien over, a share held in uncertificated form, the Company shall be entitled, subject to the provisions of the Companies Acts and these Articles:

- (a) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company; and
- (b) to take any action that the board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share, or otherwise to enforce a lien in respect of that share.

Section 551 authority

13. The board has general and unconditional authority to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount equal to the section 551 amount, for each prescribed period.

Section 561 disapplication

14. The board is empowered for each prescribed period to allot equity securities for cash pursuant to the authority conferred by Article 13 as if section 561 of the Act did not apply to any such allotment, provided that its power shall be limited to the allotment of equity securities up to an aggregate nominal amount equal to the section 561 amount.

This Article applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in this Article the words “pursuant to the authority conferred by Article 13” were omitted.

Allotment after expiry

15. The Company may make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after an authority given pursuant to Article 13 or a power given pursuant to Article 14 has expired. The board may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of that offer or agreement as if the authority or power pursuant to which that offer or agreement was made had not expired.

Definitions

16. In this Article 16 and Articles 13, 14 and 15:

prescribed period means any period for which the authority conferred by Article 13 is given by ordinary or special resolution stating the section 551 amount and/or the power conferred by Article 14 is given by special resolution stating the section 561 amount;

section 551 amount means, for any prescribed period, the amount stated as such in the relevant ordinary or special resolution; and

section 561 amount means, for any prescribed period, the amount stated as such in the relevant special resolution.

Allotment powers – section 551 authority

17. The directors shall be generally and unconditionally authorised pursuant to section 551 of the Act to:

- (a) allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company, up to:
 - (i) 415,000,000 shares in respect of Class A Ordinary Shares for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the date which is five years from the date of the adoption of these Articles by the Company;
 - (ii) one (1) share in respect of Class C Ordinary Shares for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the date which is five years from the date of the adoption of these Articles by the Company; and
 - (iii) 25,000,000 shares in respect of Preference Shares for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the date which is five years from the date of the adoption of these Articles by the Company; and
- (b) make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of the authority described in this Article 17 and the directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

Allotment powers – section 561 authority

18. The directors shall be generally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in the Act) for cash, pursuant to the authorities conferred by Article 17 of these Articles as if section 561(1) of the Act did not apply to the allotment. This power:

- (a) expires (unless previously renewed, varied or revoked by the Company in general meeting) on the date which is five years from the date of the adoption of these Articles by the Company, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired ; and
- (b) shall be limited to the allotment of equity securities up to:
 - (i) 415,000,000 shares in respect of Class A Ordinary Shares;
 - (ii) one (1) share in respect of Class C Ordinary Shares; and
 - (iii) 25,000,000 shares in respect of Preference Shares.

This Article applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of the words “pursuant to the authorities conferred by Article 17” were omitted.

Residual allotment powers

19. Subject to the provisions of the Companies Acts relating to authority, pre-emption rights or otherwise and of any resolution of the Company in general meeting passed pursuant to those provisions, and, in the case of redeemable shares, the provisions of Article 20:

- (a) all shares for the time being in the capital of the Company shall be at the disposal of the board; and
- (b) the board may reclassify, allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of them to such persons on such terms and conditions and at such times as it thinks fit.

Redeemable shares

20. Subject to the provisions of the Companies Acts, and without prejudice to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder. The board may determine the terms, conditions and manner of redemption of shares provided that it does so before the shares are allotted.

Commissions

21. The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Companies Acts. Subject to the provisions of the Companies Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

Trusts not recognised

22. Except as required by law, the Company shall recognise no person as holding any share on any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise any interest in any share (or in any fractional part of a share) except the holder's absolute right to the entirety of the share (or fractional part of the share).

POWERS OF ALLOTMENT

Circumstances where board may allot shares

23. The purposes for which the board shall be able to exercise any power of the Company to allot shares in the capital of the Company shall include (without limitation) the raising of capital and shall also include (without limitation) where the Company does not require capital but where, in the opinion of the majority of the board members present at a duly convened board meeting, acting in good faith and on such grounds as the board shall genuinely consider reasonable, the purpose(s) for which the board in exercising the power of the Company to allot shares in the Company would be to improve the likelihood that:

- (a) the use of abusive tactics by any person in connection with any potential acquisition or change of Control of the Company would be prevented;
- (b) any potential acquisition or change of Control of the Company which would be unlikely to treat all members of the Company equally and fairly and in a similar manner would be prevented;
- (c) any potential acquisition or change of Control of the Company at a price which would undervalue the Company or its shares would be prevented; and/or

- (d) any potential acquisition or change of Control of the Company which would be likely to harm the prospects of the success of the Company for the benefit of its members as a whole, having had regard to the matters in section 172 of the Act, will be prevented.

For the purposes of this Article 23 a person shall be deemed to have control (*Control*) of the Company if he, either alone or with any group of affiliated or associated persons, exercises, or is able to exercise or is entitled to acquire, the direct or indirect power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities, by contract or otherwise, and in particular, but without prejudice to the generality of the preceding words, if he, either alone or with any group of affiliated or associated persons, possesses or is entitled to acquire:

- (e) beneficial ownership of 20 per cent or more of the voting rights attributable to the capital of the Company which are exercisable at a general meeting; or
- (f) such percentage of the issued share capital of the Company as would, if the whole of the income or assets of the Company were in fact distributed among the members (without regard to any rights which he or any other person has as a loan creditor), entitle him to receive 20 per cent or more of the income or assets so distributed; or
- (g) such rights as would, in the event of the winding-up of the Company or in any other circumstances, entitle him to receive 20 per cent or more of the assets of the Company which would then be available for distribution among the members.

For the purposes of this Article 23, *person* shall include any individual, firm, body corporate, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality and *group of affiliated or associated persons* shall have the meaning given to such terms under the United States federal securities laws, including the Securities Exchange Act of 1934, as amended from time to time.

For the purposes of this Article 23, a person shall be treated as entitled to acquire anything which he is entitled to acquire at a future date, or will at a future date be entitled to acquire, irrespective of whether such future acquisition is contingent upon satisfaction of any conditions precedent.

For the purposes of this Article 23, there shall be attributed to any person any rights or powers of a nominee for him, that is to say, any rights or powers which another person possesses on his behalf or may be required to exercise on his direction or behalf.

For the purposes of this Article 23, *beneficial ownership* of any person or group of affiliated or associated persons shall have the meaning given to such term under the United States federal securities laws, including the Securities Exchange Act of 1934 (the *Exchange Act*), as amended from time to time.

VARIATION OF RIGHTS

Method of varying rights

24. Subject to the provisions of the Companies Acts, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of allotment of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either:

- (a) with the written consent of the holders of three-quarters in nominal value of the issued shares of the class, which consent shall be in hard copy form or in electronic form sent to such address (if any) for the time being specified by or on behalf of the Company for that purpose, or in default of such specification to the office, and may consist of several documents, each executed or authenticated in such manner as the board may approve by or on behalf of one or more holders, or a combination of both; or
- (b) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class, but not otherwise.

When rights deemed to be varied

25. For the purposes of Article 24, if at any time the capital of the Company is divided into different classes of shares, unless otherwise expressly provided by the rights attached to any share or class of shares, those rights shall be deemed to be varied by:

- (a) the reduction of the capital paid up on that share or class of shares otherwise than by a purchase or redemption by the Company of its own shares; and
- (b) the allotment of another share ranking in priority for payment of a dividend or in respect of capital or which confers on its holder voting rights more favourable than those conferred by that share or class of shares,

but shall not be deemed to be varied by the creation or issue of another share ranking equally with, or subsequent to, that share or class of shares or by the purchase or redemption by the Company of its own shares.

SHARE CERTIFICATES

Members' rights to certificates

26. Every member, on becoming the holder of a share shall be entitled, without payment, to one certificate for all the shares of each class held by him (and, on transferring a part of his holding of shares of any class, to a certificate for the balance of his holding of shares). He may elect to receive one or more additional certificates for any of his shares if he pays a reasonable sum determined from time to time by the board for every certificate after the first. Every certificate shall:

- (a) be executed under the seal or otherwise in accordance with Article 168 or in such other manner as the board may approve; and
- (b) specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares.

The Company shall not be bound to issue more than one certificate for shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them. Shares of different classes may not be included in the same certificate.

Replacement certificates

27. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional out-of-pocket

expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of indemnity as the board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

LIEN

Company to have lien on shares

28. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The board may at any time (generally or in a particular case) waive any lien or declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount (including without limitation dividends) payable in respect of it.

Enforcement of lien by sale

29. The Company may sell, in such manner as the board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share, or to the person entitled to it by transmission, demanding payment and stating that if the notice is not complied with the share may be sold.

Giving effect to sale

30. To give effect to that sale the board may authorise any person to execute an instrument of transfer in respect of the share sold to, or in accordance with the directions of, the buyer. If the share is an uncertificated share, the board may exercise any of the powers of the Company under Article 12 to effect the sale of the share. The buyer shall not be bound to see to the application of the purchase money and his title to the share shall not be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

Application of proceeds

31. The net proceeds of the sale, after payment of the costs, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is presently payable. Any residue shall (if the share sold is a certificated share, on surrender to the Company for cancellation of the certificate in respect of the share sold and, whether the share sold is a certificated share or an uncertificated share, subject to a like lien for any moneys not presently payable as existed on the share before the sale) be paid to the person entitled to the share at the date of the sale.

CALLS ON SHARES

Power to make calls

32. Subject to the terms of allotment, the board may from time to time make calls on the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium). Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company the amount called on his shares as required by the notice. A call may be required to be paid by instalments. A call may be revoked in whole or part and the time fixed for payment of a call may be postponed in whole or part as the board may determine. A person on whom a call is made shall remain liable for calls made on him even if the shares in respect of which the call was made are subsequently transferred.

Time when call made

33. A call shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.

Liability of joint holders

34. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.

Interest payable

35. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, the rate determined by the board, not exceeding 15 per cent. per annum, or, if higher, the appropriate rate (as defined in the Act), but the board may in respect of any individual member waive payment of such interest wholly or in part.

Deemed calls

36. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and notified and payable on the date so fixed or in accordance with the terms of the allotment. If it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

Differentiation on calls

37. Subject to the terms of allotment, the board may make arrangements on the issue of shares for a difference between the allottees or holders in the amounts and times of payment of calls on their shares.

Payment of calls in advance

38. The board may, if it thinks fit, receive from any member all or any part of the moneys uncalled and unpaid on any share held by him. Such payment in advance of calls shall extinguish the liability on the share in respect of which it is made to the extent of the payment. The Company may pay on all or any of the moneys so advanced (until they would but for such advance become presently payable) interest at such rate agreed between the board and the member not exceeding (unless the Company by ordinary resolution otherwise directs) 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Act).

FORFEITURE AND SURRENDER

Notice requiring payment of call

39. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

Forfeiture for non-compliance

40. If that notice is not complied with, any share in respect of which it was sent may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the board. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited share which have not been paid before the forfeiture. When a share has been forfeited, notice of the forfeiture shall be sent to the person who was the holder of the share before the forfeiture. An entry shall be made promptly in the register opposite the entry of the share showing that notice has been sent, that the share has been forfeited and the date of forfeiture. No forfeiture shall be invalidated by the omission or neglect to send that notice or to make those entries.

Sale of forfeited shares

41. Subject to the provisions of the Companies Acts, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the board determines, either to the person who was the holder before the forfeiture or to any other person. At any time before sale, re-allotment or other disposal, the forfeiture may be cancelled on such terms as the board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the board may authorise any person to execute an instrument of transfer of the share to that person. Where for the purposes of its disposal a forfeited share held in uncertificated form is to be transferred to any person, the board may exercise any of the powers of the Company under Article 12. The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share.

Liability following forfeiture

42. A person shall cease to be a member in respect of any share which has been forfeited and shall, if the share is held in certificated form, surrender the certificate for any forfeited share to the Company for cancellation. The person shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of that share with interest on that amount at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the rate determined by the board, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Act), from the date of forfeiture until payment. The board may waive payment wholly or in part or enforce payment without any allowance for the value of the share at the time of forfeiture or for any consideration received on its disposal.

Surrender

43. The board may accept the surrender of any share which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

Extinction of rights

44. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only those rights and liabilities expressly saved by these Articles, or as are given or imposed in the case of past members by the Companies Acts.

Evidence of forfeiture or surrender

45. A statutory declaration by a director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against

all persons claiming to be entitled to the share. The declaration shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share. The person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, and his title to the share shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

Form and execution of transfer of share

46. Without prejudice to any power of the Company to register as shareholder a person to whom the right to any share has been transmitted by operation of law, the instrument of transfer may be in any usual form or in any other form which the board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

Transfers of partly paid shares

47. The board may, in its absolute discretion, refuse to register the transfer of a share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis.

Invalid transfers of shares

48. The board may also refuse to register the transfer of a share:

- (a) unless the instrument of transfer:
 - (i) is lodged, duly stamped (if stampable), at the office or at another place appointed by the board accompanied by the certificate for the share to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer;
 - (ii) is in respect of only one class of shares; or
 - (iii) is in favour of not more than four transferees;
- (b) if it is with respect to a share on which the Company has a lien and a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share in accordance with Article 29; or
- (c) if it is a certificated share and is not presented for registration together with the share certificate and such evidence of title as the Company reasonably requires.

Notice of refusal to register

49. If the board refuses to register a transfer of a share, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company, together with reasons for the refusal.

No fee payable on registration

50. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Retention of transfers

51. The Company shall be entitled to retain an instrument of transfer which is registered, but an instrument of transfer which the board refuses to register shall be returned to the person lodging it when notice of the refusal is sent.

TRANSMISSION OF SHARES**Transmission**

52. If a member dies, the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest. Nothing in these Articles shall release the estate of a deceased member (whether a sole or joint holder) from any liability in respect of any share held by him.

Elections permitted

53. A person becoming entitled by transmission to a share may, on production of any evidence as to his entitlement properly required by the board, elect either to become the holder of the share or to have another person nominated by him registered as the transferee. If he elects to become the holder he shall send notice to the Company to that effect. If he elects to have another person registered and the share is a certificated share, he shall execute an instrument of transfer of the share to that person. If he elects to have himself or another person registered and the share is an uncertificated share, he shall take any action the board may require (including without limitation the execution of any document) to enable himself or that person to be registered as the holder of the share. All the provisions of these Articles relating to the transfer of shares apply to that notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission had not occurred.

Elections required

54. The board may at any time send a notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days, the board may after the expiry of that period withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Rights of persons entitled by transmission

55. A person becoming entitled by transmission to a share shall, on production of any evidence as to his entitlement properly required by the board and subject to the requirements of Article 53, have the same rights in relation to the share as he would have had if he were the holder of the share, subject to Article 178. That person may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the holder of the share, be entitled in respect of it to receive notice of, or to attend or vote at, any meeting of the Company or to receive notice of, or to attend or vote at, any separate meeting of the holders of any class of shares in the capital of the Company.

ALTERATION OF SHARE CAPITAL**New shares subject to these Articles**

56. All shares created by increase of the Company's share capital (unless otherwise provided by the terms of allotment of the shares of that class), by consolidation, division or sub-division of its share capital or the conversion of stock into paid-up shares shall be subject to all the provisions of these Articles, including without limitation provisions relating to payment of calls, lien, forfeiture, transfer and transmission.

Fractions arising

57. Whenever any fractions arise as a result of a consolidation or sub-division of shares, the board may on behalf of the members deal with the fractions as it thinks fit. In particular, without limitation, the board may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Companies Acts, the Company) and distribute the net proceeds of sale in due proportion among those members. Where the shares to be sold are held in certificated form the board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer. Where the shares to be sold are held in uncertificated form, the board may do all acts and things it considers necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer. The buyer shall not be bound to see to the application of the purchase moneys and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in relation to the sale.

GENERAL MEETINGS

Annual general meetings

58. The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.

Class meetings

59. All provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply to every separate general meeting of the holders of any class of shares in the capital of the Company, except that:

- (a) the necessary quorum at any such meeting (or adjournment thereof) shall be members of that class who together represent at least the majority of the voting rights of all the members of that class entitled to vote, present in person or by proxy, at the relevant meeting;
- (b) all votes shall be taken on a poll; and
- (c) each holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him.

Convening general meetings

60. The board may call general meetings whenever and at such times and places as it shall determine. On the requisition of members pursuant to the provisions of the Companies Acts, the board shall promptly convene a general meeting in accordance with the requirements of the Companies Acts.

NOTICE OF GENERAL MEETINGS

Period of notice

61. An annual general meeting shall be called by not less than 21 clear days' notice and no more than 60 days' notice. Subject to the provisions of the Companies Acts, all other general meetings may be called by not less than 14 clear days' notice and no more than 60 days' notice.

Recipients of notice

62. Subject to the provisions of the Companies Acts, to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be sent to every member and every director. The auditors are entitled to receive all notices of, and other communications relating to, any general meeting which any member is entitled to receive.

Contents of notice: general

63. Subject to the provisions of the Companies Acts, the notice shall specify the time, date and place of the meeting (including without limitation any satellite meeting place arranged for the purposes of Article 66, which shall be identified as such in the notice) and the general nature of the business to be dealt with.

Contents of notice: additional requirements

64. In the case of an annual general meeting, the notice shall specify the meeting as such. In the case of a meeting to pass a special resolution, the notice shall specify the intention to propose the resolution as a special resolution.

Article 68 arrangements

65. The notice shall include details of any arrangements made for the purpose of Article 68 (making clear that participation in those arrangements will not amount to attendance at the meeting to which the notice relates).

General meetings at more than one place

66. The board may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world. The members present in person or by proxy at satellite meeting places shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to:

- (a) participate in the business for which the meeting has been convened;
- (b) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and
- (c) be heard and seen by all other persons so present in the same way.

The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

Interruption or adjournment where facilities inadequate

67. If it appears to the chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred

to in Article 66, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of that adjournment shall be valid. The provisions of Article 81 shall apply to that adjournment.

Other arrangements for viewing and hearing proceedings

68. The board may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) by attending at a venue anywhere in the world not being a satellite meeting place. Those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting at or from that venue. The inability for any reason of any member present in person or by proxy at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting.

Controlling level of attendance

69. The board may from time to time make any arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant to Article 68 (including without limitation the issue of tickets or the imposition of some other means of selection) it in its absolute discretion considers appropriate, and may from time to time change those arrangements. If a member, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made pursuant to Article 68. The entitlement of any member to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.

Change in place and/or time of meeting

70. If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the board decides that it is impracticable or unreasonable, for a reason beyond its control, to hold the meeting at the declared place (or any of the declared places, in the case of a meeting to which Article 66 applies) and/or time, it may change the place (or any of the places, in the case of a meeting to which Article 66 applies) and/or postpone the time at which the meeting is to be held. If such a decision is made, the board may then change the place (or any of the places, in the case of a meeting to which Article 66 applies) and/or postpone the time again if it decides that it is reasonable to do so. In either case:

- (a) no new notice of the meeting need be sent, but the board shall, if practicable, advertise the date, time and place of the meeting by public announcement and in two newspapers with national circulation in the United Kingdom and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or at the original time; and
- (b) a proxy appointment in relation to the meeting may, if by means of a document in hard copy form, be delivered to the office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 107(a) or, if in electronic form, be received at the address (if any) specified by or on behalf of the Company in accordance with Article 107(b).

For the purposes of this Article 70, **public announcement** shall mean disclosure in a press release reported by Reuters, the Dow Jones News Service, Associated Press or a comparable news service or other method of public announcement as the board may deem appropriate in the circumstances.

Meaning of participate

71. For the purposes of Articles 66, 67, 68, 69 and 70, the right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote on a poll, be represented by a proxy and have access to all documents which are required by the Companies Acts or these Articles to be made available at the meeting.

Accidental omission to send notice etc.

72. The accidental omission to send a notice of a meeting or resolution, or to send any notification where required by the Companies Acts or these Articles in relation to the publication of a notice of meeting on a website, or to send a form of proxy where required by the Companies Acts or these Articles, to any person entitled to receive it, or the non-receipt for any reason of any such notice, resolution or notification or form of proxy by that person, whether or not the Company is aware of such omission or non-receipt, shall not invalidate the proceedings at that meeting.

Security

73. The board and, at any general meeting, the chairman may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The board and, at any general meeting, the chairman are entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions.

Preparation of shareholder list

LIST OF MEMBERS FOR VOTING AT GENERAL MEETINGS

74. At least ten days before every general meeting, the secretary shall prepare a complete list of the members entitled to vote at the meeting. Such list shall be:

- (a) be arranged in alphabetical order;
- (b) show the address of each member entitled to vote at the meeting; and

Shareholder list to be available for inspection

- (c) show the number of shares registered in the name of each member.

75. The list of members prepared in accordance with Article 74 shall be available during ordinary business hours for a period of at least ten days before the meeting for inspection by any member for any purpose relevant to the meeting. The notice of the meeting may specify the place where the list of members may be inspected. If the notice of the meeting does not specify the place where members may inspect the list of members, the list of members shall be available for inspection (at the discretion of the board) at either the Company's registered office or on a website. The list of members shall be available for inspection by any member who is present at the meeting, at the place and for the duration, of the meeting.

PROCEEDINGS AT GENERAL MEETINGS

Quorum

76. No business shall be dealt with at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, quorum is the members who together represent at least the majority of the voting rights of all the members entitled to vote, present in person or by proxy, at the relevant meeting.

If quorum not present

77. If such a quorum is not present within five minutes (or such longer time not exceeding 30 minutes as the chairman of the meeting may decide to wait) from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved, and in any other case shall stand adjourned to such time and place as the chairman of the meeting may, subject to the provisions of the Companies Acts, determine. The adjourned meeting shall be dissolved if a quorum is not present within 15 minutes after the time appointed for holding the meeting.

Chairman

78. The chairman, if any, of the board or, in his absence, any deputy chairman of the Company or, in his absence, some other director nominated by the board, shall preside as chairman of the meeting. If neither the chairman, deputy chairman nor such other director (if any) is present within five minutes after the time appointed for holding the meeting or is not willing to act as chairman, the directors present shall elect one of their number to be chairman. If there is only one director present and willing to act, he shall be chairman. If no director is willing to act as chairman, or if no director is present within five minutes after the time appointed for holding the meeting, the members present in person or by proxy and entitled to vote shall choose a member present in person or a proxy of a member or a person authorised to act as a representative of a corporation in relation to the meeting to be chairman.

Directors entitled to speak

79. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the capital of the Company.

Adjournment: chairman's powers

80. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place. No business shall be dealt with at an adjourned meeting other than business which might properly have been dealt with at the meeting had the adjournment not taken place. In addition (and without prejudice to the chairman's power to adjourn a meeting conferred by Article 67), the chairman may adjourn the meeting to another time and place without such consent if it appears to him that:

- (a) it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present; or
- (b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or

- (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

Adjournment: procedures

81. Any such adjournment may, subject to the provisions of the Companies Acts, be for such time and to such other place (or, in the case of a meeting held at a principal meeting place and a satellite meeting place, such other places) as the chairman may, in his absolute discretion determine, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting. Any such member may nevertheless appoint a proxy for the adjourned meeting either in accordance with Article 107 or by means of a document in hard copy form which, if delivered at the meeting which is adjourned to the chairman or the secretary or any director, shall be valid even though it is given at less notice than would otherwise be required by Article 107(a). When a meeting is adjourned for 30 days or more or for an indefinite period, notice shall be sent at least seven clear days before the date of the adjourned meeting specifying the time and place (or places, in the case of a meeting to which Article 66 applies) of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to send any notice of an adjournment or of the business to be dealt with at an adjourned meeting.

Amendments to resolutions

82. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the consent of the chairman, an amendment may be withdrawn by its proposer before it is voted on. No amendment to a resolution duly proposed as a special resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error). No amendment to a resolution duly proposed as an ordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error) unless either:

- (a) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered (which, if the board so specifies, shall be calculated taking no account of any part of a day that is not a working day), notice of the terms of the amendment and the intention to move it has been delivered in hard copy form to the office or to such other place as may be specified by or on behalf of the Company for that purpose, or received in electronic form at such address (if any) for the time being specified by or on behalf of the Company for that purpose, or
- (b) the chairman in his absolute discretion decides that the amendment may be considered and voted on.

Methods of voting – Poll voting entrenched

83. A resolution put to the vote of a general meeting shall be decided on a poll. This requirement for poll voting on resolutions at a general meeting of the Company may only be removed, amended or varied by resolution of the members passed unanimously at a general meeting of the Company.

Conduct of poll

84. Subject to Article 85, a poll shall be taken as the chairman directs and he may, and shall if required by the meeting, appoint scrutineers (who need not be members) and fix a time and

place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

When poll to be taken

85. A poll on the election of a chairman or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken at either the meeting or at such time and place as the chairman directs not being more than 30 days after the meeting.

Effectiveness of special resolutions

86. Where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective.

PROPOSED SHAREHOLDER RESOLUTIONS

Content of member requests for requisitioned resolution and general meetings

87. Where a member or members, in accordance with the provisions of the Act, request the Company to: (i) call a general meeting for the purposes of bringing a resolution before the meeting; or (ii) give notice of a resolution to be proposed at an annual general meeting, such request must, in each case and in addition to the requirements of the Act contain the following:

- (a) to the extent that that request relates to the nomination of a director, as to each person whom the member(s) propose(s) to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, and the regulations promulgated thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected;
- (b) to the extent that that request relates to any business other than the nomination of a director that the member(s) propose(s) to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such member(s) and any Member Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the member(s) or the Member Associated Person therefrom; and
- (c) as to the member(s) giving the notice and the Member Associated Person, if any, on whose behalf the nomination or proposal is made:
 - (i) the name and address of such member(s), as they appear on the Company's books, and of such Member Associated Persons, if any;
 - (ii) the class and number of shares of the Company which are owned beneficially and of record by such member(s) and such Member Associated Persons, if any;

- (iii) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of stock price changes for, or to increase or decrease the voting power of, such member(s) or any such Member Associated Persons with respect to any shares of the Company (which information shall be updated by such member(s) as of the record date of the meeting not later than ten days after the record date for the meeting);
- (iv) a description of all agreements, arrangements and understandings between such member and such Member Associated Persons, if any, each proposed nominee and any other person or persons (including their names) in connection with the nomination of a director or the proposal of any other business by such member(s) or such Member Associated Person, if any;
- (v) any other information relating to such member or such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and
- (vi) to the extent known by the member(s) giving the notice, the name and address of any other member supporting the nominee for election or reelection as a director or the proposal of other business on the date of such request.

For purposes of this Article 87, a **Member Associated Person** of any member shall mean: (i) any person controlling, directly or indirectly, or acting in concert with, such member; (ii) any beneficial owner of shares of stock of the Company owned of record or beneficially by such member; and (iii) any person controlling, controlled by or under common control with such Member Associated Person.

88. If a request made in accordance with Article 87 does not include the information specified in that Article, or if a request made in accordance with Article 87 is not received in the time and manner indicated in Article 89, in respect of the shares which the relevant member(s) hold (the **member default shares**) the relevant member(s) shall not be entitled to vote, either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares (or at an adjournment of any such meeting), the member default shares with respect to the matters detailed in the request made in accordance with Article 87.

Time for receiving requests

89. Without prejudice the rights of any member under the Act, a member who makes a request to which Article 87 relates, must deliver any such request in writing to the secretary at the Company's registered office not earlier than the close of business on the one hundred and twentieth (120th) calendar day nor later than the close of business on the ninetieth (90th) calendar day prior to the date of the first anniversary of the preceding year's annual general meeting; provided, however, that in the event that the date of an annual meeting is more than thirty (30) calendar days before or more than sixty (60) calendar days after the date of the first anniversary of the preceding year's annual general meeting, notice by the member must be so delivered in writing not earlier than the close of business on the one hundred and twentieth (120th) calendar day prior to such annual general meeting and not later than the close of business on the later of

(i) the ninetieth (90th) calendar day prior to such annual general meeting and (ii) the 10th calendar day after the day on which public announcement of the date of such annual general meeting is first made by the Company. In no event shall any adjournment or postponement of an annual general meeting or the public announcement thereof commence a new time period for the giving of a member's notice as described in this Article.

For the purposes of the annual general meeting of the Company to be held in 2013, references in this Article 89 to the Company's "preceding year's annual general meeting" shall be construed as references to the annual general meeting of the Company held in 2012 or, if no such meeting is held, then such references shall be construed as references to the 2012 annual general meeting of Aon Corporation.

Notwithstanding anything in the foregoing provisions of this Article 89 to the contrary, in the event that the number of directors to be elected to the board is increased and there is no public announcement by the Company naming all of the nominees for director or specifying the size of the increased board of directors made by the Company at least one hundred (100) calendar days prior to the date of the first anniversary of the preceding year's annual general meeting, a member's notice required by this Article 89 shall also be considered as validly delivered in accordance with Article 89, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the Company's registered not later than 5.00p.m., local time, on the tenth (10th) calendar day after the day on which such public announcement is first made by the Company.

For purposes of this Article 89, **public announcement** shall mean disclosure in a press release reported by Reuters, the Dow Jones News Service, Associated Press or a comparable news service or in a document publicly filed by the Company with the U.S. Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

Notwithstanding the provisions of Article 87 or Article 88 or the foregoing provisions of this Article 89, a member shall also comply with all applicable requirements of the Companies Acts and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in Article 87 or Article 88 and this Article 89. Nothing in Article 87 or Article 88 or this Article 89 shall be deemed to affect any rights of members to request inclusion of proposals in, nor the right of the Company to omit proposals from, the Company's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act.

VOTES OF MEMBERS

Right to vote on a poll

90. Subject to any rights or restrictions attached to any shares, on a vote on a resolution on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

Votes of joint holders

91. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the register.

Member under incapacity

92. A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote by his receiver, curator bonis or other person authorised for that purpose appointed by that court or official. That receiver, curator bonis or other person may vote by proxy. The right to vote shall be exercisable only if evidence satisfactory to the board of the authority of the person claiming to exercise the right to vote has been delivered to the office, or another place specified in accordance with these Articles for the delivery of proxy appointments, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised provided that the Company may specify, in any case, that in calculating the period of 48 hours, no account shall be taken of any part of a day that is not a working day.

Calls in arrears

93. No member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares in the capital of the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

Members in default of s793 of the Act

94. If at any time the board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 793 of the Act (a **section 793 notice**) and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the board may, in its absolute discretion at any time thereafter by notice (a **direction notice**) to such member direct that:

- (a) in respect of the shares in relation to which the default occurred (the **default shares**, which expression includes any shares issued after the date of the section 793 notice in respect of those shares) the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll; and
- (b) in respect of the default shares:
 - (i) no payment shall be made by way of dividend and no share shall be allotted pursuant to Article 176; and
 - (ii) no transfer of any default share shall be registered unless:
 - (A) the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in such form as the board may in its absolute discretion require to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or
 - (B) the transfer is an approved transfer.

Copy of notice to interested persons

95. The Company shall send the direction notice to each other person appearing to be interested in the default shares, but the failure or omission by the Company to do so shall not invalidate such notice.

When restrictions cease to have effect

96. Any direction notice shall cease to have effect not more than seven days after the earlier of receipt by the Company of:

- (a) a notice of an approved transfer, but only in relation to the shares transferred; or
- (b) all the information required by the relevant section 793 notice, in a form satisfactory to the board.

Board may cancel restrictions

97. The board may at any time send a notice cancelling a direction notice.

Conversion of uncertificated shares

98. The Company may exercise any of its powers under Article 12 in respect of any default share that is held in uncertificated form.

Supplementary provisions

99. For the purposes of this Article and Articles 94, 95, 96, 97 and 98:

- (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has sent to the Company a notification under section 793 of the Act which either (i) names such person as being so interested or (ii) fails to establish the identities of all those interested in the shares, and (after taking into account the said notification and any other relevant section 793 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (b) the prescribed period is 14 days from the date of service of the section 793 notice; and
- (c) a transfer of shares is an approved transfer if:
 - (i) it is a transfer of shares pursuant to an acceptance of a takeover offer (within the meaning of section 974 of the Act); or
 - (ii) the board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares the subject of the transfer to a party unconnected with the member and with any other person appearing to be interested in the shares; or
 - (iii) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services and Markets Act 2000 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

Section 794 of the Act

100. Nothing contained in Article 94, 95, 96, 97, 98 or 99 limits the power of the Company under section 794 of the Act.

Errors in voting

101. If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of the meeting, and, in the opinion of the chairman, it is of sufficient magnitude to vitiate the result of the voting.

Objection to voting

102. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered. Every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

Voting: additional provisions

103. On a poll, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

PROXIES AND CORPORATE REPRESENTATIVES**Appointment of proxy:
form**

104. The appointment of a proxy shall be:

(a) in the case of a proxy relating to shares in the capital of the Company held in the name of a Depository, in a form or manner of communication approved by the board, which may include, without limitation, a voter instruction form to be provided to the Company by certain third parties on behalf of the Depository. Subject thereto, the appointment of a proxy may be:

(A) in hard copy form; or

(B) in electronic form, to the electronic address provided by the Company for this purpose; or

(b) in the case of a proxy relating to shares to which Article 104(a) does not apply:

(i) in any usual form or in any other form or manner of communication which the board may approve. Subject thereto, the appointment of a proxy may be:

(A) in hard copy form; or

(B) in electronic form, to the electronic address provided by the Company for this purpose.

Execution of proxy

105. The appointment of a proxy, whether made in hard copy form or in electronic form, shall be executed in such manner as may be approved by or on behalf of the Company from time to time. Subject thereto, the appointment of a proxy shall be executed by the appointor or any person duly authorised by the appointor or, if the appointor is a corporation, executed by a duly authorised person or under its common seal or in any other manner authorised by its constitution.

Proxies: other provisions

106. The board may, if it thinks fit, but subject to the provisions of the Companies Acts, at the Company's expense send hard copy forms of proxy for use at the meeting and issue invitations in electronic form to appoint a proxy in relation to the meeting in such form as may be approved by the board. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion, provided that each such proxy is appointed to exercise the rights attached to a different share or shares held by that member.

Delivery/receipt of proxy appointment

107. Without prejudice to Article 70(b) or to the second sentence of Article 81, the appointment of a proxy shall:

(a) if in hard copy form, be delivered by hand or by post to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company for that purpose:

(i) in the notice convening the meeting; or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting,

by the time specified by the board (as the board may determine, in compliance with the provisions of the Act) in any such notice or form of proxy.

(b) if in electronic form, be received at any address to which the appointment of a proxy may be sent by electronic means pursuant to a provision of the Companies Acts or to any other address specified by or on behalf of the Company for the purpose of receiving the appointment of a proxy in electronic form:

(i) in the notice convening the meeting; or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting; or

(iii) in any invitation to appoint a proxy issued by the Company in relation to the meeting; or

(iv) on a website that is maintained by or on behalf of the Company and identifies the Company,

by the time specified by the board (as the board may determine, in compliance with the provisions of the Companies Acts) in any such method of notification.

The board may specify, when determining the dates by which proxies are to be lodged, that no account need be taken of any part of a day that is not a working day.

Authentication of proxy appointment not made by holder

108. Subject to the provisions of the Companies Acts, where the appointment of a proxy is expressed to have been or purports to have been made, sent or supplied by a person on behalf of the holder of a share:

- (a) the Company may treat the appointment as sufficient evidence of the authority of that person to make, send or supply the appointment on behalf of that holder; and
- (b) that holder shall, if requested by or on behalf of the Company at any time, send or procure the sending of reasonable evidence of the authority under which the appointment has been made, sent or supplied (which may include, without limitation, a copy of such authority certified notarially or in some other way approved by the board), to such address and by such time as may be specified in the request and, if the request is not complied with in any respect, the appointment may be treated as invalid.

Validity of proxy appointment

109. Subject to Article 108, a proxy appointment which is not delivered or received in accordance with Article 107 shall be invalid. When two or more valid proxy appointments are delivered or received in respect of the same share for use at the same meeting, the one that was last delivered or received shall be treated as replacing or revoking the others as regards that share, provided that if the Company determines that it has insufficient evidence to decide whether or not a proxy appointment is in respect of the same share, it shall be entitled to determine which proxy appointment (if any) is to be treated as valid. Subject to the Companies Acts, the Company may determine at its discretion when a proxy appointment shall be treated as delivered or received for the purposes of these Articles.

Rights of proxy

110. A proxy appointment shall be deemed to entitle the proxy to exercise all or any of the appointing member's rights to attend and to speak and vote at a meeting of the Company in respect of the shares to which the proxy appointment relates. The proxy appointment shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

Company not required to check proxy votes

111. The Company shall not be required to check that a proxy or corporate representative votes in accordance with any instructions given by the member by whom he is appointed. Any failure to vote as instructed shall not invalidate the proceedings on the resolution.

Corporate representatives

112. Any corporation which is a member of the Company (in this Article the *grantor*) may, by resolution of its directors or other governing body, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any separate meeting of the holders of any class of shares. A director, the secretary or other person authorised for the purpose by the secretary may require all or any of such persons to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers. Such person is entitled to exercise (on behalf of the grantor) the same powers as the grantor could exercise if it were an individual member of the Company. Where a grantor authorises more than one person:

- (a) where more than one authorised person purport to exercise a power in respect of the same shares:
 - (i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and

(ii) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

Revocation of authority

113. The termination of the authority of a person to act as a proxy or duly authorised representative of a corporation does not affect:

- (a) whether he counts in deciding whether there is a quorum at a meeting;
- (b) the validity of anything he does as chairman of a meeting;
- (c) the validity of a poll demanded by him at a meeting; or
- (d) the validity of a vote given by that person,

unless notice of the termination was either delivered or received as mentioned in the following sentence at least 24 hours before the start of the relevant meeting or adjourned meeting or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll. Such notice of termination shall be either by means of a document in hard copy form delivered to the office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 107(a) or in electronic form received at the address specified by or on behalf of the Company in accordance with Article 107(b), regardless of whether any relevant proxy appointment was effected in hard copy form or in electronic form.

Duration of general authority

114. A proxy given in the form of a power of attorney or similar authorisation granting power to a person to vote on behalf of a member at forthcoming meetings in general shall not be treated as valid for a period of more than three years, unless a contrary intention is stated in it.

BUSINESS COMBINATIONS

Shareholder approval of business combinations

115. The adoption or authorisation of any Business Combination must be pre-approved by members of the Company representing at least two thirds in nominal value of the issued share capital of the Company (excluding shares held by the Company). The foregoing vote shall be in lieu of any lesser vote of the holders of the voting shares of the Company voting as one class otherwise required by law or by agreement, but shall be in addition to any class vote or other vote otherwise required by law, these Articles or any agreement to which the Company is a party.

For the purposes of this Article 115, the term ***Business Combination*** shall mean the sale or lease or exchange of all or substantially all of the property and of the assets of the Company to any person.

NUMBER OF DIRECTORS

Limits on number of directors

116. The number of directors shall be as the board may determine from time to time, but shall be not less than seven and no more than twenty one.

APPOINTMENT OF DIRECTORS

Annual re-election

117. Subject to Article 118, the directors shall be elected at each annual general meeting of the Company.

Eligibility for election

118. Each director elected shall hold office until his successor is elected or until his earlier resignation or removal in accordance with Article 122, Article 133 or Article 134.

119. No person shall be appointed a director at any general meeting unless:

- (a) he is recommended by the board; or
- (b) notice in respect of that person is given by a member qualified to vote at the meeting has been received by the Company in accordance with Article 87 and Article 89 or section 338 of the Act of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors, together with notice by that person of his willingness to be appointed.

Separate resolutions on appointment

120. Except as otherwise authorised by the Companies Acts, a motion for the appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it should be so made has first been agreed to by the meeting without any vote being given against it.

Additional powers of the Company

121. Subject to Article 116, Article 117 and Article 122, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director. The appointment of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting.

Contested election

122. In the event that at a meeting of the Company it is proposed to vote upon a number of resolutions for the appointment of a person as a director (each a **Director Resolution**) that exceeds the total number of directors that are to be appointed to the board at that meeting (the **Board Number**), the persons that shall be appointed shall: first be the person who receives the greatest number of "for" votes (whether or not a majority of those votes cast in respect of that Director Resolution), and then shall second be the person who receives the second greatest number of "for" votes (whether or not a majority of those votes cast in respect of that Director Resolution), and so on, until the number of directors so appointed equals the Board Number.

123. Article 122 shall not apply to any resolution proposed to be voted on at a meeting in respect of the proposed removal of an existing director and appointment of a person instead of the person so removed, which pursuant to Article 134 and the Act shall be proposed as an ordinary resolution.

Appointment by board

124. The board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director and in either case whether or not for a fixed term. Any director so appointed shall hold office until his successor is elected or until his earlier resignation or removal in accordance with Article 122, Article 133 or Article 134.

No share qualification

125. A director shall not be required to hold any shares in the capital of the Company by way of qualification.

POWERS OF THE BOARD

Business to be managed by board

126. Subject to the provisions of the Companies Acts and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the board which may pay all expenses incurred in forming and registering the Company and may exercise all the powers of the Company, including without limitation the power to dispose of all or any part of the undertaking of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the board by these Articles. A meeting of the board at which a quorum is present may exercise all powers exercisable by the board.

Exercise by Company of voting rights

Change of the Company's name

127. The board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

CHANGE OF THE COMPANY'S NAME

128. The Company's name may be changed by resolution of the board.

DELEGATION OF POWERS OF THE BOARD

Committees of the board

129. The board may delegate any of its powers to any committee consisting of one or more directors. The board may also delegate to any director holding any executive office such of its powers as the board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the board may specify, and may be revoked or altered.

Subject to any conditions imposed by the board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying.

Local boards etc.

130. The board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of the local or divisional boards, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the board, with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made on such terms and subject to such conditions as the board may decide. The board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

Agents

131. The board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the board determines, including without limitation authority for the agent to delegate all or any of his powers, authorities and discretions, and may revoke or vary such delegation.

Offices including title “director”

132. The board may appoint any person to any office or employment having a designation or title including the word “director” or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the word “director” in the designation or title of any such office or employment shall not imply that the holder is a director of the Company, and the holder shall not thereby be empowered in any respect to act as, or be deemed to be, a director of the Company for any of the purposes of these Articles.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

Disqualification as a director

133. A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person’s creditors generally in satisfaction of that person’s debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person’s mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;

- (f) notification is received by the Company from the director that the director is resigning or retiring from office, and such resignation or retirement has taken effect in accordance with its terms; or
- (g) that person dies.

Power of Company to remove director

134. The Company may, without prejudice to the provisions of the Companies Acts, by ordinary resolution remove any director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement). No special notice need be given of any resolution to remove a director in accordance with this Article and no director proposed to be removed in accordance with this Article has any special right to protest against his removal. The Company may, by ordinary resolution, appoint another person in place of a director removed from office in accordance with this Article.

NON-EXECUTIVE DIRECTORS

Arrangements with non-executive directors

135. Subject to the provisions of the Companies Acts, the board may enter into, vary and terminate an agreement or arrangement with any director who does not hold executive office for the provision of his services to the Company. Any such agreement or arrangement may be made on such terms as the board determines.

Ordinary remuneration

136. Each non-executive director shall be paid a fee for their services (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the board.

Additional remuneration for special services

137. Any director who does not hold executive office and who performs special services which in the opinion of the board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of additional fee, salary, commission or otherwise as the board may determine.

DIRECTORS' EXPENSES

Directors may be paid expenses

138. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the board or committees of the board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

EXECUTIVE DIRECTORS

Appointment to executive office

139. Subject to the provisions of the Companies Acts, the board may appoint one or more of its body to be the holder of any executive office (including, without limitation, to hold office as president, chief executive officer and/or treasurer, but excluding that of auditor) in the Company and may enter into an agreement or arrangement with any such director for his employment by

the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made on such terms, including without limitation terms as to remuneration, as the board determines. The board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company because of the revocation or variation.

Termination of appointment to executive office

140. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any rights or claims which he may have against the Company by reason of such cessation. A director appointed to an executive office shall not cease to be a director merely because his appointment to such executive office terminates.

Emoluments to be determined by the board

141. The emoluments of any director holding executive office for his services as such shall be determined by the board, and may be of any description, including without limitation admission to, or continuance of, membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

DIRECTORS' INTERESTS

Authorisation under s175 of the Act

142. For the purposes of section 175 of the Act, the board may authorise any matter proposed to it in accordance with these Articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company. Any such authorisation will be effective only if:

- (a) any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and
- (b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The board may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions it expressly imposes but such authorisation is otherwise given to the fullest extent permitted. The board may vary or terminate any such authorisation at any time.

For the purposes of the Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

Director may contract with the Company and hold other offices etc

143. Provided that he has disclosed to the board the nature and extent of his interest (unless the circumstances referred to in section 177(5) or section 177(6) of the Act apply, in which case no such disclosure is required) a director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director; and
- (c) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate:
 - (i) in which the Company is (directly or indirectly) interested as shareholder or otherwise; or
 - (ii) with which he has such a relationship at the request or direction of the Company.

Remuneration, benefits etc.

144. A director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office or employment or from any transaction or arrangement or from any interest in any body corporate:

- (a) the acceptance, entry into or existence of which has been approved by the board pursuant to Article 142 (subject, in any such case, to any limits or conditions to which such approval was subject); or
- (b) which he is permitted to hold or enter into by virtue of paragraph (a), (b) or (c) of Article 143;

nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

Notification of interests

145. Any disclosure required by Article 143 may be made at a meeting of the board, by notice in writing or by general notice or otherwise in accordance with section 177 of the Act.

Duty of confidentiality to another person

146. A director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this Article applies only if the existence of that relationship has been approved by the board pursuant to Article 142. In particular, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Act because he fails:

- (a) to disclose any such information to the board or to any director or other officer or employee of the Company; and/or
- (b) to use or apply any such information in performing his duties as a director of the Company.

Consequences of authorisation

147. Where the existence of a director's relationship with another person has been approved by the board pursuant to Article 142 and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Act because he:

- (a) absents himself from meetings of the board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or
- (b) makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser,

for so long as he reasonably believes such conflict of interest or possible conflict of interest subsists.

Without prejudice to equitable principles or rule of law

148. The provisions of Articles 146 and 147 are without prejudice to any equitable principle or rule of law which may excuse the director from:

- (a) disclosing information, in circumstances where disclosure would otherwise be required under these Articles; or
- (b) attending meetings or discussions or receiving documents and information as referred to in Article 147, in circumstances where such attendance or receiving such documents and information would otherwise be required under these Articles.

GRATUITIES, PENSIONS AND INSURANCE

Gratuities and pensions

149. The board may (by establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present director or employee of the Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse, a civil partner, a former spouse and a former civil partner) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

Insurance

150. Without prejudice to the provisions of Article 211, the board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was:

- (a) a director, officer or employee of the Company, or any body which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect) or with which the Company or such holding company or subsidiary undertaking is or was in any way allied or associated; or

(b) a trustee of any pension fund in which employees of the Company or any other body referred to in paragraph (a) of this Article are or have been interested,

including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

Directors not liable to account

151. No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to these Articles. The receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

Section 247 of the Act

152. The board may make provision for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries other than a director or former director or shadow director in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary. Any such provision shall be made by a resolution of the board in accordance with section 247 of the Act.

PROCEEDINGS OF THE BOARD

Convening meetings

153. Subject to the provisions of these Articles, the board may regulate its proceedings as it thinks fit. A director may, and the secretary at the request of a director shall, call a meeting of the board by giving notice of the meeting to each director. Notice of a board meeting shall be deemed to be given to a director if it is given to him personally or by word of mouth or sent in hard copy form to him at his last known address or such other address (if any) as may for the time being be specified by him or on his behalf to the Company for that purpose, or sent in electronic form to such address (if any) for the time being specified by him or on his behalf to the Company for that purpose. Questions arising at a meeting shall be decided by a majority of votes. Any director may waive notice of a meeting and any such waiver may be retrospective. Any notice pursuant to this Article need not be in writing if the board so determines and any such determination may be retrospective.

Quorum

154. The quorum for the transaction of the business of the board may be fixed by the board and unless so fixed at any other number shall be a majority of the directors then in office. Any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no director objects.

Powers of directors if number falls below minimum

155. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but if the number of directors is less than the number fixed as the quorum the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

Chairman and deputy chairman

156. The board may appoint one of their number to be the chairman, and one of their number to be the deputy chairman, of the board and may at any time remove either of them from such office. Unless he is unwilling to do so, the director appointed as chairman, or in his stead the director appointed as deputy chairman, shall preside at every meeting of the board at which he is present. If there is no director holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

Validity of acts of the board

157. All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or any member of the committee or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

Resolutions in writing

158. A resolution in writing agreed to by all the directors entitled to vote at a meeting of the board or of a committee of the board (not being less than the number of directors required to form a quorum of the board) shall be as valid and effectual as if it had been passed at a meeting of the board or (as the case may be) a committee of the board duly convened and held. For this purpose:

- (a) a director signifies his agreement to a proposed written resolution when the Company receives from him a document indicating his agreement to the resolution authenticated in the manner permitted by the Companies Acts for a document in the relevant form; and
- (b) the director may send the document in hard copy form or in electronic form to such address (if any) for the time being specified by the Company for that purpose.

Meetings by telephone etc.

159. Without prejudice to the first sentence of Article 153, a person entitled to be present at a meeting of the board or of a committee of the board shall be deemed to be present for all purposes if he is able (directly or by electronic communication) to speak to and be heard by all those present or deemed to be present simultaneously. A director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where it is convened to be held or (if no director is present in that place) where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is. The word **meeting** in these Articles shall be construed accordingly.

Directors' power to vote on contracts in which they are interested

160. Except as otherwise provided by these Articles, a director shall not vote at a meeting of the board or a committee of the board on any resolution of the board concerning a matter in which he has an interest (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) which can reasonably be regarded as likely to give rise to a conflict with the interests of the Company, unless his interest arises only because the resolution concerns one or more of the following matters:

- (a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
- (b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (d) a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 820 to 825 of the Act) representing one per cent. or more of either any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be likely to give rise to a conflict with the interests of the Company in all circumstances);
- (e) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- (f) a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any directors of the Company or for persons who include directors of the Company.

161. The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a director from voting at a meeting of the board or of a committee of the board.

Division of proposals

162. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately. In such cases each of the directors concerned shall be entitled to vote in respect of each resolution except that concerning his own appointment.

Decision of chairman final and conclusive

163. If a question arises at a meeting of the board or of a committee of the board as to the entitlement of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed. If any such question arises in respect of the

chairman of the meeting, it shall be decided by resolution of the board (on which the chairman shall not vote) and such resolution will be final and conclusive except in a case where the nature and extent of the interests of the chairman have not been fairly disclosed.

SECRETARY

Appointment and removal of secretary

164. Subject to the provisions of the Companies Acts, the secretary shall be appointed by the board for such term, at such remuneration and on such conditions as it may think fit. Any secretary so appointed may be removed by the board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

MINUTES

Minutes required to be kept

165. The board shall cause minutes to be recorded for the purpose of:

- (a) all appointments of officers made by the board; and
- (b) all proceedings at meetings of the Company, the holders of any class of shares in the capital of the Company, the board and committees of the board, including the names of the directors present at each such meeting.

Conclusiveness of minutes

166. Any such minutes, if purporting to be authenticated by the chairman of the meeting to which they relate or of the next meeting, shall be sufficient evidence of the proceedings at the meeting without any further proof of the facts stated in them.

THE SEAL

Authority required for execution of deed

167. The seal shall only be used by the authority of a resolution of the board. The board may determine who shall sign any document executed under the seal. If they do not, it shall be signed by at least one director and the secretary or by at least two directors. Any document may be executed under the seal by impressing the seal by mechanical means or by printing the seal or a facsimile of it on the document or by applying the seal or a facsimile of it by any other means to the document. A document executed, with the authority of a resolution of the board, in any manner permitted by section 44(2) of the Act and expressed (in whatever form of words) to be executed by the Company has the same effect as if executed under the seal.

Certificates for shares and debentures

168. The board may by resolution determine either generally or in any particular case that any certificate for shares or debentures or representing any other form of security may have any signature affixed to it by some mechanical or electronic means, or printed on it or, in the case of a certificate executed under the seal, need not bear any signature.

REGISTERS

Overseas and local registers

169. Subject to the provisions of the Companies Acts, the Company may keep an overseas or local or other register in any place, and the board may make, amend and revoke any regulations it thinks fit about the keeping of that register.

Authentication and certification of copies and extracts

170. Any director or the secretary or any other person appointed by the board for the purpose shall have power to authenticate and certify as true copies of and extracts from:

- (a) any document comprising or affecting the constitution of the Company, whether in hard copy form or electronic form;
- (b) any resolution passed by the Company, the holders of any class of shares in the capital of the Company, the board or any committee of the board, whether in hard copy form or electronic form; and
- (c) any book, record and document relating to the business of the Company, whether in hard copy form or electronic form (including without limitation the accounts).

If certified in this way, a document purporting to be a copy of a resolution, or the minutes or an extract from the minutes of a meeting of the Company, the holders of any class of shares in the capital of the Company, the board or a committee of the board, whether in hard copy form or electronic form, shall be conclusive evidence in favour of all persons dealing with the Company in reliance on it or them that the resolution was duly passed or that the minutes are, or the extract from the minutes is, a true and accurate record of proceedings at a duly constituted meeting.

DIVIDENDS

Declaration of dividends

171. Subject to the provisions of the Companies Acts, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board.

Interim dividends

172. Subject to the provisions of the Companies Acts, the board may pay interim dividends if it appears to the board that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may:

- (a) pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear; and
- (b) pay at intervals settled by it any dividend payable at a fixed rate if it appears to the board that the profits available for distribution justify the payment.

If the board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Declaration and payment in different currencies

173. Dividends may be declared and paid in any currency or currencies that the board shall determine. The board may also determine the exchange rate and the relevant date for determining the value of the dividend in any currency.

Apportionment of dividends

174. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purpose of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is allotted or issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Dividends in specie

175. A general meeting declaring a dividend may, on the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, including without limitation paid up shares or debentures of another body corporate. The board may make any arrangements it thinks fit to settle any difficulty arising in connection with the distribution, including without limitation (a) the fixing of the value for distribution of any assets, (b) the payment of cash to any member on the basis of that value in order to adjust the rights of members, and (c) the vesting of any asset in a trustee.

Scrip dividends: authorising resolution

176. The board may, if authorised by an ordinary resolution of the Company (the **Resolution**), offer any holder of shares the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the board) of all or any dividend specified by the Resolution. The offer shall be on the terms and conditions and be made in the manner specified in Article 177 or, subject to those provisions, specified in the Resolution.

Scrip dividends: procedures

177. The following provisions shall apply to the Resolution and any offer made pursuant to it and Article 176.

- (a) The Resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period.
- (b) Each holder of shares shall be entitled to that number of new shares as are together as nearly as possible equal in value to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forgo (each a **new share**). For this purpose, the value of each new share shall be:
 - (i) equal to the **average quotation** for the Company's ordinary shares, that is, the average of the middle market quotations for those shares on the New York Stock Exchange or other exchange or quotation service on which the Company's shares are listed or quoted as derived from such source as the board may deem appropriate, on the day on which such shares are first quoted *ex* the relevant dividend and the four subsequent business days; or
 - (ii) calculated in any other manner specified by the Resolution,

but shall never be less than the par value of the new share.

A certificate or report by the auditors as to the value of a new share in respect of any dividend shall be conclusive evidence of that value.

- (c) On or as soon as practicable after announcing that any dividend is to be declared or recommended, the board, if it intends to offer an election in respect of that dividend, shall also announce that intention. If, after determining the basis of allotment, the board decides to proceed with the offer, it shall notify the holders of shares of the terms and conditions of the right of election offered to them, specifying the procedure to be followed and place at which, and the latest time by which, elections or notices amending or terminating existing elections must be delivered in order to be effective.
- (d) The board shall not proceed with any election unless the board has sufficient authority to allot shares and sufficient reserves or funds that may be appropriated to give effect to it after the basis of allotment is determined.
- (e) The board may exclude from any offer any holders of shares where the board believes the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- (f) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable in cash on shares in respect of which an election has been made (the *electd shares*) and instead such number of new shares shall be allotted to each holder of elected shares as is arrived at on the basis stated in paragraph (b) of this Article. For that purpose the board shall appropriate out of any amount for the time being standing to the credit of any reserve or fund (including without limitation the profit and loss account), whether or not it is available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to each holder of elected shares as is arrived at on the basis stated in paragraph (b) of this Article.
- (g) The new shares when allotted shall rank equally in all respects with the fully paid shares of the same class then in issue except that they shall not be entitled to participate in the relevant dividend.
- (h) No fraction of a share shall be allotted. The board may make such provision as it thinks fit for any fractional entitlements including without limitation payment in cash to holders in respect of their fractional entitlements, provision for the accrual, retention or accumulation of all or part of the benefit of fractional entitlements to or by the Company or to or by or on behalf of any holder or the application of any accrual, retention or accumulation to the allotment of fully paid shares to any holder.
- (i) The board may do all acts and things it considers necessary or expedient to give effect to the allotment and issue of any share pursuant to this Article or otherwise in connection with any offer made pursuant to this Article and may authorise any person, acting on behalf of the holders concerned, to enter into an agreement with the Company providing for such allotment or issue and incidental matters. Any agreement made under such authority shall be effective and binding on all concerned.
- (j) The board may, at its discretion, amend, suspend or terminate any offer pursuant to this Article.

Permitted deductions and retentions

178. The board may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by him to the Company in respect of that share. Where a person is entitled by transmission to a share, the board may retain any dividend payable in respect of that share until that person (or that person's transferee) becomes the holder of that share.

Procedure for payment to holders and others entitled

179. Any dividend or other moneys payable in respect of a share may be paid:

- (a) in cash; or
- (b) by cheque or warrant made payable to or to the order of the holder or person entitled to payment; or
- (c) by any direct debit, bank or other funds transfer system to the holder or person entitled to payment or, if practicable, to a person designated by notice to the Company by the holder or person entitled to payment; or
- (d) by any other method approved by the board and agreed (in such form as the Company thinks appropriate) by the holder or person entitled to payment.

Joint entitlement

180. If two or more persons are registered as joint holders of any share, or are entitled by transmission jointly to a share, the Company may:

- (a) pay any dividend or other moneys payable in respect of the share to any one of them and any one of them may give effectual receipt for that payment; and
- (b) for the purpose of Article 179, rely in relation to the share on the written direction, designation or agreement of, or notice to the Company by, any one of them.

Payment by post

181. A cheque or warrant may be sent by post:

- (a) where a share is held by a sole holder, to the registered address of the holder of the share; or
- (b) if two or more persons are the holders, to the registered address of the person who is first named in the register; or
- (c) if a person is entitled by transmission to the share, as if it were a notice to be sent under Article 196; or
- (d) in any case, to such person and to such address as the person entitled to payment may direct by notice to the Company.

Discharge to Company and risk

182. Payment of a cheque or warrant by the bank on which it was drawn or the transfer of funds by the bank instructed to make the transfer shall be a good discharge to the Company.

Every cheque or warrant sent or transfer of funds made by the relevant bank or system in accordance with these Articles shall be at the risk of the holder or person entitled. The Company shall have no responsibility for any sums lost or delayed in the course of payment by any method used by the Company in accordance with Article 179.

Interest not payable

183. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

Forfeiture of unclaimed dividends

184. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect of it. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered, or left uncashed by that member, on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address. The entitlement conferred on the Company by this Article in respect of any member shall cease if the member claims a dividend or cashes a dividend warrant or cheque.

CAPITALISATION OF PROFITS AND RESERVES

Power to capitalise

185. The board may with the authority of an ordinary resolution of the Company:

- (a) subject to the provisions of this Article, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund, including without limitation the Company's share premium account and capital redemption reserve, if any;
- (b) appropriate the sum resolved to be capitalised to the members or any class of members on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions;
- (c) apply that sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full shares, debentures or other obligations of the Company of a nominal amount equal to that sum but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up shares to be allotted to members credited as fully paid;
- (d) allot the shares, debentures or other obligations credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other;
- (e) where shares or debentures become, or would otherwise become, distributable under this Article in fractions, make such provision as they think fit for any fractional entitlements including without limitation authorising their sale and transfer to any

person, resolving that the distribution be made as nearly as practicable in the correct proportion but not exactly so, ignoring fractions altogether or resolving that cash payments be made to any members in order to adjust the rights of all parties;

- (f) authorise any person to enter into an agreement with the Company on behalf of all the members concerned providing for either:
 - (i) the allotment to the members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled on the capitalisation; or
 - (ii) the payment up by the Company on behalf of the members of the amounts, or any part of the amounts, remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised,and any agreement made under that authority shall be binding on all such members; and
- (g) generally do all acts and things required to give effect to the ordinary resolution.

RECORD DATES

Record dates for dividends etc.

186. Notwithstanding any other provision of these Articles, and subject to the Act, the Company or the board may:
- (a) fix any date as the record date for any dividend, distribution, allotment or issue, which may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made;
 - (b) for the purpose of determining which persons are entitled to attend and vote at a general meeting of the Company, or a separate general meeting of the holders of any class of shares in the capital of the Company, and how many votes such persons may cast, specify in the notice of meeting a time by which a person must be entered on the register in order to have the right to attend or vote at the meeting; changes to the register after the time specified by virtue of this Article 186 shall be disregarded in determining the rights of any person to attend or vote at the meeting; and
 - (c) for the purpose of sending notices of general meetings of the Company, or separate general meetings of the holders of any class of shares in the capital of the Company, under these Articles, determine that persons entitled to receive such notices are those persons entered on the register at the close of business on a day determined by the Company or the board, which day may not be more than 21 days before the day that notices of the meeting are sent.

ACCOUNTS

Rights to inspect records

187. No member shall (as such) have any right to inspect any accounting records or other book or document of the Company except as conferred by statute or authorised by the board or by ordinary resolution of the Company or order of a court of competent jurisdiction.

Sending of annual accounts

188. Subject to the Companies Acts, a copy of the Company's annual accounts and reports for that financial year shall, at least 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the provisions of the Companies Acts, be sent to every member and to every holder of the Company's debentures, and to every person who is entitled to receive notice of meetings from the Company under the provisions of the Companies Acts or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders. A copy need not be sent to a person for whom the Company does not have a current address.

Summary financial statements

189. Subject to the Companies Acts, the requirements of Article 188 shall be deemed satisfied in relation to any person by sending to the person, instead of such copies, a summary financial statement derived from the Company's annual accounts and the directors' report, which shall be in the form and containing the information prescribed by the Companies Acts and any regulations made under the Companies Acts.

COMMUNICATIONS

When notice required to be in writing

190. Any notice to be sent to or by any person pursuant to these Articles (other than a notice calling a meeting of the board) shall be in writing.

Methods of Company sending notice

191. Subject to Article 190 and unless otherwise provided by these Articles, the Company shall send or supply a document or information that is required or authorised to be sent or supplied to a member or any other person by the Company by a provision of the Companies Acts or pursuant to these Articles or to any other rules or regulations to which the Company may be subject in such form and by such means as it may in its absolute discretion determine provided that the provisions of the Act which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts shall, the necessary changes having been made, also apply to sending or supplying any document or information required or authorised to be sent by these Articles or any other rules or regulations to which the Company may be subject.

Methods of member etc. sending document or information

192. Subject to Article 190 and unless otherwise provided by these Articles, a member or a person entitled by transmission to a share shall send a document or information pursuant to these Articles to the Company in such form and by such means as it may in its absolute discretion determine provided that:

- (a) the determined form and means are permitted by the Companies Acts for the purpose of sending or supplying a document or information of that type to a company pursuant to a provision of the Companies Acts; and
- (b) unless the board otherwise permits, any applicable condition or limitation specified in the Companies Acts, including without limitation as to the address to which the document or information may be sent, is satisfied.

Unless otherwise provided by these Articles or required by the board, such document or information shall be authenticated in the manner specified by the Companies Acts for authentication of a document or information sent in the relevant form.

Notice to joint holders

193. In the case of joint holders of a share any document or information shall be sent to the joint holder whose name stands first in the register in respect of the joint holding and any document or information so sent shall be deemed for all purposes sent to all the joint holders.

Deemed receipt of notice

194. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the capital of the Company shall be deemed to have been sent notice of the meeting and, where requisite, of the purposes for which it was called.

Terms and conditions for electronic communications

195. The board may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic means for the sending of notices, other documents and proxy appointments by the Company to members or persons entitled by transmission and by members or persons entitled by transmission to the Company.

Notice to persons entitled by transmission

196. A document or information may be sent or supplied by the Company to the person or persons entitled by transmission to a share by sending it in any manner the Company may choose authorised by these Articles for the sending of a document or information to a member, addressed to them by name, or by the title of representative of the deceased, or trustee of the bankrupt or by any similar description at the address (if any) as may be supplied for that purpose by or on behalf of the person or persons claiming to be so entitled. Until such an address has been supplied, a document or information may be sent in any manner in which it might have been sent if the death or bankruptcy or other event giving rise to the transmission had not occurred.

Transferees etc. bound by prior notice

197. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register, has been sent to a person from whom he derives his title.

Proof of sending/when notices etc. deemed sent by post

198. Proof that a document or information was properly addressed, prepaid and posted shall be conclusive evidence that the document or information was sent or supplied. A document or information sent by the Company to a member by post shall be deemed to have been received:

- (a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the document or information was posted;
- (b) in any other case, on the second day following that on which the document or information was posted.

When notices etc. deemed sent by hand

199. A document or information sent by the Company to a member by hand shall be deemed to have been received by the member when it is handed to the member or left at his registered address.

Proof of sending/when notices etc. deemed sent by electronic means

200. Proof that a document or information sent or supplied by electronic means was properly addressed shall be conclusive evidence that the document or information was sent or supplied. A document or information sent or supplied by the Company to a member in electronic form shall be deemed to have been received by the member on the day following that on which the document or information was sent to the member. Such a document or information shall be deemed received by the member on that day notwithstanding that the Company becomes aware that the member has failed to receive the relevant document or information for any reason and notwithstanding that the Company subsequently sends a hard copy of such document or information by post to the member.

When notices etc. deemed sent by website

201. A document or information sent or supplied by the Company to a member by means of a website shall be deemed to have been received by the member:

- (a) when the document or information was first made available on the website; or
- (b) if later, when the member is deemed by Article 198, 199 or 200 to have received notice of the fact that the document or information was available on the website. Such a document or information shall be deemed received by the member on that day notwithstanding that the Company becomes aware that the member has failed to receive the relevant document or information for any reason and notwithstanding that the Company subsequently sends a hard copy of such document or information by post to the member.

No entitlement to receive notice etc if Company has no current address

202. A member shall not be entitled to receive any document or information that is required or authorised to be sent or supplied to him by the Company by a provision of the Companies Acts or pursuant to these Articles or to any other rules or regulations to which the Company may be subject if documents or information sent or supplied to that member by post in accordance with the Articles have been returned undelivered to the Company:

- (a) on at least two consecutive occasions; or
- (b) on one occasion and reasonable enquiries have failed to establish the member's address.

Without prejudice to the generality of the foregoing, any notice of a general meeting of the Company which is in fact sent or purports to be sent to such member shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

A member to whom this Article applies shall become entitled to receive such documents or information when he has given the Company an address to which they may be sent or supplied.

DESTRUCTION OF DOCUMENTS

Power of Company to destroy documents

203. The Company shall be entitled to destroy:

- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the register, at any time after the expiration of six years from the date of registration;
- (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address at any time after the expiration of two years from the date of recording;
- (c) all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation;
- (d) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment;
- (e) all proxy appointments which have been used for the purpose of a poll at any time after the expiration of one year from the date of use; and
- (f) all proxy appointments which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy appointment relates and at which no poll was demanded.

Presumption in relation to destroyed documents

204. It shall conclusively be presumed in favour of the Company that:

- (a) every entry in the register purporting to have been made on the basis of an instrument of transfer or other document destroyed in accordance with Article 203 was duly and properly made;
- (b) every instrument of transfer destroyed in accordance with Article 203 was a valid and effective instrument duly and properly registered;
- (c) every share certificate destroyed in accordance with Article 203 was a valid and effective certificate duly and properly cancelled; and
- (d) every other document destroyed in accordance with Article 203 was a valid and effective document in accordance with its recorded particulars in the books or records of the Company,

but:

- (e) the provisions of this Article and Article 203 apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties) to which the document might be relevant;
- (f) nothing in this Article or Article 203 shall be construed as imposing on the Company any liability in respect of the destruction of any document earlier than the time specified

- in Article 203 or in any other circumstances which would not attach to the Company in the absence of this Article or Article 203; and
- (g) any reference in this Article or Article 203 to the destruction of any document includes a reference to its disposal in any manner.

UNTRACED MEMBERS

Power to dispose of shares of untraced members

205. The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by transmission if:

- (a) during the period of 12 years before the date of the publication of the advertisements referred to in paragraph (b) of this Article (or, if published on different dates, the first date) (the *relevant period*) at least three dividends in respect of the shares in question have been declared and all dividend warrants and cheques which have been sent in the manner authorised by these Articles in respect of the shares in question have remained uncashed;
- (b) the Company shall as soon as practicable after expiry of the relevant period have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person giving notice of its intention to sell the shares; and
- (c) during the relevant period and the period of three months following the publication of the advertisements referred to in paragraph (b) of this Article (or, if published on different dates, the first date) the Company has received no indication either of the whereabouts or of the existence of such member or person.

Transfer on sale

206. To give effect to any sale pursuant to Article 205, the board may (a) authorise any person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer; or (b) where the shares are held in uncertificated form, do all acts and things it considers necessary and expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer.

Effectiveness of transfer

207. An instrument of transfer executed by that person in accordance with Article 206 shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. An exercise by the Company of its powers in accordance with Article 206(b) shall be as effective as if exercised by the registered holder of or person entitled by transmission to the shares. The transferee shall not be bound to see to the application of the purchase money, and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

Proceeds of sale

208. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled for an amount equal to the proceeds. The Company shall enter the name of such former member or other person in the books of the Company as a creditor for that amount. In relation to the debt, no trust is created and no interest

is payable. The Company shall not be required to account for any money earned on the net proceeds of sale, which may be used in the Company's business or invested in such a way as the board from time to time thinks fit.

WINDING UP

Liquidator may distribute in specie

209. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Insolvency Act 1986:

- (a) divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members;
- (b) vest the whole or any part of the assets in trustees for the benefit of the members; and
- (c) determine the scope and terms of those trusts,

but no member shall be compelled to accept any asset on which there is a liability.

Disposal of assets by liquidator

210. The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures or other obligations of another body corporate, either then already constituted or about to be constituted for the purpose of carrying out the sale.

INDEMNITY

Indemnity to directors and officers

211. Subject to the provisions of the Companies Acts, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act or otherwise under the Companies Acts.

DISPUTE RESOLUTION

Exclusive jurisdiction of English courts

212. The courts of England and Wales shall have exclusive jurisdiction to determine any and all disputes brought by a member in that member's capacity as such against the Company and/or the board and/or any of the directors individually or collectively, arising out of or in connection with these Articles or any non-contractual obligations arising out of or in connection with these Articles.

Governing law

213. The governing law of these Articles is the law of England and these Articles shall be interpreted in accordance with English law.

For the purposes of Articles 212 and 213 *director* shall be read so as to include each and any director of the Company from time to time in his capacity as such or as an employee of the Company and shall include any former director of the Company.

AON PLC 2011 INCENTIVE PLAN

**(As Amended and Restated Effective March 29, 2019 and
As Assumed by Aon plc as of April 2, 2012)**

**SECTION 1
General**

1.1 *Purpose.* Aon Corporation, a Delaware corporation (“Aon”), established the Plan to advance the interests of Aon and the Subsidiaries by providing a variety of equity-based and cash incentives designed to motivate, retain and attract employees, directors, consultants, independent contractors, agents, and other persons providing services to Aon or a Subsidiary through the acquisition of a larger personal financial interest in Aon.

1.2 *Amendment, Restatement and Assumption of Plan.* The Plan was adopted by Aon’s Board of Directors on March 18, 2011 and approved by Aon’s stockholders on May 20, 2011. At that time, 25 million shares of common stock of Aon were reserved for issuance. Aon was reorganized (the “Reorganization”) effective April 2, 2012 pursuant to an Agreement and Plan of Merger and Reorganization approved by Aon’s stockholders on March 16, 2012. As a result of the Reorganization, Aon became a subsidiary of Aon plc, a public limited company incorporated under English law (the “Company”) and each share of common stock of Aon was converted into one Class A Ordinary Share, par value \$0.01, of the Company. The Plan was adopted and assumed by the Company, and Aon’s rights and obligations under the Plan and the outstanding Agreements were assigned to the Company, effective as of April 2, 2012. The Plan was amended and restated to reflect the Reorganization and the assumption of the Plan by the Company effective as of April 2, 2012, and was further amended and restated effective June 24, 2014. This amendment and restatement includes the First Amendment to the Plan adopted in April 2016, and is effective March 29, 2019, subject to approval of the stockholders at the June 21, 2019 meeting.

**SECTION 2
Defined Terms**

The meaning of capitalized terms used in the Plan are set forth below if not otherwise defined in the text of the Plan.

- (a) “Affiliate” will have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations of the Exchange Act.
- (b) “Agreement” will have the meaning set forth in subsection 9.9.
- (c) “Approval Date” means May 20, 2011, the date on which the Plan was approved by Aon’s stockholders.
- (d) “Award” means any award described in Sections 6 through 8 of the Plan.

(e) “Beneficiary” means the legal representative of the Participant’s estate entitled by will or the laws of descent and distribution to receive the benefits under a Participant’s Award in the event the Participant’s Termination Date occurs on account of death, regardless whether the Participant designated a person or person to receive the balance of his or her benefits under the Aon Stock Incentive Plan, as amended from time to time (the “2001 Plan”), the Amended and Restated Global Stock and Incentive Compensation Plan of Hewitt Associates, Inc., as amended from time to time (the “Hewitt Plan”) or any other plan or program of the Company or a Subsidiary.

- (f) “Board” means the Board of Directors of the Company.
- (g) “Cash Incentive Award” has the meaning set forth in subsection 8.1.
- (h) “Change in Control” means:

(1) the acquisition by any individual, entity or group, including any “person” or related “group” of “persons” within the meaning of Section 13(d)(3) or 14(d)(2) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”) (any such individual, entity or group, a “Person”), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding ordinary shares of the Company (the “Outstanding Ordinary Shares”) or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the “Outstanding Voting Securities”) including by way of a court approved compromise or arrangement between the Company and its members pursuant to section 895 of

the UK Companies Act 2006; excluding, however, the following: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (B) any acquisition by the Company, (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition by any corporation pursuant to a transaction which complies with each of clauses (i), (ii) and (iii) of subsection (3) of this definition; provided further, that for purposes of clause (B), if any Person (other than the Company or any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company) shall become the beneficial owner of 30% or more of the Outstanding Ordinary Shares or 30% or more of the Outstanding Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Ordinary Shares or any additional Outstanding Voting Securities and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control;

(2) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided that any individual who becomes a director of the Company subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of the Company as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(3) the consummation of a reorganization, merger, consolidation or other similar business combination involving the Company or its subsidiaries, or the sale or other disposition of all or substantially all of the assets of the Company and its subsidiaries (a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which each of the following are applicable: (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Ordinary Shares and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, as a consequence of their ownership of shares of the Company prior to the Corporate Transaction, more than 60% of the outstanding shares of common stock, and the combined voting power of the outstanding securities entitled to vote generally in the election of directors, respectively, of the Company (or, if the Company is not the ultimate parent entity following the Corporate Transaction, the ultimate parent entity thereof resulting from such Corporate Transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's and its subsidiaries' assets, as applicable, either directly or indirectly) (the "Corporate Successor")), and in substantially the same proportions relative to each shareholder as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Ordinary Shares and the Outstanding Voting Securities, as applicable, (ii) no Person (other than the Company, any employee benefit plan (or related trust) sponsored or maintained by the Company or its subsidiaries or any entity controlled by the Company, the Corporate Successor or any Person that beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 30% or more of the Outstanding Ordinary Shares or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 30% or more of, respectively, the outstanding shares of common stock of the Company or the Corporate Successor or the combined voting power of the outstanding securities of such entity entitled to vote generally in the election of directors and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the Company or the Corporate Successor; or

(4) the consummation of a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, the Reorganization effective April 2, 2012 and the related transactions on such date, as a result of which the Company became a public company and the parent corporation of Aon, shall not constitute a Change in Control.

- (i) “Code” means the United States Internal Revenue Code of 1986, as amended, and references to any provision of the Code will be deemed to include successor provisions and regulations.
- (j) “Committee” has the meaning set forth in subsection 4.1.
- (k) “Effective Date” has the meaning set forth in subsection 9.1.
- (l) “Eligible Individual” means any officer, director, or other employee of the Company or a Subsidiary or consultants, independent contractors or agents of the Company or a Subsidiary, including in each case, directors who are not employees of the Company or a Subsidiary.
- (m) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- (n) “Expiration Date” has the meaning set forth in subsection 6.9.
- (o) “Fair Market Value” of a Share means, for purposes of Sections 6.1(b), 6.4, 6.6, 8.1, 9.2(a)(iii) as of any date and except as otherwise provided by the Committee, the closing sale price of a Share as reported on the New York Stock Exchange Composite Tape (or if the Shares are not traded on the New York Stock Exchange, the closing sale price on the exchange on which they are traded or as reported by an applicable automated quotation system) (“Composite Tape”) on the applicable date or, if no sales of Shares are reported on such date, the closing sale price of a Share on the date a sale was last reported on the Composite Tape (or such other exchange or automated quotation system, if applicable). For purposes of determining the Fair Market Value of Shares that are sold pursuant to a cashless exercise program, Fair Market Value will be the price at which such Shares are sold.
- (p) “Full Value Award” has the meaning set forth in subsection 7.1(a).
- (q) “Incentive Stock Option” means an Option that is intended to satisfy the requirements applicable to an “incentive stock option” described in section 422 of the Code.
- (r) “Non-Qualified Stock Option” means an Option that is not intended to be an Incentive Stock Option.
- (s) “Option” has the meaning set forth in subsection 6.1(a).
- (t) “Outside Director” means a director of the Company who is not an officer or employee of the Company or a Subsidiary.
- (u) “Participant” will have the meaning set forth in Section 3.
- (v) “Performance-Based Compensation” will have the meaning set forth in subsection 7.3.
- (w) “Performance Criteria” means performance targets based on one or more of the following criteria: (i) revenues or net revenues; (ii) operating profit or margin; (iii) expenses, operating expenses, marketing and administrative expense, restructuring or other special or unusual items, interest, tax expense, or other measures of savings; (iv) operating earnings, earnings before interest, taxes, depreciation, or amortization, net earnings, earnings per share (basic or diluted) or other measure of earnings; (v) cash flow, including cash flow from operations, investing, or financing activities, before or after dividends, investments, or capital expenditures; (vi) balance sheet performance, including debt, long or short term, inventory, accounts payable or receivable, working capital, or shareholders’ equity; (vii) return measures, including return on invested capital, sales, assets, or equity; (viii) share price performance or shareholder return; (ix) economic value created or added; (x) implementation or completion of critical projects, including acquisitions, divestitures, and other ventures, process improvements, attainment of other strategic objectives, including market penetration, geographic expansion, product development, regulatory or quality performance, innovation or research goals, or the like. In each case, performance may be measured (A) on an aggregate or net basis; (B) before or after tax or cumulative effect of accounting changes; (C) relative to other approved measures, on an aggregate or percentage basis, over time, or as compared to performance by other companies or groups of other companies; or (D) by product, product line, business unit or segment, or geographic unit. The performance targets may include a threshold level of performance below which no payment will be made
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(or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur). Where applicable, each of the foregoing performance targets will be determined in accordance with generally accepted accounting principles and will be subject to certification by the Committee; provided that the Committee will have the authority to exclude the impact of charges or benefits for restructuring plans, discontinued operations, amortization of intangible assets, extraordinary items, the cumulative effects of tax or accounting principles and other unusual, non-recurring adjustments included in as adjusted pre-tax income as disclosed in the financial results filed with or furnished to the Securities and Exchange Commission.

(x) “Plan” means this Aon plc 2011 Incentive Plan, as it may be duly amended from time to time.

(y) “SAR” or “Stock Appreciation Right” has the meaning set forth in subsection 6.1(b).

(z) “Share” means a Class A Ordinary Share, \$0.01 par value, of the Company.

(aa) “Subsidiary” means any corporation, partnership, joint venture or other entity during any period in which a controlling interest in such entity is owned, directly or indirectly, by the Company (or by any entity that is a successor to the Company), and any other business venture designated by the Committee in which the Company (or any entity that is a successor to the Company) has, directly or indirectly, a significant interest (whether through the ownership of securities or otherwise), as determined in the discretion of the Committee. Notwithstanding the foregoing, in the case of an Incentive Stock Option or any determination relating to an Incentive Stock Option, “Subsidiary” means a corporation that is a subsidiary of the Company within the meaning of section 424(f) of the Code.

(bb) “Substitute Award” means an Award granted or Shares issued by the Company in assumption of, or in substitution or exchange for, an award previously granted, or the right or obligation to make a future award, in all cases by a company acquired by the Company or any Subsidiary or with which the Company or a Subsidiary combines.

(cc) “Termination Date” means the date on which a Participant both ceases to be an employee of the Company or a Subsidiary and ceases to perform material services for the Company or a Subsidiary (whether as a director or otherwise), regardless of the reason for the cessation; provided that a “Termination Date” will not be considered to have occurred during the period in which the reason for the cessation of services is a leave of absence approved by the Company or the Subsidiary which was the recipient of the Participant’s services; and provided, further that, with respect to an Outside Director, “Termination Date” means date on which the Outside Director’s service as an Outside Director terminates for any reason.

SECTION 3 Participation

Subject to the terms and conditions of the Plan, a “Participant” in the Plan is any Eligible Individual to whom an Award is granted under the Plan. Subject to the terms and conditions of the Plan, the Committee will determine and designate, from time to time, from among the Eligible Individuals those persons who will be granted one or more Awards under the Plan. Subject to the terms and conditions of the Plan, a Participant may be granted any Award permitted under the provisions of the Plan and more than one Award may be granted to a Participant. Except as otherwise agreed by the Company and the Participant, or except as otherwise provided in the Plan, an Award under the Plan will not affect any previous Award under the Plan or an award under any other plan maintained by the Company or any Subsidiary.

SECTION 4 Committee

4.1 *Administration By Committee.* The authority to control and manage the operation and administration of the Plan will be vested in the committee described in subsection 4.2 (the “Committee”) in accordance with this Section 4. If the Committee does not exist, or for any other reason determined by the Board, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee.

4.2 *Selection of Committee.* So long as the Company is subject to Section 16 of the Exchange Act, the Committee will be selected by the Board and will consist of not fewer than two members of the Board or such greater number as may be required for compliance with Rule 16b-3 issued under the Exchange Act and will be comprised of persons who are independent for purposes of applicable stock exchange listing requirements. Any Award granted under the Plan that is intended to constitute deductible Performance-Based Compensation (including Options and SARs) will be granted by a Committee consisting solely of two or more “outside directors” within the meaning of section 162(m) of the Code and applicable regulations; provided, however, that as of the Effective Date and continuing thereafter unless and until otherwise specified by the Board, the Committee will be the Organization & Compensation Committee of the Board.

Notwithstanding any other provision of the Plan to the contrary, with respect to any Awards to Outside Directors, the Committee for purposes of this Section 4 will be the Board.

4.3 *Powers of Committee.* The authority to manage and control the operation and administration of the Plan will be vested in the Committee, subject to the following:

(a) Subject to the provisions of the Plan (including subsection 4.3(e)), the Committee will have the authority and discretion to (i) select Eligible Individuals who will receive Awards under the Plan, (ii) determine the time or times of receipt of Awards, (iii) determine the types of Awards and the number of Shares covered by the Awards, (iv) establish the terms, conditions, performance targets, restrictions, and other provisions of such Awards, (v) modify the terms of, cancel, or suspend Awards; (vi) reissue or repurchase Awards, and (vii) accelerate the exercisability or vesting of any Award. In making such Award determinations, the Committee may take into account the nature of services rendered by the respective individual, the individual’s present and potential contribution to the Company’s or a Subsidiary’s success and such other factors as the Committee deems relevant.

(b) Subject to the provisions of the Plan, the Committee will have the authority and discretion to determine the extent to which Awards under the Plan will be structured to conform to the requirements applicable to Performance-Based Compensation, and to take such action, establish such procedures, and impose such restrictions at the time such Awards are granted as the Committee determines to be necessary or appropriate to conform to such requirements.

(c) Subject to the provisions of the Plan, the Committee will have the authority and discretion to conclusively interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any agreements made pursuant to the Plan, to remedy any defect or omission and reconcile any inconsistency in the Plan or any Award, and to make all other determinations that may be necessary or advisable for the administration of the Plan including the termination thereof.

(d) Any interpretation of the Plan by the Committee and any actions taken and decision made by it under the Plan is final and binding on all persons.

(e) Except as otherwise expressly provided in the Plan, where the Committee is authorized to make a determination with respect to any Award, such determination will be made at the time the Award is made, except that the Committee may reserve the authority to have such determination made by the Committee in the future (but only if such reservation is made at the time the Award is granted is expressly stated in the Agreement reflecting the Award).

4.4 *Delegation by Committee.* Except to the extent prohibited by the rules of any stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it, except that Awards to individuals who are designated as “officers” under Rule 16a-1(f) of the Exchange Act may be made solely by the Committee. Any such allocation or delegation may be revoked by the Committee at any time.

4.5 *Information to be Furnished to Committee.* The Company will furnish the Committee such data and information as may be required for it to discharge its duties. The records of the Company as to an individual’s employment or provision of services, termination of employment or cessation of the provision of services, leave of absence, reemployment and compensation will be conclusive on all persons unless determined to be incorrect. Participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers desirable to carry out the terms of the Plan.

4.6 *Liability and Indemnification of Committee.* No member or authorized delegate of the Committee will be liable to any person for any action taken or omitted in connection with the administration of the Plan unless attributable to his own fraud or willful misconduct; nor will the Company or any Subsidiary be liable to any person for any such action unless attributable to fraud or willful misconduct on the part of a director or employee of the Company or a Subsidiary. The Committee, the individual members thereof, and persons acting as the authorized delegates of the Committee under the Plan, will be indemnified by the Company against any and all liabilities, losses, costs and expenses (including legal fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Committee or its members or authorized delegates by reason of the performance of a Committee function if the Committee or its members or authorized delegates did not act dishonestly or in willful violation of the law or regulation under which such liability, loss, cost or expense arises. This indemnification will not duplicate but may supplement any coverage available under any applicable insurance.

SECTION 5 Shares Reserved and Limitations

5.1 *Shares and Other Amounts Subject to the Plan.* The Shares for which Awards may be granted under the Plan will be subject to the following:

- (a) The Shares with respect to which Awards may be made under the Plan will be shares currently authorized but unissued or currently held or subsequently acquired by the Company as treasury shares, including shares purchased in the open market or in private transactions.
 - (b) Subject to the provisions of subsection 5.2, the number of Shares which may be issued with respect to Awards under the Plan will be equal to 39 million Shares (the "Share Pool"). Except as otherwise provided herein, any Shares subject to an Award under this Plan which for any reason expires or is forfeited, cancelled, surrendered, or terminated without issuance of Shares will again be available under the Plan. Shares subject to an Award under the Plan may not again be made available for issuance under the Plan if such Shares are: (i) Shares that were subject to a share-settled SAR and were not issued or delivered upon the net settlement of such SAR; (ii) Shares delivered to or withheld by the Company to pay the exercise price or the withholding taxes related to an outstanding Award; and (iii) Shares repurchased on the open market with the proceeds of an Option exercise.
 - (c) Substitute Awards will not reduce the Shares that may be issued under the Plan or that may be covered by Awards granted to any one Participant during any calendar year pursuant to subsection 5.1(e) or subsection 5.1(f). In addition, subject to compliance with applicable laws, and listing requirements, shares available for grant under a stockholder approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for awards under the Plan to individuals who were not Eligible Individuals prior to the transaction and shall not reduce the number of shares otherwise available for issuance under the Plan.
 - (d) Except as expressly provided by the terms of this Plan, the issuance by the Company of shares of any class, or securities convertible into shares of any class, for cash or property or for labor or services, either upon direct sale, upon the exercise of rights or warrants to subscribe therefor or upon conversion of shares or obligations of the Company or any Subsidiary convertible into such shares or other securities, will not affect, and no adjustment by reason thereof, will be made with respect to Awards then outstanding hereunder.
 - (e) Subject to the following provisions of this subsection 5.1, the maximum number of Shares that may be delivered to Participants and their Beneficiaries with respect to Incentive Stock Options under the Plan will be 15 million; provided, however, that to the extent that shares not delivered must be counted against this limit as a condition of satisfying the rules applicable to Incentives Stock Options, such rules will apply to the limit on Incentive Stock Options granted under the Plan.
 - (f) The maximum number of Shares that may be covered by Awards granted to any one Participant during any one calendar-year period pursuant to this Plan will be 1,500,000. For purposes of this subsection 5.1(g), if an Option is in tandem with an SAR, such that the exercise of the Option or SAR with respect to a Share cancels the tandem SAR or Option right, respectively, with respect to such share, the tandem Option and SAR rights with respect to each Share will be counted as covering but one Share for purposes of applying the limitations of this subsection 5.1(f).
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5.2 *Adjustments for Changes in Capital Structure.* In the event there is a change in the capital structure of the Company as a result of any dividend in specie or sub-division of shares, recapitalization, issuance of a new class of shares, merger, consolidation, spin-off or other similar corporate change, or any distribution to holders of Shares other than regular cash dividends, the Committee shall make an equitable adjustment (in the manner and form determined in the Committee's sole discretion) in the number of Shares and forms of the Awards authorized to be granted under the Plan, including any limitation imposed on the number of Ordinary Shares with respect to which an Award may be granted in the aggregate under the Plan or to any Participant, and make appropriate adjustments (including exercise price) to any outstanding Awards. No adjustment may have the effect of reducing the exercise price to less than the par value of a Share.

SECTION 6 Options and SARs

6.1 *Definitions.*

(a) The grant of an "Option" under the Plan entitles the Participant to purchase Shares at an Exercise Price established by the Committee at the time the Option is granted. Options granted under this Section 6 may be either Incentive Stock Options or Non-Qualified Stock Options, as determined in the discretion of the Committee; provided, however, that Incentive Stock Options may only be granted to employees of the Company or a Subsidiary. An Option will be deemed to be a Non-Qualified Stock Option unless it is specifically designated by the Committee as an Incentive Stock Option.

(b) A grant of a "stock appreciation right" or "SAR" entitles the Participant to receive, in cash or Shares (as determined in accordance with the terms of the Plan), value equal to the excess of: (i) the Fair Market Value of a specified number of Shares at the time of exercise; over (ii) an Exercise Price established by the Committee at the time of grant.

(c) An Option may but need not be in tandem with an SAR, and an SAR may but need not be in tandem with an Option (in either case, regardless of whether the original award was granted under this Plan or another plan or arrangement). If an Option is in tandem with an SAR, the Exercise Price of both the Option and SAR will be the same, and the exercise of the Option or SAR with respect to a Share will cancel the corresponding tandem SAR or Option right with respect to such share.

6.2 *Eligibility.* The Committee will designate the Participants to whom Options or SARs are to be granted under this Section 6 and will determine the number of Shares subject to each such Option or SAR and the other terms and conditions thereof, not inconsistent with the Plan.

6.3 *Limits on Incentive Stock Options.* If the Committee grants Incentive Stock Options, then to the extent that the aggregate fair market value of Shares with respect to which Incentive Stock Options are exercisable for the first time by any individual during any calendar year (under all plans of the Company or a Subsidiary) exceeds \$100,000, such Options will be treated as Non-Qualified Stock Options to the extent required by section 422 of the Code.

6.4 *Exercise Price.* The "Exercise Price" of an Option or SAR will be established by the Committee at the time the Option or SAR is granted; provided, however, in no event will such price be less than 100% of the Fair Market Value of a Share on such date or, in the case of an Option to subscribe unissued Shares, the par value of a Share on such date.

6.5 *Exercise/Vesting.* Except as otherwise expressly provided in the Plan, an Option or SAR granted under the Plan will be exercisable in accordance with the following:

(a) An Option or SAR granted under this Section 6 will be exercised, in whole or in part (but with respect to whole Shares only) by giving notice to the Company or its designee prior to the Expiration Date applicable thereto. Such notice will specify the number of Shares being exercised and such other information as may be required by the Committee or its designee.

(b) No Option or SAR may be exercised prior to the date on which it is exercisable (or vested) or after the Expiration Date.

(c) The terms and conditions relating to exercise and vesting of an Option or SAR will be established by the Committee to the extent not inconsistent with the Plan, and may include, without limitation, conditions relating to completion of a specified period of service, achievement of performance standards prior to exercise or the achievement of Share ownership objectives by the Participant. Notwithstanding the foregoing, in no event will an Option or SAR granted to any employee become exercisable or vested prior to the first anniversary of the date on which it is granted (subject to acceleration of exercisability and vesting, to the extent permitted by, and subject to such terms and conditions determined by the Committee, in the event of the Participant's death, disability, retirement, or involuntary termination or in connection with a Change in Control).

6.6 *Method of Exercise; Payment of Exercise Price.* A Participant may exercise an Option (i) by giving notice to the Committee or its designee specifying the number of whole Shares to be purchased and accompanying such notice with payment therefor in full or an appropriate undertaking to make such payment, and without any extension of credit, either (A) in cash, (B) except as may be prohibited by applicable law, by delivery (either actual delivery or by attestation procedures established by the Committee or its designee) to the Committee or its designee of previously owned whole Shares having a Fair Market Value, determined as of the date immediately preceding the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) except as may be prohibited by applicable law, authorizing the Committee to withhold whole Shares which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, provided that the Committee determines that such withholding of Shares does not cause the Company to recognize an increased compensation expense under applicable accounting principles, (D) except as may be prohibited by applicable law, in cash by a broker-dealer acceptable to the Company to whom the Participant has submitted an irrevocable notice of exercise or (E) a combination of (A), (B) and (C) and (ii) by executing such documents as the Committee may reasonably request. Any fraction of a Share which would be required to pay such purchase price will be disregarded and the remaining amount due will be adjusted through the federal tax withholding mechanism. No Shares will be issued and no certification representing Ordinary Shares will be delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 9.5, have been paid or an appropriate undertaking to make such payments has been given to the Company.

6.7 *Post-Exercise Limitations.* The Committee, in its discretion, may provide in an Award such restrictions on Shares acquired pursuant to the exercise of an Option as it determines to be desirable, including, without limitation, restrictions relating to disposition of the shares and forfeiture restrictions based on service, performance, Share ownership by the Participant and such other factors as the Committee determines to be appropriate.

6.8 *No Repricing.* Except for adjustments pursuant to subsection 5.2 (Adjustments to Shares) or reductions of the Exercise Price approved by the Company's shareholders, the Exercise Price for any outstanding Option or SAR may not be decreased after the date of grant nor may an outstanding Option or SAR granted under the Plan be surrendered to the Company as consideration for the grant of a new Award, cash, or replacement Option or SAR with a lower exercise price. In addition, no repricing of an Option or SAR will be permitted without the approval of the Company's shareholders if such approval is required under the rules of any stock exchange on which Shares are listed; provided, however, that the foregoing prohibition shall not apply to the actions permitted under subsection 9.2 (Change in Control).

6.9 *Expiration Date.* The "Expiration Date" with respect to an Option or SAR means the date established as the Expiration Date by the Committee at the time of the grant; provided, however, that in no event will the Expiration Date of an Option or SAR be later than the date that is ten years after the date on which the Option or SAR is granted (or such shorter period required by law or the rules of any stock exchange).

SECTION 7 Full Value Awards

7.1 *Definitions.*

(a) A "Full Value Award" is a grant of one or more Shares or a right to receive one or more Shares in the future (including restricted shares, restricted share units, deferred shares, deferred share units, performance shares and performance share units), with such grant subject to one or more of the following, as determined by the Committee:

- (i) The grant may be in consideration of a Participant's previously performed services, or surrender of other compensation that may be due.

(ii) The grant may be contingent on the achievement of performance or other objectives during a specified period.

(iii) The grant may be subject to a risk of forfeiture or other restrictions that will lapse upon the achievement of one or more goals relating to completion of service by the Participant or achievement of performance or other objectives.

(iv) The grant may also be subject to such other conditions, restrictions and contingencies, as determined by the Committee, including provisions relating to dividend or dividend equivalent rights and deferred payment or settlement.

7.2 Special Vesting Rules. If an employee's right to become vested in a Full Value Award is conditioned on the completion of a specified period of service with the Company or one or more Subsidiaries, without achievement of performance targets or other performance objectives (whether or not related to performance measures) being required as a condition of vesting, and without it being granted in lieu of other compensation, then the required period of service for full vesting will be not less than one year (subject, to the extent provided by, and subject to such terms and conditions determined by, the Committee, to prorated vesting over the course of such one-year period and to acceleration of vesting in the event of the Participant's death, disability, involuntary termination or otherwise in connection with a Change in Control, or retirement). The foregoing requirements will not apply to (a) grants made to newly eligible Participants to replace awards from a prior employer and (b) grants that are a form of payment of earned performance awards or other incentive compensation.

7.3 Performance-Based Full Value Awards. Any Full Value Award granted to any Participant on or prior to November 2, 2017, may constitute "Performance-Based Compensation" within the meaning of section 162(m) of the Code and regulations thereunder as in effect prior to the Tax Cuts and Jobs Act of 2017. If any such award is intended to satisfy the requirements for Performance-Based Compensation under section 162(m) of the Code as in effect prior to the Tax Cuts and Jobs Act of 2017, then to the extent necessary to comply with such requirements, such award will be conditioned on the achievement of one or more performance targets as determined by the Committee and the following additional requirements will apply:

(a) The performance targets established for the performance period established by the Committee will be objective (as that term is described in regulations and other guidance under section 162(m) of the Code as in effect prior to the Tax Cuts and Jobs Act of 2017), and will be established in writing by the Committee not later than 90 days after the beginning of the performance period (but in no event after 25% of the performance period has elapsed), and while the outcome as to the performance targets is substantially uncertain. The performance targets established by the Committee will be based on one or more of the Performance Criteria.

(b) A Participant otherwise entitled to receive a Full Value Award for any performance period will not receive a settlement or payment of the Award until the Committee has determined that the applicable performance target(s) have been attained. To the extent that the Committee exercises discretion in making the determination required by this subsection 7.3(b), such exercise of discretion may not result in an increase in the amount of the payment unless such discretion is exercised pursuant to Section 9.2 hereof.

(c) Except as otherwise provided by the Committee, if a Participant's Termination Date occurs because of death or disability, the Participant's Full Value Award will become vested without regard to whether the Full Value Award would be Performance-Based Compensation.

Nothing in this Section 7 will preclude the Committee from granting Full Value Awards under the Plan or the Committee, the Company or any Subsidiary from granting any cash incentive awards outside of the Plan that are not intended to be Performance-Based Compensation; provided, however, that to the extent that the provisions of this Section 7 reflect the requirements applicable to Performance-Based Compensation, such provisions will not apply to the portion of the Award, if any, that is not intended to constitute Performance-Based Compensation eligible for a deduction under section 162(m) of the Code as in effect prior to the Tax Cuts and Jobs Act of 2017.

SECTION 8 Cash Incentive Awards

8.1 *Grant of Cash Incentive Awards.* Subject to the terms of the Plan, the Committee may grant to a Participant the right to receive a payment in cash (or, in the discretion of the Committee, in Shares equivalent in value to the cash otherwise payable) at any time and from time to time, as determined by the Committee (“Cash Incentive Award”). Each Cash Incentive Award will have a value as determined by the Committee, and the Committee may subject an Award to Performance Criteria or any other conditions, restrictions or contingencies, as determined in the Committee’s discretion. Payment of earned Cash Incentive Awards will be as determined by the Committee and evidenced in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Cash Incentive Awards in the form of cash or Shares (or in a combination thereof) that have an aggregate Fair Market Value equal to the value of the earned Award. The determination of the Committee with respect to the time and form of payout of such Awards will be set forth in the Award Agreement pertaining to the grant of the Award.

8.2 *Performance-Based Cash Incentive Awards.* Any Cash Incentive Award granted to any Participant on or prior to November 2, 2017, may constitute “Performance-Based Compensation” within the meaning of section 162(m) of the Code and regulations thereunder as in effect prior to the Tax Cuts and Jobs Act of 2017. If any such award is intended to satisfy the requirements for Performance-Based Compensation under section 162(m) of the Code as in effect prior to the Tax Cuts and Jobs Act of 2017, then to the extent necessary to comply with such requirements, any Cash Incentive Award so designated will be conditioned on the achievement of one or more performance targets as determined by the Committee and the following additional requirements will apply:

(a) The performance targets established for the performance period established by the Committee will be objective (as that term is described in regulations under section 162(m) of the Code as in effect prior to the Tax Cuts and Jobs Act of 2017), and will be established in writing by the Committee not later than 90 days after the beginning of the performance period (but in no event after 25% of the performance period has elapsed), and while the outcome as to the performance targets is substantially uncertain. The performance targets established by the Committee will be based on one or more of the Performance Criteria.

(b) A Participant otherwise entitled to receive a Cash Incentive Award for any performance period will not receive a settlement or payment of the Award until the Committee has determined that the applicable performance target(s) have been attained. To the extent that the Committee exercises discretion in making the determination required by this subsection 8.2, such exercise of discretion may not result in an increase in the amount of the payment, unless such discretion is exercised pursuant to Section 9.2 hereof.

(c) Except as otherwise provided by the Committee, if a Participant’s Termination Date occurs because of death or disability, the Participant’s Cash Incentive Award will become vested without regard to whether the Cash Incentive Award would be Performance-Based Compensation.

(d) The maximum amount payable pursuant to a Cash Incentive Award to any Participant in any calendar year is \$10,000,000.

Nothing in this Section 8 will preclude the Committee from granting Cash Incentive Awards under the Plan or the Committee, the Company or any Subsidiary from granting any cash incentive awards outside of the Plan that are not intended to be Performance-Based Compensation; provided, however, that to the extent that the provisions of this Section 8 reflect the requirements applicable to Performance-Based Compensation, such provisions will not apply to any Cash Incentive Award that is not intended to constitute Performance-Based Compensation eligible for a deduction under section 162(m) of the Code as in effect prior to the Tax Cuts and Jobs Act of 2017. Except as otherwise provided in the applicable program or arrangement, distribution of any Cash Incentive Awards by the Company or a Subsidiary for a performance period ending in a calendar year will be made to the Participant not later than March 15 of the following calendar year.

SECTION 9 Operation and Administration

9.1 *Effective Date and Duration.* The Plan was originally effective as of March 18, 2011, the date it was adopted by Aon’s Board of Directors (the “Effective Date”). The Plan will be unlimited in duration and, in the event of Plan termination, will remain in effect as long as any Awards awarded under it are outstanding and not fully vested; provided, however, that no new Awards will be made under the Plan on or after March 29, 2029.

9.2 *Change in Control.* (a) Notwithstanding any provision of this Plan or Award agreement, in the event of a Change in Control, the Board (as constituted prior to such Change in Control) may, in its discretion:

(i) require that (A) some or all outstanding Options and SARs will immediately become exercisable in full or in part, (B) the vesting period applicable to some or all outstanding restricted shares and restricted share units will lapse in full or in part, (C) the performance period applicable to some or all outstanding Awards will lapse in full or in part, and (D) the performance targets applicable to some or all outstanding Awards will be deemed to be satisfied at the target, maximum or any other level;

(ii) require that shares of common stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, be substituted for some or all of the Shares subject to an outstanding Award, with an appropriate and equitable adjustment to such Award as determined by the Board in accordance with Section 5.2;

(iii) require outstanding Awards, in whole or in part, to be surrendered to the Company by the holder, and to be immediately cancelled by the Company, and to provide for the holder to receive (A) a cash payment in an amount equal to (x) in the case of an Option or a SAR, the number of Shares then subject to the portion of such Option or SAR surrendered, to the extent such Option or SAR is then exercisable or becomes exercisable pursuant to Section 6.5 above, multiplied by the excess, if any, of the Fair Market Value of a Share as of the date of the Change in Control, over the purchase price or base price per Share subject to such Option or SAR, (y) in the case of restricted shares or restricted stock units, the number of Shares then subject to the portion of such Award surrendered, to the extent the vesting period and performance period, if any, on such Award have lapsed or will lapse pursuant to Section 7.2 above and to the extent that the performance targets, if any, have been satisfied or are deemed satisfied pursuant to Sections 7.2 or 7.3 above, multiplied by the Fair Market Value of a Share as of the date of the Change in Control, and (z) in the case of performance shares and performance share units, the Fair Market Value of the Shares then subject to the portion of such Award surrendered, to the extent the performance period applicable to such Award has lapsed or will lapse pursuant to Section 7.3 above and to the extent the performance targets applicable to such Award have been satisfied or are deemed satisfied pursuant to Section 7.3 above; (B) shares of common stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, having a fair market value not less than the amount determined under clause (A) above; or (C) a combination of the payment of cash pursuant to clause (A) above and the issuance of shares pursuant to Clause (B) above; and/or

(iv) take such other action as the Board deems appropriate, in its sole discretion.

9.3 *Special Director Provisions.* Notwithstanding any other provision of the Plan to the contrary, unless otherwise provided by the Board, awards to non-employee directors will be made in accordance with the terms of the Aon Corporation Non-Employee Directors' Deferred Stock Unit Plan, as amended, and all such awards will be deemed to be made under the Plan.

9.4 *Limit on Distribution.* Distribution of Shares or other amounts under the Plan will be subject to the following:

(a) Notwithstanding any other provision of the Plan, the Company will have no liability to deliver any Shares under the Plan or make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

(b) In the case of a Participant who is subject to Section 16(a) and 16(b) of the Exchange Act, the Committee may, at any time, add such conditions and limitations to any Award to such Participant, or any feature of any such Award, as the Committee, in its sole discretion, deems necessary or desirable to comply with Section 16(a) or 16(b) and the rules and regulations thereunder or to obtain any exemption therefrom.

(c) To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange.

9.5 *Withholding.* All Awards and other payments under the Plan are subject to withholding of all applicable taxes and employee social security contributions, which withholding obligations may be satisfied, with the consent of the Committee, through the surrender of Shares which the Participant already owns or to which a Participant is otherwise entitled under the Plan; provided, however, with the consent of the Committee, previously-owned Shares that have been held by the

Participant or Shares to which the Participant is entitled under the Plan may only be used to satisfy the tax withholding required by applicable law (or such other rates that will not have a negative accounting impact).

9.6 Transferability. Awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution or, to the extent provided by the Committee, pursuant to a qualified domestic relations order (within the meaning of the Code and applicable rules thereunder). To the extent that the Participant who receives an Award under the Plan has the right to exercise such Award, the Award may be exercised during the lifetime of the Participant only by the Participant. Notwithstanding the foregoing provisions of this subsection 9.6, the Committee may permit Awards under the Plan to be transferred to or for the benefit of the Participant's family (including, without limitation, to a trust or partnership for the benefit of a Participant's family), subject to such procedures as the Committee may establish. In no event will an Incentive Stock Option be transferable to the extent that such transferability would violate the requirements applicable to such option under section 422 of the Code.

9.7 Notices. Any notice or document required to be filed with the Committee or the Company under the Plan will be properly filed if delivered or mailed by registered mail, postage prepaid, to the Committee, in care of the Company, or the Company at its principal executive offices. The Committee may, by advance written notice to affected persons, revise such notice procedure from time to time. Any notice required under the Plan (other than a notice of election) may be waived by the person entitled to notice.

9.8 Form and Time of Elections. Unless otherwise specified herein, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification or revocation thereof, will be in writing filed with the Committee at such times, in such form, and subject to such restrictions and limitations, not inconsistent with the terms of the Plan, as the Committee requires.

9.9 Agreement With the Company or Subsidiary. At the time of an Award to a Participant under the Plan, the Committee may require a Participant to enter into an agreement with the Company or the Subsidiary, as applicable (the "Agreement"), in a form specified by the Committee, agreeing to the terms and conditions of the Plan and to such additional terms and conditions, not inconsistent with the Plan, as the Committee may, in its sole discretion, prescribe.

9.10 Limitation of Implied Rights.

(a) Neither a Participant nor any other person will, by reason of the Plan, acquire any right in or title to any assets, funds or property of the Company whatsoever, including without limitation, any specific funds, assets, or other property which the Company, in its sole discretion, may set aside in anticipation of a liability under the Plan. A Participant will have only a contractual right to the amounts, if any, payable under the Plan, unsecured by any assets of the Company. Nothing contained in the Plan constitutes a guarantee by the Company or any Subsidiary that the assets of such companies will be sufficient to pay any benefits to any person.

(b) The Plan does not constitute a contract of employment or continued service, and selection as a Participant will not give any employee the right to be retained in the employ or service of the Company or a Subsidiary, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan. Except as otherwise provided in the Plan, no Award under the Plan will confer upon the holder thereof any right as a shareholder of the Company prior to the date on which he fulfills all service requirements and other conditions for receipt of such rights and Shares are registered in his name. Without limiting the generality of the foregoing, to the extent permitted or required by law, as determined by the Committee, Participants holding restricted shares granted under the Plan may be granted the right to exercise full voting rights with respect to those restricted shares during the vesting period. A Participant will have no voting rights with respect to any restricted share units granted hereunder.

(c) During the vesting period, Participants holding restricted shares, restricted share units, performance Shares or performance share units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or dividend equivalents while they are so held in a manner determined by the Committee in its sole discretion. The Committee may apply any restrictions to the dividends or dividend equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or dividend equivalents, including, but not limited to, cash or Shares.

9.11 Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but are not limited to, termination of employment for cause, violation of material Company, Affiliate or

Subsidiary policy, breach of noncompetition, non-solicitation or confidentiality provisions that apply to the Participant, a determination that the payment of the Award was based on an incorrect determination that financial or other criteria were met or other conduct by the Participant that is detrimental to the business or reputation of the Company, its Affiliates or the Subsidiaries.

9.12 *Clawback Policy.* Any compensation earned or paid pursuant to this Plan is subject to forfeiture, recovery by the Company or other action pursuant to any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law or such approval by shareholders as may be required by applicable law.

9.13 *Evidence.* Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

9.14 *Action by the Company or Subsidiary.* Any action required or permitted to be taken by the Company or any Subsidiary will be by resolution of its board of directors or by action of one or more members of the board (including a committee of the board) who are duly authorized to act for the board or (except to the extent prohibited by applicable law or the rules of any stock exchange) by a duly authorized officer of the Company.

9.15 *Gender and Number.* Where the context allows, words in any gender include any other gender, words in the singular include the plural and the plural includes the singular, and the term “or” also means “and/or” and the term “including” means “including but not limited to”.

9.16 *Applicable Law.* The provisions of the Plan will be construed in accordance with the laws of the State of Delaware, without giving effect to choice of law principles.

9.17 *Foreign Participants.* Notwithstanding any other provision of the Plan to the contrary, the Committee may grant Awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan. In furtherance of such purposes, the Committee may make such modifications, amendments, procedures and subplans as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or a Subsidiary operates or has employees.

9.18 *Construction.* If any provision of the Plan or any Award agreement relating to an award intended to satisfy the requirements for Performance-Based Compensation under section 162(m) of the Code does not comply or is inconsistent with such requirements of section 162(m) of the Code, such provision will be construed or deemed amended to the extent necessary to conform to such requirements.

SECTION 10

Amendment and Termination

The Board may, at any time, amend or terminate the Plan, and the Board or the Committee may amend any Agreement, provided that no amendment or termination may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living and if applicable, the Beneficiary), adversely affect the rights of any Participant or, if applicable, Beneficiary under any Award granted under the Plan prior to the date such amendment is adopted by the Board (or the Committee, if applicable); and further provided that adjustments pursuant to subsection 5.2 will not be subject to the foregoing limitations of this Section 10; and further provided no amendment will be made to the provisions of subsection 6.8 (relating to Option and SAR repricing) without the approval of the Company’s shareholders; and provided further, that no other amendment will be made to the Plan without the approval of the Company’s shareholders if the approval of the Company’s shareholders of such amendment is required by law or the rules of any stock exchange on which Shares are listed.

SECTION 11

Section 409A of the Code

11.1 *Intent to Comply with Section 409A of the Code.* Notwithstanding anything in this Plan to the contrary (for purposes of this section, “Plan” includes all Awards under the Plan), the Plan will be construed, administered or deemed amended as necessary to comply with the requirements of Section 409A of the Code to avoid taxation under Section 409A(a)(1) of the Code to the extent subject to Section 409A of the Code. The Committee, in its sole discretion, will determine the requirements of Section 409A of the Code applicable to the Plan and will interpret the terms of the Plan consistently

therewith. Under no circumstances, however, will the Company or any Subsidiary or Affiliate or any of its employees, officers, directors, service providers or agents have any liability to any person for any taxes, penalties or interest due on amounts paid or payable under the Plan, including any taxes, penalties or interest imposed under Section 409A of the Code. Any payments to Award holders pursuant to this Plan are also intended to be exempt from Section 409A of the Code to the maximum extent possible, first, to the extent such payments are scheduled to be paid and are in fact paid during the short-term deferral period, as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and then, if applicable, under the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii), and for this purpose each payment will be considered a separate payment such that the determination of whether a payment qualifies as a short-term deferral will be made without regard to whether other payments so qualify and the determination of whether a payment qualifies under the separation pay exemption will be made without regard to any payments which qualify as short-term deferrals. To the extent any amounts under this Plan are payable by reference to an Award holder's "termination of employment," such term will be deemed to refer to the Award holder's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Plan, if an Award holder is a "specified employee," as defined in Section 409A of the Code, as of the date of the Award holder's separation from service, then to the extent any amount payable under this Plan (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon the Award holder's separation from service and (iii) under the terms of this Plan would be payable prior to the six-month anniversary of the Award holder's separation from service, such payment will be delayed without interest (unless otherwise specified in the Award) until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of the Award holder's death.

11.2 *Prohibition on Acceleration of Payments.* The time or schedule of any settlement or amount scheduled to be paid pursuant to the terms of the Plan or any Agreement may not be accelerated except as otherwise permitted under Code Section 409A and the guidance and Treasury regulations issued thereunder.

AON PLC
AMENDED AND RESTATED SENIOR EXECUTIVE
COMBINED SEVERANCE AND CHANGE IN CONTROL PLAN

(Effective December 11, 2015)
(As Amended and Restated Effective June 21, 2019)

Aon plc (the “Company”) has adopted this Senior Executive Combined Severance and Change in Control Plan (this “Plan”) for the benefit of certain senior executives of the Company. Capitalized terms shall have the meanings set forth in Section 1 herein.

This Plan is intended to secure the continued services and ensure the continued dedication and objectivity of the Executives (as defined herein) in the event of certain terminations of employment or any threat or occurrence of, or negotiation or other action that could lead to, or create the possibility of, a Change in Control (as defined herein).

This Plan is intended to qualify as an unfunded plan maintained by the Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as described in sections 201(2), 301(a)(3) and 401(a)(1) of the U.S. Employee Retirement Income Security Act of 1974, as amended.

1. Definitions. As used in this Plan, the following terms shall have the respective meanings set forth below:

(a) “Accrued Benefits” has the meaning set forth in Section 3.

(b) “Aon” means Aon Corporation, a Delaware corporation.

(c) “Board” means the Board of Directors of the Company.

(d) “Cause” means:

(1) a deliberate act of dishonesty, fraud, theft, embezzlement, or misappropriation involving the Executive’s employment with the Company, or breach of the duty of loyalty to the Company;

(2) an act of race, sex, national origin, religion, disability, or age-based discrimination, or sexual harassment, which after investigation, counsel to the Company reasonably concludes may result in material liability being imposed on the Company and/or the Executive or may result in material exposure to the Company’s business reputation;

(3) a material violation of Company policies and procedures including, but not limited to, the Aon Code of Business Conduct;

(4) material non-compliance with any restrictive covenants applicable to the Executive, which (if curable) is not cured within twenty (20) days after the Company has provided written notice thereof to the Executive; or

(5) any criminal act resulting in a criminal felony charge brought against the Executive or a criminal conviction of the Executive (other than a conviction of a minor traffic violation).

(e) “Change in Control” means:

(1) the acquisition by any individual, entity or group, including any “person” or related “group” of “persons” within the meaning of Section 13(d)(3) or 14(d)(2) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”) (any such individual, entity or group, a “Person”), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding ordinary shares of the Company (the “Outstanding Ordinary Shares”) or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the “Outstanding Voting Securities”) including by way of a court approved compromise or arrangement between the Company and its members pursuant to section 895 of the UK Companies Act 2006; excluding, however, the following: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (B) any acquisition by the Company, (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the

Company or any corporation controlled by the Company, or (D) any acquisition by any corporation pursuant to a transaction which complies with each of clauses (i), (ii) and (iii) of subsection (3) of this definition; provided further, that for purposes of clause (B), if any Person (other than the Company or any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company) shall become the beneficial owner of 30% or more of the Outstanding Ordinary Shares or 30% or more of the Outstanding Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Ordinary Shares or any additional Outstanding Voting Securities and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control;

(2) individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided that any individual who becomes a director of the Company subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of the Company as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(3) the consummation of a reorganization, merger, consolidation or other similar business combination involving the Company or its Subsidiaries, or the sale or other disposition of all or substantially all of the assets of the Company and its subsidiaries (a “Corporate Transaction”); excluding, however, a Corporate Transaction pursuant to which each of the following are applicable: (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Ordinary Shares and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, as a consequence of their ownership of shares of the Company prior to the Corporate Transaction, more than 60% of the outstanding shares of common stock, and the combined voting power of the outstanding securities entitled to vote generally in the election of directors, respectively, of the Company (or, if the Company is not the ultimate parent entity following the Corporate Transaction, the ultimate parent entity thereof resulting from such Corporate Transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s and its Subsidiaries’ assets, as applicable, either directly or indirectly) (the “Corporate Successor”)), and in substantially the same proportions relative to each shareholder as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Ordinary Shares and the Outstanding Voting Securities, as applicable, (ii) no Person (other than the Company, any employee benefit plan (or related trust) sponsored or maintained by the Company or its Subsidiaries or any entity controlled by the Company, the Corporate Successor or any Person that beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 30% or more of the Outstanding Ordinary Shares or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 30% or more of, respectively, the outstanding shares of common stock of the Company or the Corporate Successor or the combined voting power of the outstanding securities of such entity entitled to vote generally in the election of directors and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the Company or the Corporate Successor; or

(4) the consummation of a plan of complete liquidation or dissolution of the Company.

(f) “CIC Good Reason” means, without an Executive’s express written consent, the occurrence of any of the following events during the CIC Period, to the extent not cured by the Company within thirty (30) days of Executive’s written notification to the Company that a condition constituting CIC Good Reason exists, which written notification must be provided by the Executive to the Company within thirty (30) days of the initial existence of the condition constituting CIC Good Reason:

(1) any event constituting “Good Reason”;

(2) the failure of the Company to continue in effect any material employee benefit plan or compensation plan in which the Executive is participating immediately prior to such Change in Control, unless the Executive is permitted to participate in other plans providing the Executive with substantially comparable economic benefits, or the taking of any action by the Company which would adversely affect the Executive’s participation in or materially reduce the Executive’s benefits under any such plan; or

(3) a change in the Executive’s primary employment location to a location that is more than 50 miles from the primary location of the Executive’s employment at the time of such Change in Control.

(g) “CIC Qualifying Termination” means a termination of the Executive’s employment where (1) notice of termination is provided by the Company in accordance with Section 2(b) of the Plan during the CIC Period and such termination occurs during the CIC Period, or (2) notice of termination for CIC Good Reason is provided by the Executive in accordance with Section 2(c) of the Plan during the

CIC Period and such termination occurs during the CIC Period.

- (h) “CIC Period” means the period commencing upon a Change in Control and ending on the second anniversary of the Change in Control.
- (i) “Code” means the Internal Revenue Code of 1986, as amended, and all interpretive and regulatory guidance issued thereunder.
- (j) “Committee” means the Organization and Compensation Committee of the Board.
- (k) “Company” means Aon plc, a public limited company incorporated under English law.
- (l) “Delay Period” has the meaning set forth in Section 8(c).
- (m) “Executive” means any person who (1) is a member of the Company’s Governance & Policy Team or any successor thereto (or was a member of the Company’s Governance & Policy Team or any successor thereto immediately prior to the date on which a circumstance constituting Good Reason or CIC Good Reason initially existed) or (2) was a member of the Company’s Executive Committee as in effect on June 1, 2019, provided that (i) an Executive shall not be entitled to any benefits payable upon a Qualifying Termination under this Plan in the event that he or she is party to an individual contractual arrangement with the Company relating to the provision of severance benefits, and (ii) an Executive shall not be entitled to any benefits payable upon a CIC Qualifying Termination under this Plan in the event that he or she is party to an individual contractual arrangement with the Company relating to the provision of severance benefits upon a change in control event.
- (n) “Good Reason” means, without an Executive’s express written consent, the occurrence of any of the following events, to the extent not cured by the Company within thirty (30) days of Executive’s written notification to the Company that a condition constituting Good Reason exists, which written notification must be provided by the Executive to the Company within thirty (30) days of the initial existence of the condition constituting Good Reason:
 - (1) a substantial adverse change in the nature or scope of the Executive’s authority, powers, functions, duties or responsibilities (provided, however, that “Good Reason” shall not exist solely as a result of a change in reporting structure or job title, or as a result of the Executive’s ceasing to be a member of the Executive Committee); or
 - (2) a material reduction by the Company in the Executive’s rate of annual base salary or bonus opportunity (except for any reduction that applies generally to members of the Executive Committee).
- (o) “Nonqualifying Termination” means the termination of an Executive’s employment (1) by the Company for Cause, (2) by the Executive for any reason other than Good Reason or CIC Good Reason, (3) as a result of the Executive’s death, or (4) by the Company due to the Executive’s absence from the Executive’s duties with the Company on a full-time basis for at least one hundred and eighty (180) consecutive days as a result of the Executive’s incapacity due to physical or mental illness.
- (p) “Plan Administrator” means the Committee or such other person or persons appointed by the Committee as described in Section 9.
- (q) “Qualifying Termination” means the termination of an Executive’s employment (1) by the Company without Cause, or (2) by the Executive for Good Reason.
- (r) “Release” has the meaning set forth in Section 6.
- (s) “Section 409A” means Section 409A of the Code and all interpretative and regulatory guidance issued thereunder.
- (t) “Severance Benefits” has the meaning set forth in Section 4 or Section 5, as applicable.
- (u) “Subsidiary” means Aon or any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities of such corporation or other entity entitled to vote generally in the election of directors.
- (v) “Termination Date” with respect to an Executive means the date on which the Executive’s employment is terminated for any reason.

2. Termination of Employment.

(a) The Company may terminate an Executive's employment at any time for Cause, or as a result of the Executive's absence from his or her duties with the Company on a full-time basis for at least one hundred and eighty (180) days as a result of the Executive's incapacity due to physical or mental illness.

(b) The Company may terminate an Executive's employment without Cause upon no less than three hundred and sixty-five (365) days' advance notice to the Executive, unless such termination by the Company occurs during the CIC Period, in which case, only thirty (30) days' advance notice to the Executive shall be required. In each case, such notice period may be waived by mutual agreement of the Company and the Executive. The Executive shall be entitled to continue receiving his or her salary and participating in all benefit and compensation plans for which he or she is eligible during the applicable notice period. Notwithstanding the foregoing, if the Company determines in its sole discretion that it cannot provide for the continuation of health benefits during the applicable notice period without potentially violating applicable law (including, without limitation, Section 2716 of the U.S. Public Health Service Act), the Company shall, in lieu of such benefits, provide the Executive with a taxable cash payment equal to one-hundred percent (100%) of the portion of the applicable monthly premium the Company would pay for such coverage as in effect at such time, for each calendar month (including partial months) remaining until the date of the Executive's termination.

(c) An Executive may terminate his or her employment with or without Good Reason or CIC Good Reason upon no less than thirty (30) days' advance notice to the Company, which notice period may be waived by the Company in its sole discretion. Notice provided by the Executive of the events giving rise to Good Reason or CIC Good Reason shall count towards satisfaction of this notice requirement. The Executive shall be entitled to continue receiving his or her salary and participating in all benefit and compensation plans for which he or she is eligible during the applicable notice period.

3. Payments and Benefits Upon a Nonqualifying Termination. In the event of an Executive's Nonqualifying Termination, the Company shall pay to the Executive (or to the Executive's beneficiary or estate, as the case may be), all base salary, benefits, and other compensation entitlements that are accrued or vested but unpaid through and including the Termination Date (the "Accrued Benefits"), which shall be payable within the time period required by applicable law and/or the terms of the applicable benefit plans or programs.

4. Payments and Benefits Upon a Qualifying Termination. In the event that an Executive experiences a Qualifying Termination, the Company shall pay to the Executive (or the Executive's beneficiary or estate, as the case may be) the Accrued Benefits and the Severance Benefits described below:

(a) An amount equal to the Executive's annual base salary (as in effect immediately prior to the Termination Date), payable in a cash lump sum on the fifty-third (53rd) day following the Termination Date.

5. Payments and Benefits Upon a CIC Qualifying Termination. In the event that an Executive experiences a CIC Qualifying Termination, the Company shall pay to the Executive (or Executive's beneficiary or estate, as the case may be) the Accrued Benefits and the Severance Benefits described below:

(a) An amount equal to the Executive's average annual cash incentive bonus over the three fiscal years immediately preceding the fiscal year in which the Termination Date occurs (annualized for any fiscal year with respect to which the Executive was employed by the Company for fewer than twelve (12) months), multiplied by a fraction, the numerator of which is the number of days elapsed in the fiscal year in which the Termination Date occurs through the Termination Date, and the denominator of which is 365 or 366 (as applicable), payable in a cash lump sum on the fifty-third (53rd) day following the Termination Date (provided however, that (i) if the Executive was not employed by the Company during each of the three fiscal years immediately preceding the fiscal year in which the Termination Date occurs, the amount shall be determined based on the average annual cash incentive bonus received by the Executive over the fiscal years in which the Executive was actually employed; and (ii) if the Executive has not received an annual cash incentive bonus at any time prior to the Termination Date due to having been a new hire, the amount shall be determined by reference to the Executive's target annual cash incentive opportunity);

(b) An amount equal to two (2) times the sum of (i) the Executive's annual base salary (as in effect immediately prior to the Termination Date, or immediately prior to any reduction if such CIC Qualifying Termination is a result of a reduction in base salary) and (ii) the Executive's average annual cash incentive bonus over the two fiscal years immediately preceding the fiscal year in which the Termination Date occurs, payable in a cash lump sum on the fifty-third (53rd) following the Termination Date (provided however, that (x) if the Executive was not employed by the Company during each of the two fiscal years immediately preceding the fiscal year in which the Termination Date occurs, the amount shall be determined based on the average annual cash incentive bonus received by the Executive over the fiscal years in which the Executive was actually employed; and (y) if the Executive has not received an annual cash incentive bonus at any time prior to the Termination Date due to having been a new hire, the amount shall be determined by reference to the Executive's target annual cash incentive opportunity);

(c) For U.S. Executives only: immediate and full vesting in the Executive's accrued benefits under the Aon Corporation Excess Benefit Plan, the Aon Corporation Supplemental Savings Plan (the "SSP), and the Aon Corporation Supplemental Employee Stock

Ownership Plan, or successor plans in effect on the Termination Date; provided that (i) the accrued benefits under the Aon Corporation Excess Benefit Plan or the SSP (whichever plan applies to the Executive) shall be determined by crediting the Executive with two (2) additional years of age and service credits, and (ii) the accrued benefits under the SSP shall be determined by crediting the Executive's SSP account with an amount equal to two (2) additional years of Supplemental Match Contributions (as defined under, and calculated based on the Executive's Years of Participation under, the SSP as of the Termination Date); and

(d) For the period commencing on the Termination Date and ending on the earlier of (i) two (2) years following the Termination Date and (ii) the date on which the Executive becomes eligible to participate in and receive medical, dental and life insurance benefits under a plan or arrangement sponsored by another employer having benefits substantially equivalent to the benefits provided pursuant to this subsection, the Company shall continue the Executive's medical, dental and life insurance coverage, under the Company-sponsored plans or otherwise, upon the same terms and otherwise to the same extent as such coverage shall have been in effect immediately prior to the Executive's Termination Date, and the Company and the Executive shall share the costs of the continuation of such medical, dental and life insurance coverage in the same proportion as such costs were shared immediately prior to the Termination Date; provided that the Company's share of the cost of the continuation of coverage under any self-insured medical reimbursement plan that is subject to Section 105(h) of the Code shall be included in the Executive's taxable income from the Company. Such continuation of coverage shall be in satisfaction of the Company's obligations under the Consolidated Omnibus Budget Reconciliation Act of 1985, to the extent applicable. Notwithstanding the foregoing, if the Company determines in its sole discretion that it cannot provide the foregoing continuation of benefits without potentially violating applicable law (including, without limitation, Section 2716 of the U.S. Public Health Service Act), the Company shall, in lieu of such benefits, provide Executive with a taxable cash payment equal to one-hundred percent (100%) of the portion of the applicable monthly premium the Company would pay for such coverage as in effect at such time, for each calendar month (including partial months) remaining until the earlier of (i) second anniversary of the Termination Date and (ii) the date on which the Executive becomes eligible to participate in and receive such benefits under a plan or arrangement sponsored by another employer.

6. Release of Claims. Any Severance Benefits payable to an Executive under the Plan shall only be paid contingent upon the Executive's (or, in the event of the Executive's death or incapacity, that of the Executive's executor or other legal representative) execution and non-revocation of the Company's standard non-competition, non-solicitation of clients and employees, and confidentiality agreement and release of claims, as modified in the Company's sole discretion to preserve the enforceability of such agreement under applicable local law (the "Release") within forty-five (45) days following the Termination Date. For the avoidance of doubt, the Severance Benefits shall be provided as compensation for services rendered to the Company and in consideration of the covenants set forth in the Release. The Executive shall forfeit the Severance Benefits in the event that the Executive fails to execute and deliver the Release to the Company in accordance with the timing and other provisions of this Section or revokes such Release prior to the date it becomes effective.

7. Reduction of Payments. Anything in this Plan to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise, but determined without regard to any adjustment required under this Section) (in the aggregate, the "Total Payments") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter referred to as the "Excise Tax"), and if it is determined that (a) the amount remaining, after the Total Payments are reduced by an amount equal to all applicable federal and state taxes (computed at the highest applicable marginal rate), including the Excise Tax, is less than (b) the amount remaining, after taking into account all applicable federal and state taxes (computed at the highest applicable marginal rate), after payment or distribution to or for the benefit of the Executive of the maximum amount that may be paid or distributed to or for the benefit of the Executive without resulting in the imposition of the Excise Tax, then the payments due hereunder shall be reduced so that the Total Payments are One Dollar (\$1) less than such maximum amount. All determinations to be made pursuant to this Section 7 shall be made by the public accounting firm that serves as the Company's auditor.

8. Section 409A.

(a) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits that are subject to the requirements of Section 409A upon or following a termination of employment, unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment," or like terms shall mean "separation from service" within the meaning of Section 409A.

(b) Each payment to be made to an Executive under this Plan shall be treated as a "separate payment" for purposes of Section 409A.

(c) In the event that any payment or distribution or portion of any payment or distribution to be made to the Executive hereunder cannot be characterized as a "short term deferral" for purposes of Section 409A or is not otherwise exempt from the provisions of Section 409A, and the Executive is determined to be a "specified employee" under Section 409A, such portion of the payment shall be

delayed until the earlier to occur of the Executive's death or the date that is six (6) months and one day following the Executive's "separation from service" within the meaning of Section 409A (the "Delay Period"). Upon the expiration of the Delay Period, the payments delayed pursuant to this subsection shall be paid to the Executive or his or her beneficiary in a lump sum, and any remaining payments due under this Plan shall be payable in accordance with their original payment schedule.

(d) To the extent that the reimbursement of any expenses or the provision of any in-kind benefits under this Plan is subject to Section 409A, (i) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, during any one calendar year shall not affect the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (ii) reimbursement of any such expense shall be made by no later than December 31 of the year following the year in which such expense is incurred; and (iii) the Executive's right to receive such reimbursements of in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(e) The time or schedule of any payment or amount scheduled to be paid pursuant to the terms of this Plan may not be accelerated except as otherwise permitted under Section 409A.

(f) The parties intend that this Plan and the benefits provided hereunder be interpreted and construed to comply with Section 409A to the extent applicable thereto, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions. Notwithstanding any provision of the Plan to the contrary, the Plan shall be interpreted and construed consistent with this intent, provided that the Company shall not be required to assume any increased economic burden in connection therewith. To the extent that any provision of this Plan would fail to comply with the applicable requirements of Section 409A, the Company may, in its sole and absolute discretion, make such modifications to the Plan and/or payments to be made thereunder to the extent it determines necessary or advisable to comply with the requirements of Section 409A; provided, however, that the Company shall in no event be obligated to pay any interest, compensation, or penalties in respect of any such modifications. Although the Company intends to administer the Plan so that it will comply with the requirements of Section 409A, the Company does not represent or warrant that the Plan will comply with Section 409A or any other provision of federal, state, local, or non-United States law. Neither the Company, its Subsidiaries, nor their respective directors, officers, employees or advisers shall be liable to the Executive (or any other individual claiming a benefit through the Executive) for any tax, interest, or penalties the Executive may owe as a result of compensation paid under the Plan, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect the Executive from the obligation to pay any taxes pursuant to Section 409A.

9. Plan Administration: Claims Procedure.

(a) This Plan shall be interpreted and administered by the Committee, or if the Committee has delegated its authority to interpret and administer this Plan, by the person or persons appointed by the Committee from time to time to interpret and administer this Plan (the "Plan Administrator"), who shall have complete authority, in his or her sole discretion subject to the express provisions of this Plan, to make all determinations necessary or advisable for the administration of this Plan. All questions arising in connection with the interpretation of this Plan or its administration shall be submitted to and determined by the Plan Administrator in a fair and equitable manner in accordance with the procedure for claims and appeals described below.

(b) Any Executive whose employment has terminated who believes that he or she is entitled to receive benefits under this Plan, including benefits other than those initially determined by the Plan Administrator to be payable, may file a claim in writing with the Plan Administrator, specifying the reasons for such claim. The Plan Administrator shall, within ninety (90) days after receipt of such written claim (unless special circumstances require an extension of time, but in no event more than one hundred and eighty (180) days after such receipt), send a written notification to the Executive as to the disposition of such claim. Such notification shall be written in a manner calculated to be understood by the claimant and in the event that such claim is denied in whole or in part, shall (i) state the specific reasons for the denial, (ii) make specific reference to the pertinent Plan provisions on which the denial is based, (iii) provide a description of any additional material or information necessary for the Executive to perfect the claim and an explanation of why such material or information is necessary, and (iv) set forth the procedure by which the Executive may appeal the denial of such claim. The Executive (or his or her duly authorized representative) may request a review of the denial of any such claim or portion thereof by making application in writing to the Plan Administrator within sixty (60) days after receipt of such denial. Such Executive (or his or her duly authorized representative) may, upon written request to the Plan Administrator, review any documents pertinent to such claim, and submit in writing issues and comments in support of such claim. Within 60 days after receipt of a written appeal (unless special circumstances require an extension of time, but in no event more than one hundred and twenty (120) days after such receipt), the Plan Administrator shall notify the Executive of the final decision with respect to such claim. Such decision shall be written in a manner calculated to be understood by the claimant and shall state the specific reasons for such decision and make specific references to the pertinent Plan provision on which the decision is based.

(c) The Plan Administrator may from time to time delegate any of his or her duties hereunder to such person or persons as the Plan Administrator may designate. The Plan Administrator is empowered, on behalf of this Plan, to engage accountants, legal counsel and such other persons as the Plan Administrator deems necessary or advisable for the performance of his or her duties under this Plan. The

functions of any such persons engaged by the Plan Administrator shall be limited to the specified services and duties for which they are engaged, and such persons shall have no other duties, obligations or responsibilities under this Plan. Such persons shall exercise no discretionary authority or discretionary control respecting the administration of this Plan. All reasonable fees and expenses of such persons shall be borne by the Company.

10. Withholding Taxes. The Company may withhold from all payments due under this Plan to each Executive (or the Executive's beneficiary or estate) all taxes which, by applicable federal, state, local or other law, the Company is required to withhold therefrom.

11. Amendment and Termination. The Company shall have the right, in its sole discretion, pursuant to action by the Board, to approve the amendment or termination of this Plan, which amendment or termination shall not become effective until the date fixed by the Board for such amendment or termination, which date, in the case of an amendment which would be materially adverse to the interests of any Executive or in the case of termination, shall be at least one hundred and twenty (120) days after notice thereof is given by the Company to the Executives; provided, however, that no such action shall be taken by the Board during any period when the Board has actual knowledge that any person has taken steps reasonably calculated to effect a Change in Control until, in the opinion of the Board, such person has abandoned or terminated its efforts to effect a Change in Control; and provided further, that during the CIC Period or any period thereafter during which payments or benefits payable under the terms of this Plan as a result of a CIC Qualifying Termination, in no event shall this Plan be amended in a manner materially adverse to the interests of any Executive or terminated.

12. Offset; Mitigation.

(a) For non-U.S. Executives who are not subject to U.S. federal income tax: If the Company is obligated by law to pay severance pay, notice pay or other similar benefits, or if the Company is obligated by law to provide advance notice of separation ("Notice Period"), then any payments hereunder shall be reduced by the amount of any such severance pay, notice pay or other similar benefits, as applicable, and by the amount of any severance pay, notice pay or other similar benefits received during any Notice Period.

(b) In no event shall an Executive be obligated to seek other employment or to take other action by way of mitigation of the amounts payable and the benefits provided to such Executive under any of the provisions of this Plan, and such amounts and benefits shall not be reduced whether or not such Executive obtains other employment, except as otherwise provided in Section 5(d) hereof.

13. Unfunded Plan. This Plan shall not be funded. No Executive entitled to benefits hereunder shall have any right to, or interest in, any specific assets of the Company or any of its Subsidiaries, but an Executive shall have only the rights of a general creditor of the Company to receive benefits on the terms and subject to the conditions provided in this Plan.

14. Payments to Minors, Incompetents and Beneficiaries. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of giving a receipt therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Company, its Subsidiaries, the Plan Administrator and all other parties with respect thereto. If an Executive shall die while any amounts would be payable to the Executive under this Plan had the Executive continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to such person or persons appointed in writing by the Executive to receive such amounts or, if no person is so appointed, to the estate of the Executive.

15. Non-Assignability. None of the payments, benefits or rights of any Executive shall be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process or any other legal or equitable process available to any creditor of such Executive. Except as otherwise provided herein or by law, no right or interest of any Executive under this Plan shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including without limitation by execution, levy, garnishment, attachment or pledge; no attempted assignment or transfer thereof shall be effective; and no right or interest of any Executive under this Plan shall be subject to any obligation or liability of such Executive.

16. No Rights to Continued Employment. Neither the adoption of this Plan, nor any amendment hereof, nor the creation of any fund, trust or account, nor the payment of any benefits, shall be construed as giving any Executive the right to be retained in the service of the Company or any of its Subsidiaries, and all Executives shall remain subject to discharge to the same extent as if this Plan had not been adopted.

17. Successors; Binding Agreement. This Plan shall inure to the benefit of and be binding upon the beneficiaries, heirs, executors, administrators, successors and assigns of the parties, including each Executive, present and future, and any successor to the Company or one of its Subsidiaries. This Plan shall not be terminated by any merger or consolidation of the Company whereby the Company is or is not the surviving or resulting corporation or as a result of any transfer of all or substantially all of the assets of the Company. In the event of any such merger, consolidation or transfer of assets, the provisions of this Plan shall be binding upon the surviving or resulting

corporation or the person or entity to which such assets are transferred. The Company agrees that concurrently with any merger, consolidation or transfer of assets referred to in this Section, it will cause any surviving or resulting corporation or transferee unconditionally to assume all of the obligations of the Company hereunder.

18. Headings. The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Plan and shall not be employed in the construction of this Plan.

19. Notices. Any notice or other communication required or permitted pursuant to the terms hereof shall have been duly given when delivered personally or by email or mailed by United States mail, first class, postage prepaid, addressed to (a) with respect to the Executive, his or her last known address on file in the Company's records, or (b) with respect to the Company, to Aon plc, 200 East Randolph Drive, Chicago, Illinois 60601, 3rd Floor, attention General Counsel, with a copy to the Secretary. The Committee may revise such notice period from time to time. Any notice required under the Plan may be waived by the person entitled to notice.

20. Effective Date. This Plan shall be effective as of the date hereof and shall remain in effect unless and until terminated by the Company in accordance with this Plan.

21. Employment with, and Action by, Subsidiaries. For purposes of this Plan, any references to employment with the Company or actions taken or to be taken by the Company with respect to or otherwise relating to the Executive's employment shall include employment with or actions taken or be taken by any Subsidiary.

22. Governing Law; Validity. This Plan shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Illinois (without regard to principles of conflicts of laws) to the extent not preempted by federal law, which shall otherwise control. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Plan shall be construed and enforced as if such provision had not been included.

IN WITNESS WHEREOF, the Company has caused this Plan to be adopted as of the 21st day of June, 2019.

AON PLC

By: /s/ Siobhan Cifelli

Siobhan Cifelli
Chief Human Resources Officer (interim)