

**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 **March 31, 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 April 25, 2019 : 240,521,662

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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	
	March 31, 2019	March 31, 2018
Revenue		
Total revenue	\$ 3,143	\$ 3,090
Expenses		
Compensation and benefits	1,584	1,616
Information technology	117	115
Premises	87	93
Depreciation of fixed assets	40	39
Amortization and impairment of intangible assets	97	110
Other general expenses	346	318
Total operating expenses	2,271	2,291
Operating income	872	799
Interest income	2	4
Interest expense	(72)	(70)
Other income (expense)	—	(15)
Income from continuing operations before income taxes	802	718
Income taxes	126	114
Net income from continuing operations	676	604
Net income from discontinued operations	—	6
Net income	676	610
Less: Net income attributable to noncontrolling interests	17	16
Net income attributable to Aon shareholders	\$ 659	\$ 594
Basic net income per share attributable to Aon shareholders		
Continuing operations	\$ 2.72	\$ 2.37
Discontinued operations	—	0.02
Net income	\$ 2.72	\$ 2.39
Diluted net income per share attributable to Aon shareholders		
Continuing operations	\$ 2.70	\$ 2.35
Discontinued operations	—	0.02
Net income	\$ 2.70	\$ 2.37
Weighted average ordinary shares outstanding - basic	242.2	248.5
Weighted average ordinary shares outstanding - diluted	243.7	250.2

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

Aon plc
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

<i>(millions)</i>	Three Months Ended	
	March 31, 2019	March 31, 2018
Net income	\$ 676	\$ 610
Less: Net income attributable to noncontrolling interests	17	16
Net income attributable to Aon shareholders	659	594
Other comprehensive income, net of tax:		
Change in fair value of financial instruments	7	14
Foreign currency translation adjustments	133	247
Postretirement benefit obligation	31	48
Total other comprehensive income	171	309
Less: Other comprehensive income attributable to noncontrolling interests	2	3
Total other comprehensive income attributable to Aon shareholders	169	306
Comprehensive income attributable to Aon shareholders	\$ 828	\$ 900

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

Aon plc
Condensed Consolidated Statements of Financial Position

<i>(millions, except nominal value)</i>	(Unaudited) March 31, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	\$ 600	\$ 656
Short-term investments	134	172
Receivables, net	3,242	2,760
Fiduciary assets	11,412	10,166
Other current assets	531	618
Total current assets	15,919	14,372
Goodwill	8,219	8,171
Intangible assets, net	1,077	1,149
Fixed assets, net	606	588
Operating lease right-of-use assets	993	—
Deferred tax assets	588	561
Prepaid pension	1,224	1,133
Other non-current assets	509	448
Total assets	\$ 29,135	\$ 26,422
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,479	\$ 1,943
Short-term debt and current portion of long-term debt	426	251
Fiduciary liabilities	11,412	10,166
Other current liabilities	1,220	936
Total current liabilities	14,537	13,296
Long-term debt	5,990	5,993
Non-current operating lease liabilities	978	—
Deferred tax liabilities	205	181
Pension, other postretirement, and postemployment liabilities	1,590	1,636
Other non-current liabilities	973	1,097
Total liabilities	24,273	22,203
Equity		
Ordinary shares - \$0.01 nominal value		
Authorized: 750 shares (issued: 2019 - 240.9; 2018 - 240.1)	2	2
Additional paid-in capital	5,958	5,965
Retained earnings	2,555	2,093
Accumulated other comprehensive loss	(3,740)	(3,909)
Total Aon shareholders' equity	4,775	4,151
Noncontrolling interests	87	68
Total equity	4,862	4,219
Total liabilities and equity	\$ 29,135	\$ 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

<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

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

Aon plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

<i>(millions)</i>	Three Months Ended	
	March 31, 2019	March 31, 2018
Cash flows from operating activities		
Net income	\$ 676	\$ 610
Less: Net income from discontinued operations	—	6
Adjustments to reconcile net income to cash provided by operating activities:		
(Gain) loss from sales of businesses, net	(4)	1
Depreciation of fixed assets	40	39
Amortization and impairment of intangible assets	97	110
Share-based compensation expense	89	77
Deferred income taxes	(25)	26
Change in assets and liabilities:		
Fiduciary receivables	(609)	(605)
Short-term investments — funds held on behalf of clients	(541)	(195)
Fiduciary liabilities	1,150	800
Receivables, net	(458)	(269)
Accounts payable and accrued liabilities	(454)	(439)
Restructuring reserves	(25)	(24)
Current income taxes	118	30
Pension, other postretirement and postemployment liabilities	(54)	(53)
Other assets and liabilities	74	38
Cash provided by operating activities	74	140
Cash flows from investing activities		
Proceeds from investments	12	17
Payments for investments	(14)	(11)
Net sales of short-term investments — non-fiduciary	41	415
Acquisition of businesses, net of cash acquired	(15)	(29)
Sale of businesses, net of cash sold	6	(1)
Capital expenditures	(57)	(45)
Cash provided by (used for) investing activities	(27)	346
Cash flows from financing activities		
Share repurchase	(100)	(569)
Issuance of shares for employee benefit plans	(98)	(109)
Issuance of debt	871	808
Repayment of debt	(694)	(704)
Cash dividends to shareholders	(96)	(89)
Noncontrolling interests and other financing activities	(23)	—
Cash used for financing activities	(140)	(663)
Effect of exchange rates on cash and cash equivalents	37	18
Net decrease in cash and cash equivalents	(56)	(159)
Cash and cash equivalents at beginning of period	656	756
Cash and cash equivalents at end of period	\$ 600	\$ 597
Supplemental disclosures:		
Interest paid	\$ 27	\$ 58
Income taxes paid, net of refunds	\$ 33	\$ 58

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 months ended March 31, 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. 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 derivative hedges are recognized in revenue as compared to other income (expense) under the previous guidance. The adoption of this guidance had no impact on the net 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 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 standard is effective for Aon in the first quarter of 2020 and early adoption is permitted. The Company is currently evaluating the impact that the standard will have on its Financial Statements and the period of adoption.

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 March 31	
	2019	2018
Commercial Risk Solutions	\$ 1,118	\$ 1,184
Reinsurance Solutions	788	742
Retirement Solutions	420	424
Health Solutions	486	451
Data & Analytic Services	336	294
Elimination	(5)	(5)
Total revenue	\$ 3,143	\$ 3,090

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 March 31	
	2019	2018
United States	\$ 1,161	\$ 1,116
Americas other than United States	226	237
United Kingdom	452	484
Europe, Middle East, & Africa other than United Kingdom	1,009	979
Asia Pacific	295	274
Total revenue	\$ 3,143	\$ 3,090

Contract Costs

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

As of	March 31, 2019	December 31, 2018
Balance at beginning of period	\$ 329	\$ 298
Additions	346	1,504
Amortization	(439)	(1,465)
Impairment	—	—
Foreign currency translation and other	—	(8)
Balance at end of period	\$ 236	\$ 329

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

As of	March 31, 2019	December 31, 2018
Balance at beginning of period	\$ 156	\$ 145
Additions	9	53
Amortization	(11)	(41)
Impairment	—	—
Foreign currency translation and other	1	(1)
Balance at end of period	\$ 155	\$ 156

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 March 31, 2019, Cash and cash equivalents and Short-term investments were \$734 million compared to \$828 million at December 31, 2018, a decrease of \$94 million. Of the total balances, \$140 million and \$91 million were restricted as to their use at March 31, 2019 and December 31, 2018, respectively. Included within Cash and cash equivalents as of March 31, 2019, was \$48 million of pledged cash, which was released on April 1, 2019. Included within Short-term investments as of March 31, 2019 and December 31, 2018 was £42.7 million (\$56.4 million at March 31, 2019 exchange rates and \$53.9 million at December 31, 2018 exchange rates) 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 March 31	
	2019	2018
Foreign currency remeasurement	\$ (11)	\$ (16)
Disposal of business	5	(1)
Pension and other postretirement	4	2
Equity earnings	1	1
Financial instruments	1	—
Other	—	(1)
Total	\$ —	\$ (15)

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 March 31	
	2019	2018
Balance at beginning of period	\$ 64	\$ 59
Provision charged to Other general expenses	8	8
Accounts written off, net of recoveries	(8)	(3)
Foreign currency translation and other	—	1
Balance at end of period	\$ 64	\$ 65

Other Current Assets

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

As of	March 31, 2019	December 31, 2018
Costs to fulfill contracts with customers ⁽¹⁾	\$ 236	\$ 329
Prepaid expenses	108	97
Taxes receivable	81	113
Other ⁽²⁾	106	79
Total	\$ 531	\$ 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	March 31, 2019	December 31, 2018
Costs to obtain contracts with customers ⁽¹⁾	\$ 155	\$ 156
Taxes receivable	99	100
Leases ⁽²⁾	70	—
Investments	55	54
Other	130	138
Total	\$ 509	\$ 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	March 31, 2019	December 31, 2018
Deferred revenue ⁽¹⁾	\$ 305	\$ 251
Leases ⁽²⁾	241	—
Taxes payable	158	83
Other	516	602
Total	\$ 1,220	\$ 936

(1) During the Three Months Ended March 31, 2019, and twelve months ended December 31, 2018, \$134 million and \$487 million, respectively, was recognized in the Condensed

(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	March 31, 2019	December 31, 2018
Taxes payable ⁽¹⁾	\$ 596	\$ 585
Leases	50	169
Deferred revenue	60	65
Compensation and benefits	44	56
Other	223	222
Total	\$ 973	\$ 1,097

(1) Includes \$238 million and \$240 million for the non-current portion of the Transition Tax as of March 31, 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, sub-leases, 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 months ended March 31, 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 March 31	
	2019	2018
Expenses		
Total operating expenses	\$ —	\$ 3
Loss from discontinued operations before income taxes	—	(3)
Income tax benefit	—	(1)
Net loss from discontinued operations excluding gain	—	(2)
Gain on sale of discontinued operations, net of tax	—	8
Net income from discontinued operations	\$ —	\$ 6

There were no Cash and cash equivalents of discontinued operations at March 31, 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 4,800 to 5,400 role eliminations. In the fourth quarter of 2018, Aon expanded the Restructuring Plan, which resulted in additional expected costs of approximately \$200 million, consisting of \$150 million of cash investment and \$50 million of non-cash charges.

The Restructuring Plan is expected to result in cumulative costs of approximately \$1,225 million through the end of the plan, consisting of approximately \$450 million in employee termination costs, \$130 million in technology rationalization costs, \$65 million in lease consolidation costs, \$50 million in non-cash asset impairments, and \$530 million in other costs, including certain separation costs associated with the sale of the Divested Business.

From the inception of the Restructuring Plan through March 31, 2019, the Company has eliminated 4,491 positions and incurred total expenses of \$1,073 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 March 31, 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 March 31, 2019	Inception to Date	Estimated Remaining Costs	Estimated Total Cost ⁽¹⁾
Workforce reduction	\$ 24	\$ 438	\$ 12	\$ 450
Technology rationalization ⁽²⁾	11	91	39	130
Lease consolidation ⁽²⁾	9	45	20	65
Asset impairments	—	39	11	50
Other costs associated with restructuring and separation ⁽²⁾⁽³⁾	47	460	70	530
Total restructuring and related expenses	\$ 91	\$ 1,073	\$ 152	\$ 1,225

(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.

(2) Total contract termination costs incurred under the Restructuring Plan associated with Technology rationalizations, Lease consolidations, and Other costs associated with restructuring and separation, respectively, for the three months ended March 31, 2019 were \$1 million, \$9 million, and \$2 million; and since inception of the Restructuring Plan were, respectively, \$7 million, \$42 million, and \$90 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, respectively, are \$15 million, \$80 million, and \$95 million.

(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 March 31, 2019 are as follows (in millions):

Balance as of December 31, 2018	\$ 201
Expensed	88
Cash payments	(113)
Foreign currency translation	(1)
Balance as of March 31, 2019	\$ 175

8. Acquisitions and Dispositions of Businesses

Completed Acquisitions

The Company completed one acquisition during the three months ended March 31, 2019 and eight acquisitions during the twelve months ended December 31, 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):

	Three Months Ended March 31, 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 December 31, 2018, the Company completed the transaction to acquire certain assets of Bill Beatty Insurance Agency, Inc. based in the United States.

On November 15, 2018, the Company completed the transaction to acquire certain business and assets of North Harbour Insurance Services (1985) Limited, a New Zealand-based firm.

On October 25, 2018, the Company completed the transaction to acquire 100% capital of GEFASS S.R.L and GE.F.IT S.R.L., Italy-based firms specialized in Bancassurance schemes.

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 one disposition during the three months ended March 31, 2019 . The Company completed no dispositions during the three months ended March 31, 2018 .

Total pretax gain, net of losses, for the three months ended March 31, 2019 was \$5 million . Total pretax losses recognized for the three months ended March 31, 2018 was \$1 million . 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 three months ended March 31, 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		(1)
Goodwill related to prior year acquisitions		1
Foreign currency translation and other		33
Balance as of March 31, 2019	\$	8,219

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

	March 31, 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	\$ 2,282	\$ 1,501	\$ 781	\$ 2,240	\$ 1,444	\$ 796
Tradenames	1,030	795	235	1,027	740	287
Technology and other	391	330	61	391	325	66
Total	\$ 3,703	\$ 2,626	\$ 1,077	\$ 3,658	\$ 2,509	\$ 1,149

The estimated future amortization for finite lived intangible assets as of March 31, 2019 is as follows (in millions):

Remainder of 2019	\$	311
2020		217
2021		128
2022		85
2023		73
2024		56
Thereafter		207
Total	\$	1,077

10. Debt

Notes

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 March 31, 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 March 31, 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 March 31, 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 March 31, 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	March 31, 2019		December 31, 2018	
Commercial paper outstanding	\$	423	\$	250

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

	Three Months Ended March 31			
	2019		2018	
Weighted average commercial paper outstanding	\$	323	\$	125
Weighted average interest rate of commercial paper outstanding		0.49%		(0.50)%

11. Income Taxes

The effective tax rate on net income from continuing operations was 15.7% for the three months ended March 31, 2019. The effective tax rate on net income from continuing operations was 15.9% for the three months ended March 31, 2018.

For the three months ended March 31, 2019, the tax rate was primarily driven by the geographical distribution of income and certain discrete items, primarily the favorable impact of share-based payments. For the three months ended March 31, 2018, the tax rate was primarily driven by the geographical distribution of income and certain discrete items including the impact of share-based payments and a decrease in uncertain tax positions related to the statute of limitations expiration following an audit.

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 March 31	
	2019	2018
Shares repurchased	0.6	3.9
Average price per share	\$ 161.16	\$ 140.94
Costs recorded to retained earnings:		
Total repurchase cost	\$ 100	\$ 550
Additional associated costs	1	3
Total costs recorded to retained earnings	\$ 101	\$ 553

At March 31, 2019, the remaining authorized amount for share repurchase under the Repurchase Program was \$3.9 billion. Under the Repurchase Program, the Company has repurchased a total of 118.9 million shares for an aggregate cost of approximately \$11.1 billion.

Net Income Per Share

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

	Three Months Ended March 31	
	2019	2018
Basic weighted average ordinary shares outstanding	242.2	248.5
Dilutive effect of potentially issuable shares	1.5	1.7
Diluted weighted average ordinary shares outstanding	243.7	250.2

Potentially issuable shares are not included in the computation of diluted net income per share if its inclusion would be antidilutive. There were 0.1 million shares excluded from the calculation for the three months ended March 31, 2019 and March 31, 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 before reclassifications, net	4	131	11	146
Amounts reclassified from accumulated other comprehensive income				
Amounts reclassified from accumulated other comprehensive income	5	—	26	31
Tax expense	(2)	—	(6)	(8)
Amounts reclassified from accumulated other comprehensive income, net	3	—	20	23
Net current period other comprehensive income	7	131	31	169
Balance at March 31, 2019	\$ (8)	\$ (1,188)	\$ (2,544)	\$ (3,740)

(1) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Revenue, Interest expense, and Compensation and benefits. 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 material U.K., U.S., and other significant international pension plans located in the Netherlands and Canada. 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 March 31					
	U.K.		U.S.		Other	
	2019	2018	2019	2018	2019	2018
Interest cost	\$ 28	\$ 29	\$ 27	\$ 25	\$ 7	\$ 7
Expected return on plan assets, net of administration expenses	(49)	(51)	(34)	(36)	(10)	(12)
Amortization of prior-service cost	1	—	1	—	—	—
Amortization of net actuarial loss	7	8	13	15	3	3
Net periodic (benefit) cost	(13)	(14)	7	4	—	(2)
Loss on pension settlement	—	7	—	—	—	—
Total net periodic (benefit) cost	\$ (13)	\$ (7)	\$ 7	\$ 4	\$ —	\$ (2)

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 three months ended March 31, 2018, lump sum payments from plan assets of £48 million (\$68 million using March 31, 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 first quarter of 2018, which in aggregate resulted in a reduction to the projected benefit obligation of £44 million (\$63 million using March 31, 2018 exchange rates), as well as a non-cash settlement charge of £5 million (\$7 million using average March 31, 2018 exchange rates) in the first quarter of 2018.

Contributions

The Company expects to make 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 March 31, 2019 , cash contributions of \$23 million , \$17 million , and \$7 million were made to the Company's significant U.K., U.S., and other significant international pension plans, respectively.

During the three months ended March 31, 2018 , cash contributions of \$23 million , \$17 million , and \$8 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 March 31	
	2019	2018
Restricted share units ("RSUs")	\$ 63	\$ 58
Performance share awards ("PSAs")	23	16
Employee share purchase plans	3	3
Total share-based compensation expense	\$ 89	\$ 77

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):

	2019		2018	
	Shares	Fair Value ⁽¹⁾	Shares	Fair Value ⁽¹⁾
Non-vested at beginning of period	4,208	\$ 120	4,849	\$ 104
Granted	517	\$ 170	505	\$ 144
Vested	(677)	\$ 117	(806)	\$ 101
Forfeited	(41)	\$ 121	(63)	\$ 105
Non-vested at end of period	4,007	\$ 127	4,485	\$ 109

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

Unamortized deferred compensation expense amounted to \$366 million as of March 31, 2019, with a remaining weighted average amortization period of approximately 2 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 three months ended March 31, 2019 and the years ended December 31, 2018 and 2017, respectively (shares in thousands and dollars in millions, except fair value):

	March 31, 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	\$ 165	\$ 134	\$ 114
Number of shares that would be issued based on current performance levels	467	838	1,067
Unamortized expense, based on current performance levels	\$ 77	\$ 70	\$ 32

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⁾	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Foreign exchange contracts						
Accounted for as hedges	\$ 565	\$ 646	\$ 20	\$ 17	\$ 1	\$ 2
Not accounted for as hedges ⁽³⁾	321	269	—	1	—	6
Total	\$ 886	\$ 915	\$ 20	\$ 18	\$ 1	\$ 8

(1) Included within Other current assets (\$6 million at March 31, 2019 and \$3 million at December 31, 2018) or Other non-current assets (\$14 million at March 31, 2019 and \$15 million at December 31, 2018).

(2) Included within Other current liabilities (\$1 million at March 31, 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	
	March 31, 2019	March 31, 2018
Gain (Loss) recognized in Accumulated other comprehensive loss	\$ 4	\$ 14

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	
	March 31, 2019	March 31, 2018
Compensation and benefits	\$ —	\$ 1
Other general expenses	—	(1)
Interest expense	(1)	(1)
Revenue ⁽¹⁾	(4)	—
Other income (expense) ⁽¹⁾	—	(3)
Total	\$ (5)	\$ (4)

(1) With the adoption of new derivative guidance in 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 \$10 million of pretax losses currently included within Accumulated other comprehensive loss will be reclassified in to earnings in the next twelve months.

During the three months ended March 31, 2019, the Company recorded a gain of \$5 million in Other income (expense) for foreign exchange derivatives not accounted for as hedges. During the three months ended March 31, 2018, the Company recorded a gain of \$9 million 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 March 31, 2019, the Company has €220 million (\$248 million at March 31, 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 March 31, 2019, the unrealized gain recognized in Accumulated other comprehensive loss related to the net investment non derivative hedging instrument was \$23 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 months ended March 31, 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 March 31, 2019 and December 31, 2018 (in millions):

	Fair Value Measurements Using			
	Balance at March 31, 2019	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⁾	\$ 1,979	\$ 1,979	\$ —	\$ —
Other investments				
Government bonds	\$ 1	\$ —	\$ 1	\$ —
Equity investments	\$ 2	\$ —	\$ 2	\$ —
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 25	\$ —	\$ 25	\$ —
Liabilities				
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 6	\$ —	\$ 6	\$ —

(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.

	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 three months ended March 31, 2019 or 2018. The Company recognized no realized or unrealized gains or losses in the Condensed Consolidated Statements of Income during either the three months ended March 31, 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):

	March 31, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 5,990	\$ 6,344	\$ 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 (\$59 million at March 31, 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 (\$92 million at March 31, 2019 exchange rates). 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 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 contends 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 claims damages of approximately NZD 184 million (\$127 million at March 31, 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.

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 (\$365 million at March 31, 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.

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 2024. As of March 31, 2019, the undiscounted maximum potential future payments under the lease guarantee is \$81 million, with an estimated fair value of \$16 million. No cash payments were made in connection to the lease commitments during the three months ended March 31, 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 March 31, 2019, the undiscounted maximum potential future payments under the performance guarantees were \$179 million, with an estimated fair value of \$1 million. No cash payments were made in connection to the performance guarantees during the three months ended March 31, 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 \$92 million at March 31, 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 \$76 million at March 31, 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. 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 both 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 March 31, 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 months ended March 31, 2019 and 2018, Condensed Consolidating Statements of Financial Position as of March 31, 2019 and December 31, 2018, and Condensed Consolidating Statements of Cash Flows for the three months ended March 31, 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

<i>(millions)</i>	Three Months Ended March 31, 2019				
	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Revenue					
Total revenue	\$ —	\$ —	\$ 3,143	\$ —	\$ 3,143
Expenses					
Compensation and benefits	20	8	1,556	—	1,584
Information technology	—	—	117	—	117
Premises	—	4	83	—	87
Depreciation of fixed assets	—	—	40	—	40
Amortization and impairment of intangible assets	—	—	97	—	97
Other general expenses (income)	—	(4)	350	—	346
Total operating expenses	20	8	2,243	—	2,271
Operating income (loss)	(20)	(8)	900	—	872
Interest income	—	9	—	(7)	2
Interest expense	(46)	(28)	(5)	7	(72)
Intercompany interest income (expense)	4	(116)	112	—	—
Intercompany other income (expense)	31	(99)	68	—	—
Other income (expense)	5	(11)	8	(2)	—
Income (loss) from continuing operations before income taxes	(26)	(253)	1,083	(2)	802
Income tax expense (benefit)	(5)	(42)	173	—	126
Net income (loss) from continuing operations	(21)	(211)	910	(2)	676
Net income from discontinued operations	—	—	—	—	—
Net income (loss) before equity in earnings of subsidiaries	(21)	(211)	910	(2)	676
Equity in earnings of subsidiaries	682	724	513	(1,919)	—
Net income	661	513	1,423	(1,921)	676
Less: Net income attributable to noncontrolling interests	—	—	17	—	17
Net income attributable to Aon shareholders	\$ 661	\$ 513	\$ 1,406	\$ (1,921)	\$ 659

Condensed Consolidating Statement of Income

Three Months Ended March 31, 2018

<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Revenue					
Total revenue	\$ —	\$ —	\$ 3,090	\$ —	\$ 3,090
Expenses					
Compensation and benefits	19	1	1,596	—	1,616
Information technology	—	—	115	—	115
Premises	—	—	93	—	93
Depreciation of fixed assets	—	—	39	—	39
Amortization and impairment of intangible assets	—	—	110	—	110
Other general expenses (income)	1	—	317	—	318
Total operating expenses	20	1	2,270	—	2,291
Operating income (loss)	(20)	(1)	820	—	799
Interest income	—	14	—	(10)	4
Interest expense	(49)	(24)	(7)	10	(70)
Intercompany interest income (expense)	4	(128)	124	—	—
Intercompany other income (expense)	(53)	(5)	58	—	—
Other income (expense)	(25)	(6)	13	3	(15)
Income (loss) from continuing operations before income taxes	(143)	(150)	1,008	3	718
Income tax expense (benefit)	(16)	(27)	157	—	114
Net income (loss) from continuing operations	(127)	(123)	851	3	604
Net income from discontinued operations	—	—	6	—	6
Net income (loss) before equity in earnings of subsidiaries	(127)	(123)	857	3	610
Equity in earnings of subsidiaries	718	705	582	(2,005)	—
Net income	591	582	1,439	(2,002)	610
Less: Net income attributable to noncontrolling interests	—	—	16	—	16
Net income attributable to Aon shareholders	\$ 591	\$ 582	\$ 1,423	\$ (2,002)	\$ 594

Condensed Consolidating Statement of Comprehensive Income

Three Months Ended March 31, 2019

<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net income	\$ 661	\$ 513	\$ 1,423	\$ (1,921)	\$ 676
Less: Net income attributable to noncontrolling interests	—	—	17	—	17
Net income attributable to Aon shareholders	661	513	1,406	(1,921)	659
Other comprehensive income, net of tax:					
Change in fair value of financial instruments	—	2	5	—	7
Foreign currency translation adjustments	—	—	131	2	133
Postretirement benefit obligation	—	22	9	—	31
Total other comprehensive income	—	24	145	2	171
Equity in other comprehensive income of subsidiaries, net of tax	167	115	139	(421)	—
Less: Other comprehensive income attributable to noncontrolling interests	—	—	2	—	2
Total other comprehensive income attributable to Aon shareholders	167	139	282	(419)	169
Comprehensive income attributable to Aon shareholders	\$ 828	\$ 652	\$ 1,688	\$ (2,340)	\$ 828

Condensed Consolidating Statement of Comprehensive Income

Three Months Ended March 31, 2018

<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net income	\$ 591	\$ 582	\$ 1,439	\$ (2,002)	\$ 610
Less: Net income attributable to noncontrolling interests	—	—	16	—	16
Net income attributable to Aon shareholders	591	582	1,423	(2,002)	594
Other comprehensive income, net of tax:					
Change in fair value of financial instruments	—	3	11	—	14
Foreign currency translation adjustments	—	—	250	(3)	247
Postretirement benefit obligation	—	11	37	—	48
Total other comprehensive income	—	14	298	(3)	309
Equity in other comprehensive income of subsidiaries, net of tax	309	285	299	(893)	—
Less: Other comprehensive income attributable to noncontrolling interests	—	—	3	—	3
Total other comprehensive income attributable to Aon shareholders	309	299	594	(896)	306
Comprehensive income attributable to Aon shareholders	\$ 900	\$ 881	\$ 2,017	\$ (2,898)	\$ 900

Condensed Consolidating Statement of Financial Position

As of March 31, 2019

<i>(millions)</i>	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Assets					
Current assets					
Cash and cash equivalents	\$ —	\$ 746	\$ 563	\$ (709)	\$ 600
Short-term investments	—	47	87	—	134
Receivables, net	—	—	3,242	—	3,242
Fiduciary assets	—	—	11,412	—	11,412
Current intercompany receivables	166	2,277	12,154	(14,597)	—
Other current assets	—	10	521	—	531
Total current assets	166	3,080	27,979	(15,306)	15,919
Goodwill	—	—	8,219	—	8,219
Intangible assets, net	—	—	1,077	—	1,077
Fixed assets, net	—	—	606	—	606
Operating lease right-of-use assets	—	114	879	—	993
Deferred tax assets	94	488	150	(144)	588
Prepaid pension	—	5	1,219	—	1,224
Non-current intercompany receivables	401	262	7,202	(7,865)	—
Other non-current assets	1	30	478	—	509
Investment in subsidiary	9,283	19,919	(355)	(28,847)	—
Total assets	\$ 9,945	\$ 23,898	\$ 47,454	\$ (52,162)	\$ 29,135
Liabilities and equity					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	\$ 351	\$ 75	\$ 1,762	\$ (709)	\$ 1,479
Short-term debt and current portion of long-term debt	248	175	3	—	426
Fiduciary liabilities	—	—	11,412	—	11,412
Current intercompany payables	339	13,283	975	(14,597)	—
Other current liabilities	—	81	1,139	—	1,220
Total current liabilities	938	13,614	15,291	(15,306)	14,537
Long-term debt	4,228	1,762	—	—	5,990
Non-current operating lease liabilities	—	153	825	—	978
Deferred tax liabilities	—	—	349	(144)	205
Pension, other postretirement and postemployment liabilities	—	1,241	349	—	1,590
Non-current intercompany payables	—	7,368	497	(7,865)	—
Other non-current liabilities	4	115	854	—	973
Total liabilities	5,170	24,253	18,165	(23,315)	24,273
Equity					
Total Aon shareholders' equity	4,775	(355)	29,202	(28,847)	4,775
Noncontrolling interests	—	—	87	—	87
Total equity	4,775	(355)	29,289	(28,847)	4,862
Total liabilities and equity	\$ 9,945	\$ 23,898	\$ 47,454	\$ (52,162)	\$ 29,135

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

Three Months Ended March 31, 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	\$ (11)	\$ (34)	\$ 179	\$ (60)	\$ 74
Cash flows from investing activities					
Proceeds from investments	—	8	4	—	12
Payments for investments	—	(9)	(5)	—	(14)
Net sales of short-term investments - non-fiduciary	—	9	32	—	41
Acquisition of businesses, net of cash acquired	—	—	(15)	—	(15)
Sale of businesses, net of cash sold	—	—	6	—	6
Capital expenditures	—	—	(57)	—	(57)
Cash provided by (used for) investing activities	—	8	(35)	—	(27)
Cash flows from financing activities					
Share repurchase	(100)	—	—	—	(100)
Advances from (to) affiliates	305	(265)	(172)	132	—
Issuance of shares for employee benefit plans	(98)	—	—	—	(98)
Issuance of debt	384	485	2	—	871
Repayment of debt	(384)	(310)	—	—	(694)
Cash dividends to shareholders	(96)	—	—	—	(96)
Noncontrolling interests and other financing activities	—	—	(23)	—	(23)
Cash provided by (used for) financing activities	11	(90)	(193)	132	(140)
Effect of exchange rate changes on cash and cash equivalents					
	—	—	37	—	37
Net increase (decrease) in cash and cash equivalents	—	(116)	(12)	72	(56)
Cash and cash equivalents at beginning of period	—	862	575	(781)	656
Cash and cash equivalents at end of period	\$ —	\$ 746	\$ 563	\$ (709)	\$ 600

Condensed Consolidating Statement of Cash Flows

Three Months Ended March 31, 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	\$ (21)	\$ 626	\$ 277	\$ (742)	\$ 140
Cash flows from investing activities					
Proceeds from investments	—	10	7	—	17
Payments for investments	(1)	(5)	(6)	1	(11)
Net sales of short-term investments - non-fiduciary	—	355	60	—	415
Acquisition of businesses, net of cash acquired	—	—	(29)	—	(29)
Sale of businesses, net of cash sold	—	—	(1)	—	(1)
Capital expenditures	—	—	(45)	—	(45)
Cash provided by (used for) investing activities	(1)	360	(14)	1	346
Cash flows from financing activities					
Share repurchase	(569)	—	—	—	(569)
Advances from (to) affiliates	418	(933)	(142)	657	—
Issuance of shares for employee benefit plans	(109)	—	—	—	(109)
Issuance of debt	431	375	2	—	808
Repayment of debt	(61)	(349)	(294)	—	(704)
Cash dividends to shareholders	(89)	—	—	—	(89)
Noncontrolling interests and other financing activities	—	—	—	—	—
Cash provided by (used for) financing activities	21	(907)	(434)	657	(663)
Effect of exchange rate changes on cash and cash equivalents	—	—	18	—	18
Net increase (decrease) in cash and cash equivalents	(1)	79	(153)	(84)	(159)
Cash and cash equivalents at beginning of period	1	2,524	793	(2,562)	756
Cash and cash equivalents at end of period	\$ —	\$ 2,603	\$ 640	\$ (2,646)	\$ 597

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. In addition, 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 Company's leases do not typically contain termination 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 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 which 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"). 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 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	March 31, 2019	
Assets		
Operating lease assets	Operating lease right-of-use assets	\$ 993
Finance lease assets	Other non-current assets	70
Total lease assets		\$ 1,063
Liabilities		
Current lease liabilities		
Operating	Other current liabilities	\$ 214
Finance	Other current liabilities	27
Non-current lease liabilities		
Operating	Non-current operating lease liabilities	978
Finance	Other non-current liabilities	50
Total lease liabilities		\$ 1,269

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

	Three Months Ended March 31, 2019
Operating lease cost	\$ 68
Finance lease cost	
Amortization of leased assets	7
Interest on lease liabilities	1
Variable lease cost	6
Short-term lease cost ⁽¹⁾	1
Sublease income	(8)
Net lease cost	\$ 75

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

Maturity analysis of operating and financing leases as of March 31, 2019 are as follows (in millions):

	Operating Leases	Finance Leases	Less: Subleases	Total
Remainder of 2019	\$ 206	\$ 26	\$ (26)	\$ 206
2020	244	27	(31)	240
2021	217	23	(31)	209
2022	192	2	(32)	162
2023	138	—	(14)	124
Thereafter	494	—	(4)	490
Total undiscounted future minimum lease payments	\$ 1,491	\$ 78	\$ (138)	\$ 1,431
Less: Imputed interest	(161)	(1)	—	(162)
Present value of lease liabilities	\$ 1,330	\$ 77	\$ (138)	\$ 1,269

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

As of	March 31, 2019
Weighted average remaining lease term (years)	
Operating leases	8.0
Finance leases	2.7
Weighted average discount rate	
Operating leases	3.3%
Finance leases	2.5%

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

	Three Months Ended March 31, 2019
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 52
ROU assets obtained in exchange for new operating lease liabilities	\$ 26

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

EXECUTIVE SUMMARY OF FIRST 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 first quarter of 2019 financial results from continuing operations:

- For the first quarter of 2019, revenue increased 2%, or \$53 million, to \$3.1 billion compared to the prior year period due primarily to organic revenue growth of 6%, partially offset by a 4% unfavorable impact from translating prior year period results at current period foreign exchange rates (“foreign currency translation”).
- Operating expenses for the first quarter of 2019 were \$2.3 billion, a decrease of \$20 million compared to the prior year period. The decrease was due primarily to a \$93 million favorable impact from foreign currency translation, \$45 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 a \$17 million increase in restructuring charges and an increase in expenses associated with 6% organic revenue growth.
- Operating margin increased to 27.7% in the first quarter of 2019 from 25.9% in the prior year period. The underlying increase was driven by organic revenue growth of 6% and operational improvement.
- Due to the factors set forth above, net income from continuing operations increased \$72 million, or 12%, to \$676 million for the first quarter of 2019 compared to the prior year period.
- Diluted earnings per share from continuing operations was \$2.70 per share for the first quarter of 2019 compared to \$2.35 per share for the prior year period.
- Cash flow provided by operating activities was \$74 million for the first three months of 2019, a decrease of \$66 million from the prior year period. Strong operational improvement and working capital improvements in payables were more than offset by approximately \$85 million of net cash payments related to legacy litigation and \$15 million of incremental cash restructuring charges.

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 first 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 first quarter of 2019, compared to 3% in the prior year period. Organic revenue growth for the quarter 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 33.7% for the first quarter of 2019 compared to 31.8% in the prior year period. The increase in adjusted operating margin 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 \$3.31 per share for the first quarter of 2019, compared to \$2.97 per share for the respective prior year period.
- Free cash flow, a non-GAAP measure defined under the caption “Review of Consolidated Results — Free Cash Flow,” decreased in the first three months of 2019 by \$78 million, or 82%, from the prior year period, to \$17 million, driven by a decrease of \$66 million in cash flow from operations and a \$12 million increase in capital expenditures, including investments in our operating model.

REVIEW OF CONSOLIDATED RESULTS

Summary of Results

Our consolidated results are as follow (in millions):

	Three Months Ended	
	March 31, 2019	March 31, 2018
Revenue		
Total revenue	\$ 3,143	\$ 3,090
Expenses		
Compensation and benefits	1,584	1,616
Information technology	117	115
Premises	87	93
Depreciation of fixed assets	40	39
Amortization and impairment of intangible assets	97	110
Other general expenses	346	318
Total operating expenses	2,271	2,291
Operating income	872	799
Interest income	2	4
Interest expense	(72)	(70)
Other income (expense)	—	(15)
Income from continuing operations before income taxes	802	718
Income taxes	126	114
Net income from continuing operations	676	604
Net income from discontinued operations	—	6
Net income	676	610
Less: Net income attributable to noncontrolling interests	17	16
Net income attributable to Aon shareholders	\$ 659	\$ 594
Diluted net income per share attributable to Aon shareholders		
Continuing operations	\$ 2.70	\$ 2.35
Discontinued operations	—	0.02
Net income	\$ 2.70	\$ 2.37
Weighted average ordinary shares outstanding - diluted	243.7	250.2

Revenue

Total revenue increased by 2% , or \$53 million , in the first quarter of 2019 compared to the first quarter of 2018 . This change reflects organic revenue growth of 6% , partially offset by a 4% unfavorable impact from foreign currency translation.

Commercial Risk Solutions revenue decreased \$66 million , or 6% , to \$1,118 million in the first quarter of 2019 , compared to \$1,184 million in the first quarter of 2018. Organic revenue growth was 6% in the first quarter of 2019 compared to the prior year period, driven by growth across every major geography, highlighted by double-digit growth in Latin America and strong growth across North America and Asia. Results reflect strong global new business generation and management of the renewal book portfolio. In North America, double-digit new business generation was highlighted by strength in our transaction liability business in the U.S.

Reinsurance Solutions revenue increased \$46 million , or 6% , to \$788 million in the first quarter of 2019 , compared to \$742 million in the first quarter of 2018. Organic revenue growth was 9% in the first quarter of 2019 compared to the prior year period, driven by strong net new business generation globally in treaty, as well as double-digit growth globally in facultative placements and in capital markets transactions. In addition, market impact was modestly positive on results in the first quarter.

Retirement Solutions revenue decreased \$4 million , or 1% , to \$420 million in the first quarter of 2019 , compared to \$424 million in the first quarter of 2018. Organic revenue growth was 2% in the first quarter of 2019 compared to the prior year period,

driven by solid growth in investment consulting, including double-digit growth in delegated investment management. Results also reflect modest growth in our actuarial retirement businesses globally, and growth across Performance, Rewards, and Assessment.

Health Solutions revenue increased \$35 million , or 8% , to \$486 million in the first quarter of 2019 , compared to \$451 million in the first quarter of 2018. Organic revenue growth was 5% in the first quarter of 2019 driven by solid growth globally in health and benefits brokerage, highlighted by particular strength internationally, including double-digit growth in China.

Data & Analytic Services revenue increased \$42 million , or 14% , to \$336 million in the first quarter of 2019 , compared to \$294 million in the first quarter of 2018. Organic revenue growth was 5% in the first quarter of 2019 compared to the prior year period, driven by growth globally across our Affinity business, with particular strength across both business and consumer solutions in the U.S. and EMEA.

Compensation and Benefits

Compensation and benefits decreased \$32 million , or 2% , in the first quarter of 2019 compared to the first quarter of 2018 . This decrease was primarily driven by a \$69 million favorable impact from foreign currency translation and \$48 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.

Information Technology

Information technology, which represents costs associated with supporting and maintaining our infrastructure, increased \$2 million , or 2% , in the first quarter of 2019 compared to the first 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.

Premises

Premises, which represents the cost of occupying offices in various locations throughout the world, decreased \$6 million , or 6% , in the first quarter of 2019 compared to the first quarter of 2018 . This decrease was primarily driven by \$5 million of incremental savings related to restructuring and other operational improvement initiatives and a \$4 million favorable impact from foreign currency translation, partially offset by a \$7 million increase in restructuring costs.

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 increased \$1 million , or 3% , in the first quarter of 2019 compared to the first quarter of 2018 .

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 \$13 million , or 12% , in the first quarter of 2019 compared to the first quarter of 2018 due to a \$6 million decrease related to divestitures, net of acquisitions, and a favorable impact from foreign currency translation.

Other General Expenses

Other general expenses in the first quarter of 2019 increased \$28 million , or 9% , compared to the first quarter of 2018 due primarily to a \$19 million increase in restructuring costs, a \$9 million decrease in savings related to restructuring and other operational improvement initiatives, and an increase in expense associated with 6% organic revenue growth, partially offset by a \$14 million favorable impact from foreign currency translation.

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 first quarter of 2019 , Interest income was \$2 million , compared to \$4 million during the prior year period.

Interest Expense

Interest expense, which represents the cost of our debt obligations, was \$72 million for the three months ended March 31 , 2019 , an increase of \$2 million , or 3% , from the first quarter of 2018 .

Other Income (Expense)

Total other income (expense) was \$0 million for the first quarter of 2019 , compared to other expense of \$15 million for the first quarter of 2018 . Other income for the first quarter of 2019 primarily includes \$11 million of losses due to the unfavorable impact of exchange rates on the remeasurement of assets and liabilities in non-functional currencies, offset by a \$5 million gain on sale of certain businesses, \$4 million of pension and other postretirement income, \$1 million of gains on financial instruments and \$1 million of equity earnings. Other expense of \$15 million in the first quarter of 2018 primarily includes losses due to the unfavorable impact of exchange rates on the remeasurement of assets and liabilities in non-functional currencies, partially offset by pension and other postretirement income.

Income From Continuing Operations before Income Taxes

Due to the factors discussed above, income from continuing operations before income taxes for the first quarter of 2019 was \$802 million , a 12% increase from \$718 million in the first quarter of 2018 .

Income Taxes From Continuing Operations

The effective tax rates on net income from continuing operations were 15.7% and 15.9% for the first quarter of 2019 and 2018 , respectively. For the three months ended March 31, 2019 , the tax rate was primarily driven by the geographical distribution of income and certain discrete items including the impact of share-based payments. For the three months ended March 31, 2018, the tax rate was primarily driven by the geographical distribution of income and certain discrete items including the impact of share-based payments and the recognition of previously unrecognized tax benefits related to the statute of limitations expiration following an audit.

Net Income from Discontinued Operations

Net income from discontinued operations was \$0 million , compared to net income of \$6 million in the prior year period, due to the run-off of expenses related to the Divested Business.

Net Income Attributable to Aon Shareholders

Net income attributable to Aon shareholders for the first quarter of 2019 increased to \$659 million , or \$2.70 per diluted share, from \$594 million , or \$2.37 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⁾
	March 31, 2019	March 31, 2018	% Change				
Commercial Risk Solutions	\$ 1,118	\$ 1,184	(6)%	(5)%	—%	(7)%	6%
Reinsurance Solutions	788	742	6	(3)	—	—	9
Retirement Solutions	420	424	(1)	(4)	—	1	2
Health Solutions	486	451	8	(5)	—	8	5
Data & Analytic Services	336	294	14	(4)	—	13	5
Elimination	(5)	(5)	N/A	N/A	N/A	N/A	N/A
Total revenue	\$ 3,143	\$ 3,090	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 March 31, 2019 and 2018, respectively, was \$19 million and \$10 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 reflect 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	
	March 31, 2019	March 31, 2018
Revenue from continuing operations	\$ 3,143	\$ 3,090
Operating income from continuing operations - as reported	\$ 872	\$ 799
Amortization and impairment of intangible assets	97	110
Restructuring	91	74
Operating income from continuing operations - as adjusted	\$ 1,060	\$ 983
Operating margin from continuing operations - as reported	27.7%	25.9%
Operating margin from continuing operations - as adjusted	33.7%	31.8%

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 March 31, 2019		
	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income from continuing operations	\$ 872	\$ 188	\$ 1,060
Interest income	2	—	2
Interest expense	(72)	—	(72)
Other income (expense)	—	—	—
Income before income taxes from continuing operations	802	188	990
Income taxes ⁽²⁾	126	41	167
Net income from continuing operations	676	147	823
Net income from discontinued operations ⁽³⁾	—	—	—
Net income	676	147	823
Less: Net income attributable to noncontrolling interests	17	—	17
Net income attributable to Aon shareholders	\$ 659	\$ 147	\$ 806
Diluted net income (loss) per share attributable to Aon shareholders			
Continuing operations	\$ 2.70	\$ 0.61	\$ 3.31
Discontinued operations	—	—	—
Net income	\$ 2.70	\$ 0.61	\$ 3.31
Weighted average ordinary shares outstanding - diluted			
	243.7	—	243.7
Effective Tax Rates ⁽³⁾			
Continuing Operations - U.S. GAAP	15.7%		16.9%
Discontinued Operations - U.S. GAAP	—%		—%

Three Months Ended March 31, 2018

	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income from continuing operations	\$ 799	\$ 184	\$ 983
Interest income	4	—	4
Interest expense	(70)	—	(70)
Other income (expense) ⁽¹⁾	(15)	7	(8)
Income before income taxes from continuing operations	718	191	909
Income taxes ⁽²⁾	114	36	150
Net income from continuing operations	604	155	759
Net income from discontinued operations ⁽³⁾	6	(8)	(2)
Net income	610	147	757
Less: Net income attributable to noncontrolling interests	16	—	16
Net income attributable to Aon shareholders	\$ 594	\$ 147	\$ 741
Diluted net income (loss) per share attributable to Aon shareholders			
Continuing operations	\$ 2.35	\$ 0.62	\$ 2.97
Discontinued operations	0.02	(0.03)	(0.01)
Net income	\$ 2.37	\$ 0.59	\$ 2.96
Weighted average ordinary shares outstanding - diluted			
	250.2	—	250.2
Effective Tax Rates ⁽³⁾			
Continuing Operations - U.S. GAAP	15.9%		16.5%
Discontinued Operations - U.S. GAAP	17.2%		46.5%

(1) Adjusted Other income (expense) excludes Pension settlement charges of \$7 million for the three months ended March 31, 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, accelerated tradename amortization, and non-cash pension settlement charges, which are adjusted at the related jurisdictional rate. In addition, tax expense excludes the tax impacts of payment of certain legacy litigation and 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 \$8 million for the three months ended March 31, 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):

	Three Months Ended	
	March 31, 2019	March 31, 2018
Cash Provided by Operating Activities	\$ 74	\$ 140
Capital Expenditures Used for Operations	(57)	(45)
Free Cash Flow Provided By Operations	\$ 17	\$ 95

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 a \$0.12 unfavorable impact on net income per diluted share during the three months ended March 31, 2019 . Currency fluctuations had a \$0.16 favorable impact on net income per diluted share during the three months ended March 31, 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 \$0.13 on adjusted net income per diluted share during the three months ended March 31, 2019 . Currency fluctuations had a favorable impact of \$0.19 on adjusted net income per diluted share during the three months ended March 31, 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.

Competition and Markets Authority

The U.K.'s competition regulator, the Competition and Markets Authority (the "CMA"), conducted a market investigation into the supply and acquisition of investment consulting and fiduciary management services, including those offered by Aon and its competitors in the U.K., to assess whether any feature or combination of features in the target market prevents, restricts, or distorts competition. The CMA issued a final report on December 12, 2018. The CMA has drafted an order that sets out the details of the remedies outlined in the final report. This order is subject to public consultation. We do not anticipate the remedies to have a significant impact on the Company's consolidated financial position or business.

Financial Conduct Authority

The FCA has been conducting a market study to assess how effectively competition is working in the wholesale insurance broker sector in the U.K. in which Aon, through its subsidiaries, participates. The FCA has now published its final report stating that it has completed the Market Study. After a detailed investigation it has found no evidence of material market conditions or behaviors warranting further regulatory intervention. In particular, it has found no evidence of material market concentration at an aggregate level, nor of coercion of market participants or other abuses of market power. While the FCA reports that it has identified some instances where remediation is required in individual firms, (for example to remove potentially onerous or anti-competitive contract terms, or to enhance conflict of interest controls) at the time of reporting, Aon has not been advised of any such remedial measures or issues relating to its own operations.

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 \$4.5 billion and \$3.9 billion at March 31, 2019 and December 31, 2018 , respectively, and fiduciary receivables of \$6.9 billion and \$6.3 billion at March 31, 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 March 31, 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 March 31, 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	\$ 600	\$ —	\$ 2,619	\$ 3,219	
Money market funds	—	134	1,845	1,979	
Cash and short-term investments	600	134	4,464	5,198	
Fiduciary receivables	—	—	6,948	6,948	
Total	\$ 600	\$ 134	\$ 11,412	\$ 12,146	

Cash and cash equivalents decreased \$56 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):

	Three Months Ended	
	March 31, 2019	March 31, 2018
Cash provided by operating activities	\$ 74	\$ 140
Cash provided (used for) investing activities	\$ (27)	\$ 346
Cash used for financing activities	\$ (140)	\$ (663)
Effect of exchange rates changes on cash and cash equivalents	\$ 37	\$ 18

Operating Activities

Net cash provided by operating activities during the three months ended March 31, 2019 decreased \$66 million, or 47%, from the prior year period to \$74 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 \$47 million for the three months ended March 31, 2019, as compared to \$48 million for the three months ended March 31, 2018. For the remainder of 2019, we expect to contribute approximately \$98 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 a three-year 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 4,800 to 5,400 role eliminations. In the fourth quarter of 2018, Aon expanded the Restructuring Plan, which resulted in additional expected costs of approximately \$200 million, consisting of \$150 million of cash investment and \$50 million of non-cash charges.

The Restructuring Plan is expected to result in cumulative costs of approximately \$1,225 million through the end of the plan at December 31, 2019, consisting of approximately \$450 million in employee termination costs, \$130 million in technology rationalization costs, \$65 million in lease consolidation costs, \$50 million in non-cash asset impairments, and \$530 million in other costs, including certain separation costs associated with the sale of the Divested Business.

From the inception of the Restructuring Plan through March 31, 2019, the Company has eliminated 4,491 positions and incurred total expenses of \$1,073 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 in the three months ended March 31, 2019, inception of the plan to date 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 March 31, 2019		Inception to Date		Estimated Remaining Costs		Estimated Total Cost ⁽¹⁾	
Workforce reduction	\$	24	\$	438	\$	12	\$	450
Technology rationalization ⁽²⁾		11		91		39		130
Lease consolidation ⁽²⁾		9		45		20		65
Asset impairments		—		39		11		50
Other costs associated with restructuring and separation ⁽²⁾⁽³⁾		47		460		70		530
Total restructuring and related expenses	\$	91	\$	1,073	\$	152	\$	1,225

- (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.
- (2) Total contract termination costs incurred under the Restructuring Plan associated with Technology rationalizations, Lease consolidations, and Other costs associated with restructuring and separation, respectively, for the three months ended March 31, 2019 were \$1 million, \$9 million, and \$2 million; and since inception of the Restructuring Plan were \$7 million, \$42 million, and \$90 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, respectively, are \$15 million, \$80 million, and \$95 million.
- (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 March 31, 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		88
Cash payments		(113)
Foreign currency translation		(1)
Balance as of March 31, 2019	\$	175

Investing Activities

Cash flow used for investing activities was \$27 million during the three months ended March 31, 2019, a decrease of \$373 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 decreased \$38 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 three months of 2019, the Company completed the acquisition of one business for a total consideration of \$22 million and one business was sold for an insignificant amount.

During the first three months of 2018, the Company completed the acquisition of three businesses for a total consideration of \$29 million and the sale of zero businesses.

Capital Expenditures

The Company's additions to fixed assets, including capitalized software, which amounted to \$57 million and \$45 million for the three months ended March 31, 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 three months ended March 31, 2019 was \$140 million, a decrease of \$523 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 March 31	
	2019	2018
Shares repurchased	0.6	3.9
Average price per share	\$ 161.16	\$ 140.94
Costs recorded to retained earnings:		
Total repurchase cost	\$ 100	\$ 550
Additional associated costs	1	3
Total costs recorded to retained earnings	\$ 101	\$ 553

At March 31, 2019, the remaining authorized amount for share repurchase under the Repurchase Program was \$3.9 billion. Under the Repurchase Program, we have repurchased a total of 118.9 million shares for an aggregate cost of approximately \$11.1 billion. For further information regarding share repurchases made during the first quarter of 2019, see Part II, Item 2 of this report.

Borrowings

Total debt at March 31, 2019 was \$6.4 billion, an increase of \$172 million compared to December 31, 2018. Further, commercial paper activity during the three months ended March 31, 2019 and 2018 is as follows (in millions):

	Three Months Ended March 31	
	2019	2018
Total issuances ⁽¹⁾	\$ 871	\$ 805
Total repayments	\$ (694)	\$ (410)
Net issuances	\$ 177	\$ 395

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

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 courts of England and Wales.

Distributable reserves are not linked to a U.S. GAAP reported amount (e.g., retained earnings). As of March 31, 2019 and December 31, 2018, we had distributable reserves in excess of \$3.5 billion and \$2.2 billion, respectively. We believe that we will have sufficient distributable reserves to fund shareholder dividends, if and to the extent declared, 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 March 31, 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 March 31, 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 March 31, 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 April 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 March 31, 2019, the undiscounted maximum potential future payments under the lease guarantee were \$81 million, with an estimated fair value of \$16 million. No cash payments were made in connection to the lease commitments during the three months ended March 31, 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 March 31, 2019, the undiscounted maximum potential future payments under the performance guarantees were \$179 million, with an estimated fair value of \$1 million. No cash payments were made in connection to the performance guarantees during the three months ended March 31, 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 \$92 million at March 31, 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 \$76 million at March 31, 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, 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 March 31, 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 revenue and expense 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 decrease by \$0.12 during the three months ended March 31, 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 \$0.13 impact during the three months ended March 31, 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 March 31, 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 March 31, 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 first 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⁾
1/1/19 - 1/31/19	238,102	\$ 149.47	238,102	\$ 3,937,928,224
2/1/19 - 2/28/19	189,310	\$ 170.09	189,310	\$ 3,905,727,715
3/1/19 - 3/31/19	193,046	\$ 166.81	193,046	\$ 3,873,525,831
	<u>620,458</u>	\$ 161.16	<u>620,458</u>	\$ 3,873,525,831

(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 first 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)

April 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
10.1#	Aon plc Leadership Performance Program, as amended and restated, effective January 1, 2019.
10.2#	Form of Restricted Stock Unit Agreement.
10.3	Form of notice of second extension of \$900,000,000 Five-Year Credit Agreement among Aon plc, Aon Corporation and Aon UK Limited, as borrowers, Citibank, N.A., as administrative agent, the lenders party thereto, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as syndication agents, entered into on February 2, 2015.
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.INS XBRL Report Instance Document 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.

AON PLC

LEADERSHIP PERFORMANCE PROGRAM

As Amended and Restated Effective January 1, 2019

1. Overview

The Leadership Performance Program (the “Program”) of Aon plc (the “Company”) has been adopted by the Organization and Compensation Committee of the Company’s Board of Directors (the “Committee”) as a sub-plan of the Aon plc Amended and Restated 2011 Incentive Plan (the “Stock Plan”), effective as of January 1, 2016, and as amended and restated effective January 1, 2019. Capitalized terms not defined herein shall have the meaning assigned under the Stock Plan. The Program and all Awards issued hereunder are subject to the terms and conditions of the Stock Plan; in the event of any inconsistency between the Program and the Stock Plan, the Stock Plan will control to the extent consistent with applicable law.

2. Performance Cycle

The “Performance Cycle” means a three-year period commencing on the first day of the first calendar year of the three-year period, over which performance (as determined by the Committee) will be measured for purposes of the Program. A Performance Cycle may overlap with any other Performance Cycle under the Program.

3. Eligibility

As recommended by the Company’s Chief Executive Officer (the “CEO”) and approved by the Committee, key members of the Company’s senior leadership team are eligible to participate in the Program. The CEO is also eligible to participate in the Program as approved by the Committee.

4. Participation

The Committee will approve in writing, within the first 90 days of the Performance Cycle (with respect to Covered Employees, as defined below) or otherwise no later than June 30 of the first year of the Performance Cycle, the specific individuals eligible to participate in the Program (the “Participants”), each Participant’s Award (denominated as described below), the Target Earnings Per Share (as defined below), the Threshold Earnings Per Share (as defined below), and the Payout Scale (as defined below). Participants approved by the Committee shall be eligible to participate in the full Performance Cycle, retroactive to the first day of the Performance Cycle. A change in the Participant’s position or role during the Performance Cycle shall not affect the terms of any outstanding Award, subject to the Participant’s continued employment with the Company.

5. Performance-Based Compensation

Notwithstanding anything to the contrary herein, Awards granted under the Program on or prior to November 2, 2017, to officers of the Company who are subject to Section 16 of the Exchange Act (“Covered Employees”), are intended to qualify as deductible “Performance-Based Compensation” under the Stock Plan for purposes of Code Section 162(m) and will be administered by the Committee accordingly.

6. Performance Share Units

Each Participant’s Award shall be denominated in either US dollars or as a target number of performance share units (“Performance Share Units”), each representing a Class A Ordinary Share of the Company (an “Ordinary Share”). If the Award is denominated in US dollars, the target number of Performance Share Units under such Award will be derived by dividing the Award by the Fair Market Value of an Ordinary Share on the date the Award is approved in writing by the Committee (the “Grant Date”).

7. Rules Applicable to Performance Share Units

- (a) To the extent earned, the Performance Share Units will vest as of the date the Committee determines and certifies in writing whether and to what extent the applicable performance criteria have been achieved and the resulting payout (the “Settlement Date”), which shall occur as soon as administratively practicable following the end of the Performance Cycle.
 - (b) The number of Ordinary Shares into which the Performance Share Units settle upon vesting of such Performance Share Units (i) will be determined based on the Company’s actual cumulative Adjusted Earnings Per Share during the Performance Cycle, as compared to the Target Earnings Per Share, and (ii) will range from 0% to 200% of the target number of Performance Share Units awarded, as set forth in the Payout Scale.
 - (c) The Performance Share Units will settle into Ordinary Shares during the calendar year immediately following the end of the Performance Cycle.
 - (d) The Company shall have the right to satisfy all federal, state and local withholding tax requirements with respect to a settled Award by withholding Ordinary Shares equivalent in value to the amount of the required withholding (based on the Fair Market Value of an Ordinary Share on the Settlement Date).
-

- (e) The Performance Share Units are not transferable and may not be sold, assigned, pledged, hypothecated or otherwise encumbered.
 - (f) Until the Settlement Date, the Participant will not be treated as a shareholder as to those Ordinary Shares relating to the Performance Share Units. No cash payments will be provided for dividend equivalents or other distributions.
 - (g) Each Award will be evidenced by a Performance Award Certificate (the "Certificate") issued to the Participant. The Certificate, inclusive of its appendices, will set forth the target number of Performance Share Units granted to the Participant, among other terms and conditions. The Participant must sign and return to the Company the Certificate to indicate that he or she agrees to be bound by the provisions of the Program, including any restrictive covenants set forth in the Certificate. Failure to return a signed Certificate to the Company will result in forfeiture of the Performance Share Units.
 - (h) Notwithstanding anything herein to the contrary, if a Participant's employment with the Company terminates before the last day of the Performance Cycle, the following rules will apply to the vesting and settlement of the Performance Share Units:
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Termination Event	Impact on Performance Share Units
Retirement (solely for Participants whose principal place of work is outside the EU or UK) Termination by Company without Cause Termination by Participant for Good Reason	The Participant will vest in a fraction (determined based on the number of full calendar quarters completed in the Performance Cycle as of the Participant's termination date, as compared to the total number of calendar quarters in the Performance Cycle) of the Performance Share Units that would have vested and settled following the end of the Performance Cycle based on actual cumulative Adjusted EPS achieved during the Performance Cycle determined in accordance with the Payout Scale, as follows: To the extent earned, Performance Share Units will be settled in Ordinary Shares in accordance with Section 7(c) above.
Death or Total and Permanent Disability	If the Participant's death or Total and Permanent Disability occurs in the first or second calendar years of the Performance Cycle, the Participant (or his or her estate) will vest in the target number of Performance Share Units, which will be settled in Ordinary Shares as soon as administratively feasible following such death or Total and Permanent Disability. If the Participant's death or Total Permanent Disability occurs in the third calendar year of the Performance Cycle, the Participant (or his or her estate) will vest in the target number of Performance Share Units or, if greater, the number of Performance Share Units earned based on actual cumulative Adjusted EPS during the Performance Cycle, determined in accordance with the Payout Scale. Performance Share Units will be settled in Ordinary Shares in accordance with Section 7(c) above.
Voluntary Resignation (other than for Good Reason)	Performance Share Units will be forfeited in their entirety.
Termination by Company for Cause	Performance Share Units will be forfeited in their entirety.
Certain Terminations Following a Change in Control	Following a Change in Control, the Performance Share Units will be subject to the following rules: If the Participant's employment is terminated by the Company without Cause or by the Participant for Good Reason after the Change in Control but prior to the end of the Performance Cycle, the Participant's Performance Share Units will immediately vest at the greater of the target Performance Share Units or the number of units that would have been earned based on the proportion of achievement of the Target Earnings Per Share as of the last full calendar quarter preceding or on the Participant's termination date. Performance Share Units will be settled in Ordinary Shares upon, or as soon as administratively feasible following, the Participant's termination of employment. If the Participant's employment is terminated by the Company for Cause, by the Participant other than for Good Reason, or by reason of the Participant's death or Total and Permanent Disability, the terms of the Program shall continue to apply to the Performance Share Units as if the Change in Control had not occurred. If the Company is not the ultimate parent entity following the Change in Control, then all Performance Share Units will be converted into rights to acquire shares of the ultimate parent entity in accordance with Section 5.2 of the Stock Plan, and performance measures will be based on performance of the ultimate parent company (subject to adjustment in accordance with Section 5.2 of the Stock Plan), and not the Company.

- (i) Notwithstanding the foregoing, in the event an employment agreement or other binding written arrangement between a Participant and the Company provides for more favorable vesting of Performance Share Units upon termination of employment or includes restrictive covenants specifically intended to apply to Awards under the Program, the provisions

of such employment agreement or binding written arrangement will control if such provisions are approved by the Committee on or before the Grant Date (but, with respect to Covered Employees, only to the extent consistent with the requirements applicable to Performance-Based Compensation).

- (j) Notwithstanding the foregoing, if the successor to the Company in connection with a Change in Control does not assume and continue this Program substantially in its current form, the Performance Share Units shall become immediately vested at the greater of the target Performance Share Units or the number of units that would have been earned based on the proportion of achievement of the Target Earnings Per Share as of the last full calendar quarter as of or preceding the effective date of the Change in Control. Such Units will be settled in Ordinary Shares upon, or as soon as practicable following, the Change in Control.
- (k) In the event that the Company's Chief Executive Officer determines (or, in the case of the Chief Executive Officer as Participant, the Board of Directors of the Company determines), in his or its sole discretion, as applicable, that forfeiture is appropriate based on the finding that (i) the Participant has materially violated Company policies and procedures, including (but not limited to) performing an act of race, sex, national origin, religion, disability, or age-based discrimination, or sexual harassment or any other material violation of the Aon Code of Business Conduct, or (ii) the Participant is in breach of any non-competition, non-solicitation, and/or confidentiality provisions or other restrictive covenants that apply to the Participant, all unvested Performance Share Units shall be forfeited.

8. Performance Measure for Performance Share Units

The performance measure for the Performance Share Units will be expressed as a target cumulative Adjusted Earnings Per Share for the Performance Cycle, as approved by the Committee by resolution (the "Target Earnings Per Share").

Following the end of the Performance Cycle, the Committee will determine in its sole discretion the payout, which determination shall be final and binding. Performance Share Units will be subject to complete forfeiture if the Company's performance for the Performance Cycle does not meet or exceed the minimum cumulative Adjusted Earnings Per Share approved by the Committee (the "Threshold Earnings Per Share") by resolution, and the payout for performance at or above that level will be calculated using the "Applicable Percentage" as set forth on the payout scale approved by the Committee by resolution (the "Payout Scale").

9. Adjustments to Performance Measures or Results

The Committee will make appropriate adjustments to actual Adjusted Earnings Per Share to take into account material and/or significant items or events as publicly reported in the Company's annual Form 10-K or quarterly Form 10-Q, including the following and to the extent consistent with the Stock Plan, as amended: gain/loss on disposition of assets or business; extraordinary legal/regulatory judgments, settlements, fines, penalties, and other related expenses; extraordinary market conditions; effects of natural or man-made disasters (e.g., World Trade Center); hyperinflation (e.g., greater than 15%); foreign exchange impact; changes in applicable laws, regulations or accounting principles; and items that are unusual in nature and/or infrequently occurring. With respect to Covered Employees, any adjustment described above will be made in a manner consistent with Code Section 162(m). The Committee may not otherwise amend the Payout Scale in a manner that would be adverse to a Participant without the Participant's consent.

10. Nominal Value

As required under the U.K. Companies Act 2006, at the time of settlement of Ordinary Shares under this Program, the settlement of Ordinary Shares shall be subject to the Participant's payment of a nominal value (as determined in the sole discretion of the Company and in accordance with such law, as amended from time to time), and such obligation may be satisfied by the Participant in any manner to be established by the Company in its sole discretion.

11. Restrictive Covenants

Awards under the Program shall be subject to and contingent upon the Participant's acceptance of and compliance with any restrictive covenants set forth in the applicable Performance Award Certificate.

12. Administration

It is expressly understood by the Participant that the Committee has the discretionary authority to administer, construe, and make all determinations necessary or appropriate to the administration of the Program, all of which will be binding upon the Participant. The Committee may delegate its authority to one or more of its members, or to one or more members of the Company's senior management team, to offer participation in this Program to eligible individuals; provided, however, that the Committee shall not delegate its authority with respect to the participation of any Covered Employee. The Company shall, as necessary, adopt conforming amendments to this Program as are necessary to comply with applicable law.

13. General Provisions

All obligations of the Company under this Program with respect to payout of Awards, and the corresponding rights granted thereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or other acquisition of all or substantially all of the business and/or assets of the Company.

This Program, together with the Stock Plan and any applicable Performance Award Certificate, constitutes a legal document which governs all matters involved with its interpretation and administration and supersedes any writing or representation inconsistent with its terms.

14. Reservation and Retention of Company Rights

The selection of any individual for participation in this Program will not give that Participant any right to be retained in the employ of the Company. No Participant will at any time have a right to be selected for participation in a future performance-based incentive program despite having been selected for participation in this Program or a previous program.

15. Code Section 409A

The Company intends that this Program and the Awards granted hereunder to U.S. participants be interpreted and construed to be exempt from, or otherwise comply with, Code Section 409A to the extent applicable thereto. Notwithstanding any provision of the Program to the contrary, the Program 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. With respect to any payment subject to Code Section 409A that is triggered by a "specified employee's" "separation from service" under Code Section 409A (as such terms are defined under Code Section 409A), such payment shall be delayed until the earlier to occur of the Participant's death or the date that is six months and one day following the Participant's termination of employment (the "Delay Period"). Upon the expiration of the Delay Period, all payments delayed pursuant to this section shall be paid to the Participant. For purposes of the Program, the terms "retirement," "termination of employment," "terminated," "termination," and variations thereof, as used in this Program, shall mean a "separation from service" under Code Section 409A. The time or schedule of any payout of Ordinary Shares pursuant to Performance Share Units may not be accelerated for U.S. participants except as otherwise permitted under Code Section 409A. Although the Committee intends to administer the Program so that it will comply with the applicable requirements of Code Section 409A, neither the Company nor the Committee represents or warrants that the Program will comply with Code 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 any Participant (or any other individual claiming a benefit through any Participant) for any tax, interest, or penalties any participant may owe as a result of compensation paid under the Program, and the Company and its subsidiaries shall have no obligation to indemnify or otherwise protect the Participant from the obligation to pay any taxes pursuant to Code Section 409A.

16. Definitions

- (a) "Adjusted Earnings Per Share" or "Adjusted EPS" means the Company's adjusted earnings per share from continuing operations as publicly reported each quarter, and on an annual basis, in the Company's earnings release and Form 10-K.
 - (b) "Cause" means such term as defined in any written binding employment agreement entered into between the Participant and the Company and approved by the Committee prior to the Grant Date, or, in the absence of any such agreement or defined term, means the Participant's: (1) performance of a deliberate act of dishonesty, fraud, theft, embezzlement or misappropriation involving the Participant's employment with the Company, or breach of the duty of loyalty to the Company; (2) performance of an act of race, sex, national origin, religion, disability, or age-based discrimination which, after investigation, counsel to the Company reasonably concludes will result in liability being imposed on the Company and/or the Participant; (3) material violation of Company policies and procedures including, but not limited to, the Aon Code of Business Conduct; or (4) performance of a criminal act resulting in a criminal felony charge (or equivalent offense in a non-US jurisdiction) brought against the Participant or a criminal conviction of the Participant (other than a conviction of a minor traffic violation). The existence of "Cause" shall be determined by the Committee in its sole discretion.
 - (c) "Code Section 162(m)" means Section 162(m) of the Internal Revenue Code of 1986, as amended, and all regulatory or other interpretive guidance issued thereunder.
 - (d) "Code Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and all regulatory or other interpretive guidance issued thereunder.
 - (e) "Fair Market Value" means the per share value of the Ordinary Shares as determined by using the closing price of such shares as reported by the New York Stock Exchange on such date (or, if the New York Stock Exchange was not open for trading or the shares were not traded on that day, the next preceding day that the New York Stock Exchange was open for trading and Ordinary Shares were traded).
 - (f) "Good Reason" means such term as defined in any written binding employment agreement entered into between the Participant and the Company and approved by the Committee prior to the Grant Date. If there is no such agreement, or such agreement does not define "Good Reason," the Participant's voluntary termination of employment shall be treated as a voluntary resignation.
 - (g) "Retirement" means, solely with respect to a Participant whose principal place of work is outside the European Union or United Kingdom, a voluntary termination of employment upon or after the Participant's attainment of age 55. For purposes of this definition, the principal place of work for a Participant on secondment shall be considered to be the Participant's home country. With respect to a Participant whose principal place of work is within the European Union
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or United Kingdom, the Participant's voluntary termination of employment at any age shall be treated as a voluntary resignation.

- (h) "Total and Permanent Disability" means (1) for US employees, entitlement to long-term disability benefits under the Company's long-term disability program, as amended from time to time, and (2) for non-US employees, such term as established by applicable Company policy or as required by applicable local law or regulations.

RESTRICTED STOCK UNIT AGREEMENT
UNDER AMENDED AND RESTATED
AON PLC 2011 INCENTIVE PLAN

This Restricted Stock Unit Agreement, including Appendices A and B attached hereto (the "Agreement"), is entered into between Aon plc, a public limited company incorporated under English law (the "Company"), and (the "Participant").

The Company desires to grant the Participant restricted stock units ("RSUs"), each RSU representing the right to receive a Class A Ordinary Share of the Company ("Share"), \$.01 par value per Share, to encourage the Participant to remain in the service of the Company or its Subsidiaries or Affiliates, to provide the Participant with an incentive to contribute to the financial progress of the Company, and to encourage ownership of Shares by the Participant. Capitalized terms used but not otherwise defined in the Agreement shall have the meaning ascribed to such terms in the Amended and Restated Aon plc 2011 Incentive Plan, as amended from time to time (the "Plan").

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the parties hereto agree as follows:

1. **Grant of Restricted Stock Units.** The Company grants under the Plan an award of RSUs on _____ (the "Grant Date"). The Participant understands and agrees that the Participant has no obligation to accept this Award (as a condition of employment or otherwise), and that the Participant's decision to do so by signing or accepting this Agreement, and thereby to accept all of the terms and conditions of this Agreement, is the Participant's knowing and voluntary choice after having had a full and fair opportunity to consult with legal counsel (at the Participant's cost).
 2. **Vesting of Restricted Stock Units.** The RSUs will vest in accordance with the schedule set forth in the Participant's account. The Participant must access the www.netbenefits.com website and follow the instructions in order to view the vesting schedule. Notwithstanding anything herein to the contrary, the Committee may cause the RSUs to vest prior to the date(s) set forth in the vesting schedule in order to satisfy any Tax-Related Items (as defined below) that arise prior to the date of settlement of the RSUs, subject to the limitations set forth in Section 3(d) of this Agreement.
 3. **Tax Withholding Obligations.** The Participant acknowledges that, regardless of any action taken by the Company and/or the Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance contributions, payroll tax, payments on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the RSUs, the issuance of Shares upon settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such vesting/settlement and the receipt of any dividends and/or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
 - a) Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company or the Employer, to satisfy all Tax-Related Items. In this regard, the Participant authorises the Company and/or the Employer, or their respective agents, at the Company's discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:
 - (i) withholding from any wages or other cash compensation paid to the Participant by the Company and/or the Employer; or
 - (ii) withholding in Shares to be issued upon vesting/settlement of the RSUs; or
 - (iii) withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorisation without further consent); provided, however, that if the Participant is a Section 16 officer under the Exchange Act, the Committee shall establish the method of withholding from alternatives (i) - (iii) herein.
 - b) The Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates in the Participant's jurisdiction(s), including maximum applicable rates. If Tax-Related Items are withheld in excess of the Participant's actual tax liability, any over-withheld amount may be refunded to the Participant in cash by the Company or the Employer (with
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no entitlement to the equivalent in Shares) or, if not refunded, the Participant may seek a refund from the local tax, social security or other applicable authorities. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant shall be deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

- c) Finally, the Participant shall pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.
 - d) Notwithstanding anything in this Section 3 to the contrary, to avoid a prohibited distribution under Code Section 409A in the case of a Participant who is subject to U.S. federal income tax (a "U.S. Taxpayer"), if Shares underlying the RSUs will be withheld (or sold on the Participant's behalf) to satisfy any Tax-Related Items arising prior to the date of settlement of the RSUs for any portion of the RSUs that is considered "nonqualified deferred compensation" subject to Code Section 409A ("Deferred Compensation"), then the number of Shares withheld (or sold on the Participant's behalf) shall not exceed the number of Shares that equals the liability for the Tax-Related Items.
4. **Nominal Value.** At the time of settlement, this Award will be subject to the Participant's appropriate undertaking to pay to the Company a nominal value of \$.01 per share (as determined in the sole discretion of the Company, subject to the provisions of the Company's articles of association and the U.K. Companies Act 2006, as amended from time to time), and such obligation may be satisfied by the Participant in cash in any manner to be established by the Company in its sole discretion, including but not limited to withholding from any wages or other cash compensation paid to the Participant by the Company and/or the Employer.
5. **Payment of Dividend Equivalents.** The Participant is eligible to receive cash payments equal to any cash dividends paid with respect to a corresponding number of Shares. These payments shall be made on a quarterly basis, in a manner prescribed by the Company, and as soon as administratively practicable after the officially recorded dividend payment date. The Participant must be employed on the dividend record date in order to be entitled to receive any dividend equivalent payment. Notwithstanding the foregoing, Participants in Ireland and Germany will receive an accumulated dividend equivalent payment in a lump sum after the entire grant of RSUs is 100% vested.
6. **Effect of Termination of Employment; Breach of Restrictive Covenants; Misconduct.**
- a) **Voluntary termination (other than Retirement).** In the event that the Participant's Termination Date occurs because of the Participant's voluntary termination that does not qualify as Retirement, the unvested portion of the RSU will be forfeited.
 - b) **Termination due to death.** In the event that the Participant's Termination Date occurs due to the Participant's death, all unvested RSUs will be fully vested immediately and the date of such termination will be considered a vesting date for purposes of the settlement provisions of Section 8 hereof.
 - c) **Termination due to disability.** In the event that the Participant's Termination Date occurs due to the Participant's disability, all unvested RSUs will be fully vested immediately and the date of such termination will be considered a vesting date for purposes of the settlement provisions of Section 8 hereof. "Disability" for purposes of this Agreement, shall mean disability pursuant to the standards set forth in, or in circumstances where the Participant qualifies for receipt of benefits under, the long-term disability plan of the Employer. In the absence of such a plan, the Committee shall have exclusive discretion to determine whether a Participant's employment is terminated due to disability.
 - d) **Involuntary termination (other than for Cause) or Retirement.** In the event that the Participant's Termination Date occurs as a result of the Participant's involuntary termination by the Company or Employer (other than for Cause) or the Participant's Retirement, the RSUs will continue to vest as if the Participant remained employed through each of the vesting dates specified in the schedule set forth in the Participant's account. For purposes of this Agreement, "Retire" or "Retirement" means a voluntary termination of employment on or after the Participant's 55th birthday for employees whose principal place of work is outside of the European Union ("EU") or the United Kingdom. A Participant on secondment will be subject to the vesting rule applicable to his or her home country. Participants whose principal place of work is inside the EU or the United Kingdom shall not be eligible for Retirement, and their voluntary termination at any age shall be treated in accordance with Section 6(a). The Committee shall have exclusive discretion to determine a Participant's principal place of work for purposes of this Section 6(d).
 - e) **Termination for Cause.** In the event that the Participant's Termination Date occurs because the Participant is terminated by the Company or Employer for Cause, all unvested RSUs shall be forfeited. "Cause" shall mean the Participant's (i) performing a deliberate act of dishonesty, fraud, theft, embezzlement, or misappropriation involving the Participant's employment with the Company, its Subsidiaries or Affiliates, or breach of the duty of loyalty to the Company, its Subsidiaries or Affiliates; (ii) performing an act of race, sex, national origin,
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religion, disability, or age-based discrimination which after investigation, counsel to the Company reasonably concludes will result in liability being imposed on the Company, its Subsidiaries, Affiliates and / or the Participant; (iii) material violation of Company policies and procedures including, but not limited to, the Aon Code of Business Conduct; (iv) material noncompliance with any term of this Agreement or an employment agreement; or (v) performing any criminal act resulting in a criminal felony charge brought against the Participant or a criminal conviction of the Participant (other than conviction of a minor traffic violation).

- f) **Misconduct; Breach of Restrictive Covenants.** In the event that the Company's Chief Executive Officer determines (or, in the case of the Chief Executive Officer as Participant, the Board of Directors of the Company determines), in his or its sole discretion, as applicable, that forfeiture is appropriate based on the finding that (i) the Participant has materially violated Company policies and procedures, including (but not limited to) performing an act of race, sex, national origin, religion, disability, or age-based discrimination, or sexual harassment or any other material violation of the Aon Code of Business Conduct, or (ii) the Participant is in breach of any non-competition, non-solicitation, and/or confidentiality provisions or other restrictive covenants that apply to the Participant, all unvested RSUs shall be forfeited.
7. **Receipt by the Participant of the Prospectus.** The Participant acknowledges receipt of the Plan prospectus that contains the entire Plan and is incorporated herein by reference. The Participant represents and warrants that the Participant has read the Plan and agrees that all RSUs awarded under it shall be subject to all of the terms and conditions of the Plan.
8. **Issuance of Shares.** RSUs shall be converted to Shares as of the applicable vesting date. Shares will be issued to the Participant as soon as practicable (within 60 days) after the vesting date, subject to Sections 3 and 4 of this Agreement. Notwithstanding the foregoing, for purposes of complying with Code Section 409A, if the RSUs are considered Deferred Compensation, the Participant is a U.S. Taxpayer and the Shares are to be settled in connection with a termination of service, the Company and the Participant shall take all steps necessary (including with regard to any post-termination services by the Participant) to ensure that a termination contemplated under Section 6 constitutes a "separation from service" within the meaning of Code Section 409A. In addition, if the RSUs are Deferred Compensation, the Participant is a U.S. Taxpayer, the RSUs are payable in connection with the Participant's separation from service and the Participant is a "specified employee" within the meaning of Code Section 409A on the date the Participant experiences a separation from service, then the RSUs shall be settled on the first business day of the seventh month following the Participant's separation from service, or, if earlier, on the date of the Participant's death, solely to the extent such delayed payment is required in order to avoid a prohibited distribution under Code Section 409A.
9. **Rights as Shareholder.** The Participant shall not have voting or any other rights as a shareholder of the Company with respect to the RSUs. Upon issuance of the Shares pursuant to and in accordance with Section 8, the Participant will obtain full voting and other rights as a shareholder of the Company.
10. **Incentive Repayment Policy.** If the Participant has been designated and notified by the board of directors of the Company that he or she is a reporting officer for purposes of Section 16 of the Exchange Act, the Participant is subject to Aon's Incentive Repayment Policy (the "Policy"). The Policy provides that the Company will have the discretion to cancel or require reimbursement to the Company of the Award set forth in this Agreement if the grant or vesting was based on the achievement of financial results that were subsequently restated. The Participant can obtain a copy of the Policy from the Global Compensation team. If the Participant is subject to the Policy, by accepting this Agreement, the Participant hereby agrees and acknowledges that he or she will be bound by it.
11. **Other Provisions.**
- a) **Plan Terms Take Precedence over Agreement Terms.** RSUs are granted pursuant to the Plan, the terms and conditions of which are incorporated into this Agreement by reference. If there are any inconsistencies between the terms of this Agreement and the Plan, the terms of the Plan will govern.
- b) **Prior Agreement(s) Will Not Control.** The Participant's acceptance of this Agreement will supersede provisions of any prior agreement that could be construed as governing the terms of this Award.
- c) **Code Section 409A.** The RSUs and amounts payable thereunder are intended to be exempt from or compliant with Code Section 409A and the U.S. Treasury Regulations relating thereto so as not to subject the Participant to the payment of additional taxes and interest under Code Section 409A or other adverse tax consequences. In furtherance of this intent, the provisions of this Agreement will be interpreted, operated, and administered in a manner consistent with these intentions. The Committee may modify the terms of this Agreement and/or the Plan, without the consent of the Participant, in the manner that the Committee may determine to be necessary or advisable in order to comply with Code Section 409A or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Code Section 409A if compliance is not practical. This Section 11(c) does not create an obligation on the part of the Company to modify the terms of this Agreement or the Plan and does not guarantee that the RSUs or the delivery of Shares upon vesting/settlement of the RSUs will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Agreement shall provide a basis for any person to take any action against the Company or any of its Subsidiaries or Affiliates based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Agreement, and neither the Company nor any of its Subsidiaries or Affiliates
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will have any liability under any circumstances to the Participant or any other party if the RSUs, the delivery of Shares upon vesting/settlement of the RSUs or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Committee with respect thereto. Further, settlement of any portion of the RSUs that is Deferred Compensation may not be accelerated or postponed except to the extent permitted by Code Section 409A.

- d) **Restriction on Transfer**. RSUs may not be sold, transferred, pledged, assigned, or otherwise alienated at any time.
 - e) **Right of Employment**. Grants of RSUs under the Plan and this Agreement do not confer upon the Participant any right to continue in the employ or service of the Employer. This Agreement shall survive any termination of the Participant's employment for any or no reason.
 - f) **Electronic Delivery and Acceptance**. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
 - g) **Need to Accept Grant**. The Participant acknowledges that this grant must be accepted within 90 days of the Grant Date in order to be eligible to receive any benefits from this grant. If this grant is not accepted within the 90-day period specified in the foregoing sentence, all benefits under this grant may be forfeited, as determined in the sole discretion of the Committee. To accept this grant, the Participant must access the www.netbenefits.com website and follow the instructions for acceptance. If this grant was distributed to the Participant via mail, the Participant must sign the Agreement and return it to the Company within 90 days.
 - h) **Waiver; Section Headings**. Waiver of any term or condition of this Agreement by any party shall not be construed as a waiver of a subsequent breach or failure of the same term or condition, or a waiver of any other term or condition of this Agreement. Any waiver must be in writing. The Section headings in this Agreement are for convenience only and are not to be used in interpreting this Agreement.
 - i) **Severability**. To the extent that the terms set forth in this Agreement or any word, phrase, clause or sentence is found to be illegal or unenforceable by a court of competent jurisdiction for any reason, such term, word, phrase, clause or sentence shall be modified in such manner so as to afford the Company the fullest protection commensurate with making this Agreement, as modified, legal and enforceable under applicable laws. If, however, a court of competent jurisdiction finds that any such term, word, phrase, clause or sentence cannot be so modified and thus made enforceable, or otherwise declines for any reason to do so, such term, word, phrase, clause or sentence shall be deemed severed from this Agreement and of no force and effect, and the balance of this Agreement shall not be affected thereby, the balance being construed as severable and independent.
 - j) **Governing Law**. The validity, interpretation, instruction, performance, enforcement and remedies of or relating to this Agreement, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the substantive internal laws of the State of Delaware, without regard to the conflict of law principles, rules or statutes of any jurisdiction. The foregoing provisions of this subsection shall apply irrespective of whether the Participant is a party to or bound by another restrictive covenant of any kind that may be governed by the laws of another jurisdiction (if any).
 - k) **Venue and Jurisdiction**. Venue for any legal proceedings instituted related to this Agreement shall be exclusively in the state and/or federal courts located in Cook County, Illinois, and the Participant hereby knowingly, voluntarily and irrevocably agrees, consents and submits to the exclusive jurisdiction and venue of such courts within the State of Illinois. The Participant further hereby knowingly, voluntarily and irrevocably waives, and agrees not to assert, any objection, challenge or defense to such exclusive venue or jurisdiction (including without limitation any defense of forum non conveniens), and further agrees not to file any claim or action related to this Agreement in any other jurisdiction or venue. The foregoing provisions of this Section 11(k) shall apply irrespective of whether the Participant is a party to or bound by another restrictive covenant of any kind that may provide for or permit venue or jurisdiction with respect to such other restrictive covenant in any other court or forum (if any).
 - l) **Notice**. All notices given hereunder shall be in writing and, if intended for the Company, shall be addressed to it or delivered to it at its principal office in London, England to the attention of the General Counsel or its principal office in Chicago, Illinois to the attention of the Chief Human Resources Officer. If intended for the Participant, notices shall be delivered personally or shall be addressed (if sent by mail) to the Participant's then current residence address as shown on the Company's records, or to such other address as the Participant directs in a notice to the Company. All notices shall be deemed to be given on the date received at the address of the addressee or, if delivered personally, on the date delivered.
 - m) **Compliance with Law**. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon vesting/settlement of the RSUs prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities
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or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission (“SEC”) or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Participant agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant’s consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

- n) **No Advice Regarding Grant**. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant’s participation in the Plan, or the acquisition or sale of the underlying Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan and execution of this Agreement, before executing this Agreement or otherwise taking any action at any time related to the Plan.
- o) **Appendices**. Notwithstanding any provision of this Agreement to the contrary, if the Participant resides in a country outside the United States or is otherwise subject to the laws of a country other than the United States, the RSUs shall be subject to the terms and conditions set forth in Appendix A to this Agreement and to any special terms and provisions as set forth in Appendix B for the Participant’s country, if any. Moreover, if the Participant relocates to one of the countries included in Appendix B, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendices A and B constitute part of this Agreement.
- p) **Imposition of Other Requirements**. The Company reserves the right to impose other requirements on the Participant’s participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign or accept any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the parties have accepted this Agreement as of the date hereof.

AON PLC

/s/GREGORY C. CASE

Gregory C. Case

President and Chief Executive Officer

RSU Recipient (Participant)

Date

January __, 2019

Citibank, N.A., as Administrative
Agent for the Lenders party
to the Credit Agreement
referred to below
Building #3
1615 Brett Rd.
New Castle, Delaware 19720
Attention: Bank Loan Syndications
Aon plc

Ladies and Gentlemen:

Reference is made to the Five Year Credit Agreement dated as of February 2, 2015 (as amended or modified from time to time, the "Credit Agreement") among Aon plc, Aon Corporation and Aon UK Limited, as borrowers, the Lenders (as defined in the Credit Agreement) and Citibank, N.A., as administrative agent for the Lenders (the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meaning unless otherwise defined herein, and all references to Sections herein are references to Sections of the Credit Agreement.

Pursuant to Section 2.22(b), the Lender named below hereby notifies the Administrative Agent as follows:

The Lender named below desires to extend the Facility Termination Date with respect to its Commitment for a period of one year, expiring February 2, 2022.

This notice and is subject in all respects to the terms of the Credit Agreement, is irrevocable and shall be effective only if received by the Administrative Agent no later than January 11, 2019.

Very truly yours,

[NAME OF LENDER]

By:
Name:
Title:

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: April 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: April 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 March 31, 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
April 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 March 31, 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
April 26, 2019