
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2016

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)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Ordinary Shares, \$0.01 nominal value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. YES ☐ NO ☒

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 and posted on its corporate Web site, if any, 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 and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company.)

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

As of June 30, 2016, the aggregate market value of the registrant's Class A Ordinary Shares held by non-affiliates of the registrant was \$29,031,404,998 based on the closing sales price as reported on the New York Stock Exchange — Composite Transaction Listing.

Number of Class A Ordinary Shares of Aon plc, \$0.01 nominal value, outstanding as of February 22, 2017 : 262,600,762 .

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Aon plc's Proxy Statement for the 2017 Annual General Meeting of Shareholders to be held on June 23, 2017 are incorporated by reference in this Form 10-K in response to Part III, Items 10, 11, 12, 13 and 14.

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PART I

Item 1. Business

OVERVIEW

Aon plc (which may be referred to as “Aon,” “the Company,” “we,” “us,” or “our”) is the leading global provider of risk management services, insurance and reinsurance brokerage, and human resource consulting and outsourcing, delivering distinctive client value via innovative and effective risk management and workforce productivity solutions. Our strategy is to be the preeminent professional service firm in the world, focused on the topics of risk and people.

We have approximately 69,000 employees and conduct our operations through various subsidiaries in more than 120 countries and sovereignties.

We serve clients through the following reportable segments:

- **Risk Solutions** acts as an advisor and insurance and reinsurance broker, helping clients manage their risks via consultation, as well as negotiation and placement of insurance risk with insurance carriers through our global distribution network.
- **HR Solutions** partners with organizations to solve their most complex human capital and related financial challenges in the areas of health, retirement and talent. We are dedicated to improving business performance and our clients’ employees’ experience by designing, implementing, communicating and administering a wide range of human capital, retirement, investment consulting, health care, compensation, and talent management strategies.

Our clients are globally diversified and include all market segments (individuals through personal lines, mid-market companies and large global companies) and almost every industry in the economy in over 120 countries and sovereignties. This diversification of our customer base helps provide us stability in different economic scenarios that could affect specific industries, customer segments or geographies.

We have continued to focus our portfolio on higher margin, capital-light professional services businesses that have high recurring revenue streams and strong cash flow generation. Aon endeavors to make capital allocation decisions based upon return on invested capital (“ROIC”).

In 2016, 64% of our consolidated total revenues were in Risk Solutions and 36% of our consolidated total revenues were in HR Solutions, before intersegment eliminations.

On February 9, 2017, we entered into an agreement to sell our Benefits Administration and Business Process Outsourcing (BPO) Portfolio (the “Business”) for cash consideration of \$4.3 billion payable at closing plus additional cash consideration of up to \$500 million based on future performance of the Business (the “Transaction”). The Business is within the HR Solutions segment described further below. The completion of the Transaction is subject to customary closing conditions, and the Transaction is expected to close by the end of the second quarter of 2017. In connection with the Transaction, we expect to implement a cost reduction program.

BUSINESS SEGMENTS

Risk Solutions

The Risk Solutions segment generated approximately 64% of our consolidated total revenues in 2016, and has approximately 33,000 employees worldwide. We provide risk mitigation solutions, including insurance and reinsurance brokerage, risk consulting, and related services in this segment.

Principal Products and Services

We operate in this segment through two similar transactional product lines: retail brokerage and reinsurance brokerage. In addition, a key component of this business is our risk consulting services.

Retail brokerage encompasses our retail brokerage services, affinity products, managing general underwriting, placement, captive management services, and our Inpoint data and analytics solutions, including Risk/View. Our Americas operations provide products and services to clients in North, Central and South America, the Caribbean, and Bermuda. Our International operations in the U.K.; Europe, Middle East and Africa; and Asia Pacific offer these products and services to clients throughout the rest of the world.

Our employees draw upon our global network of resources, sophisticated data and analytics, and specialized expertise to deliver value to clients ranging from small and mid-sized businesses to multi-national corporations. We work with clients to identify their business needs and help them assess and understand their total cost of risk. Once we have gained an understanding of our clients' risk management needs, we seek to leverage our global network and implement a customized risk approach with local Aon resources. The outcome is intended to be a comprehensive risk solution provided locally and personally. The Aon Client Promise® enables our colleagues around the globe to describe, benchmark, and price the value we deliver to clients in a unified approach, based on the most important criteria that are critical to our clients' ability to manage their total cost of risk.

Our expertise and foresight, benchmarking, and carrier knowledge are keys to providing professional services excellence. We intend to deliver superior value to clients and differentiation from competitors through our key Aon Broking initiatives, which position us to provide our clients and insurers with additional market insight as well as new product offerings and facilities.

As a retail broker, we serve as an advisor to clients and facilitate a wide spectrum of risk management solutions for property liability, general liability, professional and directors' and officers' liability, transaction liability, cyber liability, workers' compensation, and various healthcare products, as well as other exposures. Our business is comprised of several specialty areas structured around specific product and industry needs.

We offer specialized advice and services in such industries as technology, financial services, agribusiness, aviation, construction, health care, and energy, among others. Through our global affinity business, we provide products for professional liability, life, disability income, and personal lines for individuals, associations, and businesses around the world.

In addition, we are a major provider of risk consulting services, including captive management, that provide our clients with alternative vehicles for managing risks that would be cost-prohibitive or unavailable in traditional insurance markets.

Our health and benefits consulting practice advises clients about structuring, funding, and administering employee benefit programs, which attract, retain, and motivate employees. Benefits consulting and brokerage includes health and welfare, executive benefits, workforce strategies and productivity, absence management, data-driven health, compliance, employee commitment, and elective benefits services.

Our Cyber Solutions Group identifies and protects clients' critical assets by aligning their cybersecurity strategy with their corporate culture and risk tolerance. Our goal is to empower clients with enterprise wide cyber resilience in the face of rapidly evolving threats before, during, and after a cybersecurity incident.

Reinsurance brokerage offers sophisticated advisory services in program design and claim recoveries intended to enhance the risk/return characteristics of insurance policy portfolios, improve capital utilization, and evaluate and mitigate catastrophic loss exposures worldwide. An insurance or reinsurance company may seek reinsurance or other risk-transfer solutions on all or a portion of the risks it insures. To accomplish this, our reinsurance brokerage services use dynamic financial analysis and capital market alternatives, such as transferring catastrophe risk through securitization. Reinsurance brokerage also offers capital management transaction and advisory services.

We act as a broker or intermediary for all classes of reinsurance. We place two main types of property and casualty reinsurance: treaty reinsurance, which involves the transfer of a portfolio of risks, and facultative reinsurance, which entails the transfer of part or all of the coverage provided by a single insurance policy. We also place specialty lines such as professional liability, workers' compensation, accident, life and health.

We also provide actuarial, enterprise risk management, catastrophe management and rating agency advisory services. We have developed tools and models that help our clients understand the financial implications of natural and man-made catastrophes around the world. Aon Securities Inc. provides global capital management transaction and advisory services for insurance and reinsurance clients. In this capacity, Aon Securities Inc. is recognized as a leader in the structuring, underwriting and trading of insurance-linked securities, the arrangement of financing for insurance and reinsurance companies, including Lloyd's syndicates, and providing advice on strategic and capital alternatives, including mergers and acquisitions.

In addition, our Inpoint business is a leading provider of consulting services to the insurance and reinsurance industry, helping carriers improve their performance to achieve growth and profitability.

Revenue and Compensation

Our Risk Solutions segment generates revenues primarily through commissions, fees from clients, and compensation from insurance and reinsurance companies for services we provide to them. Commission rates and fees vary depending upon several factors, which may include the amount of premium, the type of insurance or reinsurance coverage provided, the particular services provided to a client, insurer or reinsurer, and the capacity in which we act. Payment terms are consistent with current industry practice.

Fiduciary Funds

We typically hold funds on behalf of clients such as premiums received from clients and claims due to clients that are in transit to and from insurers. These funds held on behalf of clients are generally invested in interest-bearing premium trust accounts and can fluctuate significantly depending on when we collect cash from our clients and when premiums are remitted to the insurance carriers. We earn interest on these accounts; however, the principal is segregated and not available for general operating purposes.

Competition

Our Risk Solutions business operates in an environment that is highly competitive and very fragmented. We compete with other global insurance brokers, including Marsh & McLennan Companies, Inc., Willis Towers Watson Public Limited Company, Arthur J Gallagher & Company, and Jardine Lloyd Thompson Group plc, as well as numerous specialist, regional and local firms in almost every area of our business. We also compete with insurance and reinsurance companies that market and service their insurance products without the assistance of brokers or agents; and with other businesses that do not fall into the categories above, including commercial and investment banks, accounting firms, and consultants that provide risk-related services and products.

HR Solutions

Our HR Solutions segment generated approximately 36% of our consolidated total revenues in 2016, and has approximately 30,000 employees worldwide with operations in the U.S., Canada, the U.K., Europe, and the Asia Pacific regions.

Principal Products and Services

We provide products and services in this segment primarily under the Aon Hewitt brand, and operate through two similar transactional product lines: outsourcing and consulting.

Our HR Solutions segment works to maximize the value of clients' human resources spending, increase employee productivity, and improve employee performance. Our approach addresses a trend towards more diverse workforces (demographics, nationalities, cultures and work/lifestyle preferences) that require more choices and flexibility among employers so that they can provide benefit options suited to individual needs.

We work with our clients to identify options in human resource outsourcing and process improvements. The primary areas where companies choose to use outsourcing services include benefits administration, core human resource processes, and workforce and talent management.

HR Solutions offers a broad range of human capital services in the following practice areas:

Retirement specializes in providing global actuarial services, defined contribution consulting, pension de-risking, tax and Employee Retirement Income Security Act (ERISA) consulting, and pension administration.

Compensation focuses on compensation advisory/counsel including: compensation planning design, executive reward strategies, salary survey and benchmarking, market share studies and sales force effectiveness assessments, with special expertise in the financial services, technology, and life science industries.

Strategic Human Capital delivers advice to complex global organizations on talent, change and organizational effectiveness issues, including talent strategy and acquisition, executive on-boarding, performance management, leadership assessment and development, communication strategy, workforce training and change management.

Investment consulting provides public and private companies and other institutions, such as trustees, with advice on developing and maintaining investment programs across a broad range of plan types, including defined benefit plans, defined contribution plans, endowments and foundations. In certain instances, we also perform delegated management services in relation to these plans.

Benefits Administration applies our HR expertise primarily through defined benefit, defined contribution, and health and welfare administrative services. We also provide other complementary services such as flexible spending, dependent audit, and participant advocacy. Our model replaces the resource-intensive processes once required to administer benefit plans with more efficient, effective and less costly solutions.

Exchanges is building and operating health care exchanges that provide employers with a cost effective alternative to traditional employee and retiree healthcare, while helping individuals select the insurance that best meets their needs.

Human Resource Business Process Outsourcing ("HR BPO") provides market-leading traditional and cloud-based solutions to deploy systems, manage employee data, administer benefits, payroll and other human resources processes, and record and manage talent, workforce, and other core HR process transactions.

Revenue and Compensation

HR Solutions revenues are principally derived from fees paid by clients for advice and services. In addition, insurance companies pay us commissions for placing individual and group insurance contracts, primarily life, health, and accident coverage, and pay us fees for consulting and other services that we provide to them. Payment terms are consistent with current industry practice.

Competition

Our HR Solutions business faces strong competition from other worldwide and national consulting companies, including Marsh & McLennan Companies, Inc. and Willis Towers Watson Public Limited Company, as well as regional and local firms. Competitors include independent consulting firms and consulting organizations affiliated with accounting, information systems, technology and financial services firms, large financial institutions, and pure play outsourcers. Some of our competitors provide administrative or consulting services as an adjunct to other primary services.

Seasonality

Due to buying patterns and delivery of certain products in the markets we serve, revenues recognized tend to be highest in the fourth quarter of each fiscal year.

Licensing and Regulation

Our business activities are subject to licensing requirements and extensive regulation under the laws of countries in which we operate, as well as U.S. federal and state laws. See the “Risk Factors” section in Part I, Item 1A of this report for information regarding how actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate may have an adverse effect on our business.

Risk Solutions

Regulatory authorities in the countries or states in the U.S. in which the operating subsidiaries of our Risk Solutions segment conduct business may require individual or company licensing to act as producers, brokers, agents, third-party administrators, managing general agents, reinsurance intermediaries, or adjusters.

Under the laws of most countries and states, regulatory authorities have relatively broad discretion with respect to granting, renewing, and revoking producers’, brokers’, and agents’ licenses to transact business in the country or state. The operating terms may vary according to the licensing requirements of the particular country or state, which may require, among other things that a firm operates in the country or state through a local corporation. In a few countries and states, licenses may be issued only to individual residents or locally owned business entities. In such cases, our subsidiaries either have such licenses or have arrangements with residents or business entities licensed to act in the country or state.

Our subsidiaries must comply with laws and regulations of the jurisdictions in which they do business. These laws and regulations are enforced by the Financial Conduct Authority (“FCA”) in the U.K., by federal and state agencies in the U.S., and by various regulatory agencies and other supervisory authorities in other countries through the granting and revoking of licenses to do business, licensing of agents, monitoring of trade practices, policy form approval, limits on commission rates, and mandatory remuneration disclosure requirements.

Insurance authorities in the U.K., U.S. and certain other jurisdictions in which our subsidiaries operate also have enacted laws and regulations governing the investment of funds, such as premiums and claims proceeds, held in a fiduciary capacity for others. These laws and regulations generally require the segregation of these fiduciary funds and limit the types of investments that may be made with them.

Further, certain of our business activities within the Risk Solutions segment are governed by other regulatory bodies, including investment, securities, and futures licensing authorities. For example, in the U.S., we use Aon Securities, Inc., a U.S.-registered broker-dealer and investment advisor, member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation, and an indirect, wholly owned subsidiary of Aon, for capital management transaction and advisory services and other broker-dealer activities. Similar operations exist in other jurisdictions outside of the U.S.

HR Solutions

Certain of the retirement-related consulting services provided by Aon Hewitt and its subsidiaries and affiliates are subject to the pension and financial laws and regulations of applicable jurisdictions, including oversight and/or supervision by the FCA in the U.K., the Securities and Exchange Commission (“SEC”) in the U.S., and regulators in other countries. Aon Hewitt subsidiaries that provide investment advisory services are regulated by various U.S. federal authorities including the SEC and FINRA, as well as authorities on the state level. In addition, other services provided by Aon Hewitt and its subsidiaries and affiliates, such as

trustee services and retirement and employee benefit program administrative services, are subject in various jurisdictions to pension, investment and securities and/or insurance laws and regulations and/or supervision by national regulators.

Clientele

Our clients operate in many businesses and industries throughout the world. No one client accounted for more than 1% of our consolidated total revenues in 2016. Additionally, we place insurance with many insurance carriers, none of which individually accounted for more than 10% of the total premiums we placed on behalf of our clients in 2016.

Segmentation of Activity by Type of Service and Geographic Area of Operation

Financial information relating to the types of services provided by us and the geographic areas of our operations is incorporated herein by reference to Note 15 “Segment Information” of the Notes to Consolidated Financial Statements in Part II, Item 8 of this report.

Employees

At December 31, 2016, we employed approximately 69,000 employees.

Information Concerning Forward-Looking Statements

This annual report on Form 10-K 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 different countries in which we do business around the world;
- changes in the competitive environment;
- 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;
- the effect of the change in global headquarters and jurisdiction of incorporation, including differences in the anticipated benefits;
- 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 investments and other advisory services and business process outsourcing services, among others, that we currently provide, or will provide in the future, to clients;
- our ability to continue, and the costs 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;
- impact of the pending sale of our Benefits Administration and HR Business Process Outsourcing Platform;
- changes in the health care system or our relationships with insurance carriers; and
- our ability to implement initiatives intended to yield cost savings and the ability to achieve those cost savings.

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 the “Risk Factors” section in Part I, Item 1A of this report.

Website Access to Reports and Other Information

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports are made available free of charge through our website (<http://www.aon.com>) as soon as practicable after such material is electronically filed with or furnished to the SEC. Additionally, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information. Also posted on our website are the charters for our Audit, Compliance, Organization and Compensation, Governance/Nominating and Finance Committees, our Governance Guidelines and our Code of Business Conduct. Within the time period required by the SEC and the New York Stock Exchange (“NYSE”), we will post on our website any amendment to or waiver of the Code of Business Conduct applicable to any executive officer or director. The information provided on our website is not part of this report and is therefore not incorporated herein by reference.

Item 1A. Risk Factors

The risk factors set forth below reflect material risks associated with existing and potential lines of business and contain “forward-looking statements” as discussed in the “Business” Section of Part I, Item 1 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 were to actually occur.

The following are material risks related to our businesses specifically and the industries in which we operate generally that could adversely affect our business, financial condition and results of operations and cause our actual results to differ materially from those stated in the forward-looking statements in this document and elsewhere.

Risks Relating to the Company Generally

Competitive Risks

An overall decline in economic activity could have a material adverse effect on the financial condition and results of operations of our businesses.

The demand for property and casualty insurance generally rises as the overall level of economic activity increases and generally falls as such activity decreases, affecting both the commissions and fees generated by our Risk Solutions business. The economic activity that impacts property and casualty insurance is most closely correlated with employment levels, corporate revenue and asset values. Downward fluctuations in the year-over-year insurance premium charged by insurers to protect against the same risk, referred to in the industry as softening of the insurance market, could adversely affect our Risk Solutions business as a significant portion of the earnings are determined as a percentage of premium charged to our clients. Insolvencies and consolidations associated with an economic downturn, especially insolvencies in the insurance industry, could adversely affect our brokerage business through the loss of clients by hampering our ability to place insurance and reinsurance business. Also, error and omission claims against us, which we refer to as E&O claims, may increase in economic downturns, also adversely affecting our brokerage business.

The results of our HR Solutions business are generally affected by the level of business activity of our clients, which in turn is affected by the level of economic activity in the industries and markets these clients serve. Economic downturns in some markets may cause reductions in technology and discretionary spending by our clients, which may result in reductions in the growth of new business or reductions in existing business. If our clients become financially less stable, enter bankruptcy, liquidate their operations or consolidate, our revenues and collectability of receivables could be adversely affected. In addition, our revenues from many of our outsourcing contracts depend upon the number of our clients’ employees or the number of participants in our clients’ employee benefit plans and could be adversely affected by layoffs. We may also experience decreased demand for our services as a result of postponed or terminated outsourcing of human resources functions. Reduced demand for our services could increase price competition.

We face significant competitive pressures in each of our businesses.

We believe that competition in our Risk Solutions segment is based on service, product features, price, commission structure, financial strength, ability to access certain insurance markets and name recognition. In this regard, we compete with a large number of global, national, regional and local insurance companies and other financial services providers and brokers.

Our HR Solutions segment competes with a large number of independent firms and consulting organizations affiliated with accounting, information systems, technology and financial services firms around the world. Many of our competitors in this area are expanding the services they offer or reducing prices in an attempt to gain additional business. Additionally, some competitors have established, and are likely to continue to establish, cooperative relationships among themselves or with third parties to increase their ability to address client needs.

Our competitors may have greater financial, technical and marketing resources, larger customer bases, greater name recognition, stronger presence in certain geographies and more established relationships with their customers and suppliers than

we have. In addition, new competitors, alliances among competitors or mergers of competitors could emerge and gain significant market share, and some of our competitors may have or may develop a lower cost structure, adopt more aggressive pricing policies or provide services that gain greater market acceptance than the services that we offer or develop. Competitors may be able to respond to the need for technological changes and innovate faster, or price their services more aggressively. They may also compete for skilled professionals, finance acquisitions, fund internal growth and compete for market share more effectively than we do. To respond to increased competition and pricing pressure, we may have to lower the cost of our services or decrease the level of service provided to clients, which could have an adverse effect on our financial condition or results of operations.

Financial Risks

We are exposed to fluctuations in currency exchange rates that could negatively impact our financial results and cash flows.

We face exposure to adverse movements in exchange rates of currencies other than our reporting currency, the U.S. dollar, as a significant portion of our business is located outside of the United States. These exposures may change over time, and they could have a material adverse impact on our financial results and cash flows. Our five largest non-U.S. dollar exposures are the British pound, Euro, Australian dollar, Canadian dollar and Indian rupee; however, we also have exposures to other currencies that can have significant currency volatility. These currency exchange fluctuations create risk in both the translation of the financial results of our global subsidiaries into U.S. Dollars for our consolidated financial statements, as well as in those of our operations that receive revenue and incur expenses other than in their respective local currencies, which can reduce the profitability of our operations based on the direction the respective currencies' exchange rates move. A decrease in the value of certain currencies relative to other currencies could place us at a competitive disadvantage compared to our competitors that benefit to a greater degree from a specific exchange rate move and can, as a result, deliver services at a lower cost or receive greater revenues from such a transaction. Although we use various derivative financial instruments to help protect against adverse foreign exchange rate fluctuations, we cannot eliminate such risks, and, as a result, changes in exchange rates may adversely affect our results. For example, the strengthening of the value of the U.S. dollar versus other currencies might adversely affect the value of our products and services when translated to U.S. dollar, even if the value of such products and services has not changed in their original currency.

Changes in interest rates and deterioration of credit quality could reduce the value of our cash balances and investment portfolios and adversely affect our financial condition or results.

Operating funds available for corporate use were \$721 million at December 31, 2016 and are reported in Cash and cash equivalents and Short-term investments. Funds held on behalf of clients and insurers were \$3.8 billion at December 31, 2016 and are reported in Fiduciary assets. We also carry an investment portfolio of other long-term investments. As of December 31, 2016, these long-term investments had a carrying value of \$119 million. Adverse changes in interest rates, performance, and counterparty credit quality, including default, could reduce the value of these funds and investments, thereby adversely affecting our financial condition or results. We may continue to experience reduced investment earnings on our cash and short-term investments of fiduciary and operating funds if the yields on investments deemed to be low risk remain at or near their current low levels, or if negative yields on deposits or investments, as we have experienced in Japan and certain jurisdictions in the European Union, continue or arise in the jurisdictions in which we operate. On the other hand, higher interest rates could result in a higher discount rate used by investors to value our future cash flows thereby resulting in a lower valuation of the Company. In addition, during times of stress in the banking industry, counterparty risk can quickly escalate, potentially resulting in substantial losses for us as a result of our cash or other investments with such counterparties, as well as substantial losses for our clients and the insurance companies with which we work.

Our pension obligations could adversely affect our shareholders' equity, net income, cash flow and liquidity.

To the extent that the pension obligations associated with our pension plans continue to exceed the fair value of the assets supporting those obligations, our financial position and results of operations may be adversely affected. In particular, lower interest rates and investment returns could result in the present value of plan liabilities increasing at a greater rate than the value of plan assets, resulting in higher unfunded positions in our pension plans. In addition, the periodic revision of pension assumptions or variances of actual results from our assumptions can materially change the present value of expected future benefits, and therefore the funded status of the plans and resulting net periodic pension expense. As a result, we may experience future changes in the funded status of our plans that could require us to make additional cash contributions beyond those that have been estimated and which could adversely affect shareholders' equity, net income, cash flow and liquidity.

Our worldwide pension plans are significant, therefore our pension contributions and expense are sensitive to various market and demographic factors. These factors include equity and bond market returns, the assumed interest rates we use to discount our pension liabilities, foreign exchange rates, rates of inflation, mortality assumptions, potential regulatory and legal changes and counterparty exposure from various investments and derivative contracts, including annuities. Variations in any of these factors could cause significant changes to our financial position and results of operations from year to year.

We have debt outstanding that could adversely affect our financial flexibility.

As of December 31, 2016, we had total consolidated debt outstanding of approximately \$6.2 billion. The level of debt outstanding could adversely affect our financial flexibility by reducing our ability to use cash from operations for other purposes, including working capital, dividends to shareholders, share repurchases, acquisitions, capital expenditures and general corporate purposes. We also are subject to risks that, at the time any of our outstanding debt matures, we will not be able to retire or refinance the debt on terms that are acceptable to us, or at all.

As of December 31, 2016, we had two committed credit facilities outstanding. Each of these facilities is intended to support our commercial paper obligations and our general working capital needs. In addition, each of these facilities included 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 adjusted consolidated EBITDA, tested quarterly.

A substantial portion of our outstanding debt, including certain intercompany debt obligations, contains financial and other covenants. The terms of these covenants may limit our ability to obtain, or increase the costs of obtaining, additional financing to fund working capital, capital expenditures, acquisitions or general corporate requirements. This in turn may have the impact of reducing our flexibility to respond to changing business and economic conditions, thereby placing us at a relative disadvantage compared to competitors that have less indebtedness, or fewer or less onerous covenants associated with such indebtedness, and making us more vulnerable to general adverse economic and industry conditions.

If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, any of which could impede the implementation of our business strategy or prevent us from entering into transactions that would otherwise benefit our business. Additionally, we may not be able to effect such actions or refinance any of our debt, if necessary, on commercially reasonable terms, or at all.

A decline in the credit ratings of our senior debt and commercial paper may adversely affect our borrowing costs, access to capital, and financial flexibility.

A downgrade in the credit ratings of our senior debt and commercial paper could increase our borrowing costs, reduce or eliminate our access to capital, reduce our financial flexibility, and limit our ability to implement our corporate strategy. Our senior debt ratings at December 31, 2016 were A- with a stable outlook (Standard & Poor's), BBB+ with a stable outlook (Fitch, Inc), and Baa2 with a stable outlook (Moody's Investor Services). Our commercial paper ratings were A-2 (S&P), F-2 (Fitch) and P-2 (Moody's).

Real or anticipated changes in our credit ratings will generally affect any trading market for, or trading value of, our securities. Such changes could result from any number of factors, including the modification by a credit rating agency of the criteria or methodology it applies to particular issuers, a change in the agency's view of us or our industry, or as a consequence of actions we take to implement our corporate strategies. A change in our credit rating could adversely limit our access to capital and our competitive position.

The economic and political conditions of the countries and regions in which we operate could have an adverse impact on our business, financial condition, operating results, liquidity and prospects for growth.

Our operations in countries undergoing political change or experiencing economic instability are subject to uncertainty and risks that could materially adversely affect our business. These risks include, particularly in emerging markets, the possibility we would be subject to undeveloped or evolving legal systems, unstable governments and economies, and potential governmental actions affecting the flow of goods, services and currency.

Furthermore, seemingly nationally or regionally localized political and economic changes could have a wider, negative impact on our businesses that expands beyond our operations in the immediately affected jurisdiction. The United Kingdom's anticipated formal initiation of a withdrawal process from the European Union has created significant uncertainty about the future relationship between the United Kingdom and the European Union, and has given rise to calls for the governments of other European Union member states to consider withdrawal. These developments have created uncertainty and may have a material adverse effect on global economic conditions and the stability of global financial markets. Lack of clarity about future United Kingdom laws and regulations, including financial laws and regulations, tax and free trade agreements, immigration laws and employment laws, could also depress economic activity and have a material adverse effect on our business, financial condition and results of operations. Additionally, the continued concerns regarding the ability of certain European countries to service their outstanding debt has led to questions regarding the future viability of the Euro as the common currency for the area as various scenarios could result in some countries choosing to return to their former local currencies in an effort to regain control over their domestic economies and monetary policies. This uncertainty has had a dampening effect on growth potential in Europe, and if it deteriorates, may have a material negative impact on our European business as well as that of our clients. Further, any development that has the effect of devaluing or replacing the Euro could meaningfully reduce the value of our assets or profitability denominated in that currency,

potentially result in charges to our statement of operations and reduce the usefulness of liquidity alternatives denominated in that currency such as our multicurrency U.S. credit facility. We also deposit some of our cash, including cash held in a fiduciary capacity, with certain European financial institutions. While we continuously monitor and manage exposures associated with those deposits, to the extent the uncertainty surrounding economic stability in Europe and the future viability of the Euro suddenly and adversely impacts those financial institutions, some or all of those cash deposits could be at risk.

The benefits of our Redomestication may not be realized or may be offset in whole or in part by factors that we do not control.

In 2012, we reincorporated in the U.K. and moved our corporate headquarters to London. As a result of this reorganization of our corporate structure, Aon plc became the publicly-held parent company of the Aon group. There can be no assurance that all of the goals of our Redomestication will be achievable, particularly as the achievement of the benefits are, in many important respects, subject to factors that we do not control. These factors would include such things as the reactions of third parties with whom we enter into contracts and do business and the reactions of investors, analysts, and U.K. and U.S. taxing and other authorities.

Our effective tax rates and the benefits from our Redomestication are also subject to a variety of other factors, many of which are beyond our ability to control, such as changes in the rate of economic growth in the U.K., the U.S. and other countries, the financial performance of our business in various jurisdictions, currency exchange rate fluctuations (especially as between the British pound and the U.S. dollar), and significant changes in trade, monetary or fiscal policies of the U.K. or the U.S., including changes in interest rates. The impact of these factors, individually and in the aggregate, is difficult to predict, in part because the occurrence of the events or circumstances may be interrelated and the impact to us of the occurrence of any one of these events or circumstances could be compounded or, alternatively, reduced, offset, or more than offset, by the occurrence of one or more of the other events or circumstances described in such factors.

On September 4, 2013, we received from the Internal Revenue Service (the “IRS”) an executed Closing Agreement pursuant to which the Company and the IRS agreed that the merger (pursuant to which the Redomestication occurred) did not cause Aon plc to be treated as a U.S. domestic corporation for federal tax purposes. This agreement substantially reduced the risk that actions taken to date might cause Aon plc to be treated as a U.S. domestic corporation for federal tax purposes under the current tax statute and regulations. However, the United States Congress, the IRS, the United Kingdom Parliament or U.K. tax authorities may enact new statutory or regulatory provisions that could adversely affect our status as a non-U.S. corporation, or otherwise adversely affect our anticipated global tax position. Retroactive statutory or regulatory actions have occurred in the past, and there can be no assurance that any such provisions, if enacted or promulgated, would not have retroactive application to us, the Redomestication or any subsequent actions. Our net income and cash flow would be reduced if we were to be subject to U.S. corporate income tax as a domestic corporation. In addition, any future amendments to the current income tax treaties between the U.K. and other jurisdictions (including the U.S.), or any new statutory or regulatory provisions that might limit our ability to take advantage of any such treaties, could subject us to increased taxation.

Our global effective tax rate is subject to a variety of different factors, which could create volatility in that tax rate, expose us to greater than anticipated tax liabilities or cause us to adjust previously recognized tax assets and liabilities.

We are subject to income taxes in the U.K., U.S. and many other jurisdictions. As a result, our global effective tax rate from period to period can be affected by many factors, including changes in tax legislation, our global mix of earnings, including the use of global funding structures, the tax characteristics of our income, the transfer pricing of revenues and costs, acquisitions and dispositions, and the portion of the income of non-U.S. subsidiaries that we expect to remit to the U.S. Significant judgment is required in determining our worldwide provision for income taxes, and our determination of our tax liability is always subject to review by applicable tax authorities.

We believe that our Redomestication and related transactions should support our ability to maintain a competitive global tax rate because the U.K. has implemented a dividend exemption system that generally does not subject non-U.K. earnings to U.K. tax when such earnings are repatriated to the U.K. in the form of dividends from non-U.K. subsidiaries. This should allow us to optimize our capital allocation through global funding structures. However, we cannot provide any assurances as to what our tax rate will be in any period because of, among other things, uncertainty regarding the nature and extent of our business activities in any particular jurisdiction in the future and the tax laws of such jurisdictions, as well as changes in U.S. and other tax laws, treaties and regulations. Our actual global tax rate may vary from our expectation and that variance may be material. Additionally, the tax laws of the U.K., the U.S. and other jurisdictions could change in the future, and such changes could cause a material change in our tax rate.

We also could be subject to future audits conducted by foreign and domestic tax authorities, and the resolution of such audits could impact our tax rate in future periods, as would any reclassification or other changes (such as those in applicable accounting rules) that increases the amounts we have provided for income taxes in our consolidated financial statements. There can be no assurance that we would be successful in attempting to mitigate the adverse impacts resulting from any changes in law, audits and

other matters. Our inability to mitigate the negative consequences of any changes in the law, audits and other matters could cause our global tax rate to increase, our use of cash to increase and our financial condition and results of operations to suffer.

Changes in our accounting estimates and assumptions could negatively affect our financial position and results of operations.

We prepare our consolidated financial statements in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”). These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of our financial statements. We are also required to make certain judgments that affect the reported amounts of revenues and expenses during each reporting period. We periodically evaluate our estimates and assumptions including, but not limited to, those relating to restructuring, pensions, recoverability of assets including customer receivables, contingencies, share-based payments, income taxes and estimates and assumptions used for our long term outsourcing contracts. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. These assumptions and estimates involve the exercise of judgment and discretion, which may evolve over time in light of operational experience, regulatory direction, developments in accounting principles and other factors. Actual results could differ from these estimates, or changes in assumptions, estimates or policies or the developments in the business or the application of accounting principles related to long-term contracts may change our initial estimates of future contract results, which could materially affect the Consolidated Statements of Income, Comprehensive Income, Financial Position, Shareholders’ Equity and Cash Flows.

We may be required to record goodwill or other long-lived asset impairment charges, which could result in a significant charge to earnings.

Under U.S. GAAP, we review our long-lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is assessed for impairment at least annually. Factors that may be considered in assessing whether goodwill or intangible assets may not be recoverable include a decline in our share price or market capitalization, reduced estimates of future cash flows and slower growth rates in our industry. We may experience unforeseen circumstances that adversely affect the value of our goodwill or intangible assets and trigger an evaluation of the recoverability of the recorded goodwill and intangible assets. Future goodwill or other long-lived asset impairment charges could materially impact our consolidated financial statements.

We are a holding company and, therefore, may not be able to receive dividends or other payments in needed amounts from our subsidiaries.

Our principal assets are the shares of capital stock and indebtedness of our subsidiaries. We rely on dividends, interest and other payments from these subsidiaries to meet our obligations for paying principal and interest on outstanding debt obligation, paying dividends to shareholders, repurchasing ordinary shares and corporate expenses. Certain of our subsidiaries are subject to regulatory requirements of the jurisdictions in which they operate or other restrictions that may limit the amounts that these subsidiaries can pay in dividends or other payments to us. No assurance can be given that there will not be further changes in law, regulatory actions or other circumstances that could restrict the ability of our subsidiaries to pay dividends or otherwise make payment to us. In addition, due to differences in tax rates, repatriation of funds from certain countries into the U.K. through the U.S. could have unfavorable tax ramifications for us. Furthermore, no assurance can be given that our subsidiaries may be able to make timely payments to us in order for us to meet our obligations.

Legal and Regulatory Risks

We are subject to E&O claims against us as well as other contingencies and legal proceedings, some of which, if determined unfavorably to us, could have a material adverse effect on the financial condition or results of operations of a business line or the Company as a whole.

We assist our clients with various matters, including placing insurance and reinsurance coverage and handling related claims, consulting on various human resources matters, providing actuarial services, investment consulting and asset management services, and outsourcing various human resources functions. E&O claims against us may allege our potential liability for damages arising from these services. E&O claims could include, for example, the failure of our employees or sub-agents, whether negligently or intentionally, to place coverage correctly or notify carriers of claims on behalf of clients or to provide insurance carriers with complete and accurate information relating to the risks being insured, the failure to give error-free advice in our consulting business or the failure to correctly execute transactions in the human resources outsourcing and benefits administration businesses. It is not always possible to prevent and detect errors and omissions, and the precautions we take may not be effective in all cases. In addition, we are subject to other types of claims, litigation and proceedings in the ordinary course of business, which along with E&O claims, may seek damages, including punitive damages, in amounts that could, if awarded, have a material adverse impact on the Company’s financial position, earnings, and cash flows. In addition to potential liability for monetary damages, such claims or outcomes could harm our reputation or divert management resources away from operating our business.

We have historically purchased, and intend to continue to purchase, insurance to cover E&O claims and other insurance to provide protection against certain losses that arise in such matters. However, we have exhausted or materially depleted our coverage under some of the policies that protect us for certain years and, consequently, are self-insured or materially self-insured for some historical claims. Accruals for these exposures, and related insurance receivables, when applicable, have been provided to the extent that losses are deemed probable and are reasonably estimable. These accruals and receivables are adjusted from time to time as developments warrant, and may also be adversely affected by disputes we may have with our insurers over coverage. Amounts related to settlement provisions are recorded in Other general expenses in the Consolidated Statements of Income. Discussion of some of these claims, lawsuits, and proceedings are contained in the notes to the consolidated financial statements.

In addition, we provide a variety of guarantees and indemnifications to our 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. Any anticipated payment amounts under guarantees and indemnifications that are deemed to be probable and reasonably estimable are included in our consolidated financial statements. These amounts may not represent actual future payments, if any, for these guarantees and indemnifications.

The ultimate outcome of these claims, lawsuits, proceedings, guarantees and indemnifications cannot be ascertained, and liabilities in indeterminate amounts may be imposed on us. It is possible that future results of operations or cash flows for any particular quarterly or annual period could be materially affected by an unfavorable resolution of these matters.

Our businesses are subject to extensive governmental regulation, which could reduce our profitability, limit our growth, or increase competition.

Our businesses are subject to extensive legal and regulatory oversight throughout the world, including the U.K. Companies Act and the rules and regulations promulgated by the Financial Conduct Authority (the “FCA”), the U.S. securities laws, including the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations promulgated by the SEC, and a variety of other laws, rules and regulations addressing, among other things, licensing, data privacy and protection, wage-and-hour standards, employment and labor relations, anti-competition, anti-corruption, currency, reserves, government contracting and the amount of local investment with respect to our operations in certain countries. This legal and regulatory oversight could reduce our profitability or limit our growth by increasing the costs of legal and regulatory compliance; by limiting or restricting the products or services we sell, the markets we enter, the methods by which we sell our products and services, or the prices we can charge for our services, and the form of compensation we can accept from our clients, carriers and third parties; or by subjecting our businesses to the possibility of legal and regulatory actions or proceedings.

The global nature of our operations increases the complexity and cost of compliance with laws and regulations, including training and employee expenses, adding to our cost of doing business. In addition, many of these laws and regulations may have differing or conflicting legal standards across jurisdictions, increasing further the complexity and cost of compliance. In emerging markets and other jurisdictions with less developed legal systems, local laws and regulations may not be established with sufficiently clear and reliable guidance to provide us adequate assurance that we are operating our business in a compliant manner with all required licenses or that our rights are otherwise protected. In addition, certain laws and regulations, such as the Foreign Corrupt Practices Act (“FCPA”) and the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (“FATCA”) in the U.S. and the Bribery Act of 2010 (“U.K. Bribery Act”) in the U.K., impact our operations outside of the legislating country by imposing requirements for the conduct of overseas operations, and in a number of cases, requiring compliance by foreign subsidiaries.

For example, FATCA has resulted in, and will likely continue to result in, increased compliance costs. FATCA requires certain of our subsidiaries, affiliates and other entities to obtain valid FATCA documentation from payees prior to remitting certain payments to such payees. In the event we do not obtain valid FATCA documents, we may be obliged to withhold a portion of such payments. This obligation is shared with our customers and clients who may fail to comply, in whole or in part. In such circumstances, we may incur FATCA compliance costs including withholding taxes, interest and penalties. In addition, regulatory initiatives and changes in the regulations and guidance promulgated under FATCA may increase our costs of operations, and could adversely affect the market for our services as intermediaries, which could adversely affect our operations, results of operations and financial condition.

In addition to the complexity of the laws and regulations themselves, the development of new laws and regulations, changes in application or interpretation of laws and regulations and our continued operational changes and development into new jurisdictions and new service offerings also increases our legal and regulatory compliance complexity as well as the type of governmental oversight to which we may be subject. These changes in laws and regulations could mandate significant and costly changes to the way we implement our services and solutions or could impose additional licensure requirements or costs to our operations and services. Furthermore, as we enter new jurisdictions or lines of businesses and other developments in our services,

we may become subject to additional types of laws and policies and governmental oversight and supervision such as those applicable to the financial lending or other service institutions.

In all jurisdictions, the applicable laws and regulations are subject to amendment or interpretation by regulatory authorities. Generally, such authorities are vested with relatively broad discretion to grant, renew and revoke licenses and approvals and to implement regulations. Accordingly, we may have a license revoked or be unable to obtain new licenses and therefore be precluded or temporarily suspended from carrying on or developing some or all of our activities or otherwise fined or penalized in a given jurisdiction. No assurances can be given that our business can further develop or continue to be conducted in any given jurisdiction as it has been conducted in the past.

In addition, new regulatory or industry developments could create an increase in competition that could adversely affect us. These developments include:

- the selling of insurance by insurance companies directly to insureds;
- changes in our business compensation model as a result of regulatory actions or changes;
- the establishment of programs in which state-sponsored entities provide property insurance in catastrophe prone areas or other alternative types of coverage;
- changes in regulations relating to health and welfare plans, defined contribution and defined benefit plans, and investment consulting and asset management;
- additional regulations promulgated by the FCA in the U.K., or other regulatory bodies in jurisdictions in which we operate; or
- additional requirements respecting data privacy and data usage in jurisdictions in which we operate that may increase our costs of compliance and potentially reduce the manner in which data can be used by us to develop or further our product offerings.

Changes in the regulatory scheme, or even changes in how existing regulations are interpreted, could have an adverse impact on our results of operations by limiting revenue streams or increasing costs of compliance. Likewise, increased government involvement in the insurance or reinsurance markets could curtail or replace our opportunities and negatively affect our results of operations and financial condition.

With respect to our Risk Solutions segment, our business' regulatory oversight generally also includes licensing of insurance brokers and agents, managing general agency or general underwriting operations and third-party administrators, and the regulation of the handling and investment of client funds held in a fiduciary capacity. Our continuing ability to provide insurance broking and third-party administration in the jurisdictions in which we operate depends on our compliance with the rules and regulations promulgated from time to time by the regulatory authorities in each of these jurisdictions. Also, we can be affected indirectly by the governmental regulation and supervision of insurance companies. For instance, if we are providing or managing general underwriting services for an insurer, we may have to contend with regulations affecting our client.

Services provided in our HR Solutions segment are also the subject of ever-evolving government regulation, either because the services provided to our clients are regulated directly or because third parties upon whom we rely to provide services to clients are regulated, thereby indirectly impacting the manner in which we provide services to those clients. In particular, our health care exchange business depends upon the private sector of the U.S. insurance system and its role in financing health care delivery, and insurance carriers' use of, and payment of, commissions to, agents, brokers and other organizations to market and sell individual and family health insurance products and plans. Uncertainty regarding, or any changes to, state or federal law, or the interpretation of such law by applicable regulatory agencies, including the effects of health care reform by the U.S. government, could delay client adoption of our healthcare exchanges, impair our ability to retain clients who have adopted our healthcare exchanges, or cause insurance carriers to alter or eliminate the products and plans that they offer or attempt to move members into new products or plans for which we receive lower commissions. In addition, more generally within our HR Solutions segment, changes in laws, government regulations or the way those regulations are interpreted in the jurisdictions in which we operate could affect the viability, value, use or delivery of benefits and human resources programs, including changes in regulations relating to health and welfare plans (such as medical), defined contribution plans (such as 401(k)), defined benefit plans (such as pension) or payroll delivery, may adversely affect the demand for, or profitability of, our services.

If we violate the laws and regulation to which we are subject, we could be subject to fines, penalties or criminal sanctions and could be prohibited from conducting business in one or more countries. There can be no assurance that our employees, contractors or agents will not violate these laws and regulations, causing an adverse effect on our operations and financial condition.

In addition, our businesses and operations are subject to heightened regulatory oversight and scrutiny, which may lead to additional regulatory investigations or enforcement actions. As regulators and other government agencies continue to examine our operations, there is no assurance that consent orders or other enforcement actions will not be issued by them in the future. These and other initiatives from national, state and local officials may subject us to judgments, settlements, fines or penalties, or

cause us to be required to restructure its operations and activities, all of which could lead to reputational issues, or higher operational costs, thereby adversely affecting our business, financial condition or operating results.

Failure to protect our intellectual property rights, or allegations that we have infringed on the intellectual property rights of others, could harm our reputation, ability to compete effectively and financial condition.

To protect our intellectual property rights, we rely on a combination of trademark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with our affiliates, employees, clients, strategic partners and others. However, the protective steps that we take may be inadequate to deter misappropriation of our proprietary information. In addition, we may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Further, effective trademark, copyright, patent and trade secret protection may not be available in every country in which we offer our services or competitors may develop products similar to our products that do not conflict with our related intellectual property rights. Failure to protect our intellectual property adequately could harm our reputation and affect our ability to compete effectively.

In addition, to protect or enforce our intellectual property rights, we may initiate litigation against third parties, such as infringement suits or interference proceedings. Third parties may assert intellectual property rights claims against us, which may be costly to defend, could require the payment of damages and could limit our ability to use or offer certain technologies, products or other intellectual property. Any intellectual property claims, with or without merit, could be expensive, take significant time and divert management's attention from other business concerns. Successful challenges against us could require us to modify or discontinue our use of technology or business processes where such use is found to infringe or violate the rights of others, or require us to purchase licenses from third parties, any of which could adversely affect our business, financial condition and operating results.

We have less flexibility as a public limited company incorporated under the laws of England and Wales with respect to certain aspects of capital management.

English law imposes some restrictions on certain corporate actions by which previously, as a Delaware corporation, we were not constrained. For example, English law provides that a board of directors may only allot, or issue, securities with the prior authorization of shareholders, such authorization being up to the aggregate nominal amount of shares and for a maximum period of five years, each as specified in the articles of association or relevant shareholder resolution. The current authorization is effective until the earlier of our next annual general meeting or August 31, 2017. This authorization will need to be renewed by our shareholders periodically and we intend to renew this authorization at each annual general meeting.

English law also generally provides shareholders with preemptive rights when new shares are issued for cash; however, it is possible for the articles of association, or shareholders in general meeting, to exclude preemptive rights. Such an exclusion of preemptive rights may be for a maximum period of up to five years as specified in the articles of association or relevant shareholder resolution. The current exclusion is effective until the earlier of our next annual general meeting or August 31, 2017. This exclusion would need to be renewed by our shareholders periodically and we intend to renew this exclusion at each annual general meeting.

English law also requires us to have available "distributable reserves" to make share repurchases or pay dividends to shareholders. Distributable reserves may be created through the earnings of the U.K. parent company. As of December 31, 2016, we had distributable reserves in excess of \$1.6 billion. While it is our intention to maintain a sufficient level of distributable reserves in order to pay dividends on our ordinary shares and make share repurchases in accordance with our share repurchase program, there is no assurance that the parent company level will continue to generate sufficient earnings in order to maintain the necessary level of distributable reserves to do so.

English law also generally prohibits a company from repurchasing its own shares by way of "off market purchases" without the prior approval of our shareholders. Such approval lasts for a maximum period of up to five years. Our shares are traded on the NYSE, which is not a recognized investment exchange in the U.K. Consequently, any repurchase of our shares is currently considered an "off market purchase." The current authorization expires on June 17, 2020. Renewal of this authorization will be sought periodically.

The enforcement of civil liabilities against us may be more difficult.

Because we are a public limited company incorporated under the laws of England and Wales, investors could experience more difficulty enforcing judgments obtained against us in U.S. courts than would have been the case for U.S. judgments obtained against Aon Corporation. In addition, it may be more difficult (or impossible) to bring some types of claims against us in courts in England than it would be to bring similar claims against a U.S. company in a U.S. court.

We are a public limited company incorporated under the laws of England and Wales. Therefore, it may not be possible to effect service of process upon us within the United States in order to enforce judgments of U.S. courts against us based on the civil liability provisions of the U.S. federal securities laws.

There is doubt as to the enforceability in England and Wales, in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities solely based on the U.S. federal securities laws. The English courts will, however, treat any amount payable by us under U.S. judgment as a debt and new proceedings can be commenced in the English courts to enforce this debt against us. The following criteria must be satisfied in order for the English court to enforce the debt created by the U.S. judgment:

- the U.S. judgment must be for a debt or definite sum of money;
- the U.S. judgment must be final and conclusive;
- the U.S. court must, in the circumstances of the case, have had jurisdiction according to the English rules of private international law;
- the U.S. judgment must not have been obtained by fraud;
- the enforcement of the U.S. judgment must not be contrary to U.K. public policy; and
- the proceedings in which the U.S. judgment was obtained must not have been conducted contrary to the rules of natural justice.

Operational and Commercial Risks

Our success depends on our ability to retain and attract experienced and qualified personnel, including our senior management team and other professional personnel.

We depend, in material part, upon the members of our senior management team who possess extensive knowledge and a deep understanding of our business and our strategy. The unexpected loss of services of any of our senior management team could have a disruptive effect adversely impacting our ability to manage our business effectively and execute our business strategy. Competition for experienced professional personnel is intense, and we are constantly working to retain and attract these professionals. If we cannot successfully do so, our business, operating results and financial condition could be adversely affected. While we have plans for key management succession and long-term compensation plans designed to retain our senior employees, if our succession plans do not operate effectively, our business could be adversely affected.

Our global operations expose us to various international risks that could adversely affect our business.

Our operations are conducted globally. Accordingly, we are subject to legal, economic and market risks associated with operating in, and sourcing from, foreign countries, including:

- difficulties in staffing and managing our foreign offices, including due to unexpected wage inflation or job turnover, and the increased travel, infrastructure and legal and compliance costs associated with multiple international locations;
- hyperinflation in certain foreign countries;
- imposition or increase of investment and other restrictions by foreign governments;
- longer payment cycles;
- greater difficulties in accounts receivable collection;
- insufficient demand for our services in foreign jurisdictions;
- our ability to execute effective and efficient cross-border sourcing of services on behalf of our clients;
- restrictions on the import and export of technologies; and
- trade barriers.

The occurrence of natural or man-made disasters could result in declines in business and increases in claims that could adversely affect our financial condition and results of operations.

We are exposed to various risks arising out of natural disasters, including earthquakes, hurricanes, fires, floods, tornadoes, climate events or weather patterns, and pandemic health events, as well as man-made disasters, including acts of terrorism, military actions and cyber-terrorism. The continued threat of terrorism and ongoing military actions may cause significant volatility in global financial markets, and a natural or man-made disaster could trigger an economic downturn in the areas directly or indirectly affected by the disaster. These consequences could, among other things, result in a decline in business and increased claims from those areas. They could also result in reduced underwriting capacity, making it more difficult for our Risk Solutions professionals to place business. Disasters also could disrupt public and private infrastructure, including communications and financial services, which could disrupt our normal business operations.

A natural or man-made disaster also could disrupt the operations of our counterparties or result in increased prices for the products and services they provide to us. In addition, a disaster could adversely affect the value of the assets in our investment portfolio. Finally, a natural or man-made disaster could increase the incidence or severity of E&O claims against us.

Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.

Our operations are dependent upon our ability to protect our personnel, offices and technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. Should we experience a local or regional disaster or other business continuity problem, such as an earthquake, hurricane, terrorist attack, pandemic, security breaches, power loss, telecommunications failure or other natural or man-made disaster, our continued success will depend, in part, on the availability of our personnel, our office facilities, and the proper functioning of existing, new or upgraded computer systems, telecommunications and other related systems and operations. In events like these, while our operational size, the multiple locations from which we operate, and our existing back-up systems provide us with some degree of flexibility, we still can experience near-term operational challenges with regard to particular areas of our operations. We could potentially lose access to key executives, personnel, or client data or experience material adverse interruptions to our operations or delivery of services to our clients in a disaster recovery scenario. A disaster on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to successfully recover should we experience a disaster or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged client relationships or legal liability.

We rely on complex information technology systems and networks to operate our business. Any significant system or network disruption due to a breach in the security of our information technology systems could have a negative impact on our reputation, operations, sales and operating results.

We rely on the efficient, uninterrupted and secure operation of complex information technology systems and networks, some of which are within the company and some of which are outsourced to third parties. All information technology systems are potentially vulnerable to damage or interruption from a variety of sources, including but not limited to cyber-attacks, computer viruses and security breaches. We regularly experience attacks to our systems and networks and have from time to time experienced cybersecurity breaches, such as computer viruses, unauthorized parties gaining access to our information technology systems and similar incidents, which to date have not had a material impact on our business. If we are unable to efficiently and effectively maintain and upgrade our system safeguards we may incur unexpected costs and certain of our systems may become more vulnerable to unauthorized access. In the future, these types of incidents could result in intellectual property or other confidential information being lost or stolen, including client, employee or company data. In addition, we may not be able to detect breaches in our information technology systems or assess the severity or impact of a breach in a timely manner.

We have implemented various measures to manage our risks related to system and network security and disruptions, but a security breach or a significant and extended disruption in the functioning of our information technology systems could damage our reputation and cause us to lose clients, adversely impact our operations, sales and operating results and require us to incur significant expense to address and remediate or otherwise resolve such issues. Additionally, in order to maintain the level of security, service and reliability that our clients require, we may be required to make significant additional investments in our information technology system.

Improper disclosure of confidential, personal or proprietary data could result in regulatory scrutiny, legal liability or harm our reputation.

One of our significant responsibilities is to maintain the security and privacy of our employees' and clients' confidential and proprietary information and, in the case of our HR Solutions clients, confidential information about our clients' employees' compensation, medical information and other personally identifiable information. We maintain policies, procedures and technological safeguards designed to protect the security and privacy of this information. Nonetheless, we cannot eliminate the risk of human error or inadequate safeguards against employee or vendor malfeasance or cyber-attacks that could result in improper access to or disclosure of confidential, personal or proprietary information. Such access or disclosure could harm our reputation and subject us to liability under our contracts and laws and regulations that protect personal data, resulting in increased costs, loss of revenue and loss of clients. The release of confidential information as a result of a security breach could also lead to litigation or other proceedings against us by affected individuals or business partners, or by regulators, and the outcome of such proceedings, which could include penalties or fines, could have a significant negative impact on our business.

In many jurisdictions, including in the European Union and the U.S., we are subject to laws and regulations relating to the collection, use, retention, security and transfer of this information. These laws and regulations are frequently changing and are becoming increasingly complex and sometimes conflict among the various jurisdictions and countries in which we provide services both in terms of substance and in terms of enforceability. This makes compliance challenging and expensive. Our failure to adhere

to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace. Further, regulatory initiatives in the area of data protection are more frequently including provisions allowing authorities to impose substantial fines and penalties, and therefore, failure to comply could also have a significant financial impact.

Our business performance and growth plans could be negatively affected if we are not able to effectively apply technology in driving value for our clients through technology-based solutions or gain internal efficiencies through the effective application of technology and related tools. Conversely, investments in innovative product offerings may fail to yield sufficient return to cover their investments.

Our success depends, in part, on our ability to develop and implement technology solutions that anticipate and keep pace with rapid and continuing changes in technology, industry standards and client preferences. We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis, and our ideas may not be accepted in the marketplace. Additionally, the effort to gain technological expertise and develop new technologies in our business requires us to incur significant expenses. If we cannot offer new technologies as quickly as our competitors or if our competitors develop more cost-effective technologies, it could have a material adverse effect on our ability to obtain and complete client engagements. For example, we have invested significantly in the development of Inpoint, repositories of global insurance and reinsurance placement information, which we use to drive results for our clients in the insurance and reinsurance placement process. Our competitors are developing competing databases, and their success in this space may impact our ability to differentiate our services to our clients through the use of unique technological solutions. Likewise, we have invested significantly in our HR BPO business and platform. Innovations in software, cloud computing or other technologies that alter how these services are delivered could significantly undermine our investment in this business if we are slow or unable to take advantage of these developments.

We are continually developing and investing in innovative and novel service offerings that we believe will address needs that we identify in the markets. Nevertheless, for those efforts to produce meaningful value, we are reliant on a number of other factors, some of which are outside of our control. For example, our HR Solutions segment has invested substantial time and resources in launching health care exchanges under the belief that these exchanges will serve a useful role in helping corporations and individuals in the U.S. manage their growing health care expenses. In order for these exchanges to be successful, health care insurers and corporate and individual participants have to deem them suitable, and whether those parties will find them suitable will be subject to their own particular circumstances.

If our clients or third parties are not satisfied with our services, we may face additional cost, loss of profit opportunities, damage to our reputation or legal liability.

We depend, to a large extent, on our relationships with our clients and our reputation for high-quality broking, risk management and HR solutions, so that we can understand our clients' needs and deliver solutions and services that are tailored to satisfy these needs. If a client is not satisfied with our services, it could cause us to incur additional costs and impair profitability. Many of our clients are businesses that band together in industry groups and/or trade associations and actively share information among themselves about the quality of service they receive from their vendors. Accordingly, poor service to one client may negatively impact our relationships with multiple other clients. Moreover, if we fail to meet our contractual obligations, we could be subject to legal liability or loss of client relationships.

The nature of much of our work, especially our actuarial services in our HR Solutions business, involves assumptions and estimates concerning future events, the actual outcome of which we cannot know with certainty in advance. Similarly, in our investment consulting business, we may be measured based on our track record regarding judgments and advice on investments that are susceptible to influences unknown at the time the advice was given. In addition, we could make computational, software programming or data entry or management errors. A client may claim it suffered losses due to reliance on our consulting advice, which poses risks of liability exposure and costs of defense and increased insurance premiums. In addition, claims arising from our professional services may produce publicity that could hurt our reputation and business and adversely affect our ability to secure new business.

Damage to our reputation could have a material adverse effect on our business.

Our reputation is a key asset of the Company. We advise our clients on and provide services related to a wide range of subjects and our ability to attract and retain clients is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters or others could erode trust and confidence and damage our reputation among existing and potential clients, which could make it difficult for us to attract new clients and maintain existing ones. Negative public opinion could also result from actual or alleged conduct by us or those currently or formerly associated with us in any number of activities or circumstances, the use and protection of data and systems, satisfaction of client expectations, and regulatory compliance. This damage to our reputation could affect

the confidence of our clients, rating agencies, regulators, stockholders and third parties in transactions that are important to our business adversely effecting on our business, financial condition and operating results.

We rely on third parties to perform key functions of our business operations and to provide services to our clients. These third parties may act in ways that could harm our business.

We rely on third parties, and in some cases subcontractors, to provide services, data and information such as technology, information security, funds transfers, data processing, and administration and support functions that are critical to the operations of our business. These third parties include correspondents, agents and other brokerage and intermediaries, insurance markets, data providers, plan trustees, payroll service providers, software and system vendors, health plan providers, investment managers and providers of human resource functions such as recruiters and trainers, among others. As we do not fully control the actions of these third parties, we are subject to the risk that their decisions may adversely impact us and replacing these service providers could create significant delay and expense. A failure by the third parties to comply with service level agreements or regulatory or legal requirements, in a high quality and timely manner, particularly during periods of our peak demand for their services, could result in economic and reputational harm to us. In addition, these third parties face their own technology, operating, business and economic risks, and any significant failures by them, including the improper use or disclosure of our confidential client, employee, or company information, could cause harm to our reputation. An interruption in or the cessation of service by any service provider as a result of systems failures, capacity constraints, financial difficulties or for any other reason could disrupt our operations, impact our ability to offer certain products and services, and result in contractual or regulatory penalties, liability claims from clients and/or employees, damage to our reputation and harm to our business.

Our business is exposed to risks associated with the handling of client funds.

Our Risk Solutions business collects premiums from insureds and remits the premiums to the respective insurers. We also collect claims or refunds from insurers on behalf of insureds, which are then remitted to the insureds. Similarly, part of our HR Solutions' outsourcing business handles payroll processing and retirement and pension administration for several of our clients. Consequently, at any given time, we may be holding and managing funds of our clients and, in the case of HR Solutions, their employees, while payroll, retirement plan funds or pension payments are being processed. This function creates a risk of loss arising from, among other things, fraud by employees or third parties, execution of unauthorized transactions or errors relating to transaction processing, or other cybersecurity events or security breaches. We are also potentially at risk in the event the financial institution in which we hold these funds suffers any kind of insolvency or liquidity event. The occurrence of any of these types of events in connection with this function could cause us financial loss and reputational harm.

In connection with the implementation of our corporate strategies, we face risks associated with the acquisition or disposition of businesses, the entry into new lines of business, the integration of acquired businesses and the growth and development of these businesses.

In pursuing our corporate strategy, we may acquire other businesses or dispose of or exit businesses we currently own. The success of this strategy is dependent upon our ability to identify appropriate acquisition and disposition targets, negotiate transactions on favorable terms, complete transactions and, in the case of acquisitions, successfully integrate them into our existing businesses. If a proposed transaction is not consummated, the time and resources spent in researching it could adversely result in missed opportunities to locate and acquire other businesses. If acquisitions are made, there can be no assurance that we will realize the anticipated benefits of such acquisitions, including, but not limited to, revenue growth, operational efficiencies or expected synergies. If we dispose of or otherwise exit certain businesses, there can be no assurance that we will not incur certain disposition related charges, or that we will be able to reduce overhead related to the divested assets.

From time to time, either through acquisitions or internal development, we enter lines of business or offer new products and services within existing lines of business. These new lines of business or new products and services present the Company with additional risks, particularly in instances where the markets are not fully developed. Such risks include the investment of significant time and resources; the possibility that these efforts will be not be successful; the possibility that marketplace does not accept our products or services, or that we are unable to retain clients that adopt our new products or services; and the risk of additional liabilities associated with these efforts. In addition, many of the businesses that we acquire and develop will likely have significantly smaller scales of operations prior to the implementation of our growth strategy. If we are not able to manage the growing complexity of these businesses, including improving, refining or revising our systems and operational practices, and enlarging the scale and scope of the businesses, our business may be adversely affected. Other risks include developing knowledge of and experience in the new business, integrating the acquired business into our systems and culture, recruiting professionals and developing and capitalizing on new relationships with experienced market participants. External factors, such as compliance with new or revised regulations, competitive alternatives and shifting market preferences may also impact the successful implementation of a new line of business. Failure to manage these risks in the acquisition or development of new businesses could materially and adversely affect our business, results of operations and financial condition.

Risks Relating Primarily to Our Risk Solutions Segment

Results in our Risk Solutions segment may fluctuate due to many factors, including cyclical or permanent changes in the insurance and reinsurance markets outside of our control.

Results in our Risk Solutions segment have historically been affected by significant fluctuations arising from uncertainties and changes in the industries in which we operate. A significant portion of our revenue consists of commissions paid to us out of the premiums that insurers and reinsurers charge our clients for coverage. We have no control over premium rates, and our revenues and profitability are subject to change to the extent that premium rates fluctuate or trend in a particular direction. The potential for changes in premium rates is significant, due to pricing cyclical in the commercial insurance and reinsurance markets.

In addition to movements in premium rates, our ability to generate premium-based commission revenue may be challenged by:

- the growing availability of alternative methods for clients to meet their risk-protection needs, including a greater willingness on the part of corporations to “self-insure,” the use of so-called “captive” insurers, and the development of capital markets-based solutions and other alternative capital sources for traditional insurance and reinsurance needs that increase market capacity, increase competition and put pressure on pricing;
- fluctuation in the need for insurance as the economic downturn continues, as clients either go out of business or scale back their operations, and thus reduce the amount of insurance, they procure;
- the level of compensation, as a percentage of premium, that insurance carriers are willing to compensate brokers for placement activity;
- the growing desire of clients to move away from variable commission rates and instead compensate brokers based upon flat fees, which can negatively impact us as fees are not generally indexed for inflation and do not automatically increase with premium as does commission-based compensation; and
- competition from insurers seeking to sell their products directly to consumers, including online sales, without the involvement of an insurance broker.

In addition, our increasing focus on new product offerings within the Risk Solutions space exposes us to additional risks. As our business, like the economy as a whole, becomes more technology focused, the speed at which our products are subject to challenge or becoming outdated is consistently increasing.

Our results may be adversely affected by changes in the mode of compensation in the insurance industry.

In the past, the Attorney General of the State of New York brought charges against members of the insurance brokerage community. These actions have created uncertainty concerning longstanding methods of compensating insurance brokers. Given that the insurance brokerage industry has faced scrutiny from regulators in the past over its compensation practices, it is possible that regulators may choose to revisit the same or other practices in the future. If they do so, compliance with new regulations along with any sanctions that might be imposed for past practices deemed improper could have an adverse impact on our future results of operations and inflict significant reputational harm on our business.

Risks Relating Primarily to Our HR Solutions Segment

We are subject to various risks and uncertainties in connection with the pending sale of our Benefits Administration and HR Business Process Outsourcing (BPO) Platform.

On February 9, 2017, Aon entered into a Purchase Agreement (the “Purchase Agreement”) with Tempo Acquisition, LLC, an affiliate of The Blackstone Group, L.P. (the “Buyer”), to sell our Benefits Administration and HR Business Process Outsourcing (BPO) Platform (the “Divested Business”) in a transaction valued at approximately \$4.3 billion plus additional consideration of up to \$500 million based on future performance of the Divested Business (the “Transaction”). The completion of the Transaction is subject to customary closing conditions, including, among others: (i) the expiration or termination of the waiting period under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended, and (ii) the receipt of all approvals and the filing of all applicable filings under any relevant foreign jurisdictions that are required to be made or obtained as set forth in the Purchase Agreement. Although the Transaction is expected to close by the end of the second quarter of 2017, we can make no assurances that the transaction will close in the anticipated timeframe or at all. Any delay or failure to close the Transaction as planned could have a negative impact on Aon’s financial condition and results of operations. To the extent that our current stock price reflects the assumption that the Transaction will be consummated in the timeframe and manner currently anticipated, any delay in the closing of the Transaction or failure to close at all could result in a decline in the market price of our ordinary shares.

Aon intends to allocate part of the proceeds from this Transaction to increase its share repurchases, and our Board of Directors has authorized an additional \$5 billion under our stock repurchase program in support of this intent. Any delay or failure to close the Transaction as planned could result in the failure of Aon to increase its share repurchases as anticipated.

Our directors, executive officers, and other employees have expended extensive time and effort and experienced significant distractions from their day-to-day work during the pendency of the Transaction, including not pursuing other opportunities that might have otherwise been beneficial to us. Additionally, we will have incurred significant third-party transaction costs in connection with the Transaction. If the Transaction is not consummated, we will have experienced such distractions and incurred such costs without realizing the expected benefit of the Transaction, which may have a material and adverse effect on our results of operations.

Even if the Transaction is consummated as expected, it carries inherent risks, including the risk that Aon will not earn the \$500 million of additional consideration or otherwise realize the intended value of the Transaction, as well as risks connected with separating the Divested Business from Aon. Because the Divested Business represent 19% of our gross revenues for the fiscal year 2016, our results of operations and financial condition may be materially adversely affected, or may not be accretive to adjusted earnings per share as anticipated, if we fail to effectively reduce our overhead costs to reflect the reduced scale of operations or fail to grow our other business as expected. Additionally, the separation of the Divested Businesses from the rest of Aon's business will require significant resources, which may disrupt operations or divert management's attention from Aon's day-to-day operations and efforts to grow our other businesses. Furthermore, if we do not realize the benefits of the Transaction as anticipated or if the Divested Business does not deliver the level of service to which our clients and partners are accustomed, it could adversely affect our relationship with clients, partners, colleagues and other third parties.

The profitability of our outsourcing and consulting engagements with clients may not meet our expectations due to unexpected costs, cost overruns, early contract terminations, unrealized assumptions used in our contract bidding process or the inability to maintain our prices.

In our HR Solutions segment, our profitability is highly dependent upon our ability to control our costs and improve our efficiency. As we adapt to change in our business, adapt to the regulatory environment, enter into new engagements, acquire additional businesses and take on new employees in new locations, we may not be able to manage our large, diverse and changing workforce, control our costs or improve our efficiency.

Most new outsourcing arrangements undergo an implementation process whereby our systems and processes are customized to match a client's plans and programs. The cost of this process is estimated by us and often partially funded by our clients. If our actual implementation expense exceeds our estimate or if the ongoing service cost is greater than anticipated, the client contract may be less profitable than expected.

Even though outsourcing clients typically sign long-term contracts, some of these contracts may be terminated at any time, with or without cause, by our client upon 90 to 360 days' written notice. Our outsourcing clients are generally required to pay a termination fee; however, this amount may not be sufficient to offset the costs we incurred in connection with the implementation and system set-up or fully compensate us for the profit we would have received if the contract had not been cancelled. A client may choose to delay or terminate a current or anticipated project as a result of factors unrelated to our work product or progress, such as the business or financial condition of the client or general economic conditions. When any of our engagements are terminated, we may not be able to eliminate associated ongoing costs or redeploy the affected employees in a timely manner to minimize the impact on profitability. Any increased or unexpected costs or unanticipated delays in connection with the performance of these engagements, including delays caused by factors outside our control, could have an adverse effect on our profit margin.

Our profit margin, and therefore our profitability, is largely a function of the rates we are able to charge for our services and the staffing costs for our personnel. Accordingly, if we are not able to maintain the rates we charge for our services or appropriately manage the staffing costs of our personnel, we may not be able to sustain our profit margin and our profitability will suffer. The prices we are able to charge for our services are affected by a number of factors, including competitive factors, cost of living adjustment provisions, the extent of ongoing clients' perception of our ability to add value through our services and general economic conditions. Our profitability in providing HR BPO services is largely based on our ability to drive cost efficiencies during the term of our contracts for such services. If we cannot drive suitable cost efficiencies, our profit margins will suffer. Our cost efficiencies may be impacted by factors such as our ability to transition consultants from completed projects to new assignments, our ability to secure new consulting engagements, our ability to forecast demand for consulting services (and, consequently, appropriately manage the size and location of our workforce), employee attrition, and the need to devote time and resources to training and professional and business development.

We might not be able to achieve the cost savings required to sustain and increase our profit margins in our HR Solutions business.

We provide our outsourcing services over long terms for variable or fixed fees that generally are less than our clients' historical costs to provide for themselves the services we contract to deliver. Also, clients' demand for cost reductions may increase over the term of the agreement. As a result, we bear the risk of increases in the cost of delivering HR outsourcing services to our clients, and our margins associated with particular contracts will depend on our ability to control our costs of performance under those contracts and meet our service commitments cost-effectively. Over time, some of our operating expenses will increase as we invest

in additional infrastructure and implement new technologies to maintain our competitive position and meet our client service commitments. We must anticipate and respond to the dynamics of our industry and business by using quality systems, process management, improved asset utilization and effective supplier management tools. We must do this while continuing to grow our business so that our fixed costs are spread over an increasing revenue base. If we are not able to achieve this, our ability to sustain and increase profitability may be reduced.

In our investment consulting business, we advise or act on behalf of clients regarding their investments. The results of these investments are uncertain and subject to numerous factors, some of which are within our control and some which are not. Clients that experience losses or lower than expected investment returns may leave us for competitors and/or assert claims against us.

Our investment consulting business provides advice to clients on: investment strategy, which can include advice on setting investment objectives, asset allocation, and hedging strategies; selection (or removal) of investment managers; the investment in different investment instruments and products; and the selection of other investment service providers such as custodians and transition managers. For some clients, we are responsible for making decisions on these matters and we may implement such decisions in a fiduciary/agency capacity albeit without assuming title or custody over the underlying funds or assets invested. Asset classes may experience poor absolute performance; third parties we recommend or select, such as investment managers, may underperform their benchmarks due to poor market performance, negligence or other reasons, resulting in poor investment returns or losses. These losses may be attributable in whole or in part to failures on our part or to events entirely outside of our control. Regardless of the cause, clients experiencing losses may assert claims against us, and these claims may be for significant amounts. Defending against these claims can involve potentially significant costs, including legal defense costs, as well as cause substantial distraction and diversion of other resources. Furthermore, our ability to limit our potential liability is restricted in certain jurisdictions and in connection with claims involving breaches of fiduciary/agency duties or other alleged errors or omissions. Additionally, clients experiencing losses or lower than expected investment returns may also leave us for our competitors.

Risks Related to Our Ordinary Shares

Transfers of the Class A Ordinary Shares may be subject to stamp duty or SDRT in the U.K., which would increase the cost of dealing in the Class A Ordinary Shares.

Stamp duty reserve taxes (“SDRT”) are imposed in the U.K. on certain transfers of chargeable securities (which include shares in companies incorporated in the U.K.) at a rate of 0.5 percent of the consideration paid for the transfer. Certain transfers of shares to depositaries or into clearance systems are charged at a higher rate of 1.5 percent.

Our Class A Ordinary Shares are eligible to be held in book entry form through the facilities of Depository Trust Company (“DTC”). Transfers of shares held in book entry form through DTC will not attract a charge to stamp duty or SDRT in the U.K. A transfer of the shares from within the DTC system out of DTC and any subsequent transfers that occur entirely outside the DTC system will attract a charge to stamp duty at a rate of 0.5 percent of any consideration, which is payable by the transferee of the shares. Any such duty must be paid (and the relevant transfer document stamped by Her Majesty’s Revenues and Customs (“HMRC”)) before the transfer can be registered in the books of Aon. If those shares are redeposited into DTC, the redeposit will attract stamp duty or SDRT at a rate of 1.5 percent of the value of the shares.

We have put in place arrangements to require that shares held in certificated form cannot be transferred into the DTC system until the transferor of the shares has first delivered the shares to a depository specified by us so that SDRT may be collected in connection with the initial delivery to the depository. Any such shares will be evidenced by a receipt issued by the depository. Before the transfer can be registered in our books, the transferor will also be required to put in the depository funds to settle the resultant liability to SDRT, which will be charged at a rate of 1.5 percent of the value of the shares.

Following the decision of the First Tier Tribunal (Tax Chamber) in *HSBC Holdings plc, The Bank of New York Mellon Corporation v HMRC* 2012 UKFTT 163 (TC) and the announcement by HMRC that it will not seek to appeal the decision, HMRC is no longer enforcing the charge to SDRT on the issue of shares into either EU or non-EU depository receipt or clearance systems.

If the Class A Ordinary Shares are not eligible for continued deposit and clearing within the facilities of DTC, then transactions in our securities may be disrupted.

The facilities of DTC are a widely-used mechanism that allow for rapid electronic transfers of securities between the participants in the DTC system, which include many large banks and brokerage firms. We believe that prior to the redomestication approximately 99% of the outstanding shares of common stock of Aon Corporation were held within the DTC system. The Class A Ordinary Shares of Aon plc are, at present, eligible for deposit and clearing within the DTC system. In connection with the closing of the Redomestication, we entered into arrangements with DTC whereby we agreed to indemnify DTC for any stamp duty and/or SDRT that may be assessed upon it as a result of its service as a depository and clearing agency for our Class A Ordinary Shares. In addition, we have obtained a ruling from HMRC in respect of the stamp duty and SDRT consequences of the reorganization, and SDRT has been paid in accordance with the terms of this ruling in respect of the deposit of Class A Ordinary Shares with the initial

depository. DTC will generally have discretion to cease to act as a depository and clearing agency for the Class A Ordinary Shares. If DTC determines at any time that the Class A Ordinary Shares are not eligible for continued deposit and clearance within its facilities, then we believe the Class A Ordinary Shares would not be eligible for continued listing on a U.S. securities exchange or inclusion in the S&P 500 and trading in the Class A Ordinary Shares would be disrupted. While we would pursue alternative arrangements to preserve our listing and maintain trading, any such disruption could have a material adverse effect on the trading price of the Class A Ordinary Shares.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We have offices in various locations throughout the world. Substantially all of our offices are located in leased premises. We maintain our corporate headquarters at 122 Leadenhall Street, London, England, where we occupy approximately 190,000 square feet of space under an operating lease agreement that expires in 2034. We own one significant building at Pallbergweg 2-4, Amsterdam, the Netherlands (150,000 square feet). The following are additional significant leased properties, along with the occupied square footage and expiration.

Property:	Occupied Square Footage	Lease Expiration Dates
4 Overlook Point and other locations, Lincolnshire, Illinois	1,059,000	2019 – 2024
Tikri Campus and Unitech Cyber Park, Gurgaon, India	440,000	2015 – 2019
200 E. Randolph Street, Chicago, Illinois	428,000	2028
2601 Research Forest Drive, The Woodlands, Texas	414,000	2020
2300 Discovery Drive, Orlando, Florida	364,000	2020
199 Water Street, New York, New York	319,000	2018
7201 Hewitt Associates Drive, Charlotte, North Carolina	218,000	2025

The locations in Lincolnshire, Illinois; Gurgaon, India; The Woodlands, Texas; Orlando, Florida; and Charlotte, North Carolina, are primarily dedicated to our HR Solutions segment. The other locations listed above house personnel from both of our reportable segments.

In general, no difficulty is anticipated in negotiating renewals as leases expire or in finding other satisfactory space if the premises become unavailable. We believe that the facilities we currently occupy are adequate for the purposes for which they are being used and are well maintained. In certain circumstances, we may have unused space and may seek to sublet such space to third parties, depending upon the demands for office space in the locations involved. See Note 7 “Lease Commitments” of the Notes to Consolidated Financial Statements in Part II, Item 8 of this report for information with respect to our lease commitments as of December 31, 2016 .

Item 3. Legal Proceedings

We hereby incorporate by reference Note 14 “Commitments and Contingencies” of the Notes to Consolidated Financial Statements in Part II, Item 8 of this report.

Item 4. Mine Safety Disclosure

Not applicable.

Executive Officers of the Registrant

The executive officers of Aon, as of February 23, 2017 unless otherwise noted, their business experience during the last five years, and their ages and positions held are set forth below.

Name	Age	Position
Eric Andersen	52	Chief Executive Officer, Aon Benfield. Mr. Andersen joined Aon in 1997 upon the completion of the acquisition of Minet. Mr. Andersen has served in a variety of roles at Aon during his 19 years at the Company, including as Chief Executive Officers of Aon Risk Solutions Americas from 2011 to 2013. Mr. Andersen was named Chief Executive Officer of Aon Benfield in September 2013 and an Executive Officer on February 1, 2017.
John Bruno	51	Executive Vice President, Enterprise Innovation & Chief Information Officer. Mr. Bruno joined Aon in September 2014 as Executive Vice President, Enterprise Innovation & Chief Information Officer and was named an Executive Officer on February 1, 2017. Prior to joining Aon, Mr. Bruno held various positions at NCR Corporation, a technology company focused on assisted and self service solutions, from 2008 to 2014, where he most recently served as Executive Vice President, Industry & Field Operations and Corporate Development. Prior to working at NCR, Mr. Bruno served in various technology positions at Goldman Sachs Group, Merrill Lynch & Co. Inc. and Symbol Technologies, Inc.
Gregory C. Case	54	President and Chief Executive Officer. Mr. Case became President and Chief Executive Officer of Aon in April 2005. Prior to joining Aon, Mr. Case was a partner with McKinsey & Company, the international management consulting firm, for 17 years, most recently serving as head of the Financial Services Practice. He previously was responsible for McKinsey's Global Insurance Practice, and was a member of McKinsey's governing Shareholders' Committee. Prior to joining McKinsey, Mr. Case was with the investment banking firm of Piper, Jaffray and Hopwood and the Federal Reserve Bank of Kansas City.
Christa Davies	45	Executive Vice President and Chief Financial Officer. Ms. Davies became Executive Vice President — Global Finance in November 2007. In March 2008, Ms. Davies assumed the additional role of Chief Financial Officer. Prior to joining Aon, Ms. Davies served for 5 years in various capacities at Microsoft Corporation, an international software company, most recently serving as Chief Financial Officer of the Platform and Services Division. Before joining Microsoft in 2002, Ms. Davies served at ninemsn, an Australian joint venture with Microsoft.
Anthony Goland	57	Executive Vice President and Chief Human Resources Officer. Mr. Goland joined Aon in September 2015 as Executive Vice President and Chief Human Resources Officer. Prior to joining Aon, Mr. Goland spent 30 years at McKinsey & Company, Inc., a global management consulting firm where he was a leader of the Firm's financial services, financial inclusion, and organization practices. Prior to McKinsey, he had experience with J.P. Morgan and IBM, and before that he volunteered and served as a Sergeant in the U.S. Army Europe.
Peter Lieb	61	Executive Vice President, General Counsel and Company Secretary. Mr. Lieb was named Aon's Executive Vice President and General Counsel in July 2009 and Company Secretary in November 2013. Prior to joining Aon, Mr. Lieb served as Senior Vice President, General Counsel and Secretary of NCR Corporation, a technology company focused on assisted and self-service solutions, from May 2006 to July 2009, and as Senior Vice President, General Counsel and Secretary of Symbol Technologies, Inc. from 2003 to 2006. From 1997 to 2003, Mr. Lieb served in various senior legal positions at International Paper Company, including Vice President and Deputy General Counsel. Earlier in his career, Mr. Lieb served as a law clerk to the Honorable Warren E. Burger, Chief Justice of the United States.
Stephen P. McGill (1)	59	Mr. McGill joined Aon in May 2005 as Chief Executive Officer of the Global Large Corporate business unit, which is now part of Aon Global. Mr. McGill was named Chief Executive Officer of Aon Risk Services Americas in January 2006 prior to being named Chairman and Chief Executive Officer, Risk Solutions in February 2008 and Group President in May 2012. Previously, Mr. McGill served as Chief Executive Officer of Jardine Lloyd Thompson Group plc.
Laurel Meissner	59	Senior Vice President and Global Controller. Ms. Meissner joined Aon in February 2009, and was appointed Senior Vice President and Global Controller and designated as Aon's principal accounting officer in March 2009. Prior to joining Aon, Ms. Meissner served from July 2008 through January 2009 as Senior Vice President, Finance, Chief Accounting Officer of Motorola, Inc., an international communications company. Ms. Meissner joined Motorola in 2000 and served in various senior financial positions, including Corporate Vice President, Finance, Chief Accounting Officer.
Michael O'Connor	48	Chief Executive Officer, Aon Risk Solutions. Mr. O'Connor joined Aon in 2008 as Chief Operating Officer of Aon Risk Solutions and was later named Chief Risk Operating Officer, Aon Risk Solutions and Aon Benfield. In 2013, he was named Chief Executive Officer, Aon Risk Solutions and was named an Executive Officer on February 1, 2017. Prior to joining Aon, Mr. O'Connor was a partner at McKinsey & Company, where he served as a leader for the North America Financial Services and North American Insurance practices.
Kristi A. Savacool	57	Chief Executive Officer, Aon Hewitt. Ms. Savacool joined Aon upon the completion of the merger between Aon and Hewitt Associates, Inc. and was named Chief Executive Officer of Aon Hewitt in February 2012. Prior to assuming this role, Ms. Savacool served as Co-Chief Executive Officer of Aon Hewitt from May 2011 and, prior to that, Chief Executive Officer of Benefits Administration for Aon Hewitt. Prior to the merger, Ms. Savacool served in several senior executive positions at Hewitt Associates, Inc., including Senior Vice President, Total Benefit Administration Outsourcing. Ms. Savacool joined Hewitt in 2005. Prior to joining Hewitt, Ms. Savacool held a number of executive management positions at The Boeing Company since 1985.

(1) Mr. McGill resigned from the Company on January 31, 2017.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Class A Ordinary Shares, \$0.01 nominal value per share, are traded on the New York Stock Exchange (“NYSE”). The following table sets forth the ranges of high and low sales prices per share of our ordinary shares as reported on the NYSE and the cash dividends per share of common stock paid for the two most recent fiscal years:

	Years Ended December 31					
	2016			2015		
	High	Low	Dividends paid per share	High	Low	Dividends paid per share
Fourth quarter	\$ 116.59	\$ 107.19	\$ 0.33	\$ 97.79	\$ 86.38	\$ 0.30
Third quarter	\$ 113.78	\$ 105.35	\$ 0.33	\$ 103.38	\$ 87.58	\$ 0.30
Second quarter	\$ 110.04	\$ 100.55	\$ 0.33	\$ 104.70	\$ 95.32	\$ 0.30
First quarter	\$ 104.76	\$ 83.83	\$ 0.30	\$ 107.08	\$ 89.35	\$ 0.25

On February 22, 2017, the last reported sale price of our ordinary shares as reported by the NYSE was \$115.60 per share. We have approximately 225 holders of record of our Class A Ordinary Shares as of February 22, 2017.

The following information relates to the repurchases of equity securities by Aon or any affiliated purchaser during any month within the fourth quarter of the fiscal year covered by this report:

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)
10/1/16 – 10/31/16	758,923	\$ 110.68	758,923	\$ 2,939,315,852
11/1/16 – 11/30/16	754,296	\$ 111.36	754,296	\$ 2,855,317,922
12/1/16 – 12/31/16	283,323	\$ 112.96	283,323	\$ 2,823,314,745
	<u>1,796,542</u>		<u>1,796,542</u>	

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

(2) In April 2012, our Board of Directors authorized a share repurchase program under which up to \$5 billion of Class A Ordinary Shares may be repurchased. In November 2014, our Board of Directors authorized an additional \$5 billion of Class A Ordinary Shares for repurchase. In February 2017, the Board of Directors authorized a \$5.0 billion increase to the then existing remaining authorization under its share repurchase program. Under each program, shares may be repurchased through open market or privately negotiated transactions, based on prevailing market conditions, funded from available capital. During 2016, we repurchased 12.2 million shares at an average price per share of \$102.66 for a total cost of \$1.3 billion. The remaining authorized amount for share repurchase under our Share Repurchase Programs is \$2.8 billion at December 31, 2016.

Information relating to the compensation plans under which equity securities of Aon are authorized for issuance is set forth under Part III, Item 12 “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” of this report and is incorporated herein by reference.

We did not make any sales of unregistered equity in 2016.

Item 6. Selected Financial Data

As described in Note 1 “Basis of Presentation - Revision of Previously Issued Financial Statements” of the Notes to Consolidated Financial Statements, during the fourth quarter of 2016, we identified errors that impacted the years ended December 31, 2015, 2014, 2013, and 2012. The corrections for the errors, which we have concluded are immaterial, individually and in the aggregate, to all prior-period consolidated financial statements, are reflected in the consolidated financial statements and selected financial data included in this Form 10-K.

As described in Note 2 “Summary of Significant Accounting Principles and Practices” of the Notes to Consolidated Financial Statements, we adopted guidance related to the presentation of deferred tax assets and liabilities and debt issuance costs. Amounts below have been amended to reflect the adoption of the new guidance.

(millions except per share data)	2016	2015	2014	2013	2012
	(As Revised)	(As Revised)	(As Revised)	(As Revised)	(As Revised)
Income Statement Data					
Commissions, fees and other	\$ 11,605	\$ 11,661	\$ 12,019	\$ 11,787	\$ 11,476
Fiduciary investment income	22	21	26	28	38
Total revenue	\$ 11,627	\$ 11,682	\$ 12,045	\$ 11,815	\$ 11,514
Income from continuing operations	\$ 1,430	\$ 1,422	\$ 1,431	\$ 1,148	\$ 1,020
Net income	1,430	1,422	1,431	1,148	1,020
Less: Net income attributable to noncontrolling interests	34	37	34	35	27
Net income attributable to Aon shareholders	\$ 1,396	\$ 1,385	\$ 1,397	\$ 1,113	\$ 993
Basic Net Income Per Share Attributable to Aon Shareholders	\$ 5.21	\$ 4.93	\$ 4.73	\$ 3.57	\$ 3.02
Diluted Net Income Per Share Attributable to Aon Shareholders	\$ 5.16	\$ 4.88	\$ 4.66	\$ 3.53	\$ 2.99
Balance Sheet Data					
Fiduciary assets (1)	\$ 9,485	\$ 9,932	\$ 11,638	\$ 11,871	\$ 12,214
Intangible assets including goodwill	\$ 10,970	\$ 10,628	\$ 11,380	\$ 11,575	\$ 11,918
Total assets	\$ 26,615	\$ 26,883	\$ 29,572	\$ 30,060	\$ 30,296
Long-term debt	\$ 5,869	\$ 5,138	\$ 4,768	\$ 3,666	\$ 3,694
Total equity	\$ 5,532	\$ 6,059	\$ 6,527	\$ 8,091	\$ 7,701
Class A Ordinary Shares and Other Data					
Dividends paid per share	\$ 1.29	\$ 1.15	\$ 0.92	\$ 0.68	\$ 0.62
At year-end:					
Market price, per share	\$ 111.53	\$ 92.21	\$ 94.83	\$ 83.89	\$ 55.61
Shares outstanding	262.0	269.8	280.0	300.7	310.9

(1) Represents insurance premium receivables from clients as well as cash and investments held in a fiduciary capacity.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

EXECUTIVE SUMMARY OF 2016 FINANCIAL RESULTS

During 2016, we continued to face headwinds that adversely impacted our business. In our Risk Solutions segment, these headwinds included adverse changes in foreign currency exchange rates, economic weakness in certain regions around the globe and a negative market impact in our Reinsurance business. In our HR Solutions segment, these headwinds included price compression in our benefits administration business and economic weakness in certain regions around the globe.

The following is a summary of our 2016 financial results:

- Revenue decreased \$55 million to \$11.6 billion in 2016 due primarily to a 2% unfavorable impact from changes in foreign currency exchange rates and a 2% decrease in commissions and fees related to acquisitions, net of divestitures, partially offset by organic revenue growth of 3% in the Risk Solutions segment and 3% in the HR Solutions segment. Organic revenue growth for the year was driven by strong new business generation and solid management of the renewal book portfolio across our Risk Solutions segment, as well as solid growth in both our Consulting and Outsourcing businesses within HR Solutions.
- Operating expenses decreased \$113 million, or 1%, to \$9.7 billion in 2016 due primarily to a \$248 million favorable impact from changes in foreign currency exchange rates, a \$176 million decrease in expenses related to legacy litigation incurred in the prior year, a \$144 million decrease in the core expense base resulting from acquisitions, net of divestitures, and a \$37 million decrease in intangible asset amortization, partially offset by \$220 million of non-cash expenses related to certain pension settlements, an increase in expense associated with 3% organic revenue growth, and \$15 million of transaction costs incurred related to future portfolio repositioning activities.
- Operating margin increased to 16.4% in 2016 from 15.8% in 2015. The increase in operating margin from the prior year is primarily driven by organic revenue growth of 3% and return on investments across the portfolio as well as a decrease in expense related to legacy litigation and the favorable impact from changes in foreign currency exchange rates, partially offset by non-cash expenses related to certain pension settlements. Risk Solutions operating margin increased to 21.2% in 2016 from 20.3% in 2015. HR Solutions operating margin increased to 13.3% in 2016 from 12.5% in 2015.
- Net income attributable to Aon shareholders was \$1.4 billion, an increase of \$11 million, or 1%, from 2015. Diluted earnings per share increased 6% to \$5.16 in 2016 from \$4.88 in 2015.
- Cash flow provided by operating activities was \$2.3 billion in 2016, an increase of \$317 million, or 16%, from \$2.0 billion in 2015, due primarily to an increase in underlying net income after adjusting for certain non-cash pension expenses, lower cash pension contributions, and lower cash tax payments.
- On February 9, 2017, we entered into an agreement to sell our Benefits Administration and Business Process Outsourcing (BPO) Portfolio (the "Business") for cash consideration of \$4.3 billion payable at closing plus additional cash consideration of up to \$500 million based on future performance of the Business (the "Transaction"). The Business is within the HR Solutions segment described further below. The completion of the Transaction is subject to customary closing conditions, and the Transaction is expected to close by the end of the second quarter of 2017. In connection with the Transaction, we expect to implement a cost reduction program that will result in a future charge to the financial statements. We believe the cost reduction program will reduce stranded costs, create greater efficiency, and contribute towards the Company's objective of being accretive to analysts' consensus earnings of \$7.97 per share in 2018, as published by FactSet. Refer to Note 18 "Subsequent Event - Disposition of Benefits Administration and Business Process Outsourcing" of the Notes to Consolidated Financial Statements for additional details regarding the Transaction.

We focus on four key non-GAAP metrics that we communicate to shareholders: organic revenue growth, adjusted operating margins, adjusted diluted earnings per share, and free cash flow. The following is our measure of performance against these four metrics for 2016:

- Organic revenue growth, a non-GAAP metric as defined under the caption "Review of Consolidated Results — Organic Revenue Growth," was 3% in 2016. Organic revenue growth was driven by growth across every major business in both Risk Solutions and HR Solutions. In Risk Solutions, organic revenue growth was driven by strong growth in Retail brokerage across both the Americas and International businesses, as well as modest growth in Reinsurance. In HR Solutions, organic revenue growth was primarily driven by growth in health care exchanges and in HR BPO for cloud-based solutions as well as growth in investment and communications consulting.

- Adjusted operating margin, a non-GAAP metric as defined under the caption “Review of Consolidated Results — Adjusted Operating Margin,” was 20.8% for Aon overall, 24.5% for the Risk Solutions segment, and 18.4% for the HR Solutions segment in 2016 . In 2015 , adjusted operating margin was 20.0% for Aon overall, 23.6% for the Risk Solutions segment, and 18.1% for the HR Solutions segment. The increase in adjusted operating margin for the Risk Solutions segment primarily reflects solid organic revenue growth and return on investments in data and analytics. The increase in adjusted operating margin for the HR Solutions segment primarily reflects solid organic revenue growth and expense discipline, partially offset by lost operating income and stranded costs related to previous dispositions, as well as unfavorable impact from changes in foreign currency exchange rates.
- Adjusted diluted earnings per share from net income attributable to Aon’s shareholders, a non-GAAP metric as defined under the caption “Review of Consolidated Results — Adjusted Diluted Earnings per Share,” was \$6.59 per share in 2016 , an increase of \$0.41 per share, or 7% , from \$6.18 per share in 2015 . The increase demonstrates solid operational performance and effective capital management, highlighted by \$1.3 billion of share repurchase during 2016 .
- Free cash flow, a non-GAAP metric as defined under the caption “Review of Consolidated Results — Free Cash Flow,” was \$2.1 billion in 2016 , an increase of \$385 million , or 22% , from \$1.7 billion in 2015 . The increase in free cash flow from the prior year was driven by record cash flow from operations of \$2.3 billion and a 23% , or \$68 million , decrease in capital expenditures.

REVIEW OF CONSOLIDATED RESULTS

As described in Note 1 “Basis of Presentation - Revision of Previously Issued Financial Statements” of the Notes to Consolidated Financial Statements, during the fourth quarter of 2016, we identified errors that impacted the years ended December 31, 2015 and 2014. The corrections for the errors, which we have concluded are immaterial, individually and in the aggregate, to all prior-period consolidated financial statements, are reflected herein.

Summary of Results

Our consolidated results of operations follow (in millions):

Years ended December 31	2016	2015	2014
Revenue:			
Commissions, fees and other	\$ 11,605	\$ 11,661	\$ 12,019
Fiduciary investment income	22	21	26
Total revenue	11,627	11,682	12,045
Expenses:			
Compensation and benefits	6,914	6,837	7,014
Other general expenses	2,807	2,997	3,065
Total operating expenses	9,721	9,834	10,079
Operating income	1,906	1,848	1,966
Interest income	9	14	10
Interest expense	(282)	(273)	(255)
Other income	36	100	44
Income before income taxes	1,669	1,689	1,765
Income taxes	239	267	334
Net income	1,430	1,422	1,431
Less: Net income attributable to noncontrolling interests	34	37	34
Net income attributable to Aon shareholders	\$ 1,396	\$ 1,385	\$ 1,397

Consolidated Results for 2016 Compared to 2015

Revenue

Revenue decreased by \$55 million , to \$11.6 billion in 2016 , compared to \$11.7 billion in 2015 . The decrease was driven by a 2% impact from unfavorable foreign exchange rates and a 2% decrease in commissions and fees related to acquisitions, net of

divestitures, partially offset by organic revenue growth of 3% in the Risk Solutions segment and 3% in the HR Solutions segment. Organic revenue growth in the Risk Solutions segment was driven by solid growth across both the Americas and International businesses. Record new business generation in US Retail, as well as strength in Affinity and growth across Latin America drove organic revenue growth in the Americas. International organic revenue growth was driven by growth across every major region; including Asia, EMEA, and the Pacific, despite economic weakness in certain countries. Reinsurance organic revenue growth was driven by net new business growth in treaty placements globally and modest growth in facultative placements, partially offset by an unfavorable market impact in treaty and a decline in capital markets transactions and advisory business. Organic revenue growth in the HR Solutions segment was driven by solid growth in both Consulting and Outsourcing. Consulting organic revenue growth was driven by retirement solutions, including investment consulting and delegated investment solutions, and communications consulting. Strong growth in health care exchanges and new client wins in HR BPO for cloud-based solutions drove organic revenue growth in Outsourcing.

Compensation and Benefits

Compensation and benefits increased \$77 million , or 1% , compared to 2015 . The increase was primarily driven by a \$220 million increase in non-cash expense related to certain pension settlements and an increase in expense associated with 3% organic revenue growth, partially offset by a \$169 million favorable impact from changes in foreign currency exchange rates and a \$97 million decrease in the core expense base resulting from acquisitions, net of divestitures.

Other General Expenses

Other general expenses decreased \$190 million , or 6% , compared to 2015 due primarily to a \$176 million decrease in expense related to legacy litigation incurred in the prior year, a \$79 million favorable impact from changes in foreign currency exchange rates, a \$47 million decrease in the core expense base resulting from acquisitions, net of divestitures, and a \$37 million decrease in intangible amortization, partially offset by an increase in expense to support 3% organic revenue growth and \$15 million of transaction costs incurred related to portfolio repositioning activities including the Transaction.

Interest Income

Interest income represents income earned on Cash and cash equivalents and Short-term investments. It does not include interest earned on funds held on behalf of clients. Interest income decreased \$5 million , or 36% , from 2015 , due to marginally lower average interest rates globally.

Interest Expense

Interest expense, which represents the cost of our worldwide debt obligations, increased \$9 million , or 3% , from 2015 . The increase in interest expense primarily reflects an increase in total debt outstanding.

Other Income

Other income decreased \$64 million from \$100 million in 2015 to \$36 million in 2016 . Other income in 2016 includes, among other things, \$39 million in net gains on disposition of businesses and \$13 million of equity earnings, partially offset by foreign exchange losses of \$2 million and a \$ 14 million net loss on certain financial instruments. Other income in 2015 includes \$82 million in net gains on disposition of businesses, foreign exchange gains of \$30 million , equity earnings of \$13 million , partially offset by a \$5 million net loss on certain long term investments and a \$19 million loss from derivatives.

Income before Income Taxes

Income before income taxes was \$1.7 billion in 2016 , a decrease of \$20 million , or 1% , from \$1.7 billion in 2015 due to drivers identified above.

Income Taxes

The effective tax rate on net income was 14.3% in 2016 and 15.8% in 2015 . The 2016 and 2015 rates reflect changes in the geographical distribution of income, the impact from certain pension settlements in the second and fourth quarters of 2016 , a reduction in U.S. income resulting from the settlement of legacy litigation in the second quarter of 2015, and the impact of certain discrete items.

Net Income Attributable to Aon Shareholders

Net income increased to \$1.40 billion (\$5.16 diluted net income per share) in 2016 , compared to \$1.39 billion (\$4.88 diluted net income per share) in 2015 .

Consolidated Results for 2015 Compared to 2014

Revenue

Revenue decreased by \$363 million, or 3%, to \$11.7 billion in 2015, compared to \$12.0 billion in 2014. The decrease was driven by a 6% impact from unfavorable foreign exchange rates, partially offset by organic revenue growth of 3% in the Risk Solutions segment and 4% in the HR Solutions segment. Organic revenue growth in the Risk Solutions segment was driven by solid growth across both the Americas and International businesses. Growth across all regions and product lines, including strong new business generation in US Retail, drove organic revenue growth in the Americas. International organic revenue growth in 2015 was driven by solid growth across Asia, the Pacific, and emerging markets, and strong management of the renewal book portfolio in continental Europe despite economic weakness. Reinsurance was down modestly due to an unfavorable market impact in treaty and a decline in capital markets transactions and advisory business, which more than offset the new business growth in treaty placements globally and modest growth in facultative placements. Organic revenue growth in the HR Solutions segment was driven by solid growth in both Consulting and Outsourcing. Consulting organic revenue growth was driven by retirement solutions, including investment consulting and delegated investment solutions, and compensation consulting. Strong growth in health care exchanges, new client wins in HR BPO for cloud-based solutions, and project-related revenue in benefits administration drove organic revenue growth in Outsourcing.

Compensation and Benefits

Compensation and benefits decreased \$177 million in 2015, or 3%, compared to 2014. The decrease was driven by a \$432 million favorable impact from changes in foreign currency exchange rates, partially offset by \$14 million increase in expenses resulting from acquisitions, net of divestitures and an increase in expense associated with 3% organic revenue growth.

Other General Expenses

Other general expenses decreased \$68 million in 2015, or 2%, compared to 2014 due largely to a \$166 million favorable impact from changes in foreign currency exchange rates and a \$38 million decrease in intangible amortization, partially offset by a \$102 million increase in expense related to legacy litigation, and an increase in expense to support 3% organic revenue growth.

Interest Income

Interest income represents income earned on Cash and cash equivalents and Short-term investments. It does not include interest earned on funds held on behalf of clients. Interest income increased \$4 million in 2015, or 40%, from 2014, due to marginally higher average interest rates globally.

Interest Expense

Interest expense, which represents the cost of our worldwide debt obligations, increased \$18 million in 2015, or 7%, from 2014. The increase in interest expense primarily reflects an increase in total debt outstanding.

Other Income

Other income increased \$56 million from \$44 million in 2014 to \$100 million in 2015. Other income in 2015 includes, among other things, \$82 million in net gains on disposition of businesses, foreign exchange gains of \$30 million, and equity earnings of \$13 million, partially offset by a \$5 million net loss on certain financial instruments and a \$19 million loss from derivatives. Other income in 2014 includes \$24 million in gains on disposition of businesses, foreign exchange gains of \$18 million, equity earnings of \$12 million, and \$4 million in gains on investments, partially offset by a \$19 million loss from derivatives.

Income before Income Taxes

Income before income taxes was \$1.7 billion in 2015, a decrease of \$76 million, or 4%, from \$1.8 billion in 2014 due to drivers identified above.

Income Taxes

The effective tax rate on net income was 15.8% in 2015 and 18.9% in 2014. The 2015 and 2014 tax rates reflect changes in the geographical distribution of income, a reduction in U.S. income resulting from the settlement of a legacy litigation matter in the second quarter of 2015, and the impact of certain discrete items.

Net Income Attributable to Aon Shareholders

Net income decreased to \$1.39 billion (\$4.88 diluted net income per share) in 2015, compared to \$1.4 billion (\$4.66 diluted net income per share) in 2014.

Non-GAAP Metrics

In our discussion of operating 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 Consolidated Financial Statements and Notes thereto.

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 intersegment and intrasegment activity and excludes the impact of foreign exchange rate changes, acquisitions, divestitures, transfers between business units, fiduciary investment income, reimbursable expenses, and certain unusual items. 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 Consolidated Financial Statements and Notes thereto. Industry peers provide similar supplemental information about their revenue performance, although they may not make identical adjustments. Reconciliations of this non-GAAP measure, organic revenue growth percentages, to the reported Commissions, fees and other revenue growth percentages, have been provided under the “Review by Segment” caption below.

Adjusted Operating Margin

We use adjusted operating margin as a non-GAAP measure of core operating performance of our Risk Solutions and HR Solutions segments. Adjusted operating margin excludes the impact of certain items, including intangible asset amortization and certain pension settlements, transaction costs, and litigation settlements, because we do 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 Consolidated Financial Statements and Notes thereto.

A reconciliation of this non-GAAP measure to reported operating margins is as follows (in millions, except percentage data):

Year Ended December 31, 2016	Total Aon (1)	Risk Solutions	HR Solutions
Revenue — U.S. GAAP	\$ 11,627	\$ 7,485	\$ 4,183
Operating income — U.S. GAAP	\$ 1,906	\$ 1,587	\$ 557
Intangible asset amortization	277	105	172
Pension settlements	220	144	26
Transaction costs	\$ 15	\$ —	\$ 15
Operating income — as adjusted	\$ 2,418	\$ 1,836	\$ 770
Operating margins — U.S. GAAP	16.4%	21.2%	13.3%
Operating margins — as adjusted	20.8%	24.5%	18.4%

Year Ended December 31, 2015	Total Aon (1)	Risk Solutions	HR Solutions
Revenue — U.S. GAAP	\$ 11,682	\$ 7,426	\$ 4,303
Operating income — U.S. GAAP	\$ 1,848	\$ 1,506	\$ 536
Intangible asset amortization	314	109	205
Legacy litigation	176	137	39
Operating income — as adjusted	\$ 2,338	\$ 1,752	\$ 780
Operating margins — U.S. GAAP	15.8%	20.3%	12.5%
Operating margins — as adjusted	20.0%	23.6%	18.1%

Year Ended December 31, 2014	Total Aon (1)	Risk Solutions	HR Solutions
Revenue — U.S. GAAP	\$ 12,045	\$ 7,834	\$ 4,264
Operating income — U.S. GAAP	\$ 1,966	\$ 1,648	\$ 485
Intangible asset amortization	352	109	243
Legacy litigation	35	35	—
Operating income — as adjusted	\$ 2,353	\$ 1,792	\$ 728
Operating margins — U.S. GAAP	16.3%	21.0%	11.4%
Operating margins — as adjusted	19.5%	22.9%	17.1%

(1) Includes unallocated expenses and the elimination of intersegment revenue.

Adjusted Diluted Earnings per Share

We also use adjusted diluted earnings per share as a non-GAAP measure of our core operating performance. Adjusted diluted earnings per share excludes the impact of intangible asset amortization and certain pension settlements, transaction costs, and litigation settlements, along with related income taxes because we do 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 Consolidated Financial Statements and Notes thereto.

The effective tax rates used in the U.S. GAAP financial statements were 14.3% and 15.8% for the twelve months ended December 31, 2016 and 2015, respectively. Excluded items are generally taxed at the effective tax rate. However, after adjusting the underlying annual tax rate to exclude the impact associated with certain non-cash pension settlements in the second and fourth quarters of 2016 and expenses for legacy litigation in the second quarter of 2015, the adjusted effective tax rates for the full years 2016 and 2015 were 16.8% and 17.9%, respectively.

Reconciliations of this non-GAAP measure to the reported diluted earnings per share are as follows (in millions, except per share data):

Year Ended December 31, 2016	U.S. GAAP	Adjustments	As Adjusted
Operating income	\$ 1,906	\$ 512	\$ 2,418
Interest income	9	—	9
Interest expense	(282)	—	(282)
Other income	36	—	36
Income before income taxes	1,669	512	2,181
Income taxes	239	128	367
Net income	1,430	384	1,814
Less: Net income attributable to noncontrolling interests	34	—	34
Net income attributable to Aon shareholders	\$ 1,396	\$ 384	\$ 1,780
Diluted earnings per share	\$ 5.16	\$ 1.43	\$ 6.59
Weighted average ordinary shares outstanding — diluted	270.3		270.3

Year Ended December 31, 2015	U.S. GAAP	Adjustments	As Adjusted
Operating income	\$ 1,848	\$ 490	\$ 2,338
Interest income	14	—	14
Interest expense	(273)	—	(273)
Other income	100	—	100
Income before income taxes	1,689	490	2,179
Income taxes	267	122	389
Net income	1,422	368	1,790
Less: Net income attributable to noncontrolling interests	37	—	37
Net income attributable to Aon shareholders	\$ 1,385	\$ 368	\$ 1,753
Diluted earnings per share	\$ 4.88	\$ 1.30	\$ 6.18
Weighted average ordinary shares outstanding — diluted	283.8		283.8

Year Ended December 31, 2014	U.S. GAAP	Adjustments	As Adjusted
Operating income	\$ 1,966	\$ 387	\$ 2,353
Interest income	10	—	10
Interest expense	(255)	—	(255)
Other income	44	—	44
Income before income taxes	1,765	387	2,152
Income taxes	334	73	407
Net income	1,431	314	1,745
Less: Net income attributable to noncontrolling interests	34	—	34
Net income attributable to Aon shareholders	\$ 1,397	\$ 314	\$ 1,711
Diluted earnings per share	\$ 4.66	\$ 1.05	\$ 5.71
Weighted average ordinary shares outstanding — diluted	299.6		299.6

Free Cash Flow

We use free cash flow, defined as cash flow provided by operations minus capital expenditures, as a non-GAAP measure of our core operating performance. 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 Consolidated Financial Statements and Notes thereto. 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 cash flow provided by operations is as follows (in millions):

Years Ended December 31	2016	2015	2014
Cash flow provided by operating activities - U.S. GAAP	\$ 2,326	\$ 2,009	\$ 1,812
Less: Capital expenditures	(222)	(290)	(256)
Free cash flow	\$ 2,104	\$ 1,719	\$ 1,556

Impact of Foreign Currency Exchange Rate Fluctuations

We conduct business in more than 120 countries, and, because of this, foreign currency exchange rate fluctuations have a significant impact on our business. Foreign currency 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 rate fluctuations on our financial results. The methodology used to calculate this impact isolates the impact of the change in currencies between periods by translating the last year's revenue, expenses, and net income using the current year's foreign currency exchange rates.

Translating prior year results at current year foreign currency exchange rates, currency fluctuations had a favorable impact of \$0.01 on diluted earnings per share during the year ended December 31, 2016 ; currency fluctuations had unfavorable impacts of \$0.38 and \$0.11 on diluted earnings per share in the years ended 2015 and 2014 , respectively, when prior year results were translated at rates prevalent in those years. Currency fluctuations had unfavorable impacts of \$0.01, \$0.41, and \$0.11 on diluted earnings per share in the years ended December 31, 2016 , 2015 , and 2014 , respectively, when prior year results were translated at rates prevalent in those years. These translations are performed for comparative purposes only and do not impact the accounting policies or practices for amounts included in the Consolidated Financial Statements and Notes thereto.

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 flow from operations, available cash reserves, committed credit facilities, and debt capacity available through public debt markets, both short and long-term. Our primary uses of liquidity are operating expenses, capital expenditures, acquisitions, share repurchases, pension contributions, and shareholder dividends. We believe that cash flows from operations and available debt financing 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 Consolidated Statement of Financial Position, with a corresponding amount in Fiduciary liabilities. Fiduciary funds generally cannot be used for general corporate purposes and are not a source of liquidity.

Cash and cash equivalents and Short-term investments decreased \$19 million to \$721 million in 2016 as compared to 2015 . During 2016 , cash flow from operating activities increased \$317 million to \$2.3 billion . Additional sources of funds in 2016 included proceeds from the sale of businesses of \$107 million and issuances of debt, net of repayments of \$522 million . The primary uses of funds in 2016 included share repurchases of \$1.3 billion , acquisitions of businesses of \$879 million , dividends to shareholders of \$345 million , and capital expenditures of \$222 million .

To manage unforeseen situations, we have committed credit lines of approximately \$1.3 billion and we endeavor to manage our obligations to ensure we maintain our current investment grade ratings. At December 31, 2016 , we had no borrowings on these credit lines.

Operating Activities

Net cash provided by operating activities during 2016 increased \$317 million in 2015 , or 16% , to \$2.3 billion . This amount represents net income reported by the Company, as adjusted for gains or losses on sales of businesses, financial instruments and foreign exchange, and our non-cash expenses, which include share-based compensation, depreciation, and amortization, 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. The increase from the prior year was primarily driven by net income, as adjusted for non-cash charges, and reductions in pension contributions.

Pension contributions were \$123 million during 2016 compared to \$194 million during 2015 . In 2017 , we expect to contribute approximately \$185 million to our pension plans, with the majority attributable to non-U.S. pension plans, which are subject to changes in foreign exchange rates.

We expect cash generated by operations for 2016 to be sufficient to service our debt and contractual obligations, finance capital expenditures, purchases shares under our share repurchase program, and 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. We have committed credit facilities of approximately \$1.3 billion , all of which was available at December 31, 2016 , and can access these facilities on a same day or next day basis. Additionally, under current market conditions, we believe that we could access capital markets to obtain debt financing for longer-term funding, if needed.

Investing Activities

Cash used for investing activities in 2016 was \$954 million . The primary drivers of the cash used for investing activities were \$879 million for acquisitions of businesses, net of cash acquired, \$222 million for capital expenditures, and \$21 million of net purchases of long-term investments, partially offset by \$107 million of sale of businesses and \$61 million of net sales of short-term investments.

Cash used for investing activities in 2015 was \$138 million . The primary drivers of the cash flow used for investing activities were \$290 million for capital expenditures, \$46 million of net purchases of long-term investments, and \$16 million for acquisitions of businesses, net of cash acquired, partially offset by sales of businesses of \$205 million and net sales of short-term investments of \$9 million.

Cash used for investing activities in 2014 was \$545 million . The primary drivers of the cash used for investing activities were \$479 million for acquisitions of businesses, net of cash acquired, and \$256 million for capital expenditures, partially offset by net sales of long-term investments, sale of businesses of \$48 million, and net sales of short-term investments of \$32 million.

Financing Activities

Cash used for financing activities during 2016 was \$1.3 billion . The primary drivers of the cash used for financing activities were share repurchases of \$1.3 billion , dividends paid to shareholders of \$345 million , and net cash payments of \$129 million related to issuance of shares, partially offset by issuances of debt, net of repayments , of \$522 million .

Cash used for financing activities during 2015 was \$1.7 billion . The primary drivers of the cash flow used for financing activities were share repurchases of \$1.6 billion, dividends paid to shareholders of \$323 million, and net cash payments of \$30 million related to issuance of shares, partially offset by issuances of debt, net of repayments, of \$253 million.

Cash used for financing activities during 2014 was \$1.3 billion . The primary drivers of the cash flow used for financing activities were share repurchases of \$2.3 billion, dividends paid to shareholders of \$273 million, and issuance of shares for employee benefit plans of \$105 million, partially offset by issuances of debt, net of repayments, of \$1.3 billion.

Cash and Short-Term Investments

At December 31, 2016 , our Cash and cash equivalents and Short-term investments were \$721 million , a decrease of \$19 million from December 31, 2015 , primarily related to share repurchases of \$1.3 billion , payments for the acquisition of businesses of \$879 million , cash dividends of \$345 million , capital expenditures of \$222 million , and cash contributions to our major defined benefit plans of \$123 million , partially offset by \$2.3 billion in Cash flow from operating activities, the net issuances of debt of \$522 million , and proceeds for the sale of businesses of \$107 million . Of the total balance as of December 31, 2016 , \$82 million was restricted as to its use, which was comprised of \$53 million of operating funds in the U.K., as required by the FCA, and \$29 million held as collateral for various business purposes. At December 31, 2016 , \$1.9 billion of cash and cash equivalents and short-term investments were held in the U.S. and overdrawn cash and cash equivalents and short-term investments of \$1.2 billion were held in other countries. Due to differences in tax rates, the repatriation of funds from certain countries into the U.S. could have an unfavorable tax impact. We maintain multi-currency 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 balance does not fall below zero. At December 31, 2016 and 2015 , non-U.S. cash balances of one or more entities were negative; however, the overall balance was positive.

At December 31, 2015 , our Cash and cash equivalents and Short-term investments were \$740 million , a decrease of \$28 million from December 31, 2014 , primarily related to share repurchases of \$1.6 billion and dividends to shareholders of \$323 million, partially offset by \$2.0 billion in Cash flow from operating activities and the net issuances of debt of \$253 million. Of the total balance as of December 31, 2015 , \$105 million was restricted as to its use, which was comprised of \$65 million of operating funds in the U.K., as required by the FCA, and \$40 million held as collateral for various business purposes. At

December 31, 2015, \$2.6 billion of Cash and cash equivalents and Short-term investments were held in the U.S. and overdrawn Cash and cash equivalents and Short-term investments of \$1.9 billion were held in other countries. Due to differences in tax rates, the repatriation of funds from certain countries into the U.S. could have an unfavorable tax impact.

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 underwriter. 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 the premiums, claims and refunds, make payments to underwriters and insureds, collect funds from clients and make payments on their behalf, and from 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 Consolidated Statements of Financial Position, the amount we report for Fiduciary assets and Fiduciary liabilities are equal. Our Fiduciary assets included cash and short-term investments of \$3.8 billion and \$3.4 billion at December 31, 2016 and December 31, 2015, respectively, and fiduciary receivables of \$5.7 billion and \$6.5 billion at December 31, 2016 and 2015, 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.

As disclosed in Note 13 “Fair Value Measurements and Financial Instruments” of the Notes to Consolidated Financial Statements, 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.

As of December 31, 2016, our investments in money market funds had a fair value of \$1.4 billion and are reported as Short-term investments or Fiduciary assets in the Consolidated Statements of Financial Position depending on their nature and initial maturity.

The following table summarizes our Fiduciary assets and non-fiduciary Cash and cash equivalents and Short-term investments as of December 31, 2016 (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	\$ 431	\$ —	\$ 2,735	\$	\$ 3,166
Money market funds	—	290	1,081		1,371
Other investments due within one year	—	—	—		—
Cash and investments	431	290	3,816		4,537
Fiduciary receivables	—	—	5,669		5,669
Total	\$ 431	\$ 290	\$ 9,485	\$	\$ 10,206

Share Repurchase Program

In April 2012, our Board of Directors authorized a share repurchase program (the “2012 Share Repurchase Program”) under which up to \$5.0 billion of Class A Ordinary Shares may be repurchased. In November 2014, our Board of Directors authorized a share repurchase program (“the 2014 Share Repurchase Program” and together with the 2012 Share Repurchase Program, the “Share Repurchase Programs”) pursuant to which an additional \$5.0 billion may be repurchased, in addition to the \$5.0 billion of Class A Ordinary Shares authorized under the 2012 Share Repurchase Program. In February 2017, the Board of Directors authorized a \$5.0 billion increase to the then existing remaining authorization under its share repurchase program. Under each Share Repurchase Program, shares may be repurchased through the open market or in privately negotiated transactions, based on prevailing market conditions, funded from available capital.

During 2016, the Company repurchased 12.2 million shares at an average price per share of \$102.66, for a total cost of \$1.3 billion. The Company recorded an additional \$6 million of costs associated with the repurchase to retained earnings during 2016. During 2015, the Company repurchased 16.0 million shares at an average price per share of \$97.04 for a total cost of \$1.6 billion. In August 2015, the \$5.0 billion of Class A Ordinary Shares authorized under the 2012 Share Repurchase Program was exhausted.

At December 31, 2016, and without giving effect to the increase in February 2017, the remaining authorized amount for share repurchase under the 2014 Share Repurchase Program was \$2.8 billion. Under the Repurchase Programs, the Company has repurchased a total of 90.2 million shares for an aggregate cost of \$7.2 billion through December 31, 2016.

For information regarding share repurchases made during the fourth quarter of 2016 , see Item 5, “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities,” as previously described.

Dividends

During 2016 , 2015 , and 2014 , we paid dividends on our Class A Ordinary Shares of \$345 million , \$323 million , and \$273 million , respectively. Dividends paid per Class A Ordinary Share were \$1.29 , \$1.15 , and \$0.92 for the years ended December 31, 2016 , 2015 , and 2014 , respectively.

Distributable Reserves

As a U.K. incorporated company, we are required under U.K. law to have available “distributable reserves” to make share repurchases or pay dividends to shareholders. Distributable reserves may be created through the earnings of the U.K. parent company. Distributable reserves are not linked to a U.S. GAAP reported amount (e.g., retained earnings). As of December 31, 2016 and 2015 , we had distributable reserves in excess of \$1.6 billion and \$2.1 billion , respectively. We believe that we will have sufficient distributable reserves to fund share repurchases and shareholder dividends for the foreseeable future.

Borrowings

Total debt at December 31, 2016 was \$6.2 billion , which represents an increase of \$505 million compared to December 31, 2015 . This increase is primarily due to issuances of debt, net of repayments , of \$522 million , including a net increase in commercial paper outstanding of \$279 million compared to December 31, 2015 .

On May 27, 2016, \$500 million of 3.125% Senior Notes due May 2016 issued by Aon Corporation matured and were repaid in full.

On March 1, 2016, Aon plc issued \$750 million of 3.875% Senior Notes due December 2025. The Company used the proceeds of the issuance for general corporate purposes.

Credit Facilities

As of December 31, 2016 , we had two committed credit facilities outstanding: our \$400 million U.S. credit facility expiring in March 2017 (the “2017 Facility”) and our \$900 million multi-currency U.S. credit facility originally expiring in February 2020. Effective February 2, 2016, the \$900 million multi-currency U.S. credit facility terms were extended for one year and will now expire on February 2, 2021 (the “2021 Facility”). Each of these facilities is intended to support our commercial paper obligations and our general working capital needs. In addition, 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 adjusted consolidated EBITDA, tested quarterly. We intend to let the 2017 facility expire, but may obtain additional committed credit facilities in the future. At December 31, 2016 , we did not have borrowings under either the 2017 Facility or the 2021 Facility, and we were in compliance with the financial covenants and all other covenants contained therein during the twelve months ended December 31, 2016 .

Our total debt-to-EBITDA ratio at December 31, 2016 and 2015 , is calculated as follows (in millions, except ratio):

Years Ended December 31	2016		2015	
Net income	\$	1,430	\$	1,422
Interest expense		282		273
Income taxes		239		267
Depreciation of fixed assets		232		229
Amortization of intangible assets		277		314
Total EBITDA	\$	2,460	\$	2,505
Total Debt	\$	6,205	\$	5,700
Total debt-to-EBITDA ratio		2.5		2.3

We use EBITDA, as defined by our financial covenants, as a non-GAAP measure. This supplemental information related to EBITDA represents a measure not in accordance with U.S. GAAP and should be viewed in addition to, not instead of, our Consolidated Financial Statements and Notes thereto.

Shelf Registration Statement

On September 3, 2015, we filed a shelf registration statement with the SEC, registering the offer and sale from time to time of an indeterminate amount of debt securities, preference shares, Class A Ordinary Shares, and convertible securities, among other 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 February 23, 2017 appear in the table below.

	Ratings		
	Senior Long-term Debt	Commercial Paper	Outlook
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 and commercial paper could increase our borrowing costs, reduce or eliminate our access to debt capital, reduce our financial flexibility, increase our commercial paper interest rates, or restrict our access to the commercial paper market altogether, and/or impact future pension contribution requirements.

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 ("LOCs"). We had total LOCs outstanding of approximately \$90 million at December 31, 2016, compared to \$58 million at December 31, 2015. 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 \$95 million at December 31, 2016, compared to \$104 million at December 31, 2015.

Other Liquidity Matters

We do not have exposure related to off balance sheet arrangements. Our cash flows from operations, borrowing availability, and overall liquidity are subject to risks and uncertainties. See Item 1, "Information Concerning Forward-Looking Statements," and Item 1A, "Risk Factors."

Contractual Obligations

Summarized in the table below are our contractual obligations and commitments as of December 31, 2016 (in millions):

	Payments due in				
	2017	2018 – 2019	2020 – 2021	2022 and beyond	Total
Principal payments on debt	\$ 336	\$ 278	\$ 1,000	\$ 4,700	\$ 6,314
Interest payments on debt	271	522	479	2,570	3,842
Operating leases	355	600	451	696	2,102
Pension and other postretirement benefit plans	189	485	396	1,023	2,093
Purchase obligations	410	405	133	12	960
Total	\$ 1,561	\$ 2,290	\$ 2,459	\$ 9,001	\$ 15,311

Pension and other postretirement benefit plan obligations include estimates of our minimum funding requirements pursuant to ERISA and other regulations and minimum funding requirements agreed with the trustees of our U.K. pension plans. Additional amounts may be agreed to with, or required by, the U.K. pension plan trustees. Nonqualified pension and other postretirement benefit obligations are based on estimated future benefit payments. We may make additional discretionary contributions.

In 2013, our principal U.K subsidiary agreed with the trustees of one of the U.K. plans to contribute an average of \$11 million per year to that pension plan for the next three years. We are currently negotiating the 2016 valuation, which will determine the required cash contributions for the next three years. The trustees of the plan have certain rights to request that our U.K. subsidiary advance an amount equal to an actuarially determined winding-up deficit. As of December 31, 2016, the estimated winding-up deficit was £175 million (\$215 million at December 31, 2016 exchange rates). The trustees of the plan have accepted in practice the agreed-upon schedule of contributions detailed above and have not requested the winding-up deficit be paid.

Purchase obligations are defined as agreements to purchase goods and services that are enforceable and legally binding on us, and that specifies all significant terms, including the goods to be purchased or services to be rendered, the price at which the goods or services are to be rendered, and the timing of the transactions. Most of our purchase obligations are related to purchases of information technology services or other service contracts. Purchase obligations exclude \$278 million of liabilities for uncertain tax positions due to our inability to reasonably estimate the period(s) when potential cash settlements will be made.

Financial Condition

At December 31, 2016, our net assets were \$5.5 billion, representing total assets minus total liabilities, a decrease from \$6.1 billion as revised for December 31, 2015 (see Note 1 “Basis of Presentation - Revision of Previously Issued Financial Statements” of the Notes to Consolidated Financial Statements for details on the revision of previously issued financial statements). The decrease was due primarily to share repurchases of \$1.3 billion, dividends to shareholders of \$345 million, and an increase in Accumulated other comprehensive loss of \$489 million related primarily to foreign currency translation, partially offset by Net income of \$1.4 billion for the year ended December 31, 2016. Working capital increased by \$171 million from \$480 million at December 31, 2015 to \$651 million at December 31, 2016.

Accumulated other comprehensive loss increased \$489 million at December 31, 2016 as compared to December 31, 2015, which was primarily driven by negative net foreign currency translation adjustments of \$493 million, which are attributable to the strengthening of the U.S. dollar against certain foreign currencies, a decrease of \$16 million in net post-retirement benefit obligations, and net financial instrument losses of \$12 million.

REVIEW BY SEGMENT

Overview

We serve clients through the following segments:

- **Risk Solutions** acts as an advisor and insurance and reinsurance broker, helping clients manage their risks, via consultation, as well as negotiation and placement of insurance risk with insurance carriers through our global distribution network.
- **HR Solutions** partners with organizations to solve their most complex benefits, talent and related financial challenges, and improve business performance by designing, implementing, communicating and administering a wide range of human capital, retirement, investment management, health care, compensation and talent management strategies.

Risk Solutions

Years ended December 31 (millions, except percentage data)	2016	2015	2014
Revenue	\$7,485	\$7,426	\$7,834
Operating income	\$1,587	\$1,506	\$1,648
Operating margin	21.2%	20.3%	21.0%

The demand for property and casualty insurance generally rises as the overall level of economic activity increases and generally falls as such activity decreases, affecting both the commissions and fees generated by our brokerage business. The economic activity that impacts property and casualty insurance is described as exposure units, and is most closely correlated with employment levels, corporate revenue, and asset values. During 2016, pricing was modestly negative on average globally, and we still consider this a “soft market.” In a soft market, premium rates flatten or decrease, along with commission revenues, due to increased competition for market share among insurance carriers or increased underwriting capacity. Changes in premiums have a direct and potentially material impact on the insurance brokerage industry, as commission revenues are generally based on a percentage of the premiums paid by insureds.

Continuing through 2016, we faced difficult conditions as a result of continued weakness in the global economy, and the repricing of credit risk. Weak economic conditions in many markets around the globe have reduced our customers’ demand for our retail brokerage and reinsurance brokerage products, which have had a negative impact on our operational results.

Risk Solutions generated approximately 64% of our consolidated total revenues in 2016 . Revenues are generated primarily through fees paid by clients, commissions and fees paid by insurance and reinsurance companies, and investment income on funds held on behalf of clients. Our revenues vary from quarter to quarter throughout the year as a result of the timing of our clients' policy renewals, the net effect of new and lost business, the timing of services provided to our clients, and the income we earn on investments, which is heavily influenced by short-term interest rates.

We operate in a highly competitive industry and compete with many retail insurance brokerage and agency firms, as well as with individual brokers, agents, and direct writers of insurance coverage. Specifically, we address the highly specialized product development and risk management needs of commercial enterprises, professional groups, insurance companies, governments, health care providers, and non-profit groups, among others; provide affinity products for professional liability, life, disability income, and personal lines for individuals, associations, and businesses; provide reinsurance services to insurance and reinsurance companies and other risk assumption entities by acting as brokers or intermediaries on all classes of reinsurance; provide capital management transaction and advisory products and services, including mergers and acquisitions and other financial advisory services, capital raising, contingent capital financing, insurance-linked securitizations and derivative applications; provide managing underwriting to independent agents and brokers as well as corporate clients; provide risk consulting, actuarial, loss prevention, and administrative services to businesses and consumers; and manage captive insurance companies.

Revenue

Commissions, fees and other revenue for Risk Solutions were as follows (in millions):

Years ended December 31	2016	2015	2014
Retail brokerage:			
Americas	\$ 3,357	\$ 3,294	\$ 3,288
International (1)	2,739	2,750	3,046
Total retail brokerage	6,096	6,044	6,334
Reinsurance brokerage	1,367	1,361	1,474
Total	\$ 7,463	\$ 7,405	\$ 7,808

(1) Includes the U.K., Europe, Middle East, Africa and Asia Pacific.

In 2016 , Commissions, fees and other revenue increased \$58 million , or 1% , compared to 2015 due to 3% organic revenue growth, partially offset by a 2% unfavorable impact from foreign currency exchange rates.

Reconciliation of organic revenue growth to reported Commissions, fees and other revenue growth for 2016 versus 2015 is as follows:

	Percent Change	Less: Currency Impact	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth
Retail brokerage:				
Americas	2%	(2)%	—%	4%
International (1)	—	(3)	—	3
Total retail brokerage	1	(3)	—	4
Reinsurance brokerage	—	(1)	—	1
Total	1%	(2)%	—%	3%

(1) Includes the U.K., Europe, Middle East, Africa and Asia Pacific.

Retail brokerage Commissions, fees and other revenue increased 1% in 2016 as compared to 2015, driven by 4% organic revenue growth, reflecting revenue growth in both the Americas and International businesses, partially offset by a 3% unfavorable impact from foreign currency exchange rates.

Americas Commissions, fees and other revenue increased 2% in 2016 as compared to 2015, reflecting 4% organic revenue growth driven by record new business generation in U.S. Retail and strength in Affinity and Latin America, offset by a 2% impact from unfavorable foreign currency exchange rates.

International Commissions, fees and other revenue was flat in 2016 , as 3% organic revenue growth, driven by solid growth across every major region; including Asia, EMEA, and the Pacific, despite economic weakness in certain countries, was offset by a 3% impact from unfavorable foreign currency exchange rates.

Reinsurance Commissions, fees and other revenue was flat in 2016 as compared to 2015, as 1% organic revenue growth was offset by a 1% impact from unfavorable foreign currency exchange rates. Organic revenue growth for 2016 was driven by net new business growth in treaty placements globally and modest growth in facultative placements, partially offset by an unfavorable market impact in treaty and a decline in capital markets transactions and advisory business.

Operating Income

Operating income increased \$81 million , or 5% , from 2015 to \$1.6 billion in 2016 . In 2016 , operating income margins in this segment were 21.2% , an increase of 90 basis points from 20.3% in 2015 . The increase in operating margin was driven by solid organic revenue growth and returns on investments in data and analytics across the portfolio, as well as a decrease in expense related to certain legacy litigation in the prior year.

HR Solutions

Years ended December 31 (millions, except percentage data)	2016	2015	2014
Revenue	\$4,183	\$4,303	\$4,264
Operating income	\$557	\$536	\$485
Operating margin	13.3%	12.5%	11.4%

Our HR Solutions segment generated approximately 36% of our consolidated total revenues in 2016 and provides a broad range of human capital services, as follows:

- *Retirement* specializes in global actuarial services, defined contribution consulting, tax and ERISA consulting, and pension administration.
- *Compensation* focuses on compensatory advisory/counsel including: compensation planning design, executive reward strategies, salary survey and benchmarking, market share studies, and sales force effectiveness, with special expertise in the financial services and technology industries.
- *Strategic Human Capital* delivers advice to complex global organizations on talent, change, and organizational effectiveness issues, including talent strategy and acquisition, executive on-boarding, performance management, leadership assessment and development, communication strategy, workforce training, and change management.
- *Investment consulting* advises public and private companies, other institutions, and trustees on developing and maintaining investment programs across a broad range of plan types, including defined benefit plans, defined contribution plans, endowments, and foundations.
- *Benefits Administration* applies our human resource expertise primarily through defined benefit (pension), defined contribution (401(k)), and health and welfare administrative services. Our model replaces the resource-intensive processes once required to administer benefit plans with more efficient, effective, and less costly solutions.
- *Exchanges* builds and operates healthcare exchanges to provide employers with a cost effective alternative to traditional employee and retiree healthcare, while helping individuals select the insurance that best meets their needs.
- *Human Resource Business Processing Outsourcing* provides market-leading solutions to manage employee data; administers benefits, payroll and other human resources processes; and records and manages talent, workforce and other core human resource process transactions as well as other complementary services such as flexible spending, dependent audit, and participant advocacy.

Revenue

Commissions, fees and other revenue were as follows (in millions):

Years ended December 31	2016	2015	2014
Consulting services	\$ 1,662	\$ 1,686	\$ 1,700
Outsourcing	2,557	2,658	2,607
Intersegment	(36)	(41)	(43)
Total	\$ 4,183	\$ 4,303	\$ 4,264

Commissions, fees and other revenue for HR Solutions decreased \$120 million , or 3% , in 2016 compared to 2015 due to a 4% decrease in commissions and fees resulting from net divestitures and a 2% impact from unfavorable foreign currency exchange rates, partially offset by 3% organic revenue growth in commissions and fees.

Reconciliation of organic revenue growth to reported Commissions, fees and other revenue growth for 2016 versus 2015 is as follows:

	Percent Change	Less: Currency Impact	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth
Consulting services	(1)%	(3)%	—%	2%
Outsourcing	(4)%	(1)%	(7)%	4%
Total	(3)%	(2)%	(4)%	3%

Consulting services revenue decreased \$24 million , or 1% in 2016 as compared to 2015, due primarily to a 3% impact from unfavorable foreign currency exchange rates, partially offset by organic revenue growth of 2% driven by strong growth in retirement solutions, including investment consulting and delegated investment solutions, as well as communications consulting.

Outsourcing revenue decreased \$101 million , or 4% in 2016 as compared to 2015, due to a 7% decrease in commissions and fees resulting from net divestitures and a 1% impact from unfavorable foreign currency exchange rates, which more than offset 4% organic revenue growth driven by strong growth in health care exchanges and new client wins in HR BPO for cloud-based solutions, partially offset by a modest decline in benefits administration.

Operating Income

Operating income was \$557 million in 2016, an increase of \$21 million , or 4% , from 2015 . Margins in this segment for 2016 were 13.3% , an increase of 80 basis points from 12.5% in 2015 . Operating margin improvement was driven by solid organic revenue growth and expense discipline, partially offset by lost operating income and stranded costs related to previous dispositions, as well as unfavorable foreign currency translation.

Unallocated Income and Expense

A reconciliation of our operating income to income before income taxes is as follows (in millions):

Years ended December 31	2016	2015	2014
Operating income (loss):			
Risk Solutions	\$ 1,587	\$ 1,506	\$ 1,648
HR Solutions	557	536	485
Unallocated expense	(238)	(194)	(167)
Operating income	1,906	1,848	1,966
Interest income	9	14	10
Interest expense	(282)	(273)	(255)
Other income	36	100	44
Income before income taxes	\$ 1,669	\$ 1,689	\$ 1,765

Unallocated operating expense includes corporate governance costs not allocated to the operating segments. Net unallocated expenses increased \$44 million to \$238 million in 2016 compared to \$194 million in 2015 due primarily to \$50 million of non-cash expenses related to certain pension settlements.

Interest income, Interest expense, and Other income and its components are discussed in Management's Discussion of Financial Condition and Results of Operations - Review of Consolidated Results.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our Consolidated Financial Statements and Notes thereto have been prepared in accordance with U.S. GAAP. To prepare these financial statements, we make estimates, assumptions, and judgments that affect what we report as our assets and liabilities, what we disclose as contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented.

In accordance with our policies, we regularly evaluate our estimates, assumptions, and judgments, including, but not limited to, those concerning revenue recognition, pensions, goodwill and other intangible assets, contingencies, share-based payments, and income taxes, and base our estimates, assumptions, and judgments on our historical experience and on factors we believe reasonable under the circumstances. The results involve judgments about the carrying values of assets and liabilities not readily apparent from other sources. If our assumptions or conditions change, the actual results we report may differ from these estimates. We believe the following critical accounting policies affect the more significant estimates, assumptions, and judgments we use to prepare these Consolidated Financial Statements.

Revenue Recognition

Risk Solutions segment revenues primarily include insurance commissions and fees for services rendered and investment income on funds held on behalf of clients. Revenues are recognized when they are earned and realized or realizable. We consider revenues to be earned and realized or realizable when all of the following four conditions are met: (1) persuasive evidence of an arrangement exists, (2) the arrangement fee is fixed or determinable, (3) delivery or performance has occurred, and (4) collectability is reasonably assured. For brokerage commissions, revenue is typically recognized at the completion of the placement process, assuming all four criteria required to recognize revenue have been met. The placement process is typically considered complete on the effective date of the related policy. Commission revenues are recorded net of allowances for estimated policy cancellations, which are determined based on an evaluation of historical and current cancellation data.

HR Solutions segment revenues consist primarily of fees paid by clients for consulting advice and outsourcing contracts. Fees paid by clients for consulting services are typically charged on an hourly, project, or fixed-fee basis. Revenues from time-and-materials or cost-plus arrangements are recognized as services are performed, assuming all four criteria to recognize revenue have been met. Revenues from fixed-fee contracts are recognized as services are provided using a proportional-performance model or at the completion of a project based on facts and circumstances of the client arrangement. Revenues from healthcare exchange arrangements are typically recognized upon successful enrollment of participants, net of a reserve for estimated cancellations, assuming all four criteria to recognize revenue have been met. Reimbursements received for out-of-pocket expenses are recorded as a component of revenues. Our outsourcing contracts typically have three-to-five year terms for benefits services and five-to-ten year terms for human resources business process outsourcing ("HR BPO") services. We recognize revenues as services are performed, assuming all four criteria to recognize revenue have been met. We may also receive implementation fees from clients either up-front or over the ongoing services period as a component of the fee per participant. Lump sum implementation fees received from a client are typically deferred and recognized ratably over the ongoing contract services period. If a client terminates an outsourcing services arrangement prior to the end of the contract, a loss on the contract may be recorded, if necessary, and any remaining deferred implementation revenues would typically be recognized over the remaining service period through the termination date.

In connection with our long-term outsourcing service agreements, highly customized implementation efforts are often necessary to set up clients and their human resource or benefit programs on our systems and operating processes. For outsourcing services sold separately or accounted for as a separate unit of accounting, specific, incremental, and direct costs of implementation incurred prior to the services commencing are generally deferred and amortized over the period that the related ongoing services revenue is recognized. Deferred costs are assessed for recoverability on a periodic basis to the extent the deferred cost exceeds related deferred revenue.

Pensions

We sponsor defined benefit pension plans throughout the world. Our most significant plans are located in the U.S., the U.K., the Netherlands and Canada and are closed to new entrants. We have ceased crediting future benefits relating to salary and service for our U.S., U.K., Netherlands and Canadian plans to the extent statutorily permitted.

Beginning for 2016 expense, we elected to utilize a full yield curve approach in the estimation of the service and interest cost components of net periodic pension and post-retirement benefit cost for our major pension and other post-retirement benefit plans by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. In 2015 and prior years, we estimated these components of net periodic pension and post-retirement benefit cost by

applying a single weighted-average discount rate, derived from the yield curve used to measure the benefit obligation at the beginning of the period.

Recognition of gains and losses and prior service

Certain changes in the value of the obligation and in the value of plan assets, which may occur due to various factors such as changes in the discount rate and actuarial assumptions, actual demographic experience, and/or plan asset performance are not immediately recognized in net income. Such changes are recognized in Other comprehensive income and are amortized into net income as part of the net periodic benefit cost.

Unrecognized gains and losses that have been deferred in Other comprehensive income, as previously described, are amortized into Compensation and benefits expense as a component of periodic pension expense based on the average life expectancy of the U.S., the Netherlands, Canada, and U.K. plan members. We amortize any prior service expense or credits that arise as a result of plan changes over a period consistent with the amortization of gains and losses.

As of December 31, 2016, our pension plans have deferred losses that have not yet been recognized through income in the Consolidated Financial Statements. We amortize unrecognized actuarial losses outside of a corridor, which is defined as 10% of the greater of market-related value of plan assets or projected benefit obligation. To the extent not offset by future gains, incremental amortization as calculated above will continue to affect future pension expense similarly until fully amortized.

The following table discloses our unrecognized actuarial gains and losses, the number of years over which we are amortizing the experience loss, and the estimated 2017 amortization of loss by country (millions, except amortization period):

	U.K.	U.S.	Other
Unrecognized actuarial gains and losses	\$ 1,256	\$ 1,618	\$ 394
Amortization period	9 - 31	7 - 26	14 - 40
Estimated 2017 amortization of loss	\$ 30	\$ 52	\$ 11

The unrecognized prior service cost (credit) at December 31, 2016 was \$6 million, \$19 million, and \$(6) million in the U.S., U.K. and other plans, respectively.

For the U.S. pension plans we use a market-related valuation of assets approach to determine the expected return on assets, which is a component of net periodic benefit cost recognized in the Consolidated Statements of Income. This approach recognizes 20% of any gains or losses in the current year's value of market-related assets, with the remaining 80% spread over the next four years. As this approach recognizes gains or losses over a five-year period, the future value of assets and therefore, our net periodic benefit cost will be impacted as previously deferred gains or losses are recorded. As of December 31, 2016, the market-related value of assets was \$1.8 billion. We do not use the market-related valuation approach to determine the funded status of the U.S. plans recorded in the Consolidated Statements of Financial Position. Instead, we record and present the funded status in the Consolidated Statements of Financial Position based on the fair value of the plan assets. As of December 31, 2016, the fair value of plan assets was \$1.7 billion.

Our non-U.S. plans use fair value to determine expected return on assets.

Rate of return on plan assets and asset allocation

The following table summarizes the expected long-term rate of return on plan assets for future pension expense and the related target asset mix as of December 31, 2016:

	U.K.	U.S.	Other
Expected return	3.36%	7.88%	2.68 - 5.15%

In determining the expected rate of return for the plan assets, we analyze investment community forecasts and current market conditions to develop expected returns for each of the asset classes used by the plans. In particular, we survey multiple third-party financial institutions and consultants to obtain long-term expected returns on each asset class, considered historical performance data by asset class over long periods, and weighted the expected returns for each asset class by target asset allocations of the plans.

The U.S. pension plan asset allocation is based on approved allocations following adopted investment guidelines. The investment policy for U.K. and non-U.S. pension plans is generally determined by the plans' trustees. Because there are several pension plans maintained in the U.K. and non-U.S. category, our target allocation presents a range of the target allocation of each plan. Further, target allocations are subject to change.

Impact of changing economic assumptions

Changes in the discount rate and expected return on assets can have a material impact on pension obligations and pension expense.

Holding all other assumptions constant, the following table reflects what a 25 basis point increase and decrease in our estimated discount rate would have on our projected benefit obligation at December 31, 2016 (in millions):

Estimated liability discount rate Increase (decrease) in projected benefit obligation of December 31, 2016 (1)	25 Basis Point Change in Discount Rate	
	Increase	Decrease
U.K. plans	\$ (226)	\$ 237
U.S. plans	(83)	87
Other plans	(53)	56

(1) Increases to the projected benefit obligation reflect increases to our pension obligations, while decreases in the projected benefit obligation are recoveries toward fully funded status. A change in the discount rate has an inverse relationship to the projected benefit obligation.

Holding all other assumptions constant, the following table reflects what a 25 basis point increase and decrease in our estimated discount rate would have on our estimated 2017 pension expense (in millions):

Increase (decrease) in expense	25 Basis Point Change in Discount Rate	
	Increase	Decrease
U.K. plans	\$ (4)	\$ 4
U.S. plans	1	(1)
Other plans	—	—

Holding other assumptions constant, the following table reflects what a 25 basis point increase and decrease in our estimated long-term rate of return on plan assets would have on our estimated 2017 pension expense (in millions):

Increase (decrease) in expense	25 Basis Point Change in Long-Term Rate of Return on Plan Assets	
	Increase	Decrease
U.K. plans	\$ (14)	\$ 14
U.S. plans	(4)	4
Other plans	(3)	3

Estimated future contributions

We estimate contributions of approximately \$185 million to our pension plans in 2017 as compared with \$123 million in 2016 .

Goodwill and Other Intangible Assets

Goodwill represents the excess of cost over the fair market value of the net assets acquired. We classify our intangible assets acquired as either tradenames, customer related and contract based, or technology and other.

Goodwill is not amortized, but rather tested for impairment at least annually in the fourth quarter. In the fourth quarter, we also test the acquired tradenames (which also are not amortized) for impairment. We test more frequently if there are indicators of impairment or whenever business circumstances suggest that the carrying value of goodwill or trademarks may not be recoverable. These indicators may include a sustained significant decline in our share price and market capitalization, a decline in our expected future cash flows, or a significant adverse change in legal factors or in the business climate, among others. No events occurred during 2016 that indicate the existence of an impairment with respect to our reported goodwill or tradenames.

We perform impairment reviews at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment (referred to as a “component”). A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and segment management regularly reviews the operating results of that component. An operating segment shall be deemed to be a reporting unit if all of its components are similar, if none of its components is a reporting unit, or if the segment comprises only a single component.

The goodwill impairment test is initially a qualitative analysis to determine if it is “more likely than not” that the fair value of each reporting unit exceeds the carrying value, including goodwill, of the corresponding reporting unit. If the “more likely than not” threshold is not met, then the goodwill impairment test becomes a two-step analysis. Step One requires the fair value of each reporting unit to be compared to its book value. Management must apply judgment in determining the estimated fair value of the reporting units. If the fair value of a reporting unit is determined to be greater than the carrying value of the reporting unit, goodwill and trademarks are deemed not to be impaired and no further testing is necessary. If the fair value of a reporting unit is less than the carrying value, we perform Step Two. Step Two uses the calculated fair value of the reporting unit to perform a hypothetical purchase price allocation to the fair value of the assets and liabilities of the reporting unit. The difference between the fair value of the reporting unit calculated in Step One and the fair value of the underlying assets and liabilities of the reporting unit is the implied fair value of the reporting unit’s goodwill. A charge is recorded in the financial statements if the carrying value of the reporting unit’s goodwill is greater than its implied fair value.

In determining the fair value of our reporting units, we use a discounted cash flow (“DCF”) model based on our most current forecasts. We discount the related cash flow forecasts using the weighted-average cost of capital method at the date of evaluation. Preparation of forecasts and selection of the discount rate for use in the DCF model involve significant judgments, and changes in these estimates could affect the estimated fair value of one or more of our reporting units and could result in a goodwill impairment charge in a future period. We also use market multiples which are obtained from quoted prices of comparable companies to corroborate our DCF model results. The combined estimated fair value of our reporting units from our DCF model often results in a premium over our market capitalization, commonly referred to as a control premium. We believe the implied control premium determined by our impairment analysis is reasonable based upon historic data of premiums paid on actual transactions within our industry. Based on tests performed in both 2016 and 2015, there was no indication of goodwill impairment, and no further testing was required.

We review intangible assets that are being amortized for impairment whenever events or changes in circumstance indicate that their carrying amount may not be recoverable. There were no indications that the carrying values of amortizable intangible assets were impaired as of December 31, 2016. If we are required to record impairment charges in the future, they could materially impact our results of operations.

Contingencies

We define a contingency as an existing condition that involves a degree of uncertainty as to a possible gain or loss that will ultimately be resolved when one or more future events occur or fail to occur. Under U.S. GAAP, we are required to establish reserves for loss contingencies when the loss is probable and we can reasonably estimate its financial impact. We are required to assess the likelihood of material adverse judgments or outcomes, as well as potential ranges or probability of losses. We determine the amount of reserves required, if any, for contingencies after carefully analyzing each individual item. The required reserves may change due to new developments in each issue. We do not recognize gain contingencies until the contingency is resolved and amounts due are probable of collection.

Share-Based Payments

Share-based compensation expense is measured based on the estimated grant date fair value and recognized over the requisite service period for awards that we ultimately expect to vest. We estimate forfeitures at the time of grant based on our actual experience to date and revise our estimates, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Restricted Share Units

Restricted share units (“RSUs”) are service-based awards for which we recognize the associated compensation cost on a straight-line basis over the requisite service period. We estimate the fair value of the awards based on the market price of the underlying share on the date of grant, reduced by the present value of estimated dividends foregone during the vesting period where applicable.

Performance Share Awards

Performance share awards (“PSAs”) are performance-based awards for which vesting is dependent on the achievement of certain objectives. Such objectives may be made on a personal, group or company level. We estimate the fair value of the awards based on the market price of the underlying stock on the date of grant, reduced by the present value of estimated dividends foregone during the vesting period.

Compensation cost is recognized over the performance period. The number of shares issued on the vesting date will vary depending on the actual performance objectives achieved. We make assessments of future performance using subjective estimates, such as long-term plans. As a result, changes in the underlying assumptions could have a material impact on the compensation expense recognized.

The largest performance-based share-based payment award plan is the Leadership Performance Plan (“LPP”), which has a three-year performance period. The 2014 to 2016 performance period ended on December 31, 2016, the 2013 to 2015 performance period ended on December 31, 2015 and the 2012 to 2014 performance period ended on December 31, 2014. The LPP currently has two open performance periods: 2015 to 2017 and 2016 to 2018. A 10% upward adjustment in our estimated performance achievement percentage for both open performance periods would have increased our 2016 expense by approximately \$8.1 million, while a 10% downward adjustment would have decreased our expense by approximately \$8.1 million. As the percent of expected performance increases or decreases, the potential change in expense can go from 0% to 200% of the targeted total expense.

Income Taxes

We earn income in numerous countries and this income is subject to the laws of taxing jurisdictions within those countries.

The carrying values of deferred income tax assets and liabilities reflect the application of our income tax accounting policies, and are based on management’s assumptions and estimates about future operating results and levels of taxable income, and judgments regarding the interpretation of the provisions of current accounting principles.

Deferred tax assets are reduced by valuation allowances if, based on the consideration of all available evidence, it is more likely than not that some portion of the deferred tax asset will not be realized. In this assessment, significant weight is given to evidence that can be objectively verified.

We assess carryforwards and tax credits for realization as a reduction of future taxable income by using a “more likely than not” determination. We have not recognized a deferred tax liability for permanently reinvested earnings of certain subsidiaries. Additional income taxes could be recorded (or incurred) if we change our investment strategy relating to these subsidiaries, which could materially affect our future effective tax rate.

We base the carrying values of liabilities and assets for income taxes currently payable and receivable on management’s interpretation of applicable tax laws, and incorporate management’s assumptions and judgments about using tax planning strategies in various taxing jurisdictions. Using different estimates, assumptions and judgments in accounting for income taxes, especially those that deploy tax planning strategies, may result in materially different carrying values of income tax assets and liabilities and changes in our results of operations.

NEW ACCOUNTING PRONOUNCEMENTS

Note 2 “Summary of Significant Accounting Principles and Practices” of the Notes to Consolidated Financial Statements contains a summary of our significant accounting policies, including a discussion of recently issued accounting pronouncements and their impact or future potential impact on our financial results, if determinable.

Item 7A. 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. Refer to Note 2 “Summary of Significant Accounting Principles and Practices” of the Notes to Consolidated Financial Statements for a discussion of our accounting policies for financial instruments and derivatives.

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, and the Indian rupee. 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 revenues in currencies that differ from their functional currencies. Our U.K. subsidiaries earn a portion of their revenue in U.S. dollars and euros, but most of their expenses are incurred in British pounds. At December 31, 2016, we have hedged approximately 45% of our U.K. subsidiaries' expected exposures to both U.S. dollar and Euro transactions for the years ending December 31, 2017 and 2018, respectively. We generally do not hedge exposures beyond three years.

We also use forward 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 potential loss in future earnings from foreign exchange derivative instruments resulting from a hypothetical 10% adverse change in year-end exchange rates would be \$32 million and \$18 million at December 31, 2017 and 2018 respectively.

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 North America, continental Europe, and the Asia Pacific region. A hypothetical, instantaneous parallel decrease in the year-end yield curve of 100 basis points would cause a decrease, net of derivative positions, of \$41 million to both 2017 and 2018 pretax income, respectively. A corresponding increase in the year-end yield curve of 100 basis points would cause an increase, net of derivative positions, of \$41 million to both 2017 and 2018 pretax income, respectively.

We have long-term debt outstanding with a fair market value of \$6.3 billion and \$5.4 billion at December 31, 2016 and 2015, respectively. This fair value was greater than the carrying value by \$0.4 billion at December 31, 2016, and \$0.2 billion greater than the carrying value at December 31, 2015. A hypothetical 1% increase or decrease in interest rates would change the fair value by a decrease of 8% or an increase of 9%, respectively, at December 31, 2016.

We have selected hypothetical changes in foreign currency exchange rates, interest rates, and equity market prices to illustrate the possible impact of these changes; we are not predicting market events.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

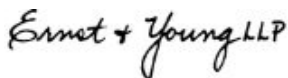
Aon plc

We have audited the accompanying consolidated statements of financial position of Aon plc as of December 31, 2016 and 2015 , and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2016 . These financial statements are the responsibility of Aon plc's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Aon plc at December 31, 2016 and 2015 , and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Aon plc's internal control over financial reporting as of December 31, 2016 , based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 23, 2017 expressed an unqualified opinion thereon.

The image shows a handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Chicago, Illinois
February 23, 2017

Aon plc
Consolidated Statements of Income

<i>(millions, except per share data)</i>	Years ended December 31		
	2016	2015	2014
Revenue			
Commissions, fees and other	\$ 11,605	\$ 11,661	\$ 12,019
Fiduciary investment income	22	21	26
Total revenue	11,627	11,682	12,045
Expenses			
Compensation and benefits	6,914	6,837	7,014
Other general expenses	2,807	2,997	3,065
Total operating expenses	9,721	9,834	10,079
Operating income	1,906	1,848	1,966
Interest income	9	14	10
Interest expense	(282)	(273)	(255)
Other income	36	100	44
Income before income taxes	1,669	1,689	1,765
Income taxes	239	267	334
Net income	1,430	1,422	1,431
Less: Net income attributable to noncontrolling interests	34	37	34
Net income attributable to Aon shareholders	\$ 1,396	\$ 1,385	\$ 1,397
Basic net income per share attributable to Aon shareholders	\$ 5.21	\$ 4.93	\$ 4.73
Diluted net income per share attributable to Aon shareholders	\$ 5.16	\$ 4.88	\$ 4.66
Cash dividends per share paid on ordinary shares	\$ 1.29	\$ 1.15	\$ 0.92
Weighted average ordinary shares outstanding - basic	268.1	280.8	295.5
Weighted average ordinary shares outstanding - diluted	270.3	283.8	299.6

See accompanying Notes to Consolidated Financial Statements.

Aon plc
Consolidated Statements of Comprehensive Income

<i>(millions)</i>	Years Ended December 31		
	2016	2015	2014
Net income	\$ 1,430	\$ 1,422	\$ 1,431
Less: Net income attributable to noncontrolling interests	34	37	34
Net income attributable to Aon shareholders	\$ 1,396	\$ 1,385	\$ 1,397
Other comprehensive (loss) income, net of tax:			
Change in fair value of financial instruments	(12)	(8)	4
Foreign currency translation adjustments	(495)	(442)	(507)
Post-retirement benefit obligation	16	155	(260)
Total other comprehensive loss	(491)	(295)	(763)
Less: Other comprehensive loss attributable to noncontrolling interests	(2)	(6)	(3)
Total other comprehensive loss attributable to Aon shareholders	(489)	(289)	(760)
Comprehensive income attributable to Aon shareholders	\$ 907	\$ 1,096	\$ 637

See accompanying Notes to Consolidated Financial Statements.

Aon plc
Consolidated Statements of Financial Position

<i>(millions, except nominal value)</i>	As of December 31	
	2016	2015 (As Revised)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 431	\$ 384
Short-term investments	290	356
Receivables, net	2,589	2,564
Fiduciary assets	9,485	9,932
Other current assets	351	329
Total Current Assets	13,146	13,565
Goodwill	8,747	8,448
Intangible assets, net	2,223	2,180
Fixed assets, net	765	765
Deferred tax assets	322	300
Prepaid pension	858	1,033
Other non-current assets	554	592
TOTAL ASSETS	\$ 26,615	\$ 26,883
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,801	\$ 1,772
Short-term debt and current portion of long-term debt	336	562
Fiduciary liabilities	9,485	9,932
Other current liabilities	873	819
Total Current Liabilities	12,495	13,085
Long-term debt	5,869	5,138
Deferred tax liabilities	101	37
Pension, other post retirement, and post employment liabilities	1,774	1,795
Other non-current liabilities	844	769
TOTAL LIABILITIES	21,083	20,824
EQUITY		
Ordinary shares - \$0.01 nominal value		
Authorized: 750 shares (issued: 2016 - 262.0; 2015 - 269.8)	3	3
Additional paid-in capital	5,577	5,409
Retained earnings	3,807	4,013
Accumulated other comprehensive loss	(3,912)	(3,423)
TOTAL AON SHAREHOLDERS' EQUITY	5,475	6,002
Noncontrolling interests	57	57
TOTAL EQUITY	5,532	6,059
TOTAL LIABILITIES AND EQUITY	\$ 26,615	\$ 26,883

See accompanying Notes to Consolidated Financial Statements.

Aon plc
Consolidated Statements of Shareholders' Equity

<i>(millions)</i>	Shares	Ordinary Shares and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Noncontrolling Interests	Total
	(As Revised)					
Balance at January 1, 2014	300.7	\$ 4,788	\$ 5,627	\$ (2,374)	\$ 50	8,091
Net income	—	—	1,397	—	34	1,431
Shares issued — employee benefit plans	0.4	26	—	—	—	26
Shares issued — employee compensation	4.7	(131)	—	—	—	(131)
Shares purchased	(25.8)	—	(2,250)	—	—	(2,250)
Tax benefit — employee benefit plans	—	89	—	—	—	89
Share-based compensation expense	—	328	—	—	—	328
Dividends to shareholders	—	—	(273)	—	—	(273)
Net change in fair value of financial instruments	—	—	—	4	—	4
Net foreign currency translation adjustments	—	—	—	(504)	(3)	(507)
Net post-retirement benefit obligation	—	—	—	(260)	—	(260)
Net sales of subsidiary shares to noncontrolling interests	—	—	—	—	3	3
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(24)	(24)
Balance at December 31, 2014	280.0	5,100	4,501	(3,134)	60	6,527
Net income	—	—	1,385	—	37	1,422
Shares issued — employee benefit plans	0.5	33	—	—	—	33
Shares issued — employee compensation	5.3	(188)	—	—	—	(188)
Shares purchased	(16.0)	—	(1,550)	—	—	(1,550)
Tax benefit — employee benefit plans	—	126	—	—	—	126
Share-based compensation expense	—	340	—	—	—	340
Dividends to shareholders	—	—	(323)	—	—	(323)
Net change in fair value of financial instruments	—	—	—	(8)	—	(8)
Net foreign currency translation adjustments	—	—	—	(436)	(6)	(442)
Net post-retirement benefit obligation	—	—	—	155	—	155
Net purchases of shares from noncontrolling interests	—	1	—	—	(7)	(6)
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(27)	(27)
Balance at December 31, 2015	269.8	5,412	4,013	(3,423)	57	6,059
Net income	—	—	1,396	—	34	1,430
Shares issued — employee benefit plans	0.7	49	—	—	—	49
Shares issued — employee compensation	3.6	(174)	—	—	—	(174)
Shares purchased	(12.1)	—	(1,257)	—	—	(1,257)
Tax benefit — employee benefit plans	—	(4)	—	—	—	(4)
Share-based compensation expense	—	331	—	—	—	331
Dividends to shareholders	—	—	(345)	—	—	(345)
Net change in fair value of financial instruments	—	—	—	(12)	—	(12)
Net foreign currency translation adjustments	—	—	—	(493)	(2)	(495)
Net post-retirement benefit obligation	—	—	—	16	—	16
Net purchases of shares from noncontrolling interests	—	(34)	—	—	(4)	(38)
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(28)	(28)
Balance at December 31, 2016	262.0	\$ 5,580	\$ 3,807	\$ (3,912)	\$ 57	\$ 5,532

See accompanying Notes to Consolidated Financial Statements.

Aon plc
Consolidated Statements of Cash Flows

(millions)	Years ended December 31		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 1,430	\$ 1,422	\$ 1,431
Adjustments to reconcile net income to cash provided by operating activities:			
Gain from sales of businesses and investments, net	(39)	(81)	(44)
Depreciation of fixed assets	232	229	242
Amortization of intangible assets	277	314	352
Share-based compensation expense	331	340	328
Deferred income taxes	(24)	(223)	(135)
Change in assets and liabilities:			
Fiduciary receivables	594	599	(19)
Short-term investments — funds held on behalf of clients	(598)	350	(403)
Fiduciary liabilities	4	(949)	422
Receivables, net	(86)	(83)	(25)
Accounts payable and accrued liabilities	64	87	4
Current income taxes	49	116	42
Pension, other post-retirement and other post-employment liabilities	42	(230)	(340)
Other assets and liabilities	50	118	(43)
CASH PROVIDED BY OPERATING ACTIVITIES	2,326	2,009	1,812
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from investments	43	220	52
Payments for investments	(64)	(266)	(20)
Net sales (purchases) of short-term investments — non-fiduciary	61	9	110
Acquisition of businesses, net of cash acquired	(879)	(16)	(479)
Proceeds from sale of businesses	107	205	48
Capital expenditures	(222)	(290)	(256)
CASH USED FOR INVESTING ACTIVITIES	(954)	(138)	(545)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share repurchase	(1,257)	(1,550)	(2,250)
Issuance of shares for employee benefit plans	(129)	(30)	(105)
Issuance of debt	3,467	5,351	5,239
Repayment of debt	(2,945)	(5,098)	(3,918)
Cash dividends to shareholders	(345)	(323)	(273)
Noncontrolling interests and other financing activities	(77)	(39)	4
CASH USED FOR FINANCING ACTIVITIES	(1,286)	(1,689)	(1,303)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(39)	(172)	(67)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	47	10	(103)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	384	374	477
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 431	\$ 384	\$ 374
Supplemental disclosures:			
Interest paid	\$ 272	\$ 254	\$ 245
Income taxes paid, net of refunds	218	249	337

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. Basis of Presentation

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

Revision of Previously Issued Financial Statements

During the fourth quarter of 2016, the Company identified errors related to the recognition of revenue for certain brokerage fee arrangements, specifically the consideration for certain arrangements covering multiple insurance placements was not appropriately allocated to each individual placement.

Based on an analysis of quantitative and qualitative factors in accordance with SEC Staff Accounting Bulletins 99 and 108, the Company concluded that these errors were immaterial, individually and in the aggregate, to the Consolidated Statements of Financial Position, Consolidated Statements of Income, or Consolidated Statements of Cash Flows as presented in the Company’s quarterly and annual financial statements previously filed in the Company’s Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K. While Aon concluded that the errors were immaterial to each of the prior reporting periods affected, the Company further concluded that correcting the errors cumulatively in fiscal year 2016 would materially misstate the Consolidated Statement of Income for the year ended December 31, 2016. As a result, amendment of such reports is not required.

In preparing the Company’s Consolidated Financial Statements for the year ended December 31, 2016, the Company made appropriate revisions to its financial statements for historical periods. Such changes are reflected for the years ended December 31, 2015 and 2014, included in these financial statements, and will also be reflected in the historical periods included in the Company’s subsequent quarterly and annual consolidated financial statements.

The impact to the Consolidated Statements of Financial Position was a decrease of \$170 million to Receivables, net, an increase of \$66 million to Deferred tax assets, and a decrease of \$104 million to Retained earnings in all periods presented. The impact to the full year Consolidated Statements of Income and Consolidated Statements of Comprehensive Income was de minimis in all periods presented, and therefore remains unchanged. There was no impact to the full year cash provided by operating activities in the Consolidated Statements of Cash Flows.

The impact to the Consolidated Statements of Cash Flows previously filed in unaudited Quarterly Reports on Form 10-Q is as follows (in millions):

(Unaudited)	Q1 2016			Q2 2016			Q3 2016		
	As Reported	Effect of Change ⁽¹⁾	As Revised	As Reported	Effect of Change ⁽¹⁾	As Revised	As Reported	Effect of Change ⁽¹⁾	As Revised
Net Income	\$ 327	\$ 10	\$ 337	\$ 607	\$ 38	\$ 645	\$ 921	\$ 50	\$ 971
Change in assets and liabilities:									
Receivables, net	110	(13)	97	175	(47)	128	289	(61)	228
Other assets and liabilities	\$ 69	\$ 3	\$ 72	\$ 56	\$ 9	\$ 65	\$ 83	\$ 11	\$ 94

(1) No net impact to Cash Provided by Operating Activities.

Refer to Note 17 “Quarterly Financial Data” for the impact to the Company’s Condensed Consolidated Statements of Income previously filed in Quarterly Reports on Form 10-Q.

Reclassification

Certain amounts in prior years’ Consolidated Financial Statements and related notes have been reclassified to conform to the 2016 presentation.

In prior periods, cash outflows from Restructuring activities were shown as a separate line item within Cash Flows From Operating Activities in the Consolidated Statements of Cash Flows. Beginning in 2016, these amounts are disclosed as a component of the change in Other assets and liabilities within Cash Flows From Operating Activities in the Consolidated Statements of Cash Flows. Cash outflows for Restructuring reserves were \$31 million at December 31, 2015 and \$83 million at December 31, 2014.

Use of Estimates

The preparation of the accompanying Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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, among other factors, 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. Summary of Significant Accounting Principles and Practices

Revenue Recognition

Risk Solutions segment revenues primarily include insurance commissions and fees for services rendered and investment income on funds held on behalf of clients. Revenues are recognized when they are earned and realized or realizable. The Company considers revenues to be earned and realized or realizable when all of the following four conditions are met: (1) persuasive evidence of an arrangement exists, (2) the arrangement fee is fixed or determinable, (3) delivery or performance has occurred, and (4) collectability is reasonably assured. For brokerage commissions, revenue is typically recognized at the completion of the placement process, assuming all four criteria required to recognize revenue have been met. The placement process is typically considered complete on the effective date of the related policy. Commission revenues are recorded net of allowances for estimated policy cancellations, which are determined based on an evaluation of historical and current cancellation data.

HR Solutions segment revenues consist primarily of fees paid by clients for consulting advice and outsourcing contracts. Fees paid by clients for consulting services are typically charged on an hourly, project or fixed-fee basis. Revenues from time-and-materials or cost-plus arrangements are recognized as services are performed, assuming all four criteria to recognize revenue have been met. Revenues from fixed-fee contracts are recognized as services are provided using a proportional-performance model or at the completion of a project based on facts and circumstances of the client arrangement. Revenues from health care exchange arrangements are typically recognized upon successful enrollment of participants, net of a reserve for estimated cancellations, assuming all four criteria to recognize revenue have been met. Reimbursements received for out-of-pocket expenses are recorded as a component of revenues. The Company's outsourcing contracts typically have three -to- five year terms for both benefits services and human resources business process outsourcing ("HR BPO") services. The Company recognizes revenues as services are performed, assuming all criteria to recognize revenue have been met. The Company may also receive implementation fees from clients either up-front or over the ongoing services period as a component of the fee per participant. Lump sum implementation fees received from a client are typically deferred and recognized ratably over the ongoing contract service period. If a client terminates an outsourcing service arrangement prior to the end of the contract, a loss on the contract may be recorded, if necessary, and any remaining deferred implementation revenues would typically be recognized over the remaining service period through the termination date.

In connection with the Company's long-term outsourcing service agreements, highly customized implementation efforts are often necessary to set up clients and their human resource or benefit programs on the Company's systems and operating processes. Qualifying costs of implementation incurred prior to the services commencing are generally deferred and amortized over the period that the related ongoing services revenue is recognized. Deferred costs are assessed for recoverability on a periodic basis to the extent the deferred cost exceeds related deferred revenue.

Share-Based Compensation Costs

Share-based payments to employees, including grants of restricted share units and performance share awards, are measured based on estimated grant date fair value. The Company recognizes compensation expense over the requisite service period for awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

Pension and Other Post-Retirement Benefits

The Company records net period cost relating to its pension and other post-retirement benefit plans based on calculations that include various actuarial assumptions, including discount rates, assumed rates of return on plan assets, inflation rates, mortality rates, compensation increases, and turnover rates. The Company reviews its actuarial assumptions on an annual basis and modifies these assumptions based on current rates and trends. The effects of gains, losses, and prior service costs and credits are amortized over future service periods or future estimated lives if the plans are frozen. The funded status of each plan, calculated as the fair

value of plan assets less the benefit obligation, is reflected in the Company's Consolidated Statements of Financial Position using a December 31 measurement date.

Net Income per Share

Basic net income per share is computed by dividing net income available to ordinary shareholders by the weighted-average number of ordinary shares outstanding, including participating securities, which consist of unvested share awards with non-forfeitable rights to dividends. Diluted net income per share is computed by dividing net income available to ordinary shareholders by the weighted-average number of ordinary shares outstanding, which have been adjusted for the dilutive effect of potentially issuable ordinary shares (excluding those that are considered participating securities), including certain contingently issuable shares. The diluted earnings per share calculation reflects the more dilutive effect of either (1) the two-class method that assumes that the participating securities have not been exercised, or (2) the treasury stock method.

Potentially issuable shares are not included in the computation of diluted income per share if their inclusion would be antidilutive.

Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents include cash balances and all highly liquid investments 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 December 31, 2016, Cash and cash equivalents and Short-term investments totaled \$721 million compared to \$740 million at December 31, 2015. Of the total balance, \$82 million and \$105 million was restricted as to its use at December 31, 2016 and 2015, respectively. Included within the December 31, 2016 and 2015 balances, respectively, were £43.3 million (\$53.2 million at December 31, 2016 exchange rates) and £43.3 million (\$64.6 million at December 31, 2015 exchange rates) of operating funds required to be held by the Company in the U.K. by the Financial Conduct Authority, a U.K.-based regulator, which were included in Short-term investments. In addition, Cash and cash equivalents included restricted balances of \$29 million and \$40 million at December 31, 2016 and 2015, respectively.

Fiduciary Assets and Liabilities

In its capacity as an insurance agent and broker, Aon collects premiums from insureds and, after deducting its commission, remits the premiums to the respective insurers. Aon also collects claims or refunds from insurers on behalf of insureds. Uncollected premiums from insureds and uncollected claims or refunds from insurers are recorded as Fiduciary assets in the Company's Consolidated Statements of Financial Position. Unremitted insurance premiums and claims are held in a fiduciary capacity and the obligation to remit these funds is recorded as Fiduciary liabilities in the Company's Consolidated Statements of Financial Position. Some of the Company's outsourcing agreements also require it to hold funds to pay certain obligations on behalf of clients. These funds are also recorded as Fiduciary assets with the related obligation recorded as Fiduciary liabilities in the Company's Consolidated Statements of Financial Position.

Aon maintained premium trust balances for premiums collected from insureds but not yet remitted to insurance companies of \$3.8 billion and \$3.4 billion at December 31, 2016 and 2015, respectively. These funds and a corresponding liability are included in Fiduciary assets and Fiduciary liabilities, respectively, in the accompanying Consolidated Statements of Financial Position.

Allowance for Doubtful Accounts

The Company's allowance for doubtful accounts with respect to receivables is based on a combination of factors, including evaluation of historical write-offs, aging of balances, and other qualitative and quantitative analyses. Receivables, net included an allowance for doubtful accounts of \$58 million at both December 31, 2016 and 2015.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Included in this category is internal use software, which is software that is acquired, internally developed or modified solely to meet internal needs, with no plan to market externally. Costs related to directly obtaining, developing or upgrading internal use software are capitalized. Depreciation and amortization

are computed using the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Asset Description	Asset Life
Software	Lesser of the life of an associated license, or 4 to 7 years
Leasehold improvements	Lesser of estimated useful life or lease term, not to exceed 10 years
Furniture, fixtures and equipment	4 to 10 years
Computer equipment	4 to 6 years
Buildings	35 years
Automobiles	6 years

Goodwill and Intangible Assets

Goodwill represents the excess of acquisition cost over the fair value of the net assets in the acquisition of a business. Goodwill is allocated to various reporting units, which are one reporting level below the operating segment. Upon disposition of a business entity, goodwill is allocated to the disposed entity based on the fair value of that entity compared to the fair value of the reporting unit in which it was included. Goodwill is not amortized, but instead is tested for impairment at least annually. The goodwill impairment test is performed at the reporting unit level. The Company initially performs a qualitative analysis to determine if it is more likely than not that the goodwill balance is impaired. If such a determination is made, then the Company will perform a two-step quantitative analysis. First, the fair value of each reporting unit is compared to its carrying value. If the fair value of the reporting unit is less than its carrying value, the Company performs a hypothetical purchase price allocation based on the reporting unit's fair value to determine the fair value of the reporting unit's goodwill. Any resulting difference will be a charge to Other general expenses in the Consolidated Statements of Income in the period in which the determination is made. Fair value is determined using a combination of present value techniques and market prices of comparable businesses.

Intangible assets are primarily comprised of tradenames and customer-related, contract-based, and technology assets. Tradenames are not amortized when such assets have been determined to have indefinite useful lives, and are tested at least annually for impairments using an analysis of expected future cash flows. Interim impairment testing may be performed when events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. Customer related and contract based assets are amortized over periods ranging from 1 to 16 years, with a weighted average original life of 11 years. Technology assets are typically amortized over 7 years.

Derivatives

Derivative instruments are recognized in the Consolidated Statements of Financial Position at fair value. Where the Company has entered into master netting agreements with counterparties, the derivative positions are netted by counterparty and are reported accordingly in other assets or other liabilities. Changes in the fair value of derivative instruments are recognized in earnings each period, unless the derivative is designated and qualifies as a cash flow or net investment hedge.

The Company has historically designated the following hedging relationships for certain transactions: (i) a hedge of the change in fair value of a recognized asset or liability or firm commitment ("fair value hedge"), (ii) a hedge of the variability in cash flows from a recognized variable-rate asset or liability or forecasted transaction ("cash flow hedge"), and (iii) a hedge of the net investment in a foreign operation ("net investment hedge").

In order for a derivative to qualify for hedge accounting, the derivative must be formally designated as a fair value, cash flow, or a net investment hedge by documenting the relationship between the derivative and the hedged item. The documentation must include a description of the hedging instrument, the hedged item, the risk being hedged, Aon's risk management objective and strategy for undertaking the hedge, the method for assessing the effectiveness of the hedge, and the method for measuring hedge ineffectiveness. Additionally, the hedge relationship must be expected to be highly effective at offsetting changes in either the fair value or cash flows of the hedged item at both the inception of the hedge and on an ongoing basis. Aon assesses the ongoing effectiveness of its hedges and measures and records hedge ineffectiveness, if any, at the end of each quarter or more frequently if facts and circumstances require.

For a derivative designated as a hedging instrument, the changes in the fair value of a recognized asset or liability or a firm commitment (a fair value hedge), the gain or loss is recognized in earnings in the period of change together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. The effect is to reflect in earnings the extent to which the hedge is not effective in achieving offsetting changes in fair value. For a cash flow hedge that qualifies for hedge accounting, the effective portion of the change in fair value of a hedging instrument is recognized in Other Comprehensive Income ("OCI") and subsequently reclassified to earnings in the same period the hedged item impacts earnings. The ineffective portion of the change in fair value is recognized immediately in earnings. For a net investment hedge, the effective portion of the change in fair value

of the hedging instrument is recognized in OCI as part of the cumulative translation adjustment, while the ineffective portion is recognized immediately in earnings.

Changes in the fair value of a derivative that is not designated as part of a hedging relationship (commonly referred to as an “economic hedge”) are recorded in Other income in the Consolidated Statements of Income.

The Company discontinues hedge accounting prospectively when (1) the derivative expires or is sold, terminated, or exercised, (2) the qualifying criteria are no longer met, or (3) management removes the designation of the hedging relationship.

Foreign Currency

Certain of the Company’s non-US operations use their respective local currency as their functional currency. These operations that do not have the U.S. dollar as their functional currency translate their financial statements at the current rates of exchange in effect at the balance sheet date and revenues and expenses using rates that approximate those in effect during the period. The resulting translation adjustments are included in net foreign currency translation adjustments within the Consolidated Statements of Shareholders’ Equity. Gains and losses from the remeasurement of monetary assets and liabilities that are denominated in a non-functional currency are included in Other income within the Consolidated Statements of Income. The effect of foreign exchange gains and losses on the Consolidated Statements of Income were losses of \$9 million, \$11 million, and \$1 million in 2016, 2015, and 2014, respectively. Included in these amounts were hedging losses of \$7 million in 2016 and hedging losses of \$19 million in both 2015 and 2014.

Income Taxes

Deferred income taxes are recognized for the effect of temporary differences between financial reporting and tax basis of assets and liabilities and are measured using the enacted marginal tax rates and laws that are currently in effect. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in the period when the rate change is enacted.

Deferred tax assets are reduced by valuation allowances if, based on the consideration of all available evidence, it is more likely than not that some portion of the deferred tax asset will not be realized. Significant weight is given to evidence that can be objectively verified. Deferred tax assets are realized by having sufficient future taxable income to allow the related tax benefits to reduce taxes otherwise payable. The sources of taxable income that may be available to realize the benefit of deferred tax assets are future reversals of existing taxable temporary differences, future taxable income exclusive of reversing temporary differences and carry-forwards, taxable income in carry-back years and tax planning strategies that are both prudent and feasible.

The Company recognizes the effect of income tax positions only if sustaining those positions is more likely than not. Tax positions that meet the more likely than not recognition threshold but are not highly certain are initially and subsequently measured based on the largest amount of benefit that is greater than 50% likely of being realized upon settlement with the taxing authority. Only information that is available at the reporting date is considered in the Company’s recognition and measurement analysis, and events or changes in facts and circumstances are accounted for in the period in which the event or change in circumstance occurs.

The Company records penalties and interest related to unrecognized tax benefits in Income taxes in the Company’s Consolidated Statements of Income.

New Accounting Pronouncements

Income Tax Consequences of Intercompany Transactions

In October 2016, the Financial Accounting Standards Board (“FASB”) issued new accounting guidance on the income tax consequences of intra-entity asset transfers other than inventory. The guidance will require that the seller and buyer recognize the consolidated current and deferred income tax consequences of a transaction in the period the transaction occurs rather than deferring to a future period and recognizing those consequences when the asset has been sold to an outside party or otherwise recovered through use (i.e. depreciated, amortized, impaired). An entity will apply the new guidance on a modified retrospective basis with a cumulative effect adjustment to retained earnings as of the beginning of the period of adoption. The new guidance is effective for Aon in the first quarter of 2018, and the Company is currently evaluating the impact that the standard will have on its Consolidated Financial Statements.

Statement of Cash Flows

In August 2016, the FASB issued new accounting guidance on the classification of certain cash receipts and cash payments. Under the new guidance, an entity will no longer have discretion to choose the classification for a number of transactions, including contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, and distributions received from equity method investees. The new standard will be effective for the Company in the first quarter of 2018, with early application permitted. An entity will apply the new guidance through retrospective adjustment to all periods presented. The retrospective approach includes a practical expedient that entities may apply should retrospective application be impracticable; in this case, the amendments for these issues may be applied prospectively as of the earliest date practicable. The guidance will not have a material impact upon the Company's Consolidated Statement of Cash Flows.

Credit Losses

In June 2016, the FASB issued new accounting guidance on the measurement of credit losses on financial instruments. The new guidance 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 guidance through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The guidance is effective for Aon in the first quarter of 2020 and early adoption is permitted beginning in the first quarter of 2019. Aon is currently evaluating the impact that the standard will have on its Consolidated Financial Statements, as well as the method of transition and period of adoption.

Share-based Compensation

In March 2016, the FASB issued new accounting guidance on several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The new guidance requires all excess tax benefits and tax deficiencies to be recognized as income tax expense or benefit in the income statement and treated as discrete items in the reporting period. Further, excess tax benefits are required to be classified along with other income tax cash flows as an operating activity. Amendments related to the timing of when excess tax benefits are recognized, minimum statutory withholding requirements, forfeitures, and intrinsic value should be applied using a modified retrospective transition method by means of a cumulative-effect adjustment to equity as of the beginning of the period in which the guidance is adopted. Amendments related to the presentation of employee taxes paid on the statement of cash flows when an employer withholds shares to meet the minimum statutory withholding requirement should be applied retrospectively. Amendments requiring recognition of excess tax benefits and tax deficiencies in the income statement and the practical expedient for estimating expected term should be applied prospectively. An entity may elect to apply the amendments related to the presentation of excess tax benefits on the statement of cash flows using either a prospective transition method or a retrospective transition method. The guidance is effective for Aon in the first quarter of 2017 and early adoption is permitted.

Upon the adoption of this guidance on January 1, 2017, the Company expects to recognize an increase to Deferred tax assets of approximately \$49 million through a cumulative-effect adjustment to Retained earnings for excess tax benefits not previously recognized. On a prospective basis, excess tax benefits will be recognized in the Consolidated Statements of Income each quarter as share-based payment awards vest, which could have a significant impact on Income tax expense in the Consolidated Statement of Income and Additional paid-in capital in the Consolidated Statements of Financial Position. The impact will be driven, in part, by the difference between the Company's share price at the time share-based payment transactions vest or options are exercised in the future periods and the fair value of the awards at the date of grant. Amendments related to the presentation of excess tax benefits on the Consolidated Statement of Cash Flows, which will be applied prospectively, may have a significant impact on Cash Flows from Operating Activities and Cash Flows from Financing Activities in the Consolidated Statements of Cash Flows. The impact will also be driven by the Company's share price at the time share-based payment transactions vest in future periods. The Company does not expect other elements of the guidance to have a material impact on its Consolidated Financial Statements.

Leases

In February 2016, the FASB issued new accounting guidance on leases, which requires lessees to recognize assets and liabilities for most leases. Under the new guidance, a lessee should recognize in the Consolidated Statement of Financial Position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from currently effective U.S. GAAP. The new standard will be effective for the Company in the first quarter of 2019, with early application permitted. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients that entities may elect to apply. 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. Aon is currently evaluating the impact the standard will have on its Consolidated Financial Statements, as well as the method of transition and period of adoption.

Financial Assets and Liabilities

In January 2016, the FASB issued new accounting guidance on recognition and measurement of financial assets and financial liabilities. The amendments in the new guidance make targeted improvements, which include the requirement to measure equity investments with readily determinable fair values at fair value through net income, simplification of the impairment assessment for equity investments without readily determinable fair values, adjustments to existing and additional disclosure requirements, and additional tax considerations. An entity should apply the amendments by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The amendments related to equity securities without readily determinable fair values (including disclosure requirements) should be applied prospectively to equity investments that exist as of the date of adoption of the guidance. The guidance is effective for the Company in the first quarter of 2018 and early adoption is permitted. Aon is currently evaluating the impact that the standard will have on the its Consolidated Financial Statements, as well as the method of transition and period of adoption.

Presentation of Deferred Taxes

In November 2015, the FASB issued new accounting guidance on the balance sheet presentation of deferred taxes, which requires that deferred tax liabilities and assets be classified as non-current. Aon early adopted this guidance in the second quarter of 2016 and retrospectively applied its requirements to all periods presented. For the year ended December 31, 2015, Aon reclassified its current deferred tax positions to non-current and netted the new balances by jurisdiction, which increased Deferred tax assets by \$93 million and decreased Deferred tax liabilities by \$139 million on the Consolidated Statement of Financial Position.

Debt Issuance Costs

In April 2015, the FASB issued new accounting guidance on the presentation of debt issuance costs, which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the associated debt liability. Debt issuance costs related to its line-of-credit arrangements will be shown within Other non-current assets. This guidance was effective for Aon in the first quarter of 2016, which required retrospective application to prior year comparable periods. For the year ended December 31, 2015, Aon reclassified \$4 million from Other current assets and \$33 million from Other non-current assets to Long-term debt on the Consolidated Statement of Financial Position.

Consolidations

In February 2015, the FASB issued new accounting guidance on consolidations, which will eliminate the deferral granted to investment companies from applying the variable interest entities guidance and make targeted amendments to the current consolidation guidance. The new guidance applies to all entities involved with limited partnerships or similar entities and requires re-evaluation of these entities under the revised guidance, which could change previous consolidation conclusions. The guidance was effective for the Company in the first quarter of 2016. The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

Revenue Recognition

In May 2014, the FASB issued new accounting guidance on revenue from contracts with customers, which, when effective, will supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principal of the standard is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The standard is effective for Aon in the first quarter of 2018 and early adoption is permitted beginning the first quarter of 2017. Two methods of transition are permitted upon adoption: full retrospective and modified retrospective. Under the full retrospective method, prior periods would be restated under the new revenue standard, providing a comparable view across all periods presented. Under the modified retrospective method, prior periods would not be restated. Rather, revenues and other disclosures for pre-2018 periods would be provided in the notes to the financial statements as previously reported under the current revenue standard. The Company will adopt this standard in the first quarter of 2018 and is evaluating both methods of transition; however, it is currently anticipated that a modified retrospective adoption approach will be used.

A preliminary assessment to determine the impacts of the new accounting standard has been performed. The Company is currently implementing accounting and operational processes which will be impacted by the new standard, but is unable to provide information on quantitative impacts at this time.

However, the primary impacts of the new standard to the Company's product and service lines are anticipated to be as follows:

The Company currently recognizes revenue for certain brokerage activities within the Risk Solutions business over a period of time either due to the transfer of value to customers or as the remuneration becomes determinable. Under the new standard, this revenue will be recognized on the effective date of the associated policies when control of the policy transfers to the customer. As a result, revenue from these arrangements will be recognized in earlier periods under the new standard in comparison to the current guidance and will change the timing and amount of revenue recognized for annual and interim periods. Similarly, the Company is currently assessing the timing and measurement of revenue recognition under the new standard for outsourcing and consulting operations within the HR Solutions business.

Additionally, the new standard provides guidance on accounting for certain revenue-related costs including when to capitalize costs associated with obtaining and fulfilling a contract. These costs are currently expensed as incurred under existing U.S. GAAP. These assets recognized for the costs to obtain and/or fulfill a contract will be amortized on a systematic basis that is consistent with the transfer of the services to which the asset relates. The Company is quantifying the nature and amount of costs that would qualify for capitalization and the amount of amortization that will be recognized in each period.

3. Other Financial Data

Consolidated Statements of Income Information

Other Income

Other income consists of the following (in millions):

Years ended December 31	2016	2015	2014
Equity earnings	\$ 13	\$ 13	\$ 12
Net gain on disposals of businesses	39	82	24
Foreign currency remeasurement (loss) gain	(2)	30	18
(Loss) income on financial instruments	(14)	(24)	(15)
Other	—	(1)	5
Total	\$ 36	\$ 100	\$ 44

Consolidated Statements of Financial Position Information

Allowance for Doubtful Accounts

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

Years ended December 31	2016	2015	2014
Balance at January 1	\$ 58	\$ 74	\$ 90
Provision charged to operations	11	13	12
Accounts written off, net of recoveries	(14)	(34)	(33)
Foreign currency translation	3	5	5
Balance at December 31	\$ 58	\$ 58	\$ 74

Other Current Assets

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

As of December 31	2016	2015
Taxes receivable	\$ 100	\$ 94
Prepaid expenses	125	130
Deferred project costs	87	92
Other	39	13
Total	\$ 351	\$ 329

Fixed Assets, net

The components of Fixed assets, net are as follows (in millions):

As of December 31	2016	2015
Software	\$ 948	\$ 1,095
Leasehold improvements	452	422
Computer equipment	417	358
Furniture, fixtures and equipment	300	315
Construction in progress	93	76
Other	115	115
Fixed assets, gross	2,325	2,381
Less: Accumulated depreciation	1,560	1,616
Fixed assets, net	\$ 765	\$ 765

Depreciation expense, which includes software amortization, was \$232 million , \$229 million , and \$242 million for the years ended December 31, 2016 , 2015 , and 2014 , respectively.

Other Non-Current Assets

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

As of December 31	2016	2015
Deferred project costs	\$ 183	\$ 210
Investments	119	135
Taxes receivable	82	82
Other	170	165
Total	\$ 554	\$ 592

Other Current Liabilities

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

As of December 31	2016	2015
Deferred revenue	\$ 393	\$ 394
Taxes payable	78	94
Other	402	331
Total	\$ 873	\$ 819

Other Non-Current Liabilities

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

As of December 31	2016		2015	
Taxes payable	\$	288	\$	223
Leases		169		166
Deferred revenue		140		159
Compensation and benefits		56		59
Other		191		162
Total	\$	844	\$	769

4. Acquisitions and Dispositions of Businesses

Acquisitions

The number of acquisitions completed within each reportable segment is as follows:

Years ended December 31	2016		2015	
Risk Solutions		5		4
HR Solutions		3		3
Total		8		7

2016 Acquisitions

On January 1, 2016, the Company completed the transaction to acquire Globe Events Management, an insurance, retirement, and investment consulting business company based in Australia.

On February 1, 2016, the Company completed the transaction to acquire Modern Survey, an employee survey and talent analytics solutions provider based in Minneapolis.

On April 11, 2016, the Company completed the transaction to acquire Nexus Insurance Brokers Limited and Bayfair Insurance Centre Limited, insurance brokerage firms located in New Zealand.

On June 1, 2016, the Company completed the transaction to acquire Unifers Workplace Solutions, a leading elective benefit enrollment and communication services firm based in New Jersey.

On August 19, 2016, the Company completed the transaction to acquire Cammack Health LLC, a leading health and benefits consulting firm that serves large health care organizations in the Eastern region of the U.S., including health plans, health systems and employers.

On October 31, 2016, the Company completed the transaction to acquire Stroz, Friedberg, Inc., a leading global cyber risk management firm based in New York City, with offices across the U.S. and in London, Zurich, Dubai and Hong Kong.

On November 11, 2016 the Company completed the transaction to acquire CoCubes, a leading hiring assessment company based in India.

On December 26, 2016, the Company completed the transaction to acquire Admix, a leading health and benefits brokerage and solutions firm based in Brazil.

The following table includes the preliminary fair values of consideration transferred, assets acquired, and liabilities assumed as a result of the Company's acquisitions (in millions):

Year ended December 31	2016
Cash	\$ 891
Deferred and contingent consideration	43
Aggregate consideration transferred	934
Assets acquired:	
Cash and cash equivalents	12
Receivables, net	52
Goodwill	642
Intangible assets, net	366
Fixed assets, net	30
Other assets	2
Total assets acquired	1,104
Liabilities assumed:	
Current liabilities	163
Other liabilities	7
Total liabilities assumed	170
Net assets acquired	\$ 934

Intangible assets are primarily customer-related and contract-based assets; those acquired as part of a business acquisition in 2016 had a weighted average useful economic life of 13 years. Acquisition related costs incurred and recognized within Other general expenses for the year ended December 31, 2016 were \$8 million. Total revenue for these acquisitions included in the Company's Consolidated Statement of Income for the year ended December 31, 2016 was \$68 million.

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

2015 Acquisitions

The following table includes the preliminary fair values of consideration transferred and intangible assets acquired as a result of the Company's acquisitions (in millions):

Year ended December 31	2015
Consideration	\$ 27
Intangible assets:	
Goodwill	\$ 18
Other intangible assets	6
Total intangible assets	\$ 24

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

Dispositions

The number of dispositions completed within each reportable segment is as follows:

Years ended December 31	2016	2015	2014
Risk Solutions	4	4	2
HR Solutions	1	3	0
Total	5	7	2

Total pretax gains, net of losses, recognized were \$39 million , \$82 million , and \$24 million , respectively, for the years ended December 31, 2016 , 2015 , and 2014 . Gains and losses recognized as a result of a disposition are included in Other income in the Consolidated Statements of Income.

5. Goodwill and Other Intangible Assets

The changes in the net carrying amount of goodwill by reportable segment for the years ended December 31, 2016 and 2015 , respectively, are as follows (in millions):

	Risk Solutions	HR Solutions	Total
Balance as of January 1, 2015	\$ 5,911	\$ 2,949	\$ 8,860
Goodwill related to current year acquisitions	2	16	18
Goodwill related to disposals	(1)	(76)	(77)
Goodwill related to prior year acquisitions	—	—	—
Foreign currency translation	(319)	(34)	(353)
Balance as of December 31, 2015	\$ 5,593	\$ 2,855	\$ 8,448
Goodwill related to current year acquisitions	632	10	642
Goodwill related to disposals	(8)	(26)	(34)
Goodwill related to prior year acquisitions	4	—	4
Foreign currency translation	(268)	(45)	(313)
Balance as of December 31, 2016	\$ 5,953	\$ 2,794	\$ 8,747

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

	As of December 31					
	2016			2015		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets with indefinite lives:						
Tradenames	\$ 998	\$ —	\$ 998	\$ 1,019	\$ —	\$ 1,019
Intangible assets with finite lives:						
Customer related and contract based	3,108	1,971	1,137	2,886	1,809	1,077
Technology and other	574	486	88	541	457	84
Total	\$ 4,680	\$ 2,457	\$ 2,223	\$ 4,446	\$ 2,266	\$ 2,180

Amortization expense from finite-lived intangible assets was \$277 million , \$314 million and \$352 million during 2016 , 2015 and 2014 , respectively.

The estimated future amortization for finite-lived intangible assets as of December 31, 2016 is as follows (in millions):

	Risk Solutions	HR Solutions	Total
2017	\$ 123	\$ 136	\$ 259
2018	118	91	209
2019	107	73	180
2020	97	61	158
2021	66	53	119
Thereafter	239	61	300
Total	\$ 750	\$ 475	\$ 1,225

6. Debt

The following is a summary of outstanding debt (in millions):

As of December 31	2016	2015 ⁽¹⁾
3.875% Senior Notes due December 2025	\$ 744	\$ —
5.00% Senior Notes due September 2020	598	597
4.75% Senior Notes due May 2045	592	591
3.50% Senior Notes due June 2024	594	593
4.60% Senior Notes due June 2044	543	543
2.875% Senior Notes due May 2026 (EUR 500M)	516	541
8.205% Junior Subordinated Notes due January 2027	521	521
3.125% Senior Notes due May 2016	—	500
2.80% Senior Notes due March 2021	397	396
4.00% Senior Notes due November 2023	347	347
6.25% Senior Notes due September 2040	295	295
4.76% Senior Notes due March 2018 (CAD 375M)	277	270
4.45% Senior Notes due May 2043	246	246
4.25% Senior Notes due December 2042	197	195
Commercial paper	329	50
Other	9	15
Total debt	6,205	5,700
Less short-term and current portion of long-term debt	336	562
Total long-term debt	\$ 5,869	\$ 5,138

(1) Amended to reflect the adoption of new guidance related to the presentation of debt issuance costs as described in Note 2 “Summary of Significant Accounting Principles and Practices.”

On May 27, 2016, \$500 million of 3.125% Senior Notes due May 2016 issued by Aon Corporation matured and were repaid in full.

On March 1, 2016, Aon plc issued \$750 million of 3.875% Senior Notes due December 2025. The Company used the proceeds of the issuance for general corporate purposes.

On November 13, 2015, Aon plc issued \$400 million of 2.80% Senior Notes due March 2021. The Company used the proceeds of the issuance for general corporate purposes.

On September 30, 2015, \$600 million of 3.50% Senior Notes issued by Aon Corporation matured and were repaid in full.

On May 20, 2015, Aon plc issued \$600 million of 4.750% Senior Notes due May 2045. The Company used the proceeds of the issuance for general corporate purposes.

Each of the notes issued by Aon plc and described above is fully and unconditionally guaranteed by Aon Corporation. The 4.76% Senior Notes due March 2018 identified in the table above were issued by a Canadian subsidiary of Aon Corporation and are fully and unconditionally guaranteed by Aon plc and Aon Corporation. Refer to Note 16 “Guarantee of Registered Securities” for additional information regarding guarantees of outstanding debt securities. Each of the notes described above and identified in the table above contains customary representations, warranties and covenants, and the Company was in compliance with all such covenants as of December 31, 2016 .

Repayments of total debt are as follows (in millions):

2017	\$	336
2018		278
2019		—
2020		600
2021		400
Thereafter		4,700
Total Repayments		6,314
Unamortized discount, premium, and debt issuance cost		(109)
Total Debt	\$	6,205

Revolving Credit Facilities

As of December 31, 2016, Aon plc had two primary committed credit facilities outstanding: its \$400 million U.S. credit facility expiring in March 2017 (the “2017 Facility”) and its \$900 million multi-currency U.S. credit facility expiring in February 2021 (the “2021 Facility”). The Company plans to let the 2017 facility expire but may evaluate obtaining additional committed credit in the future. Each of these facilities includes customary representations, warranties and covenants, including financial covenants that require Aon plc to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, in each case, tested quarterly. At December 31, 2016, Aon plc did not have borrowings under either the 2017 Facility or the 2021 Facility, and was in compliance with all covenants contained therein during the twelve months ended December 31, 2016.

Commercial Paper

Aon Corporation, a wholly-owned subsidiary of Aon plc, has established a U.S. commercial paper program, which provides for commercial paper to be issued in an aggregate principal amount of up to \$900 million, and Aon plc has established a European multi-currency commercial paper program that provides for commercial paper to be issued in an aggregate principal amount of up to €300 million. The U.S. commercial paper program is fully and unconditionally guaranteed by Aon plc and the European commercial paper program is fully and unconditionally guaranteed by Aon Corporation. In the aggregate, the Company had \$329.2 million and \$50.0 million of commercial paper outstanding at December 31, 2016 and 2015, respectively, which was included in Short-term debt and current portion of long-term debt in the Company’s Consolidated Statements of Financial Position. The weighted average commercial paper outstanding for 2016 and 2015 was \$265.0 million and \$402.0 million, respectively. The weighted average interest rate of the commercial paper outstanding during 2016 and 2015 was 0.22% and 0.50%, respectively.

7. Lease Commitments

The Company leases office facilities, equipment, and automobiles under non-cancelable operating leases. These leases expire at various dates and may contain renewal and expansion options. In addition to base rental costs, occupancy lease agreements generally provide for rent escalations resulting from increased assessments for real estate taxes and other charges. The Company’s lease obligations are primarily for the use of office space.

Rental expenses (including amounts applicable to taxes, insurance and maintenance) for operating leases are as follows (in millions):

Years ended December 31	2016	2015	2014
Rental expense	\$ 400	\$ 454	\$ 455
Less: Sub lease rental income	(64)	(83)	(75)
Net rental expense	\$ 336	\$ 371	\$ 380

At December 31, 2016, future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows (in millions):

Years ended December 31, 2016	Gross rental commitments	Rentals from subleases	Net rental commitments
2017	\$ 355	\$ (55)	\$ 300
2018	317	(44)	273
2019	283	(38)	245
2020	237	(34)	203
2021	214	(33)	181
Thereafter	696	(47)	649
Total minimum payments required	\$ 2,102	\$ (251)	\$ 1,851

8. Income Taxes

Income before income tax and the provision for income tax consist of the following (in millions):

Years ended December 31	2016	2015	2014
Income before income taxes:			
U.K.	\$ (202)	\$ 149	\$ 347
U.S.	(104)	(51)	(55)
Other	1,975	1,591	1,473
Total	\$ 1,669	\$ 1,689	\$ 1,765
Income tax expense (benefit):			
Current:			
U.K.	\$ (54)	\$ 43	\$ 1
U.S. federal	94	137	156
U.S. state and local	—	54	75
Other	223	256	236
Total current tax expense	\$ 263	\$ 490	\$ 468
Deferred tax expense (benefit):			
U.K.	\$ 59	\$ (39)	\$ 38
U.S. federal	(47)	(140)	(133)
U.S. state and local	6	(14)	(24)
Other	(42)	(30)	(15)
Total deferred tax benefit	\$ (24)	\$ (223)	\$ (134)
Total income tax expense	\$ 239	\$ 267	\$ 334

Income before income taxes shown above is based on the location of the business unit to which such earnings are attributable for tax purposes. In addition, because the earnings shown above may in some cases be subject to taxation in more than one country, the income tax provision shown above as U.K., U.S. or Other may not correspond to the geographic attribution of the earnings.

The Company performs a reconciliation of the income tax provisions based on its domicile and statutory rate at each reporting period. The 2016 , 2015 , and 2014 reconciliations are based on the U.K. statutory corporate tax rate of 20.0% , 20.3% , and 21.5% , respectively. The reconciliation to the provisions reflected in the Consolidated Financial Statements is as follows:

Years ended December 31	2016	2015	2014
Statutory tax rate	20.0%	20.3%	21.5%
U.S. state income taxes, net of U.S. federal benefit	0.7	0.5	1.5
Taxes on international operations (1)	(8.5)	(6.0)	(8.9)
Nondeductible expenses	1.2	2.2	1.7
Adjustments to prior year tax requirements	(1.0)	(1.3)	0.9
Adjustments to valuation allowances	(1.8)	(1.2)	0.6
Change in uncertain tax positions	3.0	1.4	1.7
Other — net	0.7	(0.1)	(0.1)
Effective tax rate	14.3%	15.8%	18.9%

- (1) The Company determines the adjustment for taxes on international operations based on the difference between the statutory tax rate applicable to earnings in each foreign jurisdiction and the enacted rate of 20.0% , 20.3% and 21.5% at December 31, 2016 , 2015 , and 2014 , respectively. The benefit to the Company's effective income tax rate from taxes on international operations relates to benefits from lower-taxed global operations, primarily due to the use of global funding structures.

The components of the Company's deferred tax assets and liabilities are as follows (in millions):

As of December 31	2016	2015
Deferred tax assets:		
Employee benefit plans	\$ 661	\$ 635
Net operating/capital loss and tax credit carryforwards	399	336
Accrued interest	166	293
Other accrued expenses	102	98
Brokerage fee arrangements (1)	66	66
Deferred revenue	57	65
Investment basis differences	48	56
Other	60	57
Total	1,559	1,606
Valuation allowance on deferred tax assets	(130)	(162)
Total	\$ 1,429	\$ 1,444
Deferred tax liabilities:		
Intangibles and property, plant and equipment	\$ (982)	\$ (961)
Other accrued expenses	(101)	(99)
Deferred costs	(20)	(30)
Unrealized foreign exchange gains	(26)	(29)
Unremitted earnings	(29)	(18)
Other	(50)	(44)
Total	\$ (1,208)	\$ (1,181)
Net deferred tax asset	\$ 221	\$ 263

(1) Refer to Note 1 "Basis of Presentation" for details regarding the Revision of Previously Issued Financial Statements.

Deferred income taxes (assets and liabilities have been netted by jurisdiction) have been classified in the Consolidated Statements of Financial Position as follows (in millions):

As of December 31	2016	2015
Deferred tax assets — non-current (2)	\$ 322	\$ 300
Deferred tax liabilities — non-current (2)	(101)	(37)
Net deferred tax asset	\$ 221	\$ 263

(2) For the year ended December 31, 2015, Aon reclassified its current deferred tax positions to non-current and netted the new balances by jurisdiction. Refer to Note 2 "Summary of Significant Accounting Principles and Practices" for additional details.

Valuation allowances have been established primarily with regard to the tax benefits of certain net operating loss, capital loss and interest expense carryforwards. Valuation allowances decreased by \$32 million as of December 31, 2016, when compared to December 31, 2015, primarily attributable to the reversal of a valuation allowance and the impact of foreign currency translation.

The Company recognized, as an adjustment to additional paid-in-capital, income tax benefits attributable to employee stock compensation of \$(4) million, \$126 million and \$89 million in 2016, 2015, and 2014, respectively. The year-over-year change is primarily attributable to excess tax benefits not recorded in 2016 because the deduction did not decrease income taxes payable.

Deferred income taxes of \$11 million were accrued in 2016 on undistributed earnings that are not permanently reinvested. Undistributed earnings of non-U.S. entities were approximately \$2.3 billion at December 31, 2016. U.S. income taxes have not been provided on these undistributed earnings because they are considered to be permanently reinvested in those subsidiaries. It is not practicable to estimate the amount of unrecognized deferred tax liabilities, if any, for these undistributed foreign earnings.

The Company had the following operating and capital loss carryforwards (in millions):

As of December 31	2016	2015
<i>UK</i>		
Operating loss carryforwards	\$ 325	\$ 449
Capital loss carryforwards	294	360
<i>US</i>		
Federal operating loss carryforwards	\$ 196	\$ 8
State operating loss carryforwards	474	443
<i>Other Non-US</i>		
Operating loss carryforwards	\$ 350	\$ 245
Capital loss carryforwards	218	206

As of December 31, 2016, the Company had \$126 million of federal operating loss carryforwards and \$110 million of state operating loss carryforwards for which a benefit will be recorded in APIC when realized.

The U.K. operating losses and capital losses have an indefinite carryforward. The federal operating loss carryforwards as of December 31, 2016 expire at various dates from 2020 to 2036 and the state operating losses as of December 31, 2016 expire at various dates from 2017 to 2036. Operating and capital losses in other non-US jurisdictions have various carryforward periods and will begin to expire in 2019.

During 2012, the Company was granted a tax holiday for the period from October 1, 2012 through September 30, 2022, with respect to withholding taxes and certain income derived from services in Singapore. This tax holiday and reduced withholding tax rate may be extended when certain conditions are met or may be terminated early if certain conditions are not met. The benefit realized was approximately \$46 million, \$23 million, and \$7 million during the years ended December 31, 2016, 2015, and 2014, respectively. The impact of this tax holiday on diluted earnings per share was \$0.17, \$0.08, and \$0.02 during the years ended December 31, 2016, 2015, and 2014, respectively.

Uncertain Tax Positions

The following is a reconciliation of the Company's beginning and ending amount of uncertain tax positions (in millions):

	2016	2015
Balance at January 1	\$ 238	\$ 211
Additions based on tax positions related to the current year	36	31
Additions for tax positions of prior years	20	53
Reductions for tax positions of prior years	(12)	(18)
Settlements	—	(32)
Business combinations	2	—
Lapse of statute of limitations	(5)	(5)
Foreign currency translation	(1)	(2)
Balance at December 31	\$ 278	\$ 238

The Company's liability for uncertain tax positions as of December 31, 2016, 2015, and 2014, includes \$240 million, \$200 million, and \$174 million, respectively, related to amounts that would impact the effective tax rate if recognized. It is possible that the amount of unrecognized tax benefits may change in the next twelve months; however, the Company does not expect the change to have a significant impact on its consolidated statements of income or consolidated balance sheets. These changes may be the result of settlements of ongoing audits. At this time, an estimate of the range of the reasonably possible outcomes within the twelve months cannot be made.

The Company recognizes interest and penalties related to uncertain tax positions in its provision for income taxes. The Company accrued potential interest and penalties of \$15 million, \$2 million, and \$4 million in 2016, 2015, and 2014, respectively. The

Company recorded a liability for interest and penalties of \$48 million , \$33 million , and \$31 million as of December 31, 2016 , 2015 , and 2014 , respectively.

The Company and its subsidiaries file income tax returns in their respective jurisdictions. The Company has substantially concluded all U.S. federal income tax matters for years through 2007. Material U.S. state and local income tax jurisdiction examinations have been concluded for years through 2005. The Company has concluded income tax examinations in its primary non-U.S. jurisdictions through 2005.

9. Shareholders' Equity

Distributable Reserves

As a U.K. incorporated company, the Company is required under U.K. law to have available “distributable reserves” to make share repurchases or pay dividends to shareholders. Distributable reserves may be created through the earnings of the U.K. parent company and, amongst other methods, through a reduction in share capital approved by the English Companies Court. Distributable reserves are not linked to a U.S. GAAP reported amount (e.g., retained earnings). As of December 31, 2016 and 2015 , the Company had distributable reserves in excess of \$1.6 billion and \$2.1 billion , respectively.

Ordinary Shares

In April 2012, the Company’s Board of Directors authorized a share repurchase program under which up to \$5.0 billion of Class A Ordinary Shares may be repurchased (“2012 Share Repurchase Program”). In November 2014, the Company’s Board of Directors authorized a new \$5.0 billion share repurchase program in addition to the existing program (“2014 Share Repurchase Program” and, together with the 2012 Share Repurchase Program, the “Repurchase Programs”). Subsequent to the close of the fourth quarter 2016, the Board of Directors authorized a \$5.0 billion increase to the existing remaining authorization under its share repurchase program. Under each program, 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.

During 2016 , the Company repurchased 12.2 million shares at an average price per share of \$102.66 for a total cost of \$1.3 billion under the 2014 Share Repurchase Program. The Company recorded an additional \$6 million of transaction costs associated with the repurchase to retained earnings during 2016. During 2015 , the Company repurchased 16.0 million shares at an average price per share of \$97.04 for a total cost of \$1.6 billion under the Repurchase Programs. In August 2015, the \$5 billion of Class A Ordinary Shares authorized under the 2012 Share Repurchase Program was exhausted. At December 31, 2016, the remaining authorized amount for share repurchase under the 2014 Share Repurchase Program is \$2.8 billion . Under the Repurchase Programs, the Company has repurchased a total of 90.2 million shares for an aggregate cost of \$7.2 billion .

Net Income Per Share

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

	Year ended December 31,		
	2016	2015	2014
Basic weighted-average ordinary shares outstanding	268.1	280.8	295.5
Dilutive effect of potentially issuable shares	2.2	3.0	4.1
Diluted weighted-average ordinary shares outstanding	270.3	283.8	299.6

Potentially issuable shares are not included in the computation of diluted net income per share if their inclusion would be antidilutive. There were no shares excluded from the calculation for in 2016 , 2015 , or 2014 .

Dividends

During 2016 , 2015 , and 2014 , the Company paid dividends on its Class A Ordinary Shares of \$345.0 million , \$323.0 million , and \$273.0 million , respectively. Dividends paid per Class A Ordinary Share were \$1.29 , \$1.15 and \$0.92 for the years ended December 31, 2016 , 2015 , and 2014 respectively.

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	Post-Retirement Benefit Obligation (2)	Total
Balance at January 1, 2014	\$ (21)	\$ 169	\$ (2,522)	\$ (2,374)
Other comprehensive loss before reclassifications:				
Other comprehensive loss before reclassifications	(13)	(492)	(563)	(1,068)
Tax benefit	4	(12)	229	221
Other comprehensive loss before reclassifications, net	(9)	(504)	(334)	(847)
Amounts reclassified from accumulated other comprehensive loss:				
Amounts reclassified from accumulated other comprehensive loss	20	—	106	126
Tax benefit	(7)	—	(32)	(39)
Amounts reclassified from accumulated other comprehensive loss, net	13	—	74	87
Net current period other comprehensive (loss) income	4	(504)	(260)	(760)
Balance at December 31, 2014	(17)	(335)	(2,782)	(3,134)
Other comprehensive loss before reclassifications:				
Other comprehensive loss before reclassifications	(4)	(467)	82	(389)
Tax benefit	1	31	(9)	23
Other comprehensive loss before reclassifications, net	(3)	(436)	73	(366)
Amounts reclassified from accumulated other comprehensive loss:				
Amounts reclassified from accumulated other comprehensive loss	11	—	117	128
Tax benefit	(16)	—	(35)	(51)
Amounts reclassified from accumulated other comprehensive loss, net	(5)	—	82	77
Net current period other comprehensive (loss) income	(8)	(436)	155	(289)
Balance at December 31, 2015	(25)	(771)	(2,627)	(3,423)
Other comprehensive loss before reclassifications:				
Other comprehensive loss before reclassifications	(25)	(490)	(276)	(791)
Tax benefit	6	(3)	74	77
Other comprehensive loss before reclassifications, net	(19)	(493)	(202)	(714)
Amounts reclassified from accumulated other comprehensive loss:				
Amounts reclassified from accumulated other comprehensive loss	10	—	322	332
Tax benefit	(3)	—	(104)	(107)
Amounts reclassified from accumulated other comprehensive loss, net	7	—	218	225
Net current period other comprehensive (loss) income	(12)	(493)	16	(489)
Balance at December 31, 2016	\$ (37)	\$ (1,264)	\$ (2,611)	\$ (3,912)

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

(2) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Compensation and benefits

10. Employee Benefits

Defined Contribution Savings Plans

Aon maintains defined contribution savings plans for the benefit of its U.S., U.K., Netherlands and Canada employees. The expense recognized for these plans is included in Compensation and benefits in the Consolidated Statements of Income, as follows (in millions):

Years ended December 31	2016		2015		2014	
U.S.	\$	142	\$	133	\$	123
U.K.		43		42		42
Netherlands and Canada		27		25		30
Total	\$	212	\$	200	\$	195

Pension and Other Post-retirement Benefits

The Company sponsors defined benefit pension and post-retirement health and welfare plans that provide retirement, medical, and life insurance benefits. The post-retirement healthcare plans are contributory, with retiree contributions adjusted annually, and the life insurance and pension plans are generally noncontributory. The significant U.S., U.K., Netherlands and Canadian pension plans are closed to new entrants.

Pension Plans

The following tables provide a reconciliation of the changes in the projected benefit obligations and fair value of assets for the years ended December 31, 2016 and 2015 and a statement of the funded status as of December 31, 2016 and 2015, for the material U.K. plans, U.S. plans and other major plans, which are located in the Netherlands and Canada. These plans represent approximately 92% of the Company's projected benefit obligations.

(millions)	U.K.		U.S.		Other	
	2016	2015	2016	2015	2016	2015
<i>Change in projected benefit obligation</i>						
At January 1	\$ 4,985	\$ 5,529	\$ 3,160	\$ 3,350	\$ 1,177	\$ 1,399
Service cost	—	1	—	—	—	—
Interest cost	158	198	111	131	29	33
Plan amendment	(20)	27	—	—	—	(10)
Settlements	(159)	—	(281)	—	—	—
Plan transfer and acquisitions	—	(2)	—	(18)	—	—
Actuarial loss (gain)	32	(83)	(43)	(25)	(7)	24
Benefit payments	(242)	(217)	(139)	(133)	(39)	(38)
Change in discount rate	1,079	(247)	100	(145)	100	(66)
Foreign currency impact	(959)	(221)	—	—	(33)	(165)
At December 31	\$ 4,874	\$ 4,985	\$ 2,908	\$ 3,160	\$ 1,227	\$ 1,177
Accumulated benefit obligation at end of year	\$ 4,874	\$ 4,985	\$ 2,908	\$ 3,160	\$ 1,191	\$ 1,135
<i>Change in fair value of plan assets</i>						
At January 1	\$ 5,903	\$ 6,224	\$ 1,951	\$ 2,036	\$ 1,019	\$ 1,161
Actual return on plan assets	1,233	91	116	(60)	111	8
Employer contributions	67	65	36	108	20	21
Settlements	(159)	—	(281)	—	—	—
Plan transfer and acquisitions	—	(3)	—	—	—	—
Benefit payments	(242)	(217)	(139)	(133)	(39)	(38)
Foreign currency impact	(1,127)	(257)	—	—	(35)	(133)
At December 31	\$ 5,675	\$ 5,903	\$ 1,683	\$ 1,951	\$ 1,076	\$ 1,019
Market related value at end of year	\$ 5,675	\$ 5,903	\$ 1,819	\$ 2,064	\$ 1,076	\$ 1,019
<i>Amount recognized in Statement of Financial Position at December 31</i>						
Funded status	\$ 801	\$ 918	\$ (1,225)	\$ (1,209)	\$ (151)	\$ (158)
Unrecognized prior-service cost	19	46	6	9	(6)	(7)
Unrecognized loss	1,237	1,465	1,612	1,723	400	389
Net amount recognized	\$ 2,057	\$ 2,429	\$ 393	\$ 523	\$ 243	\$ 224

In March 2016, the Company entered into an insurance contract that covers a portion of the assets within select U.K. pension schemes. The transaction resulted in a decrease in Prepaid pension assets and Accumulated other comprehensive income of \$267 million.

Amounts recognized in the Consolidated Statements of Financial Position consist of (in millions):

	U.K.			U.S.			Other	
	2016	2015		2016	2015		2016	2015
Prepaid benefit cost (1)	\$ 836	\$ 1,012		\$ —	\$ —		\$ —	\$ —
Accrued benefit liability (2)	(35)	(94)		(1,225)	(1,209)		(151)	(158)
Accumulated other comprehensive loss	1,256	1,511		1,618	1,732		394	382
Net amount recognized	\$ 2,057	\$ 2,429		\$ 393	\$ 523		\$ 243	\$ 224

(1) Included in Prepaid pension

(2) Included in Other current liabilities and Pension, other post retirement, and post employment liabilities

Amounts recognized in Accumulated other comprehensive loss (income) that have not yet been recognized as components of net periodic benefit cost at December 31, 2016 and 2015 consist of (in millions):

	U.K.			U.S.			Other	
	2016	2015		2016	2015		2016	2015
Net loss	\$ 1,237	\$ 1,465		\$ 1,612	\$ 1,723		\$ 400	\$ 389
Prior service cost (income)	19	46		6	9		(6)	(7)
Total	\$ 1,256	\$ 1,511		\$ 1,618	\$ 1,732		\$ 394	\$ 382

In 2016, U.S. plans with a projected benefit obligation (“PBO”) and an accumulated benefit obligation (“ABO”) in excess of the fair value of plan assets had a PBO of \$2.9 billion, an ABO of \$2.9 billion, and plan assets with a fair value of \$1.7 billion. U.K. plans with a PBO in excess of the fair value of plan assets had a PBO of \$1.2 billion and plan assets with a fair value of \$1.1 billion, and plans with an ABO in excess of the fair value of plan assets had an ABO of \$1.2 billion and plan assets with a fair value of \$1.1 billion. Other plans with a PBO in excess of the fair value of plan assets had a PBO of \$1.2 billion and plan assets with a fair value of \$1.0 billion, and plans with an ABO in excess of the fair value of plan assets had an ABO of \$1.1 billion and plan assets with a fair value of \$1.0 billion.

In 2015, U.S. plans with a PBO and an ABO in excess of the fair value of plan assets had a PBO of \$3.2 billion, an ABO of \$3.2 billion, and plan assets of \$2.0 billion. U.K. plans with a PBO in excess of the fair value of plan assets had a PBO of \$1.2 billion and plan assets with a fair value of \$1.1 billion, and plans with an ABO in excess of the fair value of plan assets had an ABO of \$1.2 billion and plan assets with a fair value of \$1.1 billion. Other plans with a PBO in excess of the fair value of plan assets had a PBO of \$1.2 billion and plan assets with a fair value of \$1.0 billion, and plans with an ABO in excess of the fair value of plan assets had an ABO of \$1.1 billion and plan assets with a fair value of \$1.0 billion.

The following table provides the components of net periodic benefit (income) cost for the plans (in millions):

	U.K.			U.S.			Other		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Service cost	\$ —	\$ 1	\$ 1	\$ —	\$ —	\$ 2	\$ —	\$ —	\$ —
Interest cost	158	198	230	111	131	129	29	33	47
Expected return on plan assets, net of administration expenses	(243)	(307)	(326)	(156)	(154)	(157)	(48)	(50)	(59)
Amortization of prior-service cost	2	1	1	2	2	2	—	—	—
Amortization of net actuarial loss	31	41	52	50	54	42	10	11	10
Net periodic benefit (income) cost	(52)	(66)	(42)	7	33	18	(9)	(6)	(2)
Settlement expense	61	—	—	158	—	—	—	—	—
Curtailement gain and other	—	—	—	—	—	—	—	—	(2)
Total net periodic benefit cost (income)	\$ 9	\$ (66)	\$ (42)	\$ 165	\$ 33	\$ 18	\$ (9)	\$ (6)	\$ (4)

Beginning in 2016, the Company has elected to utilize a full yield curve approach in the estimation of the service and interest cost components of net periodic pension and post-retirement benefit cost for its major pension and other post-retirement benefit plans by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected

cash flows. In 2015 and prior years, the Company estimated these components of net periodic pension and post-retirement benefit cost by applying a single weighted-average discount rate, derived from the yield curve used to measure the benefit obligation at the beginning of the period.

In March 2016, the Company announced a plan to offer a voluntary one-time lump sum payment option to certain eligible former employees under one 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 the second quarter of 2016. In total, lump sum payments from plan assets of £116 million (\$159 million using June 30, 2016 exchange rates) were paid. As a result of this settlement, the Company remeasured the assets and liabilities of the U.K. pension plan during the second quarter of 2016, which in aggregate resulted in a reduction to the projected benefit obligation of £103 million (\$141 million using June 30, 2016 Exchange rates) as well as a non-cash settlement charge of £42 million (\$61 million using average June 2016 exchange rate) in the second quarter of 2016.

In August 2016, the Company announced a plan to offer a voluntary one-time lump sum payment option to certain eligible former employees under one of the Company's U.S. pension plans, that if accepted, would settle the Company's pension obligations to them. The lump sum cash payment offer closed during the fourth quarter of 2016. In total, lump sum payments from plan assets of \$281 million were paid. As a result of this settlement, the Company remeasured the assets and liabilities of the U.S. pension plan during the fourth quarter of 2016, which in aggregate resulted in a reduction to the projected benefit obligation of \$325 million as well as a non-cash settlement charge of \$158 million in the fourth quarter of 2016.

The weighted-average assumptions used to determine benefit obligations are as follows:

	U.K.		U.S.		Other	
	2016	2015	2016	2015	2016	2015
Discount rate	2.77%	3.96%	3.53-4.11%	3.69-4.43%	1.85-3.81%	2.43-3.96%
Rate of compensation increase	3.70 - 4.20%	3.63-4.13%	N/A	N/A	1.00-3.50%	2.00-3.50%
Underlying price inflation	1.83%	1.88%	N/A	N/A	2.00-2.50%	2.00-2.50%

The weighted-average assumptions used to determine the net periodic benefit cost are as follows:

	U.K.			U.S.			Other		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Discount rate	3.96%	3.70%	4.55%	3.69 - 4.43%	3.37 - 4.08%	3.97 - 4.87%	2.43 - 3.96%	2.03 - 3.91%	3.60 - 4.71%
Expected return on plan assets, net of administration expenses	4.55%	5.09%	6.00%	7.81%	7.96%	8.80%	3.47 - 4.95%	3.99 - 5.21%	4.70 - 6.50%
Rate of compensation increase	3.63 - 4.13%	3.55 - 4.05%	3.70 - 4.40%	N/A	N/A	N/A	2.00 - 3.50%	2.25 - 3.50%	2.25 - 3.50%

The amounts in Accumulated other comprehensive loss expected to be recognized as components of net periodic benefit cost during 2017 are \$52 million in the U.S. and \$41 million outside the U.S.

Expected Return on Plan Assets

To determine the expected long-term rate of return on plan assets, the historical performance, investment community forecasts and current market conditions are analyzed to develop expected returns for each asset class used by the plans. The expected returns for each asset class are weighted by the target allocations of the plans. The expected return on plan assets in the U.S. of 7.81% reflects a portfolio that is seeking asset growth through a higher equity allocation while maintaining prudent risk levels. The portfolio contains certain assets that have historically resulted in higher returns and other financial instruments to minimize downside risk.

No plan assets are expected to be returned to the Company during 2017 .

Fair value of plan assets

The Company determined the fair value of plan assets through numerous procedures based on the asset class and available information. Refer to Note 13 “Fair Value Measurements and Financial Instruments” for a description of the procedures performed to determine the fair value of the plan assets.

The fair values of the Company’s U.S. pension plan assets at December 31, 2016 and December 31, 2015 , by asset category, are as follows (in millions):

Asset Category	Balance at December 31, 2016	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents (1)	\$ 100	\$ 100	\$ —	\$ —
Equity investments:				
Large cap domestic	268	268	—	—
Small cap domestic	15	15	—	—
International	64	64	—	—
Equity derivatives	81	78	3	—
Pooled funds:				
International (2)	196	—	—	—
Small cap domestic (2)	52	—	—	—
Fixed income investments: (3)				
Corporate bonds	105	—	105	—
Government and agency bonds	132	76	56	—
Asset-backed securities	—	—	—	—
Fixed income derivatives	65	65	—	—
Pooled funds:				
Corporate bonds (2)	255	—	—	—
Other investments:				
Commodity derivatives (4)	22	—	22	—
Real estate and REITS (5)	61	61	—	—
Alternative investments (2) (6)	267	—	—	—
Total	\$ 1,683	\$ 727	\$ 186	\$ —

(1) Consists of cash and institutional short-term investment funds.

(2) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the above table are intended to permit reconciliation of the fair values to the amounts presented in the plan assets contained in this Note.

(3) Consists of corporate and government bonds, asset-backed securities, and fixed income derivatives.

(4) Consists of long-dated options and swaps on a commodity index.

(5) Consists of exchange traded real estate investment trusts (“REITS”).

(6) Consists of limited partnerships, private equity and hedge funds.

Asset Category	Balance at December 31, 2015	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents (1)	\$ 33	\$ 33	\$ —	\$ —
Equity investments:				
Large cap domestic	299	299	—	—
Small cap domestic	30	30	—	—
International	52	52	—	—
Equity derivatives	203	170	33	—
Pooled funds:				
International (2)	210	—	—	—
Small cap domestic (2)	58	—	—	—
Fixed income investments: (3)				
Corporate bonds	148	—	148	—
Government and agency bonds	128	52	76	—
Asset-backed securities	—	—	—	—
Fixed income derivatives	69	47	22	—
Pooled funds:				
Corporate bonds (2)	336	—	—	—
Other investments:				
Commodity derivatives (4)	13	—	13	—
Real estate and REITS (5)	67	67	—	—
Alternative investments (2) (6)	305	—	—	—
Total	\$ 1,951	\$ 750	\$ 292	\$ —

(1) Consists of cash and institutional short-term investment funds.

(2) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the above table are intended to permit reconciliation of the fair values to the amounts presented in the plan assets contained in this Note.

(3) Consists of corporate and government bonds, asset-backed securities, and fixed income derivatives.

(4) Consists of long-dated options on a commodity index.

(5) Consists of exchange traded REITS.

(6) Consists of limited partnerships, private equity and hedge funds.

The fair values of the Company's major U.K. pension plan assets at December 31, 2016 and December 31, 2015, by asset category, are as follows (in millions):

		Fair Value Measurements Using			
	Balance at December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash and cash equivalents (1)	\$ 86	\$ 86	\$ —	\$ —	
Equity investments:					
Global	135	135	—	—	
Pooled funds:					
Global (2)	365	—	—	—	
Europe (2)	18	—	—	—	
Fixed income investments: (3)					
Derivatives (4)	10	—	10	—	
Fixed income securities (5)	2,129	1,726	403	—	
Annuities	1,773	—	—	1,773	
Pooled funds:					
Derivatives (2)	62	—	—	—	
Fixed income securities (2)	223	—	—	—	
Other investments:					
Real estate (2) (6)	101	—	—	—	
Alternative investments (2) (7)	773	—	—	—	
Total	\$ 5,675	\$ 1,947	\$ 413	\$ 1,773	

(1) Consists of cash and institutional short-term investment funds.

(2) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the above table are intended to permit reconciliation of the fair values to the amounts presented in the plan assets contained in this Note.

(3) Consists of various equity, fixed income, commodity, and real estate mutual fund type investment vehicles.

(4) Consists of equity securities and equity derivatives.

(5) Consists of corporate and government bonds and fixed income derivatives.

(6) Consists of property funds and trusts holding direct real estate investments.

(7) Consists of limited partnerships, private equity and hedge funds.

	Balance at December 31, 2015	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash and cash equivalents (1)	\$ 159	\$ 159	\$ —	\$ —	
Equity investments:					
Derivatives	66	—	66	—	
Global	133	133	—	—	
Pooled funds:					
Global (2)	360	—	—	—	
Europe (2)	17	—	—	—	
Fixed income investments: (3)					
Derivatives (4)	111	—	111	—	
Fixed income securities (5)	3,145	2,268	877	—	
Annuities	827	—	—	827	
Pooled funds:					
Fixed income securities (2)	283	—	—	—	
Other investments:					
Real estate (2) (6)	85	—	—	—	
Alternative investments (2) (7)	717	—	—	—	
Total	\$ 5,903	\$ 2,560	\$ 1,054	\$ 827	

(1) Consists of cash and institutional short-term investment funds.

(2) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the above table are intended to permit reconciliation of the fair values to the amounts presented in the plan assets contained in this Note.

(3) Consists of various equity, fixed income, commodity, and real estate mutual fund type investment vehicles.

(4) Consists of equity securities and equity derivatives.

(5) Consists of corporate and government bonds and fixed income derivatives.

(6) Consists of property funds and trusts holding direct real estate investments.

(7) Consists of limited partnerships, private equity and hedge funds.

The following table presents the changes in the Level 3 fair-value category in the Company's U.K. pension plans for the years ended December 31, 2016 and December 31, 2015 (in millions):

Fair Value Measurements Using Level 3 Inputs	Annuities	
Balance at January 1, 2015	\$	836
Actual return on plan assets:		
Relating to assets still held at December 31, 2015		(32)
Purchases, sales and settlements—net		58
Foreign exchange		(35)
Balance at December 31, 2015		827
Actual return on plan assets:		
Relating to assets still held at December 31, 2016		7
Purchases, sales and settlements—net		1,248
Foreign exchange		(309)
Balance at December 31, 2016	\$	1,773

The fair values of the Company's other major pension plan assets at December 31, 2016 and December 31, 2015, by asset category, are as follows (in millions):

	Balance at December 31, 2016	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash and cash equivalents	\$ 11	\$ 11	\$ —	\$ —	
Equity investments:					
Pooled funds:					
Global (1)	322	—	—	—	
North America (1)	36	—	—	—	
Derivatives (1)	20	—	—	—	
Fixed income investments:					
Fixed income securities (2)	166	—	166	—	
Derivatives (2)	37	—	37	—	
Pooled funds:					
Fixed income securities (1)	469	—	—	—	
Other investments:					
Alternative investments (1) (3)	9	—	—	—	
Pooled funds:					
REITS (1) (4)	6	—	—	—	
Total	\$ 1,076	\$ 11	\$ 203	\$ —	

(1) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the above table are intended to permit reconciliation of the fair values to the amounts presented in the plan assets contained in this Note.

(2) Consists of corporate and government bonds and fixed income derivatives.

(3) Consists of limited partnerships, private equity and hedge funds.

(4) Consists of property funds and trusts holding direct real estate investments.

	Balance at December 31, 2015	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash and cash equivalents	\$ 11	\$ 11	\$ —	\$ —	
Equity investments:					
Pooled funds:					
Global (1)	270	—	—	—	
North America (1)	37	—	—	—	
Derivatives (1)	21	—	—	—	
Fixed income investments:					
Fixed income securities (2)	30	—	30	—	
Derivatives (2)	48	—	48	—	
Pooled funds:					
Fixed income securities (1)	576	—	—	—	
Derivatives (1)	12	—	—	—	
Other investments:					
Alternative investments (1) (3)	9	—	—	—	
Pooled funds:					
Commodities (1)	2	—	—	—	
REITS (1) (4)	3	—	—	—	
Total	\$ 1,019	\$ 11	\$ 78	\$ —	

- (1) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the above table are intended to permit reconciliation of the fair values to the amounts presented in the plan assets contained in this Note.
- (2) Consists of corporate and government bonds and fixed income derivatives.
- (3) Consists of limited partnerships, private equity and hedge funds.
- (4) Consists of property funds and trusts holding direct real estate investments.

Investment Policy and Strategy

The U.S. investment policy, as established by the Aon Retirement Plan Governance and Investment Committee (“RPGIC”), seeks reasonable asset growth at prudent risk levels within target allocations, which are 41% equity investments, 30% fixed income investments, and 29% other investments. Aon believes that plan assets are well-diversified and are of appropriate quality. The investment portfolio asset allocation is reviewed quarterly and re-balanced to be within policy target allocations. The investment policy is reviewed at least annually and revised, as deemed appropriate by the RPGIC. The investment policies for international plans are generally established by the local pension plan trustees and seek to maintain the plans’ ability to meet liabilities and to comply with local minimum funding requirements. Plan assets are invested in diversified portfolios that provide adequate levels of return at an acceptable level of risk. The investment policies are reviewed at least annually and revised, as deemed appropriate to ensure that the objectives are being met. At December 31, 2016, the weighted average targeted allocation for the U.K. and non-U.S. plans was 14% for equity investments, 77% for fixed income investments, and 9% for other investments.

Cash Flows

Contributions

Based on current assumptions, in 2017, the Company expects to contribute approximately \$80 million, \$87 million, and \$18 million to its U.K., U.S. and other significant international pension plans, respectively.

Estimated Future Benefit Payments

Estimated future benefit payments for plans are as follows at December 31, 2016 (in millions):

	U.K.	U.S.	Other
2017	\$ 124	\$ 168	\$ 39
2018	130	180	40
2019	140	187	40
2020	148	191	41
2021	156	185	42
2022 – 2026	892	893	228

U.S. and Canadian Other Post-Retirement Benefits

The following table provides an overview of the accumulated projected benefit obligation, fair value of plan assets, funded status and net amount recognized as of December 31, 2016 and 2015 for the Company's other significant post-retirement benefit plans located in the U.S. and Canada (in millions):

	2016	2015
Accumulated projected benefit obligation	\$ 110	\$ 105
Fair value of plan assets	18	18
Funded status	(92)	(87)
Unrecognized prior-service credit	(3)	(3)
Unrecognized loss	10	7
Net amount recognized	\$ (85)	\$ (83)

Other information related to the Company's other post-retirement benefit plans are as follows:

	2016	2015	2014
Net periodic benefit cost recognized (millions)	\$5	\$6	\$3
Weighted-average discount rate used to determine future benefit obligations	3.71-4.15%	3.99-4.33%	3.83 - 4.08
Weighted-average discount rate used to determine net periodic benefit costs	3.99-4.33%	3.83-4.08%	4.44 - 4.95

Amounts recognized in Accumulated other comprehensive loss that have not yet been recognized as components of net periodic benefit cost at December 31, 2016 are \$10 million and \$3 million of net loss and prior service credit, respectively. The amount in Accumulated other comprehensive income expected to be recognized as a component of net periodic benefit cost during 2017 is \$0.2 million and \$0.3 million of net gain and prior service credit, respectively.

Based on current assumptions, the Company expects:

- To contribute \$4 million to fund significant other post-retirement benefit plans during 2017 .
- Estimated future benefit payments will be approximately \$6 million each year for 2017 through 2021, and \$30 million in aggregate for 2022-2026.

The accumulated post-retirement benefit obligation is increased by \$7 million and decreased by \$6 million by a respective 1% increase or decrease to the assumed healthcare trend rate. The service cost and interest cost components of net periodic benefits cost is increased by \$0.6 million and decreased by \$0.5 million by a respective 1% increase or decrease to the assumed healthcare trend rate.

For most of the participants in the U.S. plan, Aon's liability for future plan cost increases for pre-65 and Medical Supplement plan coverage is limited to 5% per annum. Although the net employer trend rates range from 4% to 8.5% per year, because of this cap, these plans are effectively limited to 5% per year in the future.

11. Share-Based Compensation Plans

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

Years ended December 31	2016	2015	2014
Restricted share units ("RSUs")	\$ 194	\$ 201	\$ 187
Performance share awards ("PSAs")	125	127	132
Employee share purchase plans	12	11	9
Total share-based compensation expense	331	339	328
Tax benefit	94	95	94
Share-based compensation expense, net of tax	\$ 237	\$ 244	\$ 234

Restricted Share Units

RSUs generally vest between three and five years. The fair value of RSUs is based upon the market value of Aon 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.

A summary of the status of the Company's RSUs is as follows (shares in thousands):

Years ended December 31	2016		2015		2014	
	Shares	Fair Value (1)	Shares	Fair Value (1)	Shares	Fair Value (1)
Non-vested at beginning of year	7,167	\$ 77	8,381	\$ 63	9,759	\$ 51
Granted	2,252	101	2,459	97	2,844	84
Vested	(2,845)	70	(3,385)	58	(3,732)	49
Forfeited	(379)	82	(288)	71	(490)	58
Non-vested at end of year	6,195	89	7,167	77	8,381	63

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

The fair value of RSUs that vested during 2016 , 2015 and 2014 was \$200 million , \$196 million and \$183 million , respectively.

Unamortized deferred compensation expense amounted to \$382 million as of December 31, 2016, with a remaining weighted-average amortization period of approximately 2.1 years.

Performance Share Awards

The vesting of PSAs is contingent upon meeting a cumulative level of earnings per share 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 an Aon ordinary share 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 expense, if necessary. Dividend equivalents are not paid on PSAs.

Information regarding the Company's target PSAs granted and shares that would be issued at current performance levels for PSAs granted during the years ended December 31, 2016, 2015, and 2014, respectively, is as follows (shares in thousands, dollars in millions, except fair value):

	2016	2015	2014
Target PSAs granted per share	783	993	816
Weighted average fair value per share at date of grant	\$ 100	\$ 96	\$ 81
Number of shares that would be issued based on current performance levels	777	1,437	1,540
Unamortized expense, based on current performance levels	\$ 57	\$ 48	\$ —

During 2016, the Company issued approximately 1.3 million shares in connection with performance achievements related to the 2013-2015 Leadership Performance Plan ("LPP") cycle. During 2015, the Company issued approximately 1.6 million shares in connection with performance achievements related to the 2012-2014 LPP cycle. During 2014, the Company issued approximately 0.8 million shares in connection with performance achievements related to the 2011-2013 LPP cycle and 0.2 million shares related to other performance plans.

12. **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 denominated in a currency that differs from its functional currency, or enters into other transactions that are denominated in a currency other than 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 two years. These derivatives are accounted for as hedges, and changes in fair value are recorded each period in Other comprehensive income (loss) in the 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 one year in the future. These derivatives are not accounted for as hedges, and changes in fair value are recorded each period in Other income in the Consolidated Statements of Income.

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

As of December 31	Notional Amount		Derivative Assets (1)		Derivative Liabilities (2)	
	2016	2015	2016	2015	2016	2015
Foreign exchange contracts:						
Accounted for as hedges	\$ 758	\$ 778	\$ 14	\$ 32	\$ 13	\$ 18
Not accounted for as hedges (3)	189	280	1	—	1	—
Total	\$ 947	\$ 1,058	\$ 15	\$ 32	\$ 14	\$ 18

- (1) Included within Other current assets (\$6 million in 2016 and \$15 million in 2015 , respectively) or Other non-current assets (\$9 million in 2016 and \$17 million in 2015 , respectively)
- (2) Included within Other current liabilities (\$7 million in 2016 and \$13 million in 2015 , respectively) or Other non-current liabilities (\$7 million in 2016 and \$5 million in 2015 , respectively)
- (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.

Offsetting of financial assets and derivatives assets are as follows (in millions):

	Gross Amounts of Recognized Assets		Gross Amounts Offset in the Statement of Financial Position		Net Amounts of Assets Presented in the Statement of Financial Position (1)	
	2016	2015	2016	2015	2016	2015
Derivatives accounted for as hedges:						
Foreign exchange contracts	\$ 14	\$ 32	\$ (1)	\$ (13)	\$ 13	\$ 19

- (1) Included within Other current assets (\$4 million in 2016 and \$6 million in 2015 , respectively) or Other non-current assets (\$9 million in 2016 and \$13 million in 2015 , respectively)

Offsetting of financial liabilities and derivative liabilities are as follows (in millions):

	Gross Amounts of Recognized Liabilities		Gross Amounts Offset in the Statement of Financial Position		Net Amounts of Liabilities Presented in the Statement of Financial Position (1)	
	2016	2015	2016	2015	2016	2015
Derivatives accounted for as hedges:						
Foreign exchange contracts	\$ 13	\$ 18	\$ (1)	\$ (13)	\$ 12	\$ 5

- (1) Included within Other current liabilities (\$5 million in 2016 and \$4 million in 2015 , respectively) or Other non-current liabilities (\$7 million in 2016 and \$1 million in 2015 , respectively)

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

Cash Flow Hedge - Foreign Exchange Contracts	Location of future reclassification from Accumulated Other Comprehensive Loss				Gain (Loss) Recognized in Accumulated Other Comprehensive Loss:	
	Compensation and Benefits	Other General Expenses	Interest Expense	Other Income (Expense)	Total	
2016	\$ 8	\$ (13)	\$ —	\$ (20)	\$ (25)	
2015	4	(3)	—	(10)	(9)	
2014	11	(3)	—	(10)	(2)	

Cash Flow Hedge - Foreign Exchange Contracts					Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion):	
	Compensation and Benefits	Other General Expenses	Interest Expense	Other Income	Total	
2016	\$ 2	\$ (4)	\$ (1)	\$ (7)	\$ (10)	
2015	4	(1)	(9)	(11)	(17)	
2014	(5)	3	(10)	(2)	(14)	

The Company recognized no gain (loss) in Interest expense for fair value hedges related to fixed rate debt for 2016 and 2015. There was a gain of \$9 million recognized in 2014.

The Company estimates that approximately \$12 million of pretax losses currently included within Accumulated other comprehensive loss will be reclassified in to earnings in the next twelve months.

The amount of gain (loss) recognized in income on the ineffective portion of derivatives for 2016 , 2015 , and 2014 was immaterial.

The Company recorded a loss of \$0.2 million for 2016 and a loss of \$8 million and \$18 million in Other income for foreign exchange derivatives not designated or qualifying as hedges for 2015 and 2014 , respectively.

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. In 2016, the Company designated a portion of its Euro-denominated commercial paper issuances as a non-derivative economic 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 income (loss), to the extent it is effective as a hedge. The foreign currency translation adjustment of the hedged net investments that is also recorded in Accumulated other comprehensive income (loss). Ineffective portions of net investment hedges, if any, are reclassified from Accumulated other comprehensive income (loss) into earnings during the period of change.

As of December 31, 2016 , the Company has € 217 million (\$ 227 million at December 31, 2016 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 December 31, 2016 , the unrealized gain recognized in Accumulated other comprehensive income (loss) related to the net investment non derivative hedging instrument was \$18 million .

The Company did not reclassify any deferred gains or losses related to net investment hedges from Accumulated other comprehensive income (loss) to earnings during the twelve months ended December 31, 2016 . In addition, the Company did not incur any ineffectiveness related to net investment hedges during the twelve months ended December 31, 2016 .

13. 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, including pension assets (refer to Note 10 "Employee Benefits"):

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

Cash and cash equivalents consist of cash and institutional short-term investment funds. The Company reviews the short-term investment funds to obtain reasonable assurance that the fund net asset value is \$1 per share.

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 Consolidated Financial Statements.

Pooled funds consist of various equity, fixed income, commodity, and real estate mutual fund type investment vehicles. Pooled investment funds fair value is estimated based on the proportionate share ownership in the underlying net assets of the investment, which is based on the fair value of the underlying securities that trade on a national securities exchange. The Company gains an understanding of the investment guidelines and valuation policies of the fund and discusses fund performance with pooled fund managers. The Company obtains audited fund manager financial statements, when available. If the pooled fund is designed to replicate a publicly traded index, the Company compares the performance of the fund to the index to assess the reasonableness of the fair value measurement.

Alternative investments consist of limited partnerships, private equity, and hedge funds. Alternative investment fair value is generally estimated based on the proportionate share ownership in the underlying net assets of the investment as determined by the general partner or investment manager. The valuations are based on various factors depending on investment strategy, proprietary models, and specific financial data or projections. The Company obtains audited fund manager financial statements, when available. The Company obtains a detailed understanding of the models, inputs, and assumptions used in developing prices provided by the investment managers (or appropriate party) through regular discussions. The Company also obtains the investment manager's valuation policies and assesses the 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 in the Consolidated 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.

Annuity contracts consist of insurance group annuity contracts purchased to match the pension benefit payment stream owed to certain selected plan participant demographics within a few major U.K. defined benefit plans. Annuity contracts are valued using a discounted cash flow model utilizing assumptions such as discount rate, mortality, and inflation.

Real estate and REITs consist of publicly traded real estate investment trusts (“REITs”) and direct real estate investments. Level 1 REITs are valued using the closing stock price on a national securities exchange. Non Level 1 values are based on the proportionate share of ownership in the underlying net asset value as determined by the investment manager. The Company independently reviews the listing of Level 1 REIT securities in the portfolio and agrees the closing stock prices to a national securities exchange. The Company gains an understanding of the investment guidelines and valuation policies of the non Level 1 real estate funds and discusses performance with the fund managers. The Company obtains audited fund manager financial statements, when available. See the description of “Alternative investments” for further detail on valuation procedures surrounding non Level 1 REITs.

Debt is carried at outstanding principal balance, less any unamortized 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 December 31, 2016 and December 31, 2015, respectively (in millions):

	Balance at December 31, 2016	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets:					
Money market funds (1)	\$ 1,371	\$ 1,371	\$ —	\$ —	
Other investments:					
Government bonds	1	—	1	—	
Equity investments	9	6	3	—	
Derivatives (2):					
Foreign exchange contracts	15	—	15	—	
Liabilities:					
Derivatives:					
Foreign exchange contracts	14	—	14	—	

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

(2) Refer to Note 12 “Derivatives and Hedging” for additional information regarding the Company’s derivatives and hedging activity.

	Balance at December 31, 2015	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets:					
Money market funds (1)	\$ 1,396	\$ 1,396	\$ —	\$ —	
Other investments:					
Government bonds	1	—	1	—	
Equity investments	10	6	4	—	
Derivatives (2):					
Foreign exchange contracts	32	—	32	—	
Liabilities:					
Derivatives:					
Foreign exchange contracts	18	—	18	—	

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

(2) Refer to Note 12 “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 during 2016 or 2015. The Company recognized no realized or unrealized gains or losses in the Consolidated Statements of Income related to assets and liabilities measured at fair value using unobservable inputs in 2016, 2015, or 2014.

The fair value of Long-term debt is classified as Level 2 of the fair value hierarchy. The following table discloses the Company’s financial instruments where the carrying amounts and fair values differ (in millions):

As of December 31	2016		2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 5,869	\$ 6,264	\$ 5,138	\$ 5,386

14. Commitments and 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 Consolidated Statements of Financial Position and have been recognized in Other general expenses in the 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, in excess of amounts that are deemed probable and estimable and therefore already accrued, is estimated to be between \$0 and \$0.2 billion, exclusive of any insurance coverage. These estimates are based on currently available information. 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 retail insurance brokerage subsidiary of Aon was sued on September 14, 2010 in the Chancery Court for Davidson County, Tennessee Twentieth Judicial District, at Nashville by a client, Opry Mills Mall Limited Partnership (“Opry Mills”) that sustained flood damage to its property in May 2010. The lawsuit seeks \$200 million in coverage from numerous insurers with whom this Aon subsidiary placed the client’s property insurance coverage. The insurers contend that only \$50 million in coverage (which has already been paid) is available for the loss because the flood event occurred on property in a high hazard flood zone. Opry Mills is seeking full coverage from the insurers for the loss and has sued this Aon subsidiary in the alternative for the same \$150 million difference on various theories of professional liability if the court determines there is not full coverage. In addition, Opry Mills seeks prejudgment interest, attorneys’ fees and enhanced damages which could substantially increase Aon’s exposure. In March 2015, the trial court granted partial summary judgment in favor of plaintiffs and against the insurers, holding generally that the plaintiffs are entitled to \$200 million in coverage under the language of the policies. In August 2015, a jury returned a verdict in favor of Opry Mills and against the insurers in the amount of \$ 204 million . The insurers have appealed both of these trial court decisions. Aon believes it has meritorious defenses and intends to vigorously defend itself against these claims.

On June 1, 2007, the International Road Transport Union (“IRU”) sued Aon in the Geneva Tribunal of First Instance in Switzerland. IRU alleges, among other things, that, between 1995 and 2004, a business acquired by Aon and, later, an Aon subsidiary (1) accepted commissions for certain insurance placements that violated a fee agreement entered between the parties and (2) negligently failed to ask certain insurance carriers to contribute to the IRU’s risk management costs. IRU sought damages of approximately CHF 46 million (\$45 million at December 31, 2016 exchange rates) and \$3 million , plus legal fees and interest of approximately \$30 million . On December 2, 2014, the Geneva Tribunal of First Instance entered a judgment that accepted some, and rejected other, of IRU’s claims. The judgment awarded IRU CHF 16.8 million (\$16 million at December 31, 2016 exchange rates) and \$3 million , plus interest and adverse costs. The entire amount of the judgment, including interest through December 31, 2014, totaled CHF 27.9 million (\$27 million at December 31, 2016 exchange rates) and \$5 million . On January 26, 2015, in return for IRU agreeing not to appeal the bulk of its dismissed claims, the Aon subsidiary agreed not to appeal a part of the judgment and to pay IRU CHF 12.8 million (\$14 million at January 31, 2015 exchange rates) and \$4.7 million without Aon admitting liability. The Aon subsidiary appealed those aspects of the judgment it retained the right to appeal. IRU did not appeal. The Geneva Appellate Court affirmed the judgment of the Geneva Tribunal of First Instance. The Aon subsidiary filed an appeal (which is now under submission) to the Swiss Supreme Court. The Aon subsidiary’s maximum liability on appeal is limited to CHF 8.7 million (\$8 million at December 31, 2016 exchange rates) and \$115,000 (plus interest and costs) beyond what the subsidiary has already paid.

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 (\$55 million at December 31, 2016 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 (\$86 million at December 31, 2016 exchange rates). Aon believes that it has meritorious defenses and intends to vigorously defend itself against this potential 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 2010/2011 Canterbury Earthquakes. LPC claims damages of approximately NZD \$184 million (\$127 million at December 31, 2016 exchange rates) plus interest and costs. Aon believes that it has meritorious defenses and intends to vigorously defend itself against these claims.

Settled/Closed Matters

A pensions consulting and administration subsidiary of Hewitt before its acquisition by Aon provided advisory services to the trustees of the Philips UK pension fund and the relevant employer of fund beneficiaries. On January 2, 2014, Philips Pension Trustees Limited and Philips Electronics UK Limited (together, “Philips”) sued Aon in the High Court, Chancery Division, London alleging negligence and breach of duty. The proceedings assert Philips’ right to claim damages related to Philips’ use of a credit default swap hedging strategy pursuant to the supply of the advisory services, which is said to have resulted in substantial damages to Philips. Philips sought approximately £189 million (\$232 million at December 31, 2016 exchange rates), plus interest and costs. In June 2015, the High Court ordered Philips to clarify several aspects of its claim. In its clarification, Philips increased the amount of its claim to £290 million (\$356 million at December 31, 2016 exchange rates), plus interest and costs. In October 2016, all parties reached an agreement to settle this case, and the settlement is now concluded. The terms of this settlement did not have a material impact on Aon’s results of operations or financial condition.

Guarantees and Indemnifications

In connection with the redomicile of Aon’s headquarters (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), (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), and (4) First Supplemental Indenture, dated as of April 2, 2012, among Aon Finance N.S. 1, ULC, as issuer, Aon Corporation, as guarantor, Aon plc, as guarantor, and Computershare Trust Company of Canada, as trustee.

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 Consolidated 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.

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 a letter of credit (“LOCs”). The Company had total LOCs outstanding of approximately \$90 million at December 31, 2016 , compared to \$58 million at December 31, 2015 . These letters of credit 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 \$95 million at December 31, 2016 compared to \$104 million at December 31, 2015 .

15. Segment Information

The Company has two reportable segments: Risk Solutions and HR Solutions. Unallocated income and expenses, when combined with the reportable segments and after the elimination of intersegment revenues and expenses, equal the amounts in the Consolidated Financial Statements. The accounting policies of the reportable segments are the same as those described in Note 2 “Summary of Significant Accounting Principles and Practices.”

Reportable operating segments have been determined using a management approach, which is consistent with the basis and manner in which Aon’s chief operating decision maker (“CODM”) uses financial information for the purposes of allocating resources and evaluating performance. The CODM assesses performance based on a number of factors including revenue growth, expense discipline, return on invested capital, and other factors. The Company does not present net assets by reportable segment as this information is not reviewed by the CODM.

Risk Solutions acts as an advisor and insurance and reinsurance broker, helping clients manage their risks, via consultation, as well as negotiation and placement of insurance risk with insurance carriers through Aon's global distribution network.

HR Solutions partners with organizations to solve their most complex benefits, talent and related financial challenges, and improve business performance by designing, implementing, communicating, and administering a wide range of human capital, retirement, investment management, health care, compensation, and talent management strategies.

Aon's total revenue is as follows (in millions):

Years ended December 31	2016	2015	2014
Risk Solutions	\$ 7,485	\$ 7,426	\$ 7,834
HR Solutions	4,183	4,303	4,264
Intersegment eliminations	(41)	(47)	(53)
Total revenue	\$ 11,627	\$ 11,682	\$ 12,045

Commissions, fees and other revenues by product are as follows (in millions):

Years ended December 31	2016	2015	2014
Retail brokerage	\$ 6,096	\$ 6,044	\$ 6,334
Reinsurance brokerage	1,367	1,361	1,474
Total Risk Solutions Segment	7,463	7,405	7,808
Consulting services	1,662	1,686	1,700
Outsourcing	2,557	2,658	2,607
Intrasegment	(36)	(41)	(43)
Total HR Solutions Segment	4,183	4,303	4,264
Intersegment	(41)	(47)	(53)
Total commissions, fees and other revenue	\$ 11,605	\$ 11,661	\$ 12,019

Fiduciary investment income by segment is as follows (in millions):

Years ended December 31	2016	2015	2014
Risk Solutions	\$ 22	\$ 21	\$ 26
HR Solutions	—	—	—
Total fiduciary investment income	\$ 22	\$ 21	\$ 26

A reconciliation of segment operating income before tax to income before income taxes is as follows (in millions):

Years ended December 31	2016	2015	2014
Risk Solutions	\$ 1,587	\$ 1,506	\$ 1,648
HR Solutions	557	536	485
Segment income before income taxes	2,144	2,042	2,133
Unallocated expenses	(238)	(194)	(167)
Interest income	9	14	10
Interest expense	(282)	(273)	(255)
Other income	36	100	44
Income before income taxes	\$ 1,669	\$ 1,689	\$ 1,765

Unallocated expenses include administrative or other costs not attributable to the operating segments, such as corporate governance costs. Interest income represents income earned on Cash and cash equivalents and Short-term investments. Interest expense represents the cost of debt obligations.

Other income consists of equity earnings, realized gains or losses on the sale of investments, gains or losses on the disposal of businesses, gains or losses on derivatives, and gains or losses on foreign currency remeasurement.

Revenues are generally attributed to geographic areas based on the location of the resources producing the revenues. Intercompany revenues and expenses are eliminated in consolidated results.

Consolidated Revenue by geographic area, which is attributed on the basis of where the services are performed, is as follows (in millions):

Years ended December 31	Total	United States	Americas other than U.S.	United Kingdom	Europe, Middle East, & Africa	Asia Pacific
2016	11,627	\$ 6,078	\$ 995	\$ 1,378	\$ 1,760	\$ 1,416
2015	11,682	6,063	1,053	1,527	1,909	1,130
2014	12,045	5,824	1,176	1,623	2,189	1,233

Consolidated Non-current assets by geographic area are as follows (in millions):

As of December 31, 2016	Total	United States	Americas other than U.S.	United Kingdom	Europe, Middle East, & Africa	Asia Pacific
Fixed assets, net	765	\$ 443	\$ 62	\$ 65	\$ 85	\$ 110
Goodwill, intangible assets and other	12,382	6,947	887	2,091	2,054	403
Total	13,147	7,390	949	2,156	2,139	513

As of December 31, 2015	Total	United States	Americas other than U.S.	United Kingdom	Europe, Middle East, & Africa	Asia Pacific
Fixed assets, net	765	\$ 432	\$ 48	\$ 89	\$ 89	\$ 107
Goodwill, intangible assets and other	12,253	6,635	368	2,606	2,181	463
Total	13,018	7,067	416	2,695	2,270	570

16. Guarantee of Registered Securities

As described in Note 14 “Commitments and 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 Corp Notes”). 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 Corp Notes.

In addition, Aon Corporation entered into an agreement pursuant to which it agreed to guarantee the obligations of Aon plc arising under the 4.250% Notes due 2042 exchanged for Aon Corporation’s outstanding 8.205% Notes due January 2027 and also agreed to guarantee 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.

The following tables set forth Condensed Consolidating Statements of Income and Condensed Consolidating Statements of Comprehensive Income for the years ended December 31, 2016, 2015, and 2014, Condensed Consolidating Statements of Financial Position as of December 31, 2016 and December 31, 2015, and Condensed Consolidating Statements of Cash Flows for the years ended December 31, 2016, 2015, and 2014, 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 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.

In January 2015, Aon plc transferred its ownership of all of its directly held subsidiaries to Aon Global Holdings Limited, an intermediate holding company. The financial results of Aon Global Holdings Limited are included in the Other Non-Guarantor Subsidiaries column of the Condensed Consolidating Financial Statements. The Company has reflected the transfer of Aon Corporation from Aon plc to Aon Global Holdings Limited below for all periods presented.

Certain amounts in prior year's consolidating statements of income have been reclassified and adjusted to conform to the 2016 presentation. In prior periods, other income (expense) from intercompany transactions were recognized in Compensation and benefits and Other general expenses. These amounts are now included in Intercompany other income (expense) in the Condensed Consolidating Statements of Income. The Company believes this provides greater clarity into the income generated from operations and intercompany transactions.

Condensed Consolidating Statement of Income

Year Ended December 31, 2016

(millions)	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Revenue					
Commissions, fees and other	\$ —	\$ —	\$ 11,605	\$ —	\$ 11,605
Fiduciary investment income	—	—	22	—	22
Total revenue	—	—	11,627	—	11,627
Expenses					
Compensation and benefits	130	171	6,613	—	6,914
Other general expenses	—	2	2,805	—	2,807
Total operating expenses	130	173	9,418	—	9,721
Operating (loss) income	(130)	(173)	2,209	—	1,906
Interest income	—	16	22	(29)	9
Interest expense	(196)	(101)	(14)	29	(282)
Intercompany interest income (expense)	14	(541)	527	—	—
Intercompany other income (expense)	274	(361)	87	—	—
Other income (expense)	15	(5)	44	(18)	36
Income (loss) before taxes	(23)	(1,165)	2,875	(18)	1,669
Income tax expense (benefit)	(55)	(325)	619	—	239
Income (loss) before equity in earnings of subsidiaries	32	(840)	2,256	(18)	1,430
Equity in earnings of subsidiaries, net of tax	1,382	1,219	379	(2,980)	—
Net income	1,414	379	2,635	(2,998)	1,430
Less: Net income attributable to noncontrolling interests	—	—	34	—	34
Net income attributable to Aon shareholders	\$ 1,414	\$ 379	\$ 2,601	\$ (2,998)	\$ 1,396

Condensed Consolidating Statement of Income

Year Ended December 31, 2015

(millions)	Aon plc		Aon Corporation		Other Non-Guarantor Subsidiaries		Consolidating Adjustments		Consolidated	
Revenue										
Commissions, fees and other	\$	—	\$	—	\$	11,661	\$	—	\$	11,661
Fiduciary investment income		—		—		21		—		21
Total revenue		—		—		11,682		—		11,682
Expenses										
Compensation and benefits		136		32		6,669		—		6,837
Other general expenses		8		7		2,982		—		2,997
Total operating expenses		144		39		9,651		—		9,834
Operating (loss) income		(144)		(39)		2,031		—		1,848
Interest income		—		14		19		(19)		14
Interest expense		(140)		(130)		(22)		19		(273)
Intercompany interest income (expense)		429		(479)		50		—		—
Intercompany other income (expense)		302		(422)		120		—		—
Other income (expense)		(1)		—		101		—		100
Income (loss) before taxes		446		(1,056)		2,299		—		1,689
Income tax expense (benefit)		45		(262)		484		—		267
Income (loss) before equity in earnings of subsidiaries		401		(794)		1,815		—		1,422
Equity in earnings of subsidiaries, net of tax		984		1,290		496		(2,770)		—
Net income		1,385		496		2,311		(2,770)		1,422
Less: Net income attributable to noncontrolling interests		—		—		37		—		37
Net income attributable to Aon shareholders	\$	1,385	\$	496	\$	2,274	\$	(2,770)	\$	1,385

Condensed Consolidating Statement of Income

Year Ended December 31, 2014

(millions)	Aon plc		Aon Corporation		Other Non-Guarantor Subsidiaries		Consolidating Adjustment		Consolidated	
Revenue										
Commissions, fees and other	\$	—	\$	—	\$	12,019	\$	—	\$	12,019
Fiduciary investment income		—		—		26		—		26
Total revenue		—		—		12,045		—		12,045
Expenses										
Compensation and benefits		140		16		6,858		—		7,014
Other general expenses		3		5		3,057		—		3,065
Total operating expenses		143		21		9,915		—		10,079
Operating (loss) income		(143)		(21)		2,130		—		1,966
Interest income		—		2		17		(9)		10
Interest expense		(84)		(139)		(41)		9		(255)
Intercompany interest (expense) income		449		(298)		(151)		—		—
Intercompany other (expense) income		342		(390)		48		—		—
Other income		2		5		37		—		44
Income (loss) before taxes		566		(841)		2,040		—		1,765
Income tax (benefit) expense		74		(192)		452		—		334
Income (loss) before equity in earnings of subsidiaries		492		(649)		1,588		—		1,431
Equity in earnings of subsidiaries, net of tax		905		1,195		546		(2,646)		—
Net income		1,397		546		2,134		(2,646)		1,431
Less: Net income attributable to noncontrolling interests		—		—		34		—		34
Net income attributable to Aon shareholders	\$	1,397	\$	546	\$	2,100	\$	(2,646)	\$	1,397

Condensed Consolidating Statement of Comprehensive Income

Year Ended December 31, 2016

(millions)	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net income	\$ 1,414	\$ 379	\$ 2,635	\$ (2,998)	\$ 1,430
Less: Net income attributable to noncontrolling interests	—	—	34	—	34
Net income attributable to Aon shareholders	\$ 1,414	\$ 379	\$ 2,601	\$ (2,998)	\$ 1,396
Other comprehensive (loss) income, net of tax:					
Change in fair value of financial instruments	—	(1)	(11)	—	(12)
Foreign currency translation adjustments	(2)	21	(532)	18	(495)
Post-retirement benefit obligation	—	68	(52)	—	16
Total other comprehensive income (loss)	(2)	88	(595)	18	(491)
Equity in other comprehensive loss of subsidiaries, net of tax	(505)	(547)	(459)	1,511	—
Less: Other comprehensive loss attributable to noncontrolling interests	—	—	(2)	—	(2)
Total other comprehensive loss attributable to Aon shareholders	(507)	(459)	(1,052)	1,529	(489)
Comprehensive income (loss) attributable to Aon shareholders	\$ 907	\$ (80)	\$ 1,549	\$ (1,469)	\$ 907

Condensed Consolidating Statement of Comprehensive Income

Year Ended December 31, 2015

(millions)	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net income	\$ 1,385	\$ 496	\$ 2,311	\$ (2,770)	\$ 1,422
Less: Net income attributable to noncontrolling interests	—	—	37	—	37
Net income attributable to Aon shareholders	\$ 1,385	\$ 496	\$ 2,274	\$ (2,770)	\$ 1,385
Other comprehensive income (loss), net of tax:					
Change in fair value of financial instruments	—	—	(8)	—	(8)
Foreign currency translation adjustments	—	(47)	(395)	—	(442)
Post-retirement benefit obligation	—	12	143	—	155
Total other comprehensive loss	—	(35)	(260)	—	(295)
Equity in other comprehensive loss of subsidiaries, net of tax	(289)	(259)	(294)	842	—
Less: Other comprehensive loss attributable to noncontrolling interests	—	—	(6)	—	(6)
Total other comprehensive loss attributable to Aon shareholders	(289)	(294)	(548)	842	(289)
Comprehensive income attributable to Aon shareholders	\$ 1,096	\$ 202	\$ 1,726	\$ (1,928)	\$ 1,096

Condensed Consolidating Statement of Comprehensive Income

Year Ended December 31, 2014

(millions)	Aon plc	Aon Corporation	Other Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net income	\$ 1,397	\$ 546	\$ 2,134	\$ (2,646)	\$ 1,431
Less: Net income attributable to noncontrolling interests	—	—	34	—	34
Net income attributable to Aon shareholders	\$ 1,397	\$ 546	\$ 2,100	\$ (2,646)	\$ 1,397
Other comprehensive income (loss), net of tax:					
Change in fair value of financial instruments	—	(3)	7	—	4
Foreign currency translation adjustments	—	(31)	(476)	—	(507)
Post-retirement benefit obligation	—	(315)	55	—	(260)
Total other comprehensive loss	—	(349)	(414)	—	(763)
Equity in other comprehensive loss of subsidiaries, net of tax	(760)	(409)	(758)	1,927	—
Less: Other comprehensive loss attributable to noncontrolling interests	—	—	(3)	—	(3)
Total other comprehensive loss attributable to Aon shareholders	(760)	(758)	(1,169)	1,927	(760)
Comprehensive income (loss) attributable to Aon shareholders	\$ 637	\$ (212)	\$ 931	\$ (719)	\$ 637

Condensed Consolidating Statement of Financial Position

As of December 31, 2016

	Aon plc		Aon Corporation		Other Non-Guarantor Subsidiaries		Consolidating Adjustments		Consolidated	
(millions)										
ASSETS										
Cash and cash equivalents	\$	—	\$	1,633	\$	660	\$	(1,862)	\$	431
Short-term investments		—		140		150		—		290
Receivables, net		—		3		2,586		—		2,589
Fiduciary assets		—		—		9,485		—		9,485
Intercompany receivables		105		1,880		9,825		(11,810)		—
Other current assets		—		25		326		—		351
Total Current Assets		105		3,681		23,032		(13,672)		13,146
Goodwill		—		—		8,747		—		8,747
Intangible assets, net		—		—		2,223		—		2,223
Fixed assets, net		—		—		765		—		765
Deferred tax assets		134		726		168		(706)		322
Intercompany receivables		366		261		8,711		(9,338)		—
Prepaid Pension		—		5		853		—		858
Other non-current assets		2		119		433		—		554
Investment in subsidiary		10,107		17,137		(350)		(26,894)		—
TOTAL ASSETS	\$	10,714	\$	21,929	\$	44,582	\$	(50,610)	\$	26,615
LIABILITIES AND EQUITY										
Accounts payable and accrued liabilities	\$	585	\$	44	\$	3,034	\$	(1,862)	\$	1,801
Short-term debt and current portion of long-term debt		279		50		7		—		336
Fiduciary Liabilities		—		—		9,485		—		9,485
Intercompany payables		142		10,399		1,269		(11,810)		—
Other current liabilities		—		63		810		—		873
Total Current Liabilities		1,006		10,556		14,605		(13,672)		12,495
Long-term debt		4,177		1,413		279		—		5,869
Deferred tax liabilities		—		—		759		(658)		101
Pension, other post-retirement and other post-employment liabilities		—		1,356		418		—		1,774
Intercompany payables		—		8,877		461		(9,338)		—
Other non-current liabilities		8		77		759		—		844
TOTAL LIABILITIES		5,191		22,279		17,281		(23,668)		21,083
TOTAL AON SHAREHOLDERS' EQUITY		5,523		(350)		27,244		(26,942)		5,475
Noncontrolling interests		—		—		57		—		57
TOTAL EQUITY		5,523		(350)		27,301		(26,942)		5,532
TOTAL LIABILITIES AND EQUITY	\$	10,714	\$	21,929	\$	44,582	\$	(50,610)	\$	26,615

Condensed Consolidating Statement of Financial Position

As of December 31, 2015

	Aon plc		Aon Corporation		Other Non-Guarantor Subsidiaries		Consolidating Adjustments		Consolidated	
(millions)										
ASSETS										
Cash and cash equivalents	\$	—	\$	2,083	\$	1,242	\$	(2,941)	\$	384
Short-term investments		—		209		147		—		356
Receivables, net		1		—		2,563		—		2,564
Fiduciary assets		—		—		9,932		—		9,932
Intercompany receivables		432		1,950		7,957		(10,339)		—
Other current assets		—		19		310		—		329
Total Current Assets		433		4,261		22,151		(13,280)		13,565
Goodwill		—		—		8,448		—		8,448
Intangible assets, net		—		—		2,180		—		2,180
Fixed assets, net		—		—		765		—		765
Deferred tax assets		154		756		207		(817)		300
Intercompany receivables		375		526		8,633		(9,534)		—
Prepaid Pension		—		6		1,027		—		1,033
Other non-current assets		—		119		557		(84)		592
Investment in subsidiary		11,700		16,042		(123)		(27,619)		—
TOTAL ASSETS	\$	12,662	\$	21,710	\$	43,845	\$	(51,334)	\$	26,883
LIABILITIES AND EQUITY										
Accounts payable and accrued liabilities	\$	2,988	\$	45	\$	1,680	\$	(2,941)	\$	1,772
Short-term debt and current portion of long-term debt		—		550		12		—		562
Fiduciary Liabilities		—		—		9,932		—		9,932
Intercompany payables		167		9,518		654		(10,339)		—
Other current liabilities		47		56		716		—		819
Total Current Liabilities		3,202		10,169		12,994		(13,280)		13,085
Long-term debt		3,451		1,412		275		—		5,138
Deferred tax liabilities		—		—		855		(818)		37
Pension, other post-retirement and other post-employment liabilities		—		1,313		482		—		1,795
Intercompany payables		—		8,799		735		(9,534)		—
Other non-current liabilities		7		140		705		(83)		769
TOTAL LIABILITIES		6,660		21,833		16,046		(23,715)		20,824
TOTAL AON SHAREHOLDERS' EQUITY		6,002		(123)		27,742		(27,619)		6,002
Noncontrolling interests		—		—		57		—		57
TOTAL EQUITY		6,002		(123)		27,799		(27,619)		6,059
TOTAL LIABILITIES AND EQUITY	\$	12,662	\$	21,710	\$	43,845	\$	(51,334)	\$	26,883

Condensed Consolidating Statement of Cash Flows

Year Ended December 31, 2016

(millions)	Aon plc		Aon Corporation		Other Non-Guarantor Subsidiaries		Consolidating Adjustments		Consolidated	
CASH FLOWS FROM OPERATING ACTIVITIES										
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$	2,705	\$	(536)	\$	3,265	\$	(3,108)	\$	2,326
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from investments		—		316		15		(288)		43
Payments for investments		—		(35)		(29)		—		(64)
Net (purchases) sales of short-term investments - non-fiduciary		—		70		(9)		—		61
Acquisition of businesses, net of cash acquired		—		(335)		(608)		64		(879)
Proceeds from sale of businesses		—		—		171		(64)		107
Capital expenditures		—		—		(222)		—		(222)
CASH USED FOR INVESTING ACTIVITIES		—		16		(682)		(288)		(954)
CASH FLOWS FROM FINANCING ACTIVITIES										
Share repurchase		(1,257)		—		—		—		(1,257)
Advances from (to) affiliates and other (1)		(2,008)		570		(3,037)		4,475		—
Issuance of shares for employee benefit plans		(129)		—		—		—		(129)
Issuance of debt		1,879		1,588		—		—		3,467
Repayment of debt		(845)		(2,088)		(12)		—		(2,945)
Cash dividends to shareholders		(345)		—		—		—		(345)
Noncontrolling interests and other financing activities				—		(77)		—		(77)
CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES		(2,705)		70		(3,126)		4,475		(1,286)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		—		—		(39)		—		(39)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		—		(450)		(582)		1,079		47
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		—		2,083		1,242		(2,941)		384
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$	—	\$	1,633	\$	660	\$	(1,862)	\$	431

(1) Advances from (to) affiliates and other includes activity related to the Company's intercompany and cash pooling arrangements.

Condensed Consolidating Statement of Cash Flows

Year Ended December 31, 2015

(millions)	Aon plc		Aon Corporation		Other Non-Guarantor Subsidiaries		Consolidating Adjustments		Consolidated	
CASH FLOWS FROM OPERATING ACTIVITIES										
CASH PROVIDED BY OPERATING ACTIVITIES	\$	695	\$	464	\$	2,523	\$	(1,673)	\$	2,009
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from investments		—		27		193		—		220
Payments for investments		(13)		(47)		(219)		13		(266)
Net purchases of short-term investments - non-fiduciary		—		(42)		51		—		9
Acquisition of businesses, net of cash acquired		—		—		(16)		—		(16)
Proceeds from sale of businesses		—		—		205		—		205
Capital expenditures		—		—		(290)		—		(290)
CASH USED FOR INVESTING ACTIVITIES		(13)		(62)		(76)		13		(138)
CASH FLOWS FROM FINANCING ACTIVITIES										
Share repurchase		(1,550)		—		—		—		(1,550)
Advances from (to) affiliates and other (1)		232		(326)		(2,339)		2,433		—
Issuance of shares for employee benefit plans		(29)		—		(1)		—		(30)
Issuance of debt		1,318		4,026		7		—		5,351
Repayment of debt		(330)		(4,746)		(22)		—		(5,098)
Cash dividends to shareholders		(323)		—		—		—		(323)
Noncontrolling interests and other financing activities		—		—		(39)		—		(39)
CASH USED FOR FINANCING ACTIVITIES		(682)		(1,046)		(2,394)		2,433		(1,689)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS										
		—		—		(172)		—		(172)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS										
		—		(644)		(119)		773		10
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR										
		—		2,727		1,361		(3,714)		374
CASH AND CASH EQUIVALENTS AT END OF PERIOD										
	\$	—	\$	2,083	\$	1,242	\$	(2,941)	\$	384

(1) Advances from (to) affiliates and other includes activity related to the Company's intercompany and cash pooling arrangements.

Condensed Consolidating Statement of Cash Flows

Year Ended December 31, 2014

(millions)	Aon plc		Aon Corporation		Other Non-Guarantor Subsidiaries		Consolidating Adjustments		Consolidated	
CASH FLOWS FROM OPERATING ACTIVITIES										
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$	769	\$	(927)	\$	1,970	\$	—	\$	1,812
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from investments		—		39		13		—		52
Payments for investments		—		(20)		—		—		(20)
Net sales of short-term investments - non-fiduciary		—		(3)		113		—		110
Acquisition of businesses, net of cash acquired		—		—		(479)		—		(479)
Proceeds from sale of businesses		—		—		48		—		48
Capital expenditures		—		—		(256)		—		(256)
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		—		16		(561)		—		(545)
CASH FLOWS FROM FINANCING ACTIVITIES										
Share repurchase		(2,250)		—		—		—		(2,250)
Advances from (to) affiliates		19		3,215		(536)		(2,698)		—
Issuance of shares for employee benefit plans		(105)		—		—		—		(105)
Issuance of debt		2,908		2,326		5		—		5,239
Repayment of debt		(1,068)		(2,150)		(700)		—		(3,918)
Cash dividends to shareholders		(273)		—		—		—		(273)
Noncontrolling interests and other financing activities		—		—		4		—		4
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES		(769)		3,391		(1,227)		(2,698)		(1,303)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS										
		—		—		(67)		—		(67)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS										
		—		2,480		115		(2,698)		(103)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR										
		—		247		1,246		(1,016)		477
CASH AND CASH EQUIVALENTS AT END OF PERIOD										
	\$	—	\$	2,727	\$	1,361	\$	(3,714)	\$	374

17. Quarterly Financial Data (Unaudited)

As discussed in Note 1 “Basis of Presentation,” the Company has identified certain accounting errors that affected consolidated financial amounts that were previously presented in its earlier Forms 10-Q and 10-K for the periods below. Selected quarterly financial data for the years ended December 31, 2016 and 2015 as reported, the effect of the change, and selected quarterly financial data for the years ended December 31, 2016 and 2015 as revised, are as follows (in millions, except per share data):

(As reported)	1Q	2Q	3Q	4Q	2016
INCOME STATEMENT DATA					
Commissions, fees and other revenue	\$ 2,787	\$ 2,761	\$ 2,740	\$ 3,317	\$ 11,605
Fiduciary investment income	5	5	6	6	22
Total revenue	2,792	2,766	2,746	3,323	11,627
Operating income	450	405	422	629	1,906
Net income	327	280	314	509	1,430
Less: Net income attributable to noncontrolling interests	12	8	7	7	34
Net income attributable to Aon shareholders	\$ 315	\$ 272	\$ 307	\$ 502	\$ 1,396
PER SHARE DATA					
Basic net income per share attributable to Aon shareholders	\$ 1.16	\$ 1.01	\$ 1.15	\$ 1.89	\$ 5.21
Diluted net income per share attributable to Aon shareholders	\$ 1.15	\$ 1.01	\$ 1.14	\$ 1.87	\$ 5.16

(Effect of change)	1Q	2Q	3Q	4Q	2016
INCOME STATEMENT DATA					
Commissions, fees and other revenue	\$ 13	\$ 34	\$ 14	\$ (61)	\$ —
Fiduciary investment income	—	—	—	—	—
Total revenue	13	34	14	(61)	—
Operating income	13	34	14	(61)	—
Net income	10	28	12	(50)	—
Less: Net income attributable to noncontrolling interests	—	—	—	—	—
Net income attributable to Aon shareholders	\$ 10	\$ 28	\$ 12	\$ (50)	\$ —
PER SHARE DATA					
Basic net income per share attributable to Aon shareholders	\$ 0.04	\$ 0.11	\$ 0.04	\$ (0.19)	\$ —
Diluted net income per share attributable to Aon shareholders	\$ 0.04	\$ 0.10	\$ 0.04	\$ (0.19)	\$ —

(As revised)	1Q	2Q	3Q	4Q	2016
INCOME STATEMENT DATA					
Commissions, fees and other revenue	\$ 2,800	\$ 2,795	\$ 2,754	\$ 3,256	\$ 11,605
Fiduciary investment income	5	5	6	6	22
Total revenue	2,805	2,800	2,760	3,262	11,627
Operating income	463	439	436	568	1,906
Net income	337	308	326	459	1,430
Less: Net income attributable to noncontrolling interests	12	8	7	7	34
Net income attributable to Aon shareholders	\$ 325	\$ 300	\$ 319	\$ 452	\$ 1,396
PER SHARE DATA					
Basic net income per share attributable to Aon shareholders	\$ 1.20	\$ 1.12	\$ 1.19	\$ 1.70	\$ 5.21
Diluted net income per share attributable to Aon shareholders	\$ 1.19	\$ 1.11	\$ 1.18	\$ 1.68	\$ 5.16

(As reported)	1Q	2Q	3Q	4Q	2015
INCOME STATEMENT DATA					
Commissions, fees and other revenue	\$ 2,842	\$ 2,800	\$ 2,736	\$ 3,283	\$ 11,661
Fiduciary investment income	5	5	6	5	21
Total revenue	2,847	2,805	2,742	3,288	11,682
Operating income	441	277	413	717	1,848
Net income	341	188	303	590	1,422
Less: Net income attributable to noncontrolling interests	13	10	8	6	37
Net income attributable to Aon shareholders	\$ 328	\$ 178	\$ 295	\$ 584	\$ 1,385
PER SHARE DATA					
Basic net income per share attributable to Aon shareholders	\$ 1.15	\$ 0.63	\$ 1.05	\$ 2.12	\$ 4.93
Diluted net income per share attributable to Aon shareholders	\$ 1.14	\$ 0.62	\$ 1.04	\$ 2.09	\$ 4.88

(Effect of change)	1Q	2Q	3Q	4Q	2015
INCOME STATEMENT DATA					
Commissions, fees and other revenue	\$ 20	\$ 31	\$ 10	\$ (61)	\$ —
Fiduciary investment income	—	—	—	—	—
Total revenue	20	31	10	(61)	—
Operating income	20	31	10	(61)	—
Net income	16	26	8	(50)	—
Less: Net income attributable to noncontrolling interests	—	—	—	—	—
Net income attributable to Aon shareholders	\$ 16	\$ 26	\$ 8	\$ (50)	\$ —
PER SHARE DATA					
Basic net income per share attributable to Aon shareholders	\$ 0.06	\$ 0.09	\$ 0.03	\$ (0.18)	\$ —
Diluted net income per share attributable to Aon shareholders	\$ 0.06	\$ 0.09	\$ 0.03	\$ (0.18)	\$ —

(As revised)	1Q	2Q	3Q	4Q	2015
INCOME STATEMENT DATA					
Commissions, fees and other revenue	\$ 2,862	\$ 2,831	\$ 2,746	\$ 3,222	\$ 11,661
Fiduciary investment income	5	5	6	5	21
Total revenue	2,867	2,836	2,752	3,227	11,682
Operating income	461	308	423	656	1,848
Net income	357	214	311	540	1,422
Less: Net income attributable to noncontrolling interests	13	10	8	6	37
Net income attributable to Aon shareholders	\$ 344	\$ 204	\$ 303	\$ 534	\$ 1,385
PER SHARE DATA					
Basic net income per share attributable to Aon shareholders	\$ 1.21	\$ 0.72	\$ 1.08	\$ 1.94	\$ 4.93
Diluted net income per share attributable to Aon shareholders	\$ 1.20	\$ 0.71	\$ 1.07	\$ 1.91	\$ 4.88

18. Subsequent Event - Disposition of Benefits Administration and Business Process Outsourcing

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

The Tempo Business develops and implements software and services solutions, and provides to clients, health and welfare and retirement benefits administration services, hosted and cloud-based human resources business process outsourcing administration and implementation services, and other related communications consulting services.

Subject to the terms and conditions of the Purchase Agreement, the Buyer has agreed to purchase all of the outstanding equity interests of the Tempo Business, plus certain related assets, for a purchase price of (i) \$4.3 billion in cash payable at closing, subject to customary adjustments set forth in the Purchase Agreement, and (ii) deferred consideration of up to \$500 million, plus the assumption of certain liabilities (the “Transaction”). Under the Purchase Agreement, the deferred consideration is payable in cash in an amount equal to 20% of the incremental cash proceeds realized by the affiliates of the Sponsor and certain other equityholders of the Buyer from a liquidity event if (i) total realized cash proceeds to the Sponsor and such other equityholders over the life of their respective investments upon the closing of the Transaction (inclusive of all interim distributions) exceeds 2.25 times the amount of their equity investments in the Buyer at the closing of the Transaction and (ii) the internal rate of return over the life of their respective investments (inclusive of all interim distributions) exceeds 15%.

The completion of the Transaction is subject to customary closing conditions, including, among others: (i) the expiration or termination of the waiting period under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended; and (ii) the receipt of all approvals and the filing of all applicable filings under any relevant foreign jurisdictions that are required to be made or obtained as set forth in the Purchase Agreement. The Buyer’s obligations under the Purchase Agreement are not conditioned on receipt of financing; however, the Buyer is not required to complete the Transaction until after the completion of a customary fifteen days consecutive business-day marketing period to commence after the Company has provided required financial information to the Buyer. The Buyer has obtained an equity commitment (“Equity Commitment”) from affiliates of the Sponsor and debt financing commitments (“Debt Commitments”) from BofA Merrill Lynch, Barclays, Credit Suisse, Citigroup, Macquarie, Deutsche Bank, and Morgan Stanley, together with certain of their respective affiliates. The aggregate proceeds of the Equity Commitment and the Debt Commitments will be used by the Buyer (i) to pay the Purchase Price, and (ii) to pay fees and expenses incurred by the Buyer in connection with the Transaction.

The Purchase Agreement provides that the Buyer will be required to pay to Aon a \$215 million termination fee, together with the reimbursement of certain expenses, if the Purchase Agreement is terminated under certain circumstances. Both Aon and the Buyer have the right to terminate the Purchase Agreement if the closing has not occurred on or before August 9, 2017. An affiliate of the Sponsor has guaranteed the payment of the termination fee to the Company, if and when due, under the Purchase Agreement, together with certain other reimbursement obligations of the Buyer under the Purchase Agreement.

Both Aon and the Buyer have agreed to indemnify each other for losses arising from certain breaches of the Purchase Agreement and for certain other liabilities, subject to certain limitations.

Aon and the Buyer have made representations and warranties and have agreed to covenants related to the Tempo Business and the Transaction. Between the date of the Purchase Agreement and the closing of the Transaction, Aon has agreed to operate the Tempo Business in the ordinary course substantially as operated immediately prior to the date of the Purchase Agreement and to preserve the goodwill of the suppliers, contractors, licensors, employees, customers, and distributors of, and others having business relations with the Tempo Business.

Aon and the Buyer have agreed to enter 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 will continue to be a significant client of the Tempo Business and the Tempo Business has agreed to use Aon for its broking and other services.

In connection with the Transaction, the Company expects to implement a cost reduction program.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. 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 annual report of December 31, 2016. Based on this evaluation, our chief executive officer and chief financial officer concluded as of December 31, 2016 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 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.

Management’s Report on Internal Control Over Financial Reporting

Management of Aon plc is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our senior management, including our Chief Executive Officer and Chief Financial Officer, we assessed the effectiveness of our internal control over financial reporting as of December 31, 2016. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the *Internal Control — Integrated Framework* (2013 Framework). Based on this assessment, management has concluded our internal control over financial reporting is effective as of December 31, 2016.

The effectiveness of our internal control over financial reporting as of December 31, 2016 has been audited by Ernst & Young, LLP, the Company’s independent registered public accounting firm, as stated in their report titled “Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting.”

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 2016 that have materially affected, or that are reasonably likely to materially affect, Aon’s internal control over financial reporting.

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

Board of Directors and Shareholders
Aon plc

We have audited Aon plc's internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). Aon plc's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

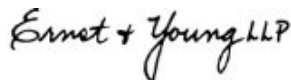
We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Aon plc maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2016 consolidated financial statements of Aon plc and our report dated February 23, 2017 expressed an unqualified opinion thereon.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style font.

Chicago, Illinois
February 23, 2017

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information relating to Aon's Directors is set forth under the heading "Proposal 1 — Resolutions Regarding the Election of Directors" in our Proxy Statement for the 2017 Annual General Meeting of Shareholders to be held on June 23, 2017 (the "Proxy Statement") and is incorporated herein by reference. Information relating to Aon's executive officers is set forth in Part I of this report and is incorporated herein by reference. Information relating to compliance with Section 16(a) of the Exchange Act is set forth under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement and is incorporated herein by reference. The remaining information required by this item is set forth under the headings "Corporate Governance" and "Board of Directors and Committees" in the Proxy Statement, and all such information is incorporated herein by reference.

We have adopted a code of ethics that applies to the Company's directors, officers and employees, including the Chief Executive Officer, Chief Financial Officer, Controller and Chief Accounting Officer and other persons performing similar functions. The text of our code of ethics, which we call our Code of Business Conduct, is available on our website as disclosed in Part I of this report. We will provide a copy of the code of ethics without charge upon request to the Company Secretary, Aon plc, 122 Leadenhall Street, London EC3V 4AN, United Kingdom. We will disclose on our website any amendment to or waiver from our code of ethics on behalf of any of our executive officers or directors.

Item 11. Executive Compensation

Information relating to director and executive officer compensation is set forth under the headings "Compensation Committee Report," "Compensation Discussion and Analysis" and "Executive Compensation" in the Proxy Statement, and all such information is incorporated herein by reference.

The material incorporated herein by reference to the information set forth under the heading "Compensation Committee Report" in the Proxy Statement shall be deemed furnished, and not filed, in this Form 10-K and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act as a result of this furnishing, except to the extent that it is specifically incorporated by reference by Aon.

Information relating to compensation committee interlocks and insider participation is set forth under the heading "Compensation Discussion and Analysis - Compensation Committee Interlocks and Insider Participation" in the Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information relating to equity compensation plans and the security ownership of certain beneficial owners and management of Aon's ordinary shares is set forth under the headings "Equity Compensation Plan Information," "Principal Holders of Voting Securities" and "Security Ownership of Directors and Executive Officers" in the Proxy Statement, and all such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item is included under the headings "Corporate Governance — Director Independence" and "Certain Relationships and Related Transactions" in the Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information required by this Item is included under the heading "Auditor Fees" in the Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

- (a) (1) and (2). The following documents have been included in Part II, Item 8.

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm, on Financial Statements

Consolidated Statements of Financial Position — As of December 31, 2016 and 2015

Consolidated Statements of Income — Years Ended December 31, 2016, 2015 and 2014

Consolidated Statements of Comprehensive Income — Years Ended December 31, 2016, 2015 and 2014

Consolidated Statements of Shareholders' Equity — Years Ended December 31, 2016, 2015 and 2014

Consolidated Statements of Cash Flows — Years Ended December 31, 2016, 2015 and 2014

Notes to Consolidated Financial Statements

The following document has been included in Part II, Item 9.

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm, on Internal Control over Financial Reporting

All schedules for the Registrant and consolidated subsidiaries have been omitted because the required information is not present in amounts sufficient to require submission of the schedules or because the information required is included in the respective financial statements or notes thereto.

- (a)(3). List of Exhibits (numbered in accordance with Item 601 of Regulation S-K)

Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession.

- 2.1* Agreement and Plan of Merger and Reorganization by and among Aon Corporation and Market Mergeco Inc. dated January 12, 2012 — incorporated by reference to Annex A of the Registration Statement on Form S-4/A (File No. 333-178991) filed by Aon Global Limited on February 6, 2012.

Articles of Association.

- 3.1* Articles of Association of Aon plc — incorporated by reference to Exhibit 3.1 to Aon's Current Report on Form 8-K filed on April 2, 2012.

Instruments Defining the Rights of Security Holders, Including Indentures.

- 4.1* 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. (amending and restating the Indenture, dated as of January 13, 1997, as supplemented by the First Supplemental Indenture, dated as of January 13, 1997) — incorporated by reference to Exhibit 4.3 to Aon's Current Report on Form 8-K filed on April 2, 2012.
- 4.2* Capital Securities Guarantee Agreement dated as of January 13, 1997 between Aon and The Bank of New York, as Guarantee Trustee — incorporated by reference to Exhibit 4.8 to Aon's Registration Statement on Form S-4 (File No. 333-21237) filed on February 6, 1997.
- 4.3* Capital Securities Exchange and Registration Rights Agreement dated as of January 13, 1997 among Aon, Aon Capital A, Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. — incorporated by reference to Exhibit 4.10 to Aon's Registration Statement on Form S-4 (File No. 333-21237) filed on February 6, 1997.
- 4.4* Debenture Exchange and Registration Rights Agreement dated as of January 13, 1997 among Aon, Aon Capital A, Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. — incorporated by reference to Exhibit 4.11 to Aon's Registration Statement on Form S-4 (File No. 333-21237) filed on February 6, 1997.
- 4.5* Guarantee Exchange and Registration Rights Agreement dated as of January 13, 1997 among Aon, Aon Capital A, Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. — incorporated by reference to Exhibit 4.12 to Aon's Registration Statement on Form S-4 (File No. 333-21237) filed on February 6, 1997.
- 4.6* 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 (amending and restating the Indenture, dated as of December 16, 2002, between Aon Corporation and The Bank of New York Mellon Trust Company, N.A.) — incorporated by reference to Exhibit 4.2 to Aon's Current Report on Form 8-K filed on April 2, 2012.

- 4.7* Indenture dated as of April 12, 2006 among Aon Finance N.S.1, ULC, Aon and Computershare Trust Company of Canada, as Trustee — incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on April 18, 2006.
- 4.8* 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 (amending and restating the Indenture, dated as of September 10, 2010, between Aon Corporation and The Bank of New York Mellon Trust Company, N.A.) — incorporated by reference to Exhibit 4.2 to Aon’s Current Report on Form 8-K filed on April 2, 2012.
- 4.9* Form of 5.00% Senior Note due 2020 — incorporated by reference to Exhibit 4.3 to Aon’s Current Report on Form 8-K filed on September 10, 2010.
- 4.10* Form of 6.25% Senior Note due 2040 — incorporated by reference to Exhibit 4.4 to Aon’s Current Report on Form 8-K filed on September 10, 2010.
- 4.11* Indenture dated as of March 8, 2011, among Aon Finance N.S. 1, ULC, Aon Corporation and Computershare Trust Company of Canada. — incorporated by reference to Exhibit 4.1 to Aon’s Current Report on Form 8-K filed on March 8, 2011.
- 4.12* First Supplemental Indenture, dated as of April 2, 2012, among Aon Finance N.S. 1, ULC, Aon Corporation, as guarantor, Aon plc, as guarantor, and Computershare Trust Company of Canada, as trustee (supplementing the Indenture dated as of March 8, 2011 among Aon Finance N.S.1, ULC, Aon Corporation, as guarantor, and Computershare Trust Company of Canada, as trustee) — incorporated by reference to Exhibit 4.2 to Aon’s Current Report on Form 8-K filed on April 2, 2012.
- 4.13* Indenture, dated as of December 12, 2012 by and among Aon plc, Aon Corporation, The Bank of New York Mellon Trust Company, N.A. — incorporated by reference to Exhibit 4.1 to Aon’s Current Report on Form 8-K filed on December 13, 2012.
- 4.14* Form of 4.250% Senior Note Due 2042 - incorporated by reference to Exhibit 4.6 to Aon’s Registration Statement on Form S-4 (File No. 333-187637) filed on March 29, 2013.
- 4.15* Indenture, dated as of May 24, 2013, among Aon, Aon Corporation and The Bank of New York Mellon Trust Company, National Association, as trustee (including the Guarantee) — incorporated by reference to Exhibit 4.1 to Aon’s Current Report on Form 8-K filed on May 24, 2013.
- 4.16* Form of 4.45% Senior Note due 2043 — incorporated by reference to Exhibit 4.2 to Aon’s Current Report on Form 8-K filed on May 24, 2013.
- 4.17* Form of 4.00% Senior Note due 2023 — incorporated by reference to Exhibit 4.2 to Aon’s Current Report on Form 8-K filed on November 26, 2013.
- 4.18* Form of 2.875% Senior Note due 2016 - incorporated by reference to Exhibit 4.2 to Aon’s Current Report on Form 8-K filed on May 13, 2014.
- 4.19* Form of 3.500% Senior Note due 2024 - incorporated by reference to Exhibit 4.2 to Aon’s Current Report on Form 8-K filed on May 27, 2014.
- 4.20* Form of 4.600% Senior Note due 2044 - incorporated by reference to Exhibit 4.3 to Aon’s Current Report on Form 8-K filed on May 27, 2014.
- 4.21* Amended and Restated Indenture, dated as of May 20, 2015, among Aon plc, Aon Corporation and The Bank of New York Mellon Trust Company, National Association, as trustee (including the Guarantee) - incorporated by reference to Exhibit 4.1 to Aon’s Current Report on Form 8-K filed on May 20, 2015.
- 4.22* Form of 4.750% Senior Note due 2045 - incorporated by reference to Exhibit 4.1 to Aon’s Current Report on Form 8-K filed on May 20, 2015.
- 4.23* Indenture, dated as of November 13, 2015, among Aon plc, Aon Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (including the guarantee) - incorporated by reference to Exhibit 4.1 to Aon’s Current Report on Form 8-K filed on November 13, 2015.
- 4.24* Form of 2.800% Senior Note due 2021 - incorporated by reference to Exhibit 4.1 to Aon’s Current Report on Form 8-K filed on November 13, 2015.
- 4.25* Form of 3.875% Senior Note due 2025 - incorporated by reference to Exhibit 2.1 to Aon’s Current Report on Form 8-K filed on February 29, 2016.

Material Contracts.

- 10.1* Amended and Restated Agreement among the Attorney General of the State of New York, the Superintendent of Insurance of the State of New York, the Attorney General of the State of Connecticut, the Illinois Attorney General, the Director of the Illinois Department of Insurance, and Aon Corporation and its subsidiaries and affiliates effective as of February 11, 2010 — incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on February 16, 2010.
- 10.2* \$400,000,000 Five-Year Credit Agreement dated as of March 20, 2012 among Aon Corporation, Citibank, N.A. as Administrative Agent, JP Morgan Chase Bank, N.A. and Bank of America, N.A., as Syndication Agents, The Royal Bank of Scotland Plc and Wells Fargo Bank, National Association, as documentation agents and Citigroup Global Markets, Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner and Smith Incorporated, as joint lead arrangers and joint book managers and the lenders party thereto — incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on March 21, 2012.
- 10.3* Joinder Agreement executed by Aon plc as of April 2, 2012 (modifying the \$400,000,000 Five-Year Credit Agreement, dated as of March 20, 2012, among Aon Corporation, as borrower, Citibank, N.A., as administrative agent and the other agents and lenders party thereto) — incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on April 2, 2012.
- 10.4* European Facility Amendment and Restatement Agreement, dated as of March 30, 2012, among Aon Corporation, Aon plc, the subsidiaries of Aon Corporation party thereto as borrowers, Citibank International plc, as agent, and the other agents and lenders party thereto, amending and restating the European Facility Agreement dated as of October 15, 2010 and amended on July 18, 2011 — incorporated by reference to Exhibit 10.3 to Aon's Current Report on Form 8-K filed on April 2, 2012.
- 10.5* \$900,000,000 Five-Year Credit Agreement among Aon plc, Aon Corporation and Aon UK Limited with Citibank, N.A., as administrative agent, the lenders party thereto, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as syndication agents, and Citigroup Global Markets, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint book managers - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on February 4, 2015.
- 10.6* Form of notice of extension of \$900,000,000 Five-Year Credit Agreement among Aon plc, Aon Corporation and Aon UK Limited with Citibank, N.A., as administrative agent, the lenders party thereto, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as syndication agents, and Citigroup Global Markets, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint book managers - incorporated by reference to Exhibit 10.1 to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.
- 10.7* Purchase Agreement, dated as of February 9, 2017, by and between Aon plc and Tempo Acquisition, LLC- incorporated by reference to Aon's Current Report on Form 8-K filed February 10, 2017.
- 10.8* Deed of Assumption of Aon plc dated April 2, 2012 - incorporated by reference to Exhibit 10.7 to Aon's Current Report on Form 8-K filed on April 2, 2012.
- 10.9*# Aon Corporation Outside Director Corporate Bequest Plan (as amended and restated effective January 1, 2010) — incorporated by reference to Exhibit 10.1 to Aon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.
- 10.10*# Aon Stock Incentive Plan, as amended and restated — incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on May 24, 2006.
- 10.11*# First Amendment to the Amended and Restated Aon Stock Incentive Plan — incorporated by reference to Exhibit 10(a) to Aon's Annual Report on Form 10-K for the year ended December 31, 2006.
- 10.12*# Second Amendment to the Amended and Restated Aon Stock Incentive Plan, dated April 2, 2012 — incorporated by reference to Exhibit 10.10 to Aon's Current Report on Form 8-K filed on April 2, 2012.
- 10.13*# Form of Stock Option Agreement — incorporated by reference to Exhibit 99.D(7) to Aon's Schedule TO (File Number 005-32053) filed on August 15, 2007.
- 10.14*# Aon Stock Award Plan (as amended and restated through February 2000) — incorporated by reference to Exhibit 10(a) to Aon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000.
- 10.15*# First Amendment to the Aon Stock Award Plan (as amended and restated through 2000) — incorporated by reference to Exhibit 10(as) to Aon's Annual Report on Form 10-K for the year ended December 31, 2006.
- 10.16*# Aon Stock Option Plan as amended and restated through 1997 — incorporated by reference to Exhibit 10(a) to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997.

- 10.17*# First Amendment to the Aon Stock Option Plan as amended and restated through 1997 — incorporated by reference to Exhibit 10(a) to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999.
- 10.18*# Second Amendment to the Aon Stock Option Plan as amended and restated through 1997 — incorporated by reference to Exhibit 99.D(3) to Aon's Schedule TO (File Number 005-32053) filed on August 15, 2007.
- 10.19*# Third Amendment to the Aon Stock Option Plan as amended and restated through 1997 — incorporated by reference to Exhibit 10(at) to Aon's Annual Report on Form 10-K for the year ended December 31, 2006.
- 10.20*# Aon plc 2011 Incentive Plan, as amended and restated effective June 24, 2014 - incorporated by reference to Exhibit 10.1 to Aon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.
- 10.21*# First Amendment to the Aon plc 2011 Incentive Plan, as amended and restated, effective as of March 31, 2016 - incorporated by reference to Exhibit 10.9 to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.
- 10.22*# Executive Committee Incentive Compensation Plan - incorporated by reference to Exhibit 10.3 to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.
- 10.23*# Aon plc Leadership Performance Program for 2015-2017 - incorporated by reference to Exhibit 10.6 to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.
- 10.24*# Aon plc Leadership Performance Program - incorporated by reference to Exhibit 10.2 to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.
- 10.25*# Aon plc Amended and Restated Executive Committee Combined Severance and Change in Control Plan, effective September 12, 2016 - incorporated by reference to Exhibit 10.1 to Aon's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.
- 10.26*# Form of Indemnification Agreement for Directors and Officers of Aon Corporation - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on February 5, 2009.
- 10.27*# Form of Deed of Indemnity for Directors of Aon plc — incorporated by reference to Exhibit 10.4 to Aon's Current Report on Form 8-K filed on April 2, 2012.
- 10.28*# Form of Deed of Indemnity for Gregory C. Case — incorporated by reference to Exhibit 10.5 to Aon's Current Report on Form 8-K filed on April 2, 2012.
- 10.29*# Form of Deed of Indemnity for Executive Officers of Aon plc — incorporated by reference to Exhibit 10.6 to Aon's Current Report on Form 8-K filed on April 2, 2012.
- 10.30*# Form of Service as a Non-Executive Director Agreement - incorporated by reference to Exhibit 10.2 to Aon's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.
- 10.31*# Employment Agreement dated April 4, 2005 between Aon and Gregory C. Case - incorporated by reference to Exhibit 10.1 to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.
- 10.32*# Amended and Restated Employment Agreement dated as of November 13, 2009 between Aon and Gregory C. Case - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on November 17, 2009.
- 10.33*# Amended and Restated Employment Agreement, dated as of January 16, 2015, by and between Aon plc, Aon Corporation and Gregory C. Case - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on January 23, 2015.
- 10.34*# Amended and Restated Change in Control Agreement dated as of November 13, 2009 between Aon and Gregory C. Case - incorporated by reference to Exhibit 10.2 to Aon's Current Report on Form 8-K filed on November 17, 2009.
- 10.35*# Amendment to the Amended and Restated Change of Control Agreement between Aon plc and Gregory C. Case, dated as of April 27, 2016 - incorporated by reference to Exhibit 10.11 on Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.
- 10.36*# International Assignment Letter with Gregory C. Case, effective July 1, 2016 - incorporated by reference to Exhibit 10.1 to Aon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.
- 10.37*# Employment Agreement dated as of October 3, 2007 between Aon Corporation and Christa Davies - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on October 3, 2007.

- 10.38*# Amendment effective as of March 27, 2012 to Employment Agreement between Aon Corporation and Christa Davies dated as of October 3, 2007 - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on March 30, 2012.
- 10.39*# Amendment to Employment Agreement, dated as of February 20, 2015, by and between Aon Corporation and Christa Davies - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on February 26, 2015.
- 10.40*# International Assignment Letter with Christa Davies, effective July 1, 2016 - incorporated by reference to Exhibit 10.2 to Aon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.
- 10.41*# Employment Agreement dated December 7, 2010, between Aon Corporation and Stephen P. McGill - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on December 13, 2010.
- 10.42*# Amended and Restated Employment Agreement, dated as of July 8, 2015, by and between Aon Corporation and Stephen P. McGill - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on July 14, 2015.
- 10.43*# International Assignment Letter with Stephen P. McGill, effective July 1, 2016 - incorporated by reference to Exhibit 10.3 to Aon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.
- 10.44*# Employment Agreement, dated as of January 1, 2014, by and between Aon Corporation and Peter M. Lieb. - incorporated by reference to Exhibit 10.46 to Aon's Annual Report on Form 10-K for the year ended December 31, 2014.
- 10.45*# International Assignment Letter with Peter Lieb, effective July 1, 2016 - incorporated by reference to Exhibit 10.41 to Aon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.
- 10.46*# Employment Agreement dated as of September 30, 2010 between Aon Corporation and Kristi Savacool - incorporated by reference to Exhibit 10.8 to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.
- 10.47*# Amendment to Employment Agreement dated as of May 16, 2011 between Aon Corporation and Kristi Savacool - incorporated by reference to Exhibit 10.9 to Aon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.
- 10.48*# Amended and Restated Employment Agreement, dated as of February 24, 2015, by and between Aon Corporation and Kristi Savacool - incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed on February 26, 2015.
- 10.49# Aon Deferred Compensation Plan, as amended and restated November 16, 2016.
- 10.50# First Amendment to the Aon Deferred Compensation Plan, effective December 8, 2016.
- 10.51# Form of Restricted Stock Unit Award Agreement.
- 10.52# Aon Supplemental Savings Plan, Amended and Restated Effective January 1, 2017.

Statement re: Computation of Ratios.

- 12.1. Statement regarding Computation of Ratio of Earnings to Fixed Charges.

Subsidiaries of the Registrant.

- 21 List of Subsidiaries of Aon.

Consents of Experts and Counsel.

- 23 Consent of Ernst & Young LLP.

Rule 13a-14(a)/15d-14(a) Certifications.

- 31.1. Rule 13a-14(a) Certification of Chief Executive Officer of Aon in accordance with Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2. Rule 13a-14(a) Certification of Chief Financial Officer of Aon in accordance with Section 302 of the Sarbanes-Oxley Act of 2002.

Section 1350 Certifications.

32.1. Section 1350 Certification of Chief Executive Officer of Aon in accordance with Section 906 of the Sarbanes-Oxley Act of 2002.

32.2. Section 1350 Certification of Chief Financial Officer of Aon in accordance with Section 906 of the Sarbanes-Oxley Act of 2002.

XBRL Exhibits.

Interactive Data Files. The following materials are filed electronically with this Annual Report on Form 10-K:

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.

* Document has been previously filed with the Securities and Exchange Commission and is incorporated herein by reference herein. Unless otherwise indicated, such document was filed under Commission File Number 001-07933.

Indicates a management contract or compensatory plan or arrangement.

The registrant agrees to furnish to the Securities and Exchange Commission upon request a copy of (1) any long-term debt instruments that have been omitted pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, and (2) any schedules omitted with respect to any material plan of acquisition, reorganization, arrangement, liquidation or succession set forth above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: /s/ GREGORY C. CASE

Gregory C. Case, President
and Chief Executive Officer

Date: February 23, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ GREGORY C. CASE</u> Gregory C. Case	President, Chief Executive Officer and Director (Principal Executive Officer)	February 23, 2017
<u>/s/ LESTER B. KNIGHT</u> Lester B. Knight	Non-Executive Chairman and Director	February 23, 2017
<u>/s/ JIN-YONG CAI</u> Jin-Yong Cai	Director	February 23, 2017
<u>/s/ FULVIO CONTI</u> Fulvio Conti	Director	February 23, 2017
<u>/s/ CHERYL A. FRANCIS</u> Cheryl A. Francis	Director	February 23, 2017
<u>/s/ J. MICHAEL LOSH</u> J. Michael Losh	Director	February 23, 2017
<u>/s/ ROBERT S. MORRISON</u> Robert S. Morrison	Director	February 23, 2017
<u>/s/ RICHARD B. MYERS</u> Richard B. Myers	Director	February 23, 2017
<u>/s/ RICHARD C. NOTEBAERT</u> Richard C. Notebaert	Director	February 23, 2017
<u>/s/ GLORIA SANTONA</u> Gloria Santona	Director	February 23, 2017
<u>/s/ CAROLYN Y. WOO</u> Carolyn Y. Woo	Director	February 23, 2017
<u>/s/ CHRISTA DAVIES</u> Christa Davies	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 23, 2017
<u>/s/ LAUREL MEISSNER</u> Laurel Meissner	Senior Vice President and Global Controller (Principal Accounting Officer)	February 23, 2017

AON DEFERRED COMPENSATION PLAN

(As Amended and Restated Effective November 17, 2016)

Preamble

The name of this plan is the Aon Deferred Compensation Plan (the "Plan"). The purpose of this Plan is to provide certain select management or highly compensated employees of Aon plc and its subsidiaries with the opportunity to defer amounts earned as an employee. All amounts deferred under the Plan prior to January 1, 2005, that were earned and vested prior to January 1, 2005, and any amounts credited thereon (including pursuant to Section 4.03), shall be governed by the terms of the Plan as in effect on October 3, 2004 and nothing in this amended and restated Plan document shall affect deferred amounts under the Plan that were earned and vested prior to January 1, 2005 and any amounts credited thereon. It is intended that all amounts deferred under the Plan that were earned and vested prior to January 1, 2005, and any amounts credited thereon, shall be grandfathered from the application of Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury regulations and guidance issued thereunder ("Code Section 409A"). The determination of whether amounts deferred under the Plan, or any amounts credited thereon, were earned and vested prior to January 1, 2005 shall be made in accordance with Code Section 409A.

Section 1.

Definitions

1.01 "Accounts" shall mean the Distribution Accounts and Investment Accounts.

1.02 "Aon" shall mean Aon plc, a public limited company incorporated under English law

1.03 "Beneficiary" shall mean the beneficiary or beneficiaries designated by the Participant to receive the amount, if any, payable under the Plan upon the death of the Participant. The beneficiary of a Beneficiary shall be the estate of such Beneficiary.

1.04 "Board" shall mean the board of directors of the Company, which has delegated its obligations, responsibilities, and authority with respect to the Plan to the Organization and Compensation Committee of the Board (or its successor), to act for the Board in respect of all matters relating to the Plan.

1.05 "Code" means the Internal Revenue Code of 1986, as amended.

1.06 "Committee" shall mean the Administrative Committee, or its successor, the members of which are appointed by the Board.

1.07 "Company" shall mean Aon Corporation.

1.08 "Compensation" shall mean the following types of earnings paid to an Employee for his or her service on behalf of an Employer: (a) salary and fixed base compensation and net commission, renewal and override compensation; (b) amounts paid by the Employer pursuant to a periodic individual performance appraisal or contractual agreement ("Bonus"); and (c) other bonus, personal lines commissions, sign on bonus and stay bonus ("Other Earnings"). Unless otherwise determined by the Committee and to the extent permitted by applicable law, the following shall not be included in Compensation: (i) deferred compensation payments; (ii) vested or unvested stock awards; (iii) income from the exercise of stock options; (iv) expense reimbursements; (v) distributions from, and Employer contributions to, the Aon Savings Plan, the Aon Employee Stock Ownership Plan, the Aon Pension Plan or any other Employer fund or plan providing retirement, health, welfare, death, insurance or similar benefits; (vi) amounts paid to an Employee in respect to employment during which he is not permanently employed within the United States or its possessions; and (vii) amounts paid to an Employee while on a short or long term assignment outside of the U.S. regardless of whether the Employee remains on the U.S. payroll; and (viii) amounts previously deferred under the terms of the Plan.

1.09 "Distribution Accounts" shall mean the Accounts established by the Committee to reflect the distribution method selected by a Participant. If the Employee elects to begin distributions before termination of employment for any reason, the Distribution Account shall be known as an "In-Service Account." If a Participant elects to begin distributions in the year following separation from service for any reason, the Distribution Account shall be known as a "Retirement Account." A Participant may select one or two distribution methods to begin before separation from service, and therefore the Committee may establish one or two "In-Service Accounts" for a Participant. The Participant may select only one distribution method to begin after separation from service, and therefore the Committee may establish only one Retirement Account for a Participant. If a Participant does not make an affirmative election, the Distribution Account shall be a Retirement Account.

1.10 "Employee" shall mean any exempt United States employee of an Employer, who is actively working and residing in the United States.

1.11 "Employer" shall mean Aon, the Company, or a Subsidiary that employs an Employee.

1.12 "Investment Accounts" shall mean the Accounts established by the Investment Committee to reflect the investment alternatives selected by the Participant from among the investment alternatives made available by the Investment Committee from time to time under Section 4.02 of the Plan. These Investment Accounts will be established under each Distribution Account to reflect the investment alternative(s) elected by the Participant for that Distribution Account.

1.13 "Investment Committee" means the Retirement Plan Governance and Investment Committee, or its successor, the members of which are appointed by the Board.

1.14 "Participant" shall mean any eligible Employee who participates in the Plan pursuant to Section 2.

1.15 "Subsidiary" shall mean any corporation of which 50% or more of the voting stock is owned or controlled, directly or indirectly, by Aon or the Company or by one or more of such corporations.

SECTION 2. Eligibility

2.01 Eligibility. Participation in this Plan shall be restricted to a select group of senior management or highly compensated Employees who provide services to an Employer, as determined by the Committee. An Employee for whom deferrals are maintained in a Distribution Account shall remain a Participant until such Distribution Account is distributed in full. Notwithstanding any provision in the Plan to the contrary, the Committee shall have sole and absolute discretion to determine which Employees are eligible to participate with respect to a calendar year, and the right to participate with respect to one calendar year shall not entitle an Employee to participate with respect to any future calendar year.

SECTION 3. Election To Defer

3.01 Employee Deferrals. On or before December 31 of any calendar year, each Employee designated as eligible to participate in the Plan shall be entitled to make an irrevocable election to defer receipt of any whole percentage (up to 75%) of Compensation otherwise payable to the Employee for his or her services as an Employee from an Employer for the following calendar year. An election to defer receipt of any net commission that qualifies as a sales commission, as defined in Treasury Regulations Section 1.409A-2(a)(12)(i), shall be effective for any net commissions earned by an Employee during the following calendar year based on sales that occur during such calendar year. On or before December 31 of the year prior to the year in which the performance period for any Bonus commences, each Employee eligible to participate in the Plan shall also be entitled to make an irrevocable election to defer receipt of such Bonus in any whole percentage (up to 100%). In addition, on or before December 31 of any year, each Employee eligible to participate in the Plan shall be entitled to make an irrevocable election to defer receipt of any whole percentage (up to 100%) of Other Earnings paid to the Employee for his or her services as an Employee from an Employer for the following calendar year. Each Participant will need to make an affirmative election to make deferrals hereunder for each calendar year, in accordance with rules established by the Committee.

3.02 New Hire Deferrals. Notwithstanding anything herein to the contrary, to the extent consistent with Code Section 409A, when an Employee is first designated by the Committee as eligible to participate in this Plan, the Committee may permit (in its sole and absolute discretion) the Employee to make an irrevocable election to defer receipt of Compensation, Bonuses, or Other Earnings (subject to the percentage limits set forth in Section 3.01), provided that such irrevocable deferral election (i) is submitted by the Employee within thirty (30) days of the Committee's determination that the Employee is eligible to participate and (ii) applies only to Compensation, Bonuses, or Other Earnings earned and payable following the Employee's submission of his or her irrevocable deferral election.

3.03 Employer Contributions. In addition to deferrals elected by the Employee pursuant to this Section 3, an Employer may also elect to credit an Employee with an Employer contribution under the Plan. The amount of any such contribution shall be determined by the Employer in its sole and complete discretion, and may be subject to such vesting and forfeiture conditions specified by the Employer at the time of crediting. Unless otherwise specified by the Committee, any contribution credited to an Employee under this Section 3.03 shall be allocated to the Employee's Retirement Account and subject to all defaults or elections that may be applicable to the Employee's Retirement Account. Once credited, an Employer contribution shall be treated in the same manner as any other deferral of Compensation made under the Plan.

SECTION 4. Deferred Compensation Amounts and Investment Elections

4.01 Deferral Period Accounts. The Committee shall establish Distribution Accounts and Investment Accounts for any Employee who makes an irrevocable deferral election or who otherwise is credited with an Employer contribution. The Committee shall establish such other subaccounts as are necessary for proper administration under the Plan.

4.02 Investment Elections. The Investment Committee will select the investment alternatives available to the Participants from time to time, and the Company shall establish an Investment Account for each available investment alternative. The Participant may make a separate investment election for each Distribution Account created under Section 5.01. Each Participant making an election to defer amounts shall also elect how the deferred amount will be allocated to the Investment Accounts. If a Participant fails to make an investment allocation, any deferral shall be allocated to the Investment Account designated by the Investment Committee from time to time as the default investment alternative. Participants may make reallocations of such amounts among the existing investment alternatives on any business day; except (i) changes may not be made more than once a day and (ii) the Committee may impose whatever other restrictions it deems advisable, including restrictions which may apply only to certain Participants in the Plan, restrictions which may apply only to deferrals made under prior plans, and restrictions designed to prevent violation of the federal securities laws. The Investment Committee may change the investment alternatives available to Participants at any time in its sole discretion.

4.03 Investment Accounts. If any deferral is allocated to a particular Investment Account, such deferral shall be credited as soon as administratively practicable after the day such amount would otherwise have been payable to the Participant had it not been deferred. The amount of shares so credited to the Investment Account will be determined by dividing the deferred amount by the Fair Market Value of the investment alternative. The "Fair Market Value" of that alternative is the last published sales/purchase price of that alternative on that day. If dividends are paid on the Investment Account, the dividends will be treated as reinvested in that investment alternative, based on its Fair Market Value on that date. If a Participant changes his or her investment alternative, any amount invested or disinvested in any alternative investment will be done as soon as administratively feasible at the Fair Market Value of that alternative investment on that day; provided, however, a Participant may not change his or her investment alternative election more than once a day.

SECTION 5. Method of Distribution

5.01 Method of Distribution

- (a) Distribution Accounts. A Participant may elect up to three different distribution forms of payments and these forms may differ as to the timing of commencement of payments or distribution period, or both. A Participant may elect up to two In-Service Accounts and one Retirement Account. When the Participant elects to defer any Compensation, any Bonus, and/or any Other Earnings pursuant to Section 3, the Participant shall also make an irrevocable election as to the beginning year of distribution with respect to amounts so credited to the Distribution Accounts of the Participant and as to the form of payment.

(i) In-Service Account. If a Participant elects to commence distributions on a date or pursuant to a fixed schedule before separation from service with the Employer, an In-Service Account will be established and the Participant may elect payment in annual installments not in excess of five (5) or in a lump sum, but the commencement date must be later than three (3) years after the Participant's first deferral. Payments due in any calendar year prior to separation from service will be made during the first 2½ months of such year based on the balance as of the February 28 that falls within such 2½ month period.

Notwithstanding the foregoing, if a Participant with an In-Service Account separates from service with the Employer before the first date on which he or she is scheduled to commence distributions from the In-Service Account, distributions to the Participant will be made pursuant to all elections (or defaults) applicable to his or her Retirement Account.

(ii) Retirement Account. If a Participant elects to commence distributions after separation from service with the Employer, or if a Participant fails to make any election, a Retirement Account will be established, and the Participant may elect payment in annual installments not in excess of ten (10) or in a lump sum. If a Participant fails to make an election as to the form of distribution, or if the Participant's Retirement Account is first established in connection with a contribution credited to the Participant under Section 3.03 or due to the Participant's separation from service prior to the distribution date elected with respect to a Participant's In-Service Account, the default form of distribution shall be three (3) annual installments. Payments due on account of separation from service will be made during the first 2½ months of the year following the year of separation from service, based on the balance as of the February 28 that falls within such 2½ month period.

(b) Delay for Specified Employees. Notwithstanding the foregoing, if a Participant is a "specified employee" for purposes of Code Section 409A, distribution on account of separation from service (whether from the Retirement Account or the In-Service Accounts) shall be delayed until the earlier to occur of the Participant's death or the date that is six (6) months and one (1) day following the Participant's separation from service with the Employer (the "Delay Period"), provided that such date is later than the date such payment would otherwise have been made pursuant to the preceding sentence. Upon the expiration of the Delay Period, the delayed payment(s) shall be paid to the Participant, and any remaining installment payments due shall be payable in accordance with their original payment schedule.

(c) Subsequent Elections. A Participant may elect to change the form of distribution and/or the timing of commencement of payment of his or her In-Service Accounts provided such election (i) is made at least twelve (12) months before the date the lump sum payment or the first installment payment is otherwise scheduled to be paid, (ii) shall not take effect until at least twelve (12) months after the date on which such election is made, and (iii) except in the case of a payment upon the death or Unforeseeable Emergency (as described below in Section 5.03) of the Participant, shall defer payment of the Participant's In-Service Account for at least five (5) years from the date the lump sum payment or the first installment amount would otherwise have been paid. No subsequent deferral elections may be made with respect to a Participant's Retirement Account.

5.02 Installment Payments. If the Participant has elected installment payments, the amount of the first payment shall be a fraction of the total balances of the Participant's Distribution Accounts as of the applicable February 28, the numerator of which is one and the denominator of which is the total number of installments elected. The amount of each subsequent payment shall be a fraction of the total balances, including any dividend equivalents, of the Participant's Distribution Accounts similarly computed for each subsequent payment, the numerator of which is one and the denominator of which is the total number of installments remaining. Each installment shall be withdrawn proportionately from the applicable Investment Account. Notwithstanding anything herein to the contrary, in the event that, as of any installment payment date following a Participant's separation from service, the total balance of the Participant's Distribution Accounts is less than \$50,000, such total balance will be distributed to the Participant in a lump sum.

5.03 Withdrawals for Unforeseeable Emergency. Amounts deferred under the Plan may be distributed to a Participant, upon the written request of the Participant and at the discretion of the Committee, based on an Unforeseeable Emergency. An "Unforeseeable Emergency" shall mean a severe financial hardship resulting from (i) an illness or accident of the Participant, the participant's spouse or Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)); (ii) the loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the costs of prescription drug medication, may constitute an Unforeseeable Emergency. Finally, the need to pay for the funeral expenses of the Participant's spouse or Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)) may also constitute an Unforeseeable Emergency. Adequate proof of Unforeseeable Emergency must be provided to the Committee. Withdrawals for Unforeseeable Emergency may not exceed the lesser of (i) the balance of the Participant's Distribution Accounts and (ii) the amount reasonably necessary to satisfy the Unforeseeable Emergency plus taxes reasonably anticipated as a result of the payout and may be made only if the Committee finds that the Unforeseeable Emergency may not be relieved through reimbursement or compensation from insurance or otherwise or by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship. Any withdrawal for Unforeseeable Emergency will be made within 90 days of the occurrence of the Unforeseeable Emergency. If a distribution on account of an Unforeseeable Emergency is granted, deferrals for the remainder of that calendar year shall cease. Withdrawals for Unforeseeable Emergency shall be made in the following order: (1) from the In-Service Account with the closest payment date to the date of withdrawal; (2) to the extent not yet satisfied, from the In-Service Account with the next closest payment date, and (3) to the extent not yet satisfied, from the Retirement Account. Amounts distributed from each Distribution Account shall be taken pro rata from all Investment Accounts within that specified Distribution Account.

5.04 Distribution Upon Death. If any Participant dies when installment payments are being paid to the Participant, the unpaid amounts in the Participant's Distribution Accounts shall be paid to the Participant's Beneficiary in accordance with the time period selected by the Participant. If any Participant dies when installment payments are not being paid to the Participant, such unpaid amounts shall be paid to the designated Beneficiary beginning in the year after the Participant's death, and shall be paid in accordance with the defaults or elections applicable to the Participant's Retirement Account. If any Participant dies who selected a lump sum distribution that has not yet been paid, such lump sum distribution shall be paid to the Participant's Beneficiary in the year after the Participant's death. If a Beneficiary dies after the Participant but before payments have commenced, payment will be made to the Beneficiary's estate in a single lump sum. If a Participant fails to designate a Beneficiary, the amounts payable hereunder shall be made to the Participant's estate in a single lump sum. If a Beneficiary predeceases the Participant, amounts payable hereunder shall be made to the contingent Beneficiary, but if none or if not living, payments shall be made to the Participant's estate in a single lump sum.

5.05 Form of Distribution. All distributions will be in the form of cash.

5.06 Prohibition on Acceleration of Payments. The time or schedule of any payment or amount scheduled to be paid pursuant to the terms of the Plan may not be accelerated except as otherwise permitted under Code Section 409A.

SECTION 6. Miscellaneous

6.01 Participant's Rights and Interest in the Accounts. No provision in this Plan shall be construed to give any Participant the right to be retained in any Employer's service or to any benefits not specifically provided by the Plan. Neither a Participant nor a Beneficiary shall have any interest in the deferred compensation or earnings credited to his or her accounts other than as an unsecured general creditor of the Company. All amounts deferred or otherwise held for the benefit of a Participant or a Beneficiary under the Plan shall remain the sole property of the Employer. The Company may or may decide to purchase an annuity or insurance contract intended to mirror the performance of the investment elections made by the Participants or Beneficiaries, but in all circumstances such annuity or insurance contract will be owned by the Company.

6.02 Nonalienability and Nontransferability. The rights of a Participant to the payment of deferred compensation as provided in the Plan shall not be assigned, transferred, pledged or encumbered, or be subject in any manner to alienation or anticipation; provided, however, that a Participant's Accounts may be assigned or alienated pursuant to a Domestic Relations Order (as such term is defined for purposes of Code Section 414(p)(1)(B)), subject to such uniform procedures as may be adopted by the Committee from time to time. Any amount subject to a Domestic Relations Order shall be distributed as soon as practicable. No Participant may borrow against his or her Accounts.

6.03 Plan Administrator. The administrator of the Plan shall be the Committee, which shall have authority to adopt rules and regulations for carrying out the Plan, to delegate its administrative responsibilities as it shall, from time to time, deem advisable, and to interpret, construe, and implement the provisions thereof, in its complete discretion. Any decision or interpretation of any provision of the Plan adopted by the Committee shall be final and conclusive.

6.04 Claims Procedures.

- (a) Initial Claims. A Participant who believes that he or she is entitled to receive benefits under this Plan, including benefits other than those initially determined by the Committee to be payable, may file a claim in writing with Committee, specifying the reasons for such claim. The Committee shall, within ninety (90) days after receipt of such written claim (unless special circumstances require an extension of time, but in no event more than one hundred and eighty (180) days after such receipt), send a written notification to the Participant as to the disposition of such claim. Such notification shall be written in a manner calculated to be understood by the claimant and in the event that such claim is denied in whole or in part, shall (i) state the specific reasons for the denial, (ii) make specific reference to the pertinent Plan provisions on which the denial is based, (iii) provide a description of any additional material or information necessary for the Participant to perfect the claim and an explanation of why such material or information is necessary, and (iv) set forth the procedure by which the Participant may appeal the denial of such claim.
- (b) Appeals. The Participant (or his or her duly authorized representative) may request a review of the denial of any such claim or portion thereof by making application in writing to the Committee within sixty (60) days after receipt of such denial. Such Participant (or his or her duly authorized representative) may, upon written request to the Committee, review any documents pertinent to such claim, and submit in writing issues and comments in support of such claim. Within 60 days after receipt of a written appeal (unless special circumstances require an extension of time, but in no event more than one hundred and twenty (120) days after such receipt), the Committee shall notify the Participant of the final decision with respect to such claim. Such decision shall be written in a manner calculated to be understood by the claimant and shall state the specific reasons for such decision and make specific references to the pertinent Plan provision on which the decision is based.
- (c) Finality of Decisions; Exhaustion of Remedies. To the extent permitted by law, decisions reached under the claims procedures set forth herein shall be final and binding on all parties. No legal action for benefits under the Plan shall be brought unless and until the Participant has exhausted his remedies under this Section. In any such legal action, the Participant may only present evidence and theories which the Participant presented during the claims procedure. Any claims which the Participant does not in good faith pursue through the review stage of the procedure shall be treated as having been irrevocably waived. Any suit or legal action initiated by a Participant under the Plan must be brought by the Participant no later than six (6) months following a final decision on the claim for benefits by the Committee. The six (6) month limitation on suits for benefits will apply in any forum where a Participant initiates such suit or legal action.

6.05 Amendment and Termination. The Plan may, at any time, be amended or modified, or, subject to and in compliance with Code Section 409A, terminated by action of the Board. No amendment, modification, or termination shall, without the consent of a Participant, adversely affect such Participant's rights with respect to amounts accrued in his or her Accounts.

SECTION 7. General Provisions

7.01 Controlling Law. Except to the extent superseded by federal law, the laws of Illinois shall be controlling in all matters relating to the Plan.

7.02 Facility of Payment. Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to properly manage his or her financial affairs may be paid to the legal representative of such person or may be applied for the benefit of such person in any manner which the Committee may select.

7.03 Withholding of Payroll Taxes. The Employer shall withhold from such payments any taxes required to be withheld for federal, state, or local government purposes.

7.04 Liability. No member of the Board, no employee of an Employer, or any of their affiliates, and no member of the Committee or Investment Committee shall be liable for any act or action hereunder whether of omission or commission, by any other member or employee or by any agent to whom duties in connection with the administration of the Plan have been delegated or, except in circumstances involving such entity's or person's bad faith, gross negligence or fraud, for anything omitted or committed by such entity or person. The Company will fully indemnify and hold the members of the Committee and the Investment Committee harmless from any liability hereunder, except in circumstances involving a Committee or Investment Committee member's bad faith, gross negligence, or fraud.

7.05 Successors. The provisions of the Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term "successors" as used herein shall include any corporation or other business entity, which shall by merger, consolidation, purchase, or otherwise, acquire all or substantially all of the business and assets of the Company and successors of any such corporation or other business entity.

7.06 Code Section 409A. The Plan and the benefits provided hereunder are intended to comply with Code Section 409A and the guidance and Treasury regulations issued thereunder, to the extent applicable thereto. Notwithstanding any provision of the Plan to the contrary, the Plan shall be interpreted and construed consistent with this intent. Notwithstanding the foregoing, an Employer shall not be required to assume any increased economic burden in connection therewith. Although the Committee intends to administer the Plan so that it will comply with the requirements of Code Section 409A, neither any Employer nor the Committee represents or warrants that the Plan will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. For purposes of the Plan, a Participant shall be considered to have a separation from service with the Employer on the date such Participant has a "separation from service" (as described under Code Section 409A and the guidance and Treasury regulations issued thereunder) with Aon, the Company, and all of their Subsidiaries. For purposes of Code Section 409A, a Participant's entitlement to a series of installment payments shall be treated as an entitlement to a single payment. Neither Aon, the Company, their Subsidiaries, nor their respective directors, officers, employees or advisers shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant might owe as a result of participation in the Plan, and Aon, the Company and their Subsidiaries shall have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes pursuant to Code Section 409A.

IN WITNESS WHEREOF, the Company has adopted this amendment and restatement of the Aon Deferred Compensation Plan as of the 17th day of November, 2016.

AON CORPORATION

By:

/s/ Anthony R. Golund

Anthony R. Goland

Executive Vice President and
Chief Human Resources Officer

**FIRST AMENDMENT TO THE
AON DEFERRED COMPENSATION PLAN**

This First Amendment (the “Amendment”) to the Aon Deferred Compensation Plan, as amended and restated effective November 17, 2016 (the “Plan”), is adopted by Aon Corporation, a Delaware corporation (the “Company”) and wholly owned subsidiary of Aon plc (“Aon”), to be effective as set forth below.

RECITALS

WHEREAS, pursuant to Section 6.05 of the Plan, the Board of Directors of the Company (the “Board”) has the authority to amend the Plan, and, pursuant to Section 1.04 of the Plan, the Organization and Compensation Committee of Aon (the “OCC”) has authority to act for the Board with respect to the Plan; and

WHEREAS, pursuant to resolutions of the OCC dated June 13, 2016, the OCC delegated authority to Aon’s Administrative Committee (the “Committee”) to make certain amendments to the Plan.

NOW, THEREFORE, pursuant to resolutions of the Committee dated December 7, 2016, the Plan is hereby amended, effective as of December 7, 2016, to insert the following as a new Section 3.04:

3.04 Cancellation of Deferral Elections. Notwithstanding anything herein to the contrary, in the event a Participant receives an in-service financial hardship withdrawal from the Aon Savings Plan that is subject to a condition that the Participant may not make elective or employee contributions to any Company plan (as defined for purposes of Treasury Regulations Section 1.401(k)-1(d)(3)(iv)(E)) for at least six months from the date of the hardship withdrawal, the Participant’s deferral elections under Sections 3.01 and 3.02 shall be cancelled, and the Participant shall not be eligible to make any new deferral elections until the later of six months from the date of the hardship withdrawal from the Aon Savings Plan or the next period during which the Committee permits Participants to make an election to defer pursuant to Section 3.01.

IN WITNESS WHEREOF, the Company has caused this First Amendment to be executed on its behalf by its duly authorized officers, this __ day of December, 2016.

AON CORPORATION

By:

/S/ Anthony R. Golund

Anthony Goland

Executive Vice President and
Chief Human Resources Officer

**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 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.fidelity.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, payroll tax, payment 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 grant of RSUs, 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 grant 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 authorizes 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 authorization without further consent); provided, however, that if

the Participant is a Section 16 officer under the U.S. Securities Exchange Act of 1934, the Committee shall establish the method of withholding from alternatives (i) – (iii) herein.

- b) Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case, any over-withheld amount may be refunded to the Participant in cash by the Company or the Employer (with no entitlement to the equivalent Shares) or if not refunded, the Participant may seek a refund from the local tax 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.**
- 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"). 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 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, 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).
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 U.S. Securities Exchange Act of 1934, 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 long-term equity based incentive 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 grant.
- 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 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 of 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 ninety (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 ninety (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.fidelity.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 ninety (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 Illinois, without regard to the conflict of law principles, rules or statutes of any jurisdiction. The foregoing provisions of this Section 11(j) 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 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 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

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AON SUPPLEMENTAL SAVINGS PLAN
As Amended and Restated Effective January 1, 2017

Preamble

The name of this plan is the Aon Supplemental Savings Plan (the "Plan"). This Plan, as amended and restated, shall be effective as of January 1, 2017 (the "Restatement Effective Date"), except as otherwise set forth herein, for the purpose of supplementing benefits to certain select management or highly compensated employees of Aon plc, Aon Corporation and their subsidiaries who are participants in the Aon Savings Plan and whose ability to receive company contributions to the Aon Savings Plan is limited by Sections 401(a)(17), 401(k), 401(m), 402(g) and 415 of the Internal Revenue Code of 1986.

Section 1.

DEFINITIONS

1.01 "Accounts" shall mean the Aon Common Stock Account, the Aon Money Market Account, the Aon Retirement Account, the Supplemental Match Account, and the Safe Harbor Supplemental Match Account.

1.02 "Aon Common Stock Account" shall mean the account established on the books of the Company or a Subsidiary for Participants of this Plan and maintained pursuant to Section 3.

1.03 "Aon Money Market Account" shall mean the Account established on the books of the Company or a Subsidiary for Participants of this Plan and maintained pursuant to Section 3.

1.04 "Aon Retirement Account" shall mean the account established on the books of the Company or a Subsidiary for Participants of this Plan and maintained pursuant to Section 3.

1.05 "Beneficiary" shall mean the beneficiary or beneficiaries designated by the Participant to receive the amount, if any, payable under the Plan upon the death of the Participant. The beneficiary of a Beneficiary shall be the estate of such Beneficiary.

1.06 "Board" shall mean the board of directors of the Company, which has delegated its obligations, responsibilities, and authority with respect to the Plan to the Organization and Compensation Committee (or its successor) of the board of directors of Aon plc, the parent company of the Company, to act for the Board in respect of all matters relating to the Plan.

1.07 "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.08 "Committee" shall mean the Administrative Committee, or its successor, the members of which are appointed by the Board.

1.09 "Company" shall mean Aon Corporation.

1.10 "Compensation" shall have the meaning set forth in the Aon Savings Plan, or, if applicable for the period January 1 through December 31, 2011, the Hewitt Plan.

1.11 "Employee" shall have the meaning set forth in the Aon Savings Plan.

1.12 "First Tier Match" shall mean an amount equal to the excess of the First Tier Match that would have been allocated to the Participant for the Plan Year under the Aon Savings Plan over the actual First Tier Match so allocated: (i) but for the application of Code Section 401(a)(17); and (ii) as if no more than \$500,000 could be considered as Compensation in calculating the First Tier Match. No First Tier Match shall be credited to any Participant's Accounts under this Plan

relating to any Compensation earned by Participants after December 31, 2003 (or, solely with respect to Participants who are HROG Employees (as defined in a prior Plan document), January 1, 2006).

1.13 "Hewitt Plan" shall mean the Hewitt Associates Retirement and Savings Plan.

1.14 "Investment Committee" shall mean the Retirement Plan Governance and Investment Committee, or its successor, the members of which are appointed by the Board.

1.15 "Investment Funds" shall mean the funds available for investment and established as described in Section 4.01.

1.16 "Ordinary Share" shall mean a Class A Ordinary Share of Aon plc.

1.17 "Participant" shall mean any eligible Employee who participates in this Plan pursuant to Section 2.

1.18 "Plan" shall mean the Aon Supplemental Savings Plan, as amended and restated herein.

1.19 "Plan Year" shall mean the 12-month period commencing each January 1 and ending each December 31.

1.20 "Retirement Plan Contribution" shall mean an amount equal to the excess of the Retirement Plan Contribution that would have been allocated to the Participant for the Plan Year under the Aon Savings Plan over the actual Retirement Plan Contribution so allocated: (i) but for the application of Code Section 401(a)(17); and (ii) as if no more than \$500,000 could be considered as Compensation in calculating the Retirement Plan Contribution. No Retirement Plan Contribution shall be credited to any Participant's Accounts under this Plan relating to any Compensation earned by Participants on or after January 1, 2009 (or, solely with respect to Participants who are HROG Employees, January 1, 2006).

1.21 "Safe Harbor Match" shall have the meaning set forth in the Aon Savings Plan.

1.22 "Second Tier Match" shall mean an amount equal to the excess of the Second Tier Match that would have been allocated to the Participant for the Plan Year under the Aon Savings Plan over the actual Second Tier Match so allocated: (i) but for the application of Code Section 401(a)(17); and (ii) as if no more than \$500,000 could be considered as Compensation in calculating the Second Tier Match. No Second Tier Match shall be credited to any Participant's Accounts under this Plan relating to any Compensation earned by Participants after December 31, 2003 (or, solely with respect to Participants who are HROG Employees, January 1, 2006).

1.23 "Subsidiary" shall mean any corporation of which 50% or more of the voting stock is owned or controlled, directly or indirectly, by the Company or Aon plc or by one or more of such corporations.

1.24 "Supplemental Match Contribution" shall mean an amount equal to (i) the Participant's Compensation that is recognized for purposes of the First Tier Match under the terms of the Aon Savings Plan (or, if applicable for the period January 1 through December 31, 2011, the Matching Contribution under the terms of the Hewitt Plan), (x) but without regard to the limit under Code Section 401(a)(17) (as indexed) and (y) as if no more than \$500,000 could be considered Compensation for the Plan Year, in excess of the limit under Code Section 401(a)(17) (as indexed) for the Plan Year; multiplied by (ii) the Participant's allocation rate for the Plan Year, determined in accordance with the schedule in Section 3.04 and based on the Participant's full Years of Service (as defined in and determined under the Aon Savings Plan or, if applicable for the period January 1 through December 31, 2011, the Hewitt Plan) as of the last day of the Plan Year. Supplemental Match Contributions were credited to eligible Participants' Accounts under this Plan with respect to Compensation earned by Participants on or after January 1, 2009. No Supplemental Match Contribution shall be credited to any Participant's Accounts under this Plan relating to any Compensation earned by Participants after December 31, 2011.

1.25 “Safe Harbor Supplemental Match Contribution” shall mean the contribution described in Section 3.04.

1.26 “Safe Harbor Supplemental Match Account” shall mean the Account established on the books of the Company or a Subsidiary for Participants of this Plan, and maintained pursuant to Section 3.

1.27 “Valuation Date” shall mean the date selected by the Committee to value Accounts.

SECTION 2. ELIGIBILITY AND PARTICIPATION

2.01 Eligibility. An Employee of Aon plc, the Company or a Subsidiary (i) who is a participant in the Aon Savings Plan (or, if applicable for the period January 1 through December 31, 2011, the Hewitt Plan), and whose Compensation is limited in accordance with Section 401(a)(17) of the Code for the applicable Plan Year, or (ii) beginning January 1, 2012, who has made deferrals of Compensation under the Aon Deferred Compensation Plan for the Plan Year, shall be eligible to participate in this Plan. In addition, other management or highly compensated Employees may be eligible to participate at the option of the Committee. Notwithstanding any provision in the Plan to the contrary, the Committee shall have sole and absolute discretion to determine which Employees are eligible to participate with respect to a Plan Year.

2.02 Participation. Every eligible Employee shall become a Participant automatically upon deferral of the maximum amount permitted in accordance with Section 402(g) of the Code to the Aon Savings Plan (or, for the period January 1 through December 31, 2011, the Hewitt Plan) and satisfaction of the criteria to receive an allocation for the Plan Year under Section 3.03. Where the context so requires, an individual for whose benefit an Account is being maintained under this Plan shall also be deemed to be a Participant.

SECTION 3. AMOUNTS CREDITED TO ACCOUNTS

3.01 Establishment of Accounts. The Company will maintain under this Plan an Aon Common Stock Account for each Participant, which shall be credited with the value of accumulated First Tier Match and Second Tier Match allocations credited to this Account prior to the Restatement Effective Date. The Company will maintain under this Plan an Aon Money Market Account for each Participant, which shall be credited with the value of accumulated First Tier Match and Second Tier Match allocations credited to this Account prior to the Restatement Effective Date. The Company will maintain under this Plan an Aon Retirement Account for each Participant, which shall be credited with the value of accumulated Retirement Plan Contribution allocations credited to this Account prior to the Restatement Effective Date. The Company will maintain under this Plan a Supplemental Match Account, which shall be credited with the value of accumulated Supplemental Match Contribution allocations credited to this Account prior to the Restatement Effective Date. The Company will maintain under this Plan a Safe Harbor Supplemental Match Account, to which the value of accumulated Safe Harbor Supplemental Match Contribution allocations shall be credited. Accounts shall be book entries maintained by the Company or its Subsidiaries, and the existence of such Accounts shall not create and shall not be deemed to create a trust of any kind, or a fiduciary relationship between the Company or the Subsidiary and the Employee or Beneficiary. The Company may establish subaccounts within certain Accounts as may be deemed necessary by the Company for administrative or other purposes.

3.02 Credited Amounts. The value of amounts credited to the Aon Common Stock Account under this Plan, plus any additions or deductions to such Account arising out of net earnings, valuation adjustments, and withdrawals or payments chargeable to the Account, shall be determined as of each Valuation Date as if such amounts had been invested in the ESOP Investment Option under the Aon Savings Plan. The value of amounts credited to the Aon Money Market Account under this Plan, plus any additions or deductions to such Account arising out of net earnings, valuation adjustments, and withdrawals or payments attributable to the Account, shall be determined as of each Valuation Date as if such amounts had been invested in the Stable Value (Capital Preservation) investment fund (or its predecessor) under the Aon Savings Plan. The value of amounts credited to the Aon Retirement Account, the Supplemental Match Account, and the Safe Harbor Supplemental Match Account, plus any additions or deductions to such Account arising out of net earnings, valuation adjustments, and withdrawals or payments chargeable to each Account, shall be determined as of each Valuation Date as if such amounts had been invested in the Investment Funds in accordance with the Participant's investment elections pursuant to Section 4.01.

3.03 Crediting Safe Harbor Supplemental Match Contribution. Effective January 1, 2012, the Safe Harbor Supplemental Match Contribution shall be credited following the end of the Plan Year on such date (or a date which may be earlier) as determined by the Committee for administrative convenience to the Safe Harbor Supplemental Match Account of each Participant who satisfies each of the following requirements: (i) the Participant is employed on the last day of the Plan Year (or such earlier date determined by the Committee for administrative convenience), or effective January 1, 2017, has otherwise terminated employment with the Company during the Plan Year due to the Participant's death, voluntary termination of employment after attaining age fifty-five (55) with five (5) Years of Participation (as defined in the Aon Savings Plan) or under circumstances that qualify the Participant to receive severance benefits under the Aon Severance Plan; (ii) the Participant is eligible for the Safe Harbor Match under the Aon Savings Plan for the Plan Year; (iii) the Participant has deferred the maximum amount permitted under Code Section 402(g) (as indexed) to the Aon Savings Plan during any period in the Plan Year in which the Participant is eligible to receive the Safe Harbor Match under the Aon Savings Plan; and (iv) the Participant's Compensation (determined without regard to the limit under Code Section 401(a)(17) (as indexed)) during any period in the Plan Year in which the Participant is eligible to receive the Safe Harbor Match under the Aon Savings Plan is greater than the limit under Code Section 401(a)(17) (as indexed) or the Participant has made deferrals of Compensation under the Aon Deferred Compensation Plan during any period in the Plan Year in which the Participant is eligible to receive the Safe Harbor Match under the Aon Savings Plan. The Safe Harbor Supplemental Match Contribution shall be allocated to the subaccounts under the Participant's Safe Harbor Supplemental Match Account in such proportions as the Participant shall elect pursuant to Section 4.01.

3.04 Determining Safe Harbor Supplemental Match Contribution. Effective January 1, 2016, a Participant's Safe Harbor Supplemental Match Contribution for the Plan Year shall be an amount equal to (i) the sum of (x) the Participant's Compensation (determined without reference to the limit established under Code Section 401(a)(17) as indexed) to the extent paid during any period of the Plan Year when the Participant is eligible to receive the Safe Harbor Match under the Aon Savings Plan, plus (y) any deferrals made by the Participant into the Aon Deferred Compensation Plan during any period of the Plan Year when the Participant is eligible to receive the Safe Harbor Match under the Aon Savings Plan, up to an aggregate maximum of \$500,000, minus (z) the Participant's Compensation during the Plan Year that is recognized for purposes of the Safe Harbor Match under the Aon Savings Plan; multiplied by (ii) the Participant's allocation rate for the Plan Year, determined in accordance with the following schedule based on the Participant's full Years of Participation (as defined in and determined under the Aon Savings Plan) as of the last day of the Plan Year; plus (iii) the amount of Safe Harbor Match that the Participant would have received under the Aon Savings Plan during the Plan Year were it not for the application of the limit established under Code Section 401(a)(17) as indexed, minus (iv) the amount of Safe Harbor Match that the Participant actually received under the Aon Savings Plan during the Plan Year.

<u>Years of Service</u>	<u>Allocation Rate</u>
<u>Less than 5 years</u>	<u>3%</u>
<u>5 to 9 years</u>	<u>4%</u>
<u>10 to 14 years</u>	<u>5%</u>
<u>15 or more years</u>	<u>6%</u>

SECTION 4. ELECTIONS

4.01 Elections as to Aon Retirement Account, Supplemental Match Account, and Safe Harbor Supplemental Match Account. At such time as may be designated by the Investment Committee, each Participant shall be entitled to direct the allocation of all future amounts and existing balances credited to such Participant's Aon Retirement Account, Supplemental Match Account, and Safe Harbor Supplemental Match Account to one or more of the Investment Funds that have been selected by the Investment Committee. Investment Funds may be added or terminated from time to time at the option of the Investment Committee. The Investment Committee shall establish the rules governing the investment elections to be made by the Participants, including the time, manner, and number of such elections. A Beneficiary with respect to whom an Aon Retirement Account, Supplemental Match Account, or Safe Harbor Supplemental Match Account is maintained under the Plan may make a similar allocation of amounts credited to such Account. In the event a Participant fails to specify an allocation with respect to the Participant's Account, such amount will be credited to the Investment Funds designated by the Investment Committee.

SECTION 5. VESTING

5.01 General Rule Effective January 1, 2016. A Participant's nonforfeitable percentage in such Participant's (i) amounts attributable to the First Tier Match and the Second Tier Match, (ii) Aon Retirement Account, (iii) Supplemental Match Account and (iv) Participant's Safe Harbor Supplemental Match Account, shall be equal to such Participant's nonforfeitable percentage in the Participant's account containing the Safe Harbor Match under the terms of the Aon Savings Plan.

5.02 General Rule Prior to January 1, 2016. A Participant's nonforfeitable percentage in such Participant's (i) amounts attributable to the First Tier Match and the Second Tier Match and (ii) Aon Retirement Account was equal to such Participant's nonforfeitable percentage in the Participant's accounts containing the First Tier Match, Second Tier Match, and Retirement Plan Contributions under the terms of the Aon Savings Plan. A Participant's nonforfeitable percentage in such Participant's Supplemental Match Account was equal to such Participant's nonforfeitable percentage in the Participant's account containing the First Tier Match under the terms of the Aon Savings Plan. A Participant's nonforfeitable percentage in such Participant's Safe Harbor Supplemental Match Account was equal to such Participant's nonforfeitable percentage in the Participant's account containing the Safe Harbor Match under the terms of the Aon Savings Plan.

SECTION 6. METHOD AND TIMING OF DISTRIBUTIONS

6.01 Time of Distribution. Distribution of a Participant's entire vested balance in the Accounts shall commence following the earlier to occur of: (i) the Participant's termination of employment with Aon plc, the Company and its Subsidiaries, or (ii) the Participant's attainment of age 65. For purposes of the Plan, a Participant shall be considered to have a termination of employment with Aon plc, the Company and its Subsidiaries on the date such Participant has a "separation from service" as described under Code Section 409A and the Treasury regulations issued thereunder with Aon plc, the Company and its Subsidiaries.

6.02 Distributions upon Attainment of Age 65 or upon Termination of Employment At or After Attainment of Age 55. A Participant who has attained age 55 and who becomes entitled to a distribution under Section 6.01 above or whose benefits thereunder otherwise commence, shall be paid the balance in all such Participant's Accounts in annual installments, pro rata across all subaccounts, over a ten year period. The first installment payment shall be made within the first 2½ months of the year following the earlier of (i) the year in which the Participant's employment terminates, or (ii) the year in which the Participant attains age 65, and each subsequent installment shall be paid on the annual anniversary of such initial payment date. The amount of the first payment shall be a fraction of the entire balance of the Participant's Accounts as determined on the February 15 that falls during such 2½ month period, the numerator of which is one and the denominator of which is ten. The amount of each subsequent payment shall be a fraction of the total balances of the Participant's Accounts similarly computed on February 15 one year later, the numerator of which is one and the denominator of which is the total number of installments remaining. Each annual installment shall be treated as a separate payment for purposes of Code Section 409A.

Notwithstanding anything to the contrary in the preceding paragraph of this Section 6.02, the Committee may, in its sole discretion, require that the balance in the Participant's Accounts, or the remaining balance in the Participant's Accounts after one or more installment payments have been paid, be paid to the Participant in a single sum payment on the next payment date described in the preceding paragraph, subject to the following: (i) such exercise of Committee discretion shall be evidenced in writing prior to the date the single sum payment is made; (ii) the payment shall result in the termination and liquidation of the entirety of the Participant's interest under the Plan and all other agreements, methods, programs, or other arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treasury Regulation Section 1.409A-1(c)(2); and (iii) the amount of the single sum payment shall not be greater than the applicable dollar amount under Code Section 402(g)(1)(B).

6.03 Distributions upon Termination of Employment Prior to Attainment of Age 55. A Participant who has not attained age 55 and who becomes entitled to a distribution under Section 6.01 above or whose benefits thereunder otherwise commence, shall be paid the entire balance in such Participant's Accounts in a single payment. The payment shall be equal to the combined value of such Accounts as determined on the February 15 following the year in which the Participant's employment terminates, and payment will be made within the first 2½ months of the year following the year in which the Participant's employment terminates.

6.04 Payments Commencing Prior to December 31, 2008. Notwithstanding anything to the contrary in Sections 6.02 and 6.03, benefit payments to a Participant (or, if he has died, his Beneficiary) whose employment with Aon plc, the Company and its Subsidiaries terminates prior to January 1, 2009, or who attains age 65 while employed and prior to January 1, 2009, that commenced prior to December 31, 2008, shall be paid in accordance with the terms and conditions of the Plan as in effect immediately prior to January 1, 2009.

6.05 Hardship Withdrawals. If a Participant or Beneficiary would otherwise suffer severe financial hardship and distribution of amounts credited to the Accounts has not yet commenced, payment of amounts credited to the Accounts shall commence within 30 days following the determination of the Committee that such hardship resulted from an Unforeseeable Emergency. An "Unforeseeable Emergency" shall mean a severe financial hardship resulting from (i) an illness or accident of the Participant, the Participant's spouse or Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)); (ii) the loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the costs of prescription drug medication, may constitute an Unforeseeable Emergency. Finally, the need to pay for the funeral expenses of the Participant's spouse or Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)) may also constitute an Unforeseeable Emergency.

Adequate proof of Unforeseeable Emergency must be provided to the Committee. Withdrawals for Unforeseeable Emergency may not exceed the lesser of (i) the balance of the Participant's Accounts and (ii) the amount reasonably necessary to satisfy the Unforeseeable Emergency plus taxes reasonably anticipated as a result of the payout and may be made only if the Committee finds that the Unforeseeable Emergency may not be relieved through reimbursement or compensation from insurance or otherwise or by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship.

6.06 Distribution upon Death of Participant after Payments Have Commenced. If a Participant dies before receiving all amounts credited to such Participant's Accounts, the unpaid amounts in the Participant's Accounts shall be paid to the Participant's Beneficiary or Beneficiaries in accordance with the last effective beneficiary designation form filed by the Participant with the Company. Such unpaid amounts shall be paid in the same manner and at the same time as distributions would have been made had the Participant survived.

6.07 Prohibition on Acceleration of Payments. The time or schedule of any payment or amount scheduled to be paid pursuant to the terms of the Plan may not be accelerated except in accordance with Section 6.02 or as otherwise permitted under Code Section 409A and the guidance and Treasury regulations issued thereunder.

6.08 Beneficiary Designations. Each Participant shall file with the Company a form indicating the person, persons, or entity to receive the Participant's benefits under the Plan if the Participant dies before receiving the entire balance in such Participant's Accounts. A Participant's Beneficiary designation may be changed at any time prior to death by execution and delivery to the Company of a new Beneficiary designation form. If a Participant has failed to designate a Beneficiary, the amounts payable hereunder shall be made to such person or persons who, as of the date payment is to be made under this Plan, would receive distribution of the Participant's account balances under the terms of the Aon Savings Plan. If a Participant has failed to designate a Beneficiary and is not a participant in the Aon Savings Plan at the time of death, or if the Beneficiary and contingent Beneficiary fail to survive the Participant, payment shall be made to the estate of the Participant.

6.09 Form of Distribution and Deferral of Distributions. Distributions attributable to the Aon Common Stock Account shall be made in the form of whole Ordinary Shares, plus a cash equivalent for fractional shares. The determination of the number of Ordinary Shares shall occur on the February 15 specified in Section 6.02 or 6.03, whichever is applicable, and shall be based on the closing price of an Ordinary Share on the New York Stock Exchange on such date. If such date is not a business day of the New York Stock Exchange, then the date shall be the last day prior to such day which was a business day of the exchange. Distributions attributable to all Accounts other than the Aon Common Stock Account shall be made in the form of cash.

6.10 Delay for Specified Employees. The time and form of payment of the Participant's Accounts shall be determined in accordance with the preceding provisions of this Section 6, provided that with respect to payments to be made upon termination of the Participant's employment for reasons other than death, the payment at such time can be characterized as a "short term deferral" for purposes of Code Section 409A, or as otherwise exempt from Code Section 409A, or if any portion of the payment cannot be so characterized and the Participant is a "specified employee" under Code Section 409A, such portion of the 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 with Aon plc, the Company and its Subsidiaries (the "Delay Period"). Upon the expiration of the Delay Period, the payments delayed pursuant to this Section 6.10 shall be paid to the Participant or his Beneficiary in a lump sum, and any remaining payments due under Section 6 shall be payable in accordance with their original payment schedule.

SECTION 7. MISCELLANEOUS

7.01 Other Benefit Plans. No amount credited to a Participant's Accounts or distributed to a Participant under this Plan shall be deemed to be compensation with respect to a Participant's entitlement to benefits under any employee benefit plan established by the Company or the Subsidiaries for its employees unless otherwise specifically provided in such plan.

7.02 Participant's Rights. Establishment of the Plan shall not be construed to give any Participant the right to be retained in the service of Aon plc, the Company or a Subsidiary or to any benefits not specifically provided by the Plan. Neither a Participant nor a Beneficiary shall have any interest in amounts or earnings credited to his Accounts. All amounts deferred or otherwise held for the account of a Participant or a Beneficiary under the Plan shall remain the sole property of the Company or Subsidiary. With respect to such amounts, the Participant or Beneficiary is merely a general creditor, and any obligation of the Company or Subsidiary hereunder is purely contractual and shall not be funded or secured in any way. In case the claim of any Participant or Beneficiary for benefits under the Plan is denied, the Company shall provide adequate notice in writing to such claimant, setting forth the specific reasons for such denial. The notice shall be written in a manner calculated to be understood by the claimant. The Company shall afford a Participant or Beneficiary whose claim for benefits has been denied 60 days from the date notice of such denial is delivered or mailed in which to appeal the decision in writing to the Committee. If the Participant or Beneficiary appeals the decision in writing within 60 days, the Committee shall review the written comments and any submissions of the Participant or Beneficiary and render its decision regarding the appeal all within 60 days of such appeal. No action at law or in equity shall be brought to recover benefits under this Plan until the appeal rights herein provided have been exercised and the Plan benefits requested in such appeal have been denied in whole or in part.

7.03 Nonalienability and Nontransferability. The rights of a Participant to the payment of benefits as provided in the Plan shall not be assigned, transferred, pledged or encumbered, or be subject in any manner to alienation or anticipation. No Participant may borrow against his Accounts.

7.04 Plan Administrator. The administrator of the Plan shall be the Committee, which shall have authority to adopt rules and regulations for carrying out the Plan, to delegate its administrative responsibilities as it shall, from time to time, deem advisable, and to interpret, construe, and implement the provisions thereof. Any decision or interpretation of any provision of the Plan adopted by the Committee shall be final and conclusive. Benefits under this Plan will be paid only if the Committee decides in its discretion that the applicant is entitled to them.

7.05 Amendment and Termination. The Plan may, at any time, be amended or modified, or, subject to and in compliance with Code Section 409A, terminated by action of the Board or by action of any person or entity authorized by the Board. Such amendment shall be stated in an instrument in writing.

7.06 Code Section 409A. The Plan and the benefits provided hereunder are intended to comply with Code Section 409A and the guidance and Treasury regulations issued thereunder, to the extent applicable thereto. Notwithstanding any provision of the Plan to the contrary, the Plan shall be interpreted and construed consistent with this intent. Notwithstanding the foregoing, neither the Company nor any of its Subsidiaries shall be required to assume any increased economic burden in connection therewith. Although the Company and the Committee intend to administer the Plan so that it will comply with the requirements of Code Section 409A, neither the Company nor the Committee represents or warrants that the Plan or the operation or administration thereof 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 the Participant) for any tax, interest, or penalties the Participant might owe as a result of participation in the Plan, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes pursuant to Code Section 409A.

SECTION 8. GENERAL PROVISIONS

8.01 Notices. All notices to the Company hereunder shall be delivered to the attention of the Administrative Committee. Any notice or filing required or permitted to be given to the Company under this Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the Administrative Committee.

8.02 Controlling Law. Except to the extent superseded by federal law, the laws of Illinois shall be controlling in all matters relating to the Plan.

8.03 Captions. The captions of Sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

8.04 Action by the Company. Any action required or permitted by the Company under the Plan shall be by resolution of its Board or any person or persons authorized by resolution of its Board.

8.05 Facility of Payment. Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to properly manage his financial affairs may be paid to the legal representative of such person or may be applied for the benefit of such person in any manner which the Committee may select.

8.06 Severability. Whenever possible, each provision of the Plan shall be interpreted in such manner as to be effective and valid under applicable law (including the Code), but if any provision of the Plan shall be held to be prohibited by or invalid under applicable law, then (i) such provision shall be deemed amended to, and to have contained from the outset such language as shall be necessary to, accomplish the objectives of the provision as originally written to the fullest extent permitted by law and (ii) all other provisions of the Plan shall remain in full force and effect.

8.07 Liability. No member of the Board, no employee of Aon plc, the Company or a Subsidiary, and no member of the Committee (nor the Committee itself) shall be liable for any act or action hereunder whether of omission or commission, by any other member or employee or by any agent to whom duties in connection with the administration of the Plan have been delegated or, except in circumstances involving bad faith, gross negligence or fraud, for anything done or omitted to be done. The Company will fully indemnify and hold the members of the Committee harmless from any liability hereunder, except in circumstances involving a Committee member's bad faith, gross negligence, or fraud. The Company or the Committee may consult with legal counsel, who may be counsel for the Company or other counsel, with respect to its obligation or duties hereunder, or with respect to any action or proceeding or any question of law, and shall not be liable with respect to any action taken or omitted by it in good faith pursuant to the advice of counsel.

8.08 Successors. The provisions of the Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term "successors" as used herein shall include any corporation or other business entity which shall by merger, consolidation, purchase, or otherwise, acquire all or substantially all of the business and assets of the Company and successors of any such corporation or other business entity.

8.09 Unfunded Status of the Plan. All payments made to the Participant pursuant to the Plan shall be made only from the general assets of the Company or a Subsidiary. All accounts under the Plan shall be for bookkeeping purposes only and shall not represent a claim against specific assets of the Company or the Subsidiaries. Nothing contained in this Plan shall be deemed to create a trust of any kind or create any fiduciary relationship.

IN WITNESS WHEREOF, Aon Corporation has adopted this amendment and restatement of the Aon Supplemental Savings Plan as of the Restatement Effective Date.

AON CORPORATION

/S/ Anthony R. Golund

Anthony R. Goland

Executive Vice President and
Chief Human Resources Officer

Aon plc and Consolidated Subsidiaries
Combined With Unconsolidated Subsidiaries
Computation of Ratio of Earnings to Fixed Charges

(millions except ratio)	Years Ended December 31,				
	2016	2015	2014	2013	2012
Income from continuing operations before income taxes and noncontrolling interests	\$ 1,669	\$ 1,689	\$ 1,765	\$ 1,538	\$ 1,380
Less: Equity in earnings on less than 50% owned entities	13	13	12	20	13
Add back fixed charges:					
Interest on indebtedness	282	273	255	210	228
Interest on uncertain tax positions	—	—	4	5	5
Portion of rents representative of interest factor	32	45	50	52	42
Income as adjusted	<u>\$ 1,970</u>	<u>\$ 1,994</u>	<u>\$ 2,062</u>	<u>\$ 1,785</u>	<u>\$ 1,642</u>
Fixed charges:					
Interest on indebtedness	\$ 282	\$ 273	\$ 255	\$ 210	\$ 228
Interest on uncertain tax positions	—	—	4	5	5
Portion of rents representative of interest factor	32	45	50	52	42
Total fixed charges	<u>\$ 314</u>	<u>\$ 318</u>	<u>\$ 309</u>	<u>\$ 267</u>	<u>\$ 275</u>
Ratio of earnings to fixed charges	6.3	6.3	6.7	6.7	6.0

Aon plc - Worldwide Subsidiaries as of December 31, 2016

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Aon Angola Corretores de Seguros Limitada	Angola	
Admiseg SA	Argentina	
Aon Affinity Argentina S.A.	Argentina	
Aon Assist Argentina S.A.	Argentina	
Aon Benfield Argentina S.A.	Argentina	
Aon Consulting Argentina S.A.	Argentina	
Aon Risk Services Argentina S.A.	Argentina	
Asevasa Argentina S.A.	Argentina	
Hewitt Associates, S.A.	Argentina	
Marinero Dundas S.A.	Argentina	
SN Re S.A.	Argentina	
Swire Blanch MSTC II SA	Argentina	
Swire Blanch MSTC SA	Argentina	
Aon Aruba N.V.	Aruba	
Aon Captive Services Aruba N.V.	Aruba	
Aon Australia Group Pty Ltd	Australia	
Aon Australian Holdco 1 Pty Ltd	Australia	
Aon Australian Holdco 2 Pty Ltd	Australia	
Aon Australian Holdco 3 Pty Ltd	Australia	
Aon Benfield Australia Limited	Australia	
Aon Charitable Foundation Pty Ltd	Australia	
Aon Consolidation Group Pty Ltd	Australia	
Aon Corporation Australia Limited	Australia	
Aon Group Pty Ltd	Australia	
Aon Hewitt Financial Advice Limited	Australia	
Aon Hewitt Limited	Australia	
Aon Holdings Australia Pty Limited	Australia	
Aon Product Design & Development Australia Pty Limited	Australia	
Aon Risk Services Australia Limited	Australia	
Aon Services Pty Ltd.	Australia	
Aon Superannuation Pty Limited	Australia	
Hewitt Associates Pty Ltd	Australia	
HIA Insurance Services Pty Ltd.	Australia	
One Underwriting Pty Ltd	Australia	
Aon Austria Versicherungsmakler GmbH	Austria	
Aon Benfield Rückversicherungsmakler GmbH	Austria	
Aon Hewitt GmbH	Austria	
Aon Holdings Austria GmbH	Austria	
Aon Jauch & Hübener GmbH	Austria	
Insurance Company of the Bahamas Limited	Bahamas	
J.S. Johnson & Company Limited	Bahamas	
Aon Bahrain W.L.L.	Bahrain	
Aon Insurance Managers (Barbados) Ltd.	Barbados	
Agenion N.V./SA	Belgium	
Aon Belgium B.V.B.A.	Belgium	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Crion N.V.	Belgium	
Probabilitas N.V./SA	Belgium	
Anchor Underwriting Managers Ltd.	Bermuda	
Aon (Bermuda) Ltd.	Bermuda	
Aon Benfield Group Limited	Bermuda	
Aon Bermuda Holding Company Limited	Bermuda	
Aon Bermuda QI Holdings Ltd.	Bermuda	
Aon Delta Bermuda Ltd.	Bermuda	
Aon Finance Bermuda 1 Ltd.	Bermuda	
Aon Finance Bermuda 2 Ltd.	Bermuda	
Aon Group (Bermuda) Ltd.	Bermuda	
Aon Hewitt (Bermuda) Ltd.	Bermuda	
Aon Insurance Managers (Bermuda) Ltd	Bermuda	
Aon Underwriting Managers (Bermuda) Ltd.	Bermuda	
Benfield Investment Holdings Limited	Bermuda	
Benfield Juniperus Holdings Limited	Bermuda	
International Risk Management Group Ltd	Bermuda	
White Rock Insurance (Americas) Ltd.	Bermuda	
White Rock Insurance (SAC) Ltd.	Bermuda	
Aon Bolivia S.A. Corredores de Seguros	Bolivia	
Aon Consulting Bolivia S.R.L.	Bolivia	
Aon Re Bolivia S.A. Corredores de Reaseguros	Bolivia	
Aon Botswana (Pty) Ltd.	Botswana	
Aon Holdings Botswana (Pty) Ltd	Botswana	
Aon Risk Management (Pty) Ltd	Botswana	
Glenrand MIB Botswana (Pty) Ltd	Botswana	
Adm Administradora de Beneficios Ltda.	Brazil	
Admix - Administracao, Consultoria, Participacoes e Corretora de Seguros de Vida Ltda.	Brazil	
Aon Affinity Administradora de Beneficios Ltda.	Brazil	
Aon Affinity do Brasil Servicos e Corretora de Seguros Ltda.	Brazil	
Aon Affinity Servicos e Participacoes Ltda.	Brazil	
Aon Benfield Brasil Corretora de Resseguros Ltda.	Brazil	
Aon Holdings Corretores de Seguros Ltda.	Brazil	
Associação Instituto Aon	Brazil	
Benfield do Brasil Participacoes Ltda. (dormant)	Brazil	
Farmaseg - Solucoes, Assistencia e Servicos Empresariais Ltda.	Brazil	
Hewitt Associates Administradora e Corretora de Seguros Ltda.	Brazil	
Hewitt Associates Servicos de Recursos Humanos Ltda.	Brazil	
Aon Bulgaria Ltd.	Bulgaria	
Aon Business Consulting Ltd.	Bulgaria	
Andes Global Ltd.	BVI	
Aon Group Limited	BVI	
682465 Canada Ltd.	Canada	
7193599 Canada Inc.	Canada	
Alexander & Alexander Services Canada Inc.	Canada	
Aon Benfield Canada ULC	Canada	
Aon Canada Holdings N.S. ULC	Canada	
Aon Canada Inc.	Canada	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Aon Canada Intermediaries GP	Canada	
Aon Direct Group Inc.	Canada	
Aon Finance Canada 1 Corp.	Canada	
Aon Finance Canada 2 Corp.	Canada	
Aon Finance International N.S. ULC	Canada	
Aon Finance N.S. 1, ULC	Canada	
Aon Finance N.S. 2, ULC	Canada	
Aon Finance N.S. 3, ULC	Canada	
Aon Finance N.S. 4, ULC	Canada	
Aon Finance N.S. 5, ULC	Canada	
Aon Finance N.S. 6, ULC	Canada	
Aon Finance N.S. 7, ULC	Canada	
Aon Finco N.S. 2012-1, ULC	Canada	
Aon Finco N.S. 2012-2, ULC	Canada	
Aon Hewitt Inc.	Canada	
Aon Hewitt Investment Management Inc.	Canada	
Aon Parizeau Inc.	Canada	
Aon Reed Stenhouse Inc.	Canada	
Aon Risk Services Canada Inc.	Canada	
Aon Securities Investment Management Inc.	Canada	
Coles Hewitt Partnership	Canada	
Dominion Mutual Insurance Brokers Ltd.	Canada	
Groupe-Conseil Aon Inc.	Canada	
Hewitt Amalco 1 ULC	Canada	
Hewitt Amalco 2 ULC	Canada	
Hewitt Amalco 3 ULC	Canada	
Hewitt Amalco 4 ULC	Canada	
Hewitt Amalco 5 ULC	Canada	
Hewitt Associates Corp.	Canada	
Hewitt Associates Partnership	Canada	
Hewitt Holdings Canada Company	Canada	
Hewitt Management Ltd.	Canada	
Hewitt Western Management Amalco Inc.	Canada	
IAO Actuarial Consulting Services Canada Inc.	Canada	
J. Allan Brown Consultants, Inc.	Canada	
K & K Insurance Brokers, Inc. Canada	Canada	
Linx Underwriting Solutions Inc.	Canada	
M.A. Shakeel Management Ltd. Amalco	Canada	
Minet Inc.	Canada	
Risk Management Consultants of Canada Limited	Canada	
Sheppard Canada Holding N.S. ULC	Canada	
USLP Underwriting Solutions LP	Canada	
Aon Insurance Managers (Cayman) Ltd.	Cayman Islands	
Aon Risk Solutions (Cayman) Ltd.	Cayman Islands	
United Insurance Company	Cayman Islands	
Aon Affinity Chile Ltda.	Chile	
Aon Benfield (Chile) Corredores de Reaseguros Ltda.	Chile	
Aon Consulting (Chile) Limitada	Chile	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Aon Risk Services (Chile) S.A.	Chile	
Aon Risk Services Holdings (Chile) Ltda.	Chile	
Asevasa Chile Peritaciones e Ingenieria de Riesgos, S.A.	Chile	
Benfield Corredores de Reaseguro Ltda.	Chile	
Inversiones Benfield Chile Ltda.	Chile	
Aon Hewitt Consulting (Shanghai) Co., Ltd.	China	
Aon-COFCO Insurance Brokers Co., Ltd.	China	
Aon Affinity Colombia Ltda. Agencia de Seguros	Colombia	
Aon Benfield Colombia Limitada Corredores de Reaseguros	Colombia	
Aon Risk Services Colombia SA Corredores de Seguros	Colombia	
Salud, Riesgos y Recursos Humanos Consultores Ltda. (former Aon Corporte Advisors Ltda.)	Colombia	
Tecsefin, S.A. en liquidacion	Colombia	
Aon Business Consultancy Ltd.	Croatia	
Aon Insurance Brokerage Ltd.	Croatia	
Alexander Insurance Managers (Netherlands Antilles) N.V.	Curacao	
Aon Antillen N.V.	Curacao	
Aon Captive Services Antilles N.V.	Curacao	
Aon Holdings Antillen N.V.	Curacao	
Aon Insurance Managers (Antilles) N.V.	Curacao	
Aon Cyprus Insurance Broker Company Limited	Cyprus	
Aon Hewitt (Cyprus) Limited	Cyprus	
Aon Central and Eastern Europe a.s.	Czech Rep.	
Aon Denmark A/S	Denmark	
Aon Denmark Insurance Services A/S	Denmark	
Aon Riskminder A/S	Denmark	
Optica Insurance Agency A/S	Denmark	
Akaoasesores Cia. Ltda.	Ecuador	
Aon Consulting Ecuador S.A.	Ecuador	
Aon Risk Services Ecuador S.A. Agencia Asesora Productora de Seguros	Ecuador	
Tecsefin Salvador (dormant)	El Salvador	
Riskikonsultatsioonid OÜ	Estonia	
Aon (Fiji) Ltd.	Fiji	
Aon Finland Oy	Finland	
Aon France	France	
Aon Holdings France SNC	France	
Hewitt Associates SAS	France	
International Space Brokers France	France	
Kloud S.à.r.l.	France	
Aon Beteiligungsmanagement Deutschland GmbH & Co. KG	Germany	
Aon Credit International Insurance Broker GmbH	Germany	
Aon Deutschland Beteiligungs GmbH	Germany	
Aon Hewitt GmbH	Germany	
Aon Hewitt Trust Solutions GmbH	Germany	
Aon Holding Deutschland GmbH	Germany	
Aon Pensions Insurance Brokers GmbH	Germany	
Aon Risiko & Versicherungsberatungs GmbH	Germany	
Aon Versicherungsmakler Deutschland GmbH	Germany	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Hamburger Gesellschaft zur Forderung des Versicherungswesens mbH	Germany	
Motor Versicherungsmakler GmbH	Germany	
One Underwriting Agency GmbH	Germany	
PRORÜCK Ruckversicherungs Aktiengesellschaft	Germany	
UNIT Versicherungsmakler GmbH	Germany	
WACUS Delkredere Management GmbH	Germany	
Aon Insurance Managers Gibraltar Ltd.	Gibraltar	
White Rock Insurance (Gibraltar) PCC Ltd.	Gibraltar	
Aon Greece S.A.	Greece	
Aon Hewitt S.A.	Greece	
Agostini Insurance Brokers Grenada Limited	Grenada	
Aon Insurance Micronesia (Guam) Inc	Guam (Micronesia)	
Tecsefin Guatemala	Guatemala	
Aon Insurance Managers (Guernsey) Ltd.	Guernsey	
Aon Insurance Managers (Holdings) Ltd.	Guernsey	
Aon PMI International Limited	Guernsey	
Aon Services (Guernsey) Ltd	Guernsey	
Lincolnshire Insurance Company PCC Limited	Guernsey	
Lombard Trustee Company Limited	Guernsey	
White Rock Insurance (Guernsey) ICC Limited	Guernsey	
White Rock Insurance Company PCC Ltd.	Guernsey	
Aon (CR) Insurance Agencies Company Limited	Hong Kong	
Aon Agencies Hong Kong Limited	Hong Kong	
Aon Assurance Agencies Hong Kong Limited	Hong Kong	
Aon Benfield China Limited	Hong Kong	
Aon Chevalier Risk Management Hong Kong Limited	Hong Kong	
Aon Commercial Insurance Agencies Hong Kong Limited	Hong Kong	
Aon Enterprise Insurance Agencies Hong Kong Limited	Hong Kong	
Aon Hewitt Hong Kong Limited	Hong Kong	
Aon Holdings Hong Kong Limited	Hong Kong	
Aon Hong Kong Limited	Hong Kong	
Aon Insurance Agencies (HK) Limited	Hong Kong	
Aon Insurance Management Agencies (HK) Limited	Hong Kong	
Aon Insurance Underwriting Agencies Hong Kong Limited	Hong Kong	
Aon Product Risk Services Hong Kong Limited	Hong Kong	
Aon Securities (Hong Kong) Limited	Hong Kong	
Aon Services Hong Kong Limited	Hong Kong	
Aon Underwriting Agencies (HK) Limited	Hong Kong	
Asian Reinsurance Underwriters Limited	Hong Kong	
Contingency Insurance Brokers Limited	Hong Kong	
Essar Insurance Services Limited	Hong Kong	
EW Blanch Limited	Hong Kong	
SF (Asia) Limited	Hong Kong	
Aon Hungary Insurance Brokers Risk and Human Consulting LLC	Hungary	
Aon Consulting Private Limited	India	
Aon Global Insurance Brokers Private Limited	India	
Aon HR Services India Private Limited	India	
Aon Services India Private Limited	India	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Aon Specialist Services Private Limited	India	
Cocubes Technologies Private Limited	India	
Ennis Knupp & Associates India Private Limited	India	
Hewitt Human Resource Services Limited	India	
Hewitt Outsourcing Services India Limited	India	
S Quotient Analyzers Private Limited	India	
PT Aon Benfield Indonesia	Indonesia	
PT Aon Hewitt Indonesia	Indonesia	
PT Aon Indonesia	Indonesia	
Aon Broking Technology Limited	Ireland	
Aon Centre for Innovation and Analytics Ltd	Ireland	
Aon Commercial Services and Operations Ireland Limited	Ireland	
Aon Commercial Services Ireland Limited	Ireland	
Aon Global Risk Research Limited	Ireland	
Aon Hewitt (Ireland) Limited	Ireland	
Aon Hewitt Management Company Limited	Ireland	
Aon Insurance Managers (Dublin) Ltd.	Ireland	
Aon Insurance Managers (Shannon) Limited	Ireland	
Aon Investment Holdings Ireland Limited	Ireland	
Aon MacDonagh Boland Group Ltd	Ireland	
Bacon & Woodrow Partnerships (Ireland) Limited	Ireland	
Beaubien Finance Ireland Limited	Ireland	
Becketts (Trustees) Limited	Ireland	
Becketts Limited	Ireland	
Beech Hill Pension Trustees Ltd	Ireland	
Benton Finance Ireland Limited	Ireland	
Delany Bacon & Woodrow Partnership	Ireland	
MacDonagh Boland Crotty MacRedmond Ltd	Ireland	
Private Client Trustees Ltd.	Ireland	
Randolph Finance Unlimited Company	Ireland	
Aon Treasury Ireland Limited	Ireland	
Aon Risk Services (NI) Limited	Ireland (Northern)	
Aon (Isle of Man) Limited	Isle of Man	
Aon Corporate Services (Isle of Man) Limited	Isle of Man	
Aon Holdings (Isle of Man) Limited	Isle of Man	
Aon Insurance Managers (Isle of Man) Ltd.	Isle of Man	
White Rock Insurance PCC (Isle of Man) Limited	Isle of Man	
Aminim International Underwriters of Insurance Agencies (1990) Ltd.	Israel	
Aon Benfield Israel Limited	Israel	
Aon Holdings Israel Ltd.	Israel	
Aon Israel Insurance Brokerage Ltd.	Israel	
Delek Motors Insurance Agency (2003) Ltd	Israel	
I. Beck Insurance Agency (1994) Ltd.	Israel	
National Insurance Office Ltd.	Israel	
Ronnie Elementary Insurance Agency Ltd	Israel	
Aon Benfield Italia S.p.A.	Italy	
Aon Hewitt Risk & Consulting S.r.l.	Italy	
Aon Italia S.r.l.	Italy	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Aon Re Trust Broker S.r.l.	Italy	
Aon S.p.A. Insurance & Reinsurance Brokers	Italy	
Asscom Insurance Brokers S.r.l.	Italy	
Praesidium S.p.A. - Soluzioni Assicurative per il Management	Italy	
US Underwriting Solutions S.r.l.	Italy	
Aon Benfield Japan Ltd	Japan	
Aon Hewitt Japan Ltd.	Japan	
Aon Holdings Japan Ltd	Japan	
Aon Japan Ltd	Japan	
Y's Insurance Inc	Japan	
Aon Consulting Kazakhstan LLP	Kazakhstan	
Insurance Broker Aon Kazakhstan LLP	Kazakhstan	
Aon Consulting Ltd.	Kenya	
Aon Kenya Insurance Brokers Ltd	Kenya	
Minken Properties Ltd.	Kenya	
Aon Hewitt Consulting Korea Inc.	Korea	
Aon Korea Inc.	Korea	
SIA "Aon Consulting"	Latvia	
UADBB Aon Baltic - Latvian branch	Latvia	
Aon Lesotho (Pty) Ltd.	Lesotho	
Aon Insurance Managers (Liechtenstein) AG	Liechtenstein	
UADBB Aon Baltic	Lithuania	
Aon Finance Luxembourg S.à.r.l.	Luxembourg	
Aon Global Risk Consulting Luxembourg S.à.r.l.	Luxembourg	
Aon Holdings Luxembourg S.à.r.l.	Luxembourg	
Aon Insurance Managers (Luxembourg) S.A.	Luxembourg	
Aon Neudorf Finance S.à.r.l.	Luxembourg	
Aon Re Canada Holdings SARL	Luxembourg	
Puricelli & Ghezzi International S.A.	Luxembourg	
Aon Insurance Agencies (Macau) Limited	Macau	
Aon Malawi Limited	Malawi	
Aon Benfield Malaysia Limited	Malaysia	
Aon Hewitt Malaysia Sdn Bhd	Malaysia	
Aon Insurance Brokers (Malaysia) Sdn Bhd	Malaysia	
Aon Insurance Managers (Malta) PCC Limited	Malta	
Aon Services (Malta) Ltd	Malta	
White Rock Insurance (Europe) PCC Limited	Malta	
White Rock Insurance (Netherlands) PCC Limited	Malta	
Aon Hewitt Ltd.	Mauritius	
Aon Mauritius Holdings Ltd.	Mauritius	
Glenrand MIB (Mauritius) (Pte) Ltd	Mauritius	
Aon Affinity Mexico Agente de Seguros y de Fianzas, S.A. de C.V.	Mexico	
Aon Affinity Mexico, S.A. de C.V.	Mexico	
Aon Benfield Mexico Intermediario de Reaseguro SA de CV	Mexico	
Aon Life, Agente de Seguros, S.A. de C.V.	Mexico	
Aon Mexico Business Support SA de CV	Mexico	
Aon Mexico Holdings, S. de R.L. de C.V.	Mexico	
Aon Risk Solutions Agente de Seguros y de Fianzas SA de CV	Mexico	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Asevasa Mexico, S.A. de C.V.	Mexico	
Hewitt Associates, S.C.	Mexico	
Hewitt Beneficios Agente de Seguros y de Fianzas, S.A. de C.V.	Mexico	
Aon Acore Sarl	Morocco	
Casablanca Intermediation Company Sarl	Morocco	
Aon Moçambique Corretores de Seguros, Limitada	Mozambique	
Glenrand M I B (Moçambique) Corretores de Seguros Limitada	Mozambique	
Aon Namibia (Pty) Ltd.	Namibia	
Namibia Administration Fulfillment Company (PtY) Limited	Namibia	
Alexander & Alexander B.V.	Netherlands	
Alexander & Alexander Holding B.V.	Netherlands	
Aon 2 B.V.	Netherlands	
Aon Americas Holdings BV	Netherlands	
Aon B.V.	Netherlands	
Aon Benfield Netherlands C.V.	Netherlands	
Aon CANZ Holdings B.V.	Netherlands	
Aon Captive Services (Nederland) B.V.	Netherlands	
Aon Cash Management B.V.	Netherlands	
Aon Corporation EMEA B.V.	Netherlands	
Aon Global Holdings 1 C.V.	Netherlands	
Aon Global Holdings 2 C.V.	Netherlands	
Aon Global Risk Consulting B.V.	Netherlands	
Aon Groep Nederland B.V.	Netherlands	
Aon Group Holdings International 1 B.V.	Netherlands	
Aon Group Holdings International 2 B.V.	Netherlands	
Aon Group International N.V.	Netherlands	
Aon Hewitt Nederland C.V.	Netherlands	
Aon Hewitt Risk & Financial Management B.V.	Netherlands	
Aon Holdings B.V.	Netherlands	
Aon Holdings International B.V.	Netherlands	
Aon Holdings Mid Europe B.V.	Netherlands	
Aon International Coöperatief U.A.	Netherlands	
Aon Latam Holdings N.V.	Netherlands	
Aon Lead QI B.V.	Netherlands	
Aon Nederland C.V.	Netherlands	
Aon Netherlands Operations B.V.	Netherlands	
Aon Nikols Chile B.V.	Netherlands	
Aon Participations B.V.	Netherlands	
Aon Restructuring B.V.	Netherlands	
Aon Risk Services EMEA B.V.	Netherlands	
Aon Southern Europe B.V.	Netherlands	
Aon Trust Services B.V.	Netherlands	
B.V. Assurantiekantoor Langeveldt-Schroder	Netherlands	
Bekouw Mendes C.V.	Netherlands	
Beursstraat 1A B.V.	Netherlands	
Bonnikesplein 18-22 B.V.	Netherlands	
Celinvest Amsterdam B.V.	Netherlands	
COT Instituut voor Veiligheids-en Crisismanagement B.V.	Netherlands	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
De Admiraal B.V.	Netherlands	
Dorhout Mees Assurantien B.V.	Netherlands	
Hewitt Associates B.V.	Netherlands	
Hewitt Associates Outsourcing B.V.	Netherlands	
Jacobs & Brom B.V.	Netherlands	
Kerkenbos 1061 B.V.	Netherlands	
Paalbergweg 2-4 B.V.	Netherlands	
Aon Benfield New Zealand Limited	New Zealand	
Aon Holdings New Zealand	New Zealand	
Aon New Zealand	New Zealand	
Aon New Zealand Group ULC	New Zealand	
Aon Product Design and Development New Zealand Limited	New Zealand	
Aon Saver Limited	New Zealand	
Superannuation Management Nominees Limited	New Zealand	
Aon Norway AS	Norway	
Aon Majan LLC	Oman	
Aon Insurance Brokers (Pvt) Ltd.	Pakistan	
Aon Benfield Panama, S.A.	Panama	
Aon Broking Services SA	Panama	
Asevasa Caricam, S.A.	Panama	
Asevasa Panama, S.A.	Panama	
Tecsefin Centroamerica, S.A.	Panama	
Aon Hewitt (PNG) Ltd.	Papua new Guinea	
Aon Risk Services (PNG) Ltd.	Papua new Guinea	
Aon Superannuation (PNG) Limited	Papua new Guinea	
Aon Benfield Peru Corredores de Reaseguros SA	Peru	
Aon Graña Peru Corredores de Seguros SA	Peru	
Graña Asociados Soluciones, S.A.C.	Peru	
Aon Insurance and Reinsurance Brokers Philippines Inc.	Philippines	
Aon Hewitt Sp. z o.o.	Poland	
Aon Polska Services Sp. z o.o.	Poland	
Aon Polska Sp. z o.o.	Poland	
Carstens i Schües Poland Sp. z o.o.	Poland	
Aon Motor - Gestao e Consultoria de Frotas Unipessoal, Lda	Portugal	
Aon Portugal - Consultores, Unipessoal, Lda.	Portugal	
Aon Portugal - Corretores de Seguros, S.A.	Portugal	
Aon Re Bertoldi - Corretagem de Resseguros S.A.	Portugal	
Aon Qatar LLC	Qatar	
Aon Consulting Romania SRL	Romania	
Aon Romania Broker de Asigurare - Reasigurare SRL	Romania	
Aon Rus Insurance Brokers LLC	Russia	
Aon Rus LLC	Russia	
Agostini Insurance Brokers (St. Lucia) Limited	Saint Lucia	
Aon Sint Maarten N.V.	Saint Martin	
Aon Insurance Micronesia (Saipan) Inc	Saipan (Micronesia)	
Aon Hewitt Saudi Arabia LLC	Saudi Arabia	
Aon Saudi Arabia LLC	Saudi Arabia	
Alexander & Alexander (Asia) Holdings Pte Ltd	Singapore	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Aon Benfield Asia Pte. Ltd.	Singapore	
Aon Hewitt Singapore Pte. Ltd.	Singapore	
Aon Hewitt Wealth Management Pte. Ltd.	Singapore	
Aon Insurance Agencies Pte Ltd	Singapore	
Aon Insurance Managers (Singapore) Pte Ltd	Singapore	
Aon Singapore (Broking Centre) Pte. Ltd.	Singapore	
Aon Singapore Center for Innovation, Strategy and Management Pte. Ltd.	Singapore	
Aon Singapore Pte. Ltd.	Singapore	
Stenhouse (South East Asia) Pte. Ltd.	Singapore	
Twoness Holding Pte Ltd	Singapore	
Aon Benfield Bratislava s.r.o.	Slovak Republic	
Aon Consulting South Africa (Pty) Ltd.	South Africa	
Aon Holdings Sub-Sahara Africa (Pty) Ltd.	South Africa	
Aon Limpopo (Pty) Ltd.	South Africa	
Aon Re Africa (Pty) Limited	South Africa	
Aon South Africa (Pty) Ltd.	South Africa	
Aon Worldaware (Pty) Ltd.	South Africa	
Claims Fulfilment Company (Pty) Ltd.	South Africa	
Mafube Risk and Insurance Consultants (Pty) Ltd.	South Africa	
TM Insurance Brokers (Pty) Ltd.	South Africa	
Aon Benfield Iberia Correduria de Reaseguros, S.A.U.	Spain	
Aon Cover Agencia de Suscripcion, S.L.U.	Spain	
Aon Gil y Carvajal, S.A.U. Correduria de Seguros	Spain	
Aon Hewitt España S.A.U.	Spain	
Aon Management Solutions, S.A.U.	Spain	
Aon Marketing Directo, S.A.U.	Spain	
Aon Southern Europe y Cia SC	Spain	
Aon Southern Holding Spain, S.L.	Spain	
Asevasa Asesoramiento y Valoraciones S.A.U.	Spain	
Fundación Aon España	Spain	
Aon Swaziland (Pty) Ltd	Swaziland	
Aon Global Risk Consulting AB	Sweden	
Aon Hewitt AB	Sweden	
Aon Sweden AB	Sweden	
SINSER Holding AB	Sweden	
Aon Insurance Managers (Switzerland) AG	Switzerland	
Aon Schweiz AG	Switzerland	
Inpoint Switzerland GmbH	Switzerland	
Stroz Friedberg GmbH	Switzerland	
Aon Management Consulting Taiwan Ltd.	Taiwan	
Aon Taiwan Ltd.	Taiwan	
Aon Tanzania Limited	Tanzania	
Aon (Thailand) Limited	Thailand	
Aon Consulting (Thailand) Limited	Thailand	
Aon Group (Thailand) Limited	Thailand	
Aon Hewitt (Thailand) Ltd.	Thailand	
Aon Re (Thailand) Limited	Thailand	
Aon Risk Services (Thailand) Limited	Thailand	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
A.B. Insurances Limited	Trinidad and Tobago	
Agostini Insurance Brokers Limited	Trinidad and Tobago	
AIB Services Limited	Trinidad and Tobago	
Aon Energy Caribbean Limited	Trinidad and Tobago	
Cardea Health Solutions Limited	Trinidad and Tobago	
Aon Tunisia So.car.gest S.A., Société Anonyme de Conseil en Assurances et Réassurances et de Gestion	Tunisia	
Aon Danismanlik Hizmetleri AS	Turkey	
Aon Sigorta ve Reasurans Brokerligi ve A.S.	Turkey	
J.S. Johnson & Company (Turks & Caicos) Limited	Turks & Caicos	
Aon Uganda Limited	Uganda	
Alexander Clay	UK	
Aon 180412 Limited (in liquidation)	UK	
Aon Adjudication Services Limited	UK	
Aon ANZ Holdings Limited	UK	
Aon Benfield Limited	UK	
Aon Consulting (Benefits) Holdings Limited (In liquidation)	UK	
Aon Consulting (Benefits) Limited (In liquidation)	UK	
Aon Consulting (Pensions) Limited (In liquidation)	UK	
Aon Consulting Financial Services Limited	UK	
Aon Consulting Limited	UK	
Aon DC Trustee Limited	UK	
Aon Delta UK Limited	UK	
Aon Global Holdings Limited	UK	
Aon Global Operations Limited	UK	
Aon Hewitt Limited	UK	
Aon Hewitt US Holdings Limited	UK	
Aon Holdings Limited	UK	
Aon Kloud Limited (In liquidation)	UK	
Aon Overseas Holdings Limited	UK	
Aon Pension Trustees Limited	UK	
Aon Risk Services UK Limited (in liquidation)	UK	
Aon Securities Limited	UK	
Aon Trust Corporation Limited	UK	
Aon UK Group Limited	UK	
Aon UK Holdings Intermediaries Limited	UK	
Aon UK Limited	UK	
Aon UK Trustees Limited	UK	
Aon US & International Holdings Limited	UK	
Bacon & Woodrow Limited (In liquidation)	UK	
Bacon & Woodrow Partnerships Limited	UK	
Bain Hogg Group Limited (in liquidation)	UK	
Bankassure Insurance Services Limited	UK	
Beaubien Finance Limited	UK	
Beaubien UK Finance Limited	UK	
Benfield Greig Holdings Limited (In liquidation)	UK	
Benton Finance Limited	UK	
CoSec 2000 Limited	UK	

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Doveland Services Limited	UK	
E. W. Blanch Holdings Limited	UK	
E. W. Blanch Investments Limited	UK	
Eurotempest Limited	UK	
Gotham Digital Science Ltd.	UK	
Hewitt Associates Outsourcing Limited	UK	
Hewitt Risk Management Services Limited	UK	
Hogg Group Limited	UK	
International Space Brokers Europe Limited	UK	
International Space Brokers Limited	UK	
Jenner Fenton Slade Limited	UK	
McLagan (Aon) Limited	UK	
Minet Consultancy Services Ltd	UK	
Minet Group	UK	
NBS Nominees Limited	UK	
Randolph Finance Limited	UK	
Rasini Vigano Limited	UK	
Ringley Investments Limited	UK	
Scorpio Partnership Limited (In liquidation)	UK	
SLE Worldwide Limited	UK	
Stroz Friedberg Limited	UK	
The Aon MasterTrustee Limited	UK	
Aon Ukraine LLC	Ukraine	
Aon (DIFC) Gulf LLC	United Arab Emirates	
Aon Hewitt Middle East Limited	United Arab Emirates	
Aon Middle East Co LLC	United Arab Emirates	
Stroz Friedberg Risk Management Limited	United Arab Emirates	
Aon Benfield Middle East Limited	United Arab Emirates - DIFC	
Aon Benfield Latin America SA	Uruguay	
Marinero Dundas SA	Uruguay	
Access Plans USA, Inc.	USA	Oklahoma
Affinity Insurance Services, Inc.	USA	Pennsylvania
AIS Affinity Insurance Agency, Inc.	USA	California
AIS Insurance Agency, Inc.	USA	Washington
Alexander Reinsurance Intermediaries, Inc.	USA	New York
Allen Insurance Associates, Inc.	USA	California
Alliance HealthCard of Florida, Inc.	USA	Georgia
Alliance HealthCard, Inc.	USA	Georgia
Allied Group Holdings LLC	USA	Delaware
Allied North America Insurance Brokerage of California, LLC	USA	Delaware
Allied North America Insurance Brokerage of New York, LLC	USA	Delaware
Allied North America Insurance Brokerage of Texas, LLC	USA	Delaware
Allied Risk Solutions, LLC	USA	Delaware
American Insurance Services Corp.	USA	Texas

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
American Safety Consultants, LLC	USA	Delaware
American Special Risk Insurance Company	USA	Delaware
AMXH, LLC	USA	Delaware
Aon Advisors, Inc.	USA	Virginia
Aon Advisory Services Inc.	USA	Delaware
Aon Aviation, Inc.	USA	Illinois
Aon Benefit Solutions Inc.	USA	Oklahoma
Aon Benfield Fac Inc.	USA	Illinois
Aon Benfield Global, Inc.	USA	Delaware
Aon Benfield Inc.	USA	Illinois
Aon Benfield Puerto Rico Inc.	USA	Puerto Rico
Aon Brazil Holdings, LLC	USA	Delaware
Aon Capital Managers, LLC	USA	Delaware
Aon Capital Partners, Inc.	USA	Delaware
Aon Chile Holdings, LLC	USA	Delaware
Aon Consulting & Insurance Services	USA	California
Aon Consulting Worldwide, Inc.	USA	Maryland
Aon Consulting, Inc.	USA	New Jersey
Aon Consulting, Inc.	USA	New York
Aon Corporation	USA	Delaware
Aon Finance US 1, LLC	USA	Delaware
Aon Finance US 2, LLC	USA	Delaware
Aon Finance US LP	USA	Delaware
Aon Financial & Insurance Solutions, Inc.	USA	California
Aon Global Market Solutions, Inc.	USA	Tennessee
Aon Group, Inc.	USA	Maryland
Aon Hewitt Benefit Payment Services, LLC	USA	Illinois
Aon Hewitt Financial Advisors, LLC	USA	Delaware
Aon Hewitt Health Market Insurance Solutions Inc.	USA	California
Aon Hewitt Intermediaries, Inc.	USA	Delaware
Aon Hewitt Investment Consulting, Inc.	USA	Illinois
Aon Hewitt LLC	USA	Delaware
Aon Human Capital Services, LLC	USA	Delaware
Aon Insurance Management Services - Virgin Islands, Inc.	USA	US Virgin Islands
Aon Insurance Managers (Puerto Rico) Inc.	USA	Puerto Rico
Aon Insurance Managers (USA) Inc.	USA	Vermont
Aon Insurance Managers (USVI), Inc.	USA	US Virgin Islands
Aon International Energy, Inc.	USA	Texas
Aon International Holdings, Inc.	USA	Maryland
Aon Life Agency of Texas, Inc.	USA	Texas
Aon Life Insurance Company	USA	Vermont
Aon Mexico Holdings, LLC	USA	Delaware
Aon National Flood Services, Inc.	USA	Delaware
Aon NFS Holdings, Inc.	USA	Delaware
Aon PHI Acquisition Corporation of California	USA	California
Aon Premium Finance, LLC	USA	Delaware
Aon Private Risk Management Insurance Agency, Inc.	USA	Illinois
Aon Private Risk Management of California Insurance Agency, Inc.	USA	California

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Aon Property Risk Consulting, Inc.	USA	New York
Aon Realty Services, Inc.	USA	Pennsylvania
Aon Recovery, Inc.	USA	Delaware
Aon Retirement Plan Advisors, LLC	USA	Delaware
Aon Risk Consultants, Inc.	USA	Illinois
Aon Risk Insurance Services West, Inc.	USA	California
Aon Risk Services (Holdings) of Latin America, Inc.	USA	Delaware
Aon Risk Services (Holdings) of the Americas, Inc.	USA	Illinois
Aon Risk Services Central, Inc.	USA	Illinois
Aon Risk Services Companies, Inc.	USA	Maryland
Aon Risk Services International (Holdings) Inc.	USA	Delaware
Aon Risk Services Northeast, Inc.	USA	New York
Aon Risk Services South, Inc.	USA	North Carolina
Aon Risk Services Southwest, Inc.	USA	Texas
Aon Risk Services, Inc. of Florida	USA	Florida
Aon Risk Services, Inc. of Hawaii	USA	Hawaii
Aon Risk Services, Inc. of Maryland	USA	Maryland
Aon Risk Services, Inc. of Washington, D.C.	USA	District of Columbia
Aon Risk Solutions of Puerto Rico, Inc.	USA	Puerto Rico
Aon Risk Technologies, Inc.	USA	Delaware
Aon Securities Inc.	USA	New York
Aon Service Corporation	USA	Illinois
Aon Services Group, Inc.	USA	Delaware
Aon Special Risk Resources, Inc.	USA	Delaware
Aon Trust Company	USA	Illinois
Aon Underwriting Managers, Inc.	USA	Delaware
Aon US Holdings 2, Inc.	USA	Delaware
Aon US Holdings, Inc.	USA	Delaware
Aon Ward Financial Corporation	USA	Ohio
Aon/Albert G. Ruben Insurance Services, Inc.	USA	California
ARM International Corp.	USA	New York
ARM International Insurance Agency Corp.	USA	Ohio
ARMRISK CORP.	USA	New Jersey
ASPN Insurance Agency, LLC	USA	Delaware
Association of Rural and Small Town Americans	USA	Missouri
Assurance Licensing Services, Inc.	USA	Illinois
Atlantic Star Administrators LLC	USA	Delaware
Atlantic Star Intermediaries, LLC	USA	Delaware
B E P International Corp.	USA	New Jersey
Benefit Marketing Solutions, L.L.C.	USA	Oklahoma
Benfield Advisory Inc.	USA	Delaware
Benfield Finance (London) LLC	USA	Delaware
Benfield Finance (Westport) LLC	USA	Delaware
Blanch Americas Inc.	USA	Delaware
BMS Insurance Agency, L.L.C.	USA	Oklahoma
Bowes & Company, Inc., of New York	USA	New York
Cammack Health LLC	USA	New York
Cananwill Corporation	USA	Delaware

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Cananwill, Inc.	USA	California
Cananwill, Inc.	USA	Pennsylvania
CICA SPE, LLC	USA	Delaware
Citadel Insurance Managers, Inc.	USA	California
Coalition for Benefits Equality and Choice	USA	California
Corporate Investigative Solutions, Inc.	USA	New Jersey
Crawley, Warren (U.S.A.) Inc.	USA	Massachusetts
Custom Benefit Programs, Inc.	USA	New Jersey
E.W. Blanch Capital Risk Solutions, Inc.	USA	Delaware
E.W. Blanch Insurance Services Inc.	USA	Delaware
E.W. Blanch International Inc.	USA	Delaware
Elysium Digital IP Products, LLC	USA	Delaware
Elysium Digital, L.L.C.	USA	Delaware
Ennis Knupp Secondary Market Services, LLC	USA	Delaware
Financial & Professional Risk Solutions, Inc.	USA	Illinois
Futurity Group, Inc.	USA	Nevada
Gateway Alternatives, L.L.C.	USA	Delaware
Global Insurance Strategies, LLC	USA	Delaware
Gotham Digital Science, LLC	USA	Delaware
Grant Park Capital, LLC	USA	Delaware
Healthy Paws Pet Insurance LLC	USA	Washington
Hewitt Associates Caribe, Inc.	USA	Puerto Rico
Hewitt Associates LLC	USA	Illinois
Hewitt Associates International Services, Inc.	USA	Delaware
Hewitt Associates Public Sector Consulting LLC	USA	Illinois
Hewitt Financial Services LLC	USA	Illinois
Hewitt Insurance Brokerage LLC	USA	Delaware
Hewitt Insurance, Inc.	USA	Puerto Rico
Hewitt International Holdings LLC	USA	Delaware
Hogg Robinson North America, Inc.	USA	Delaware
Holdco #1, Inc.	USA	Delaware
Holdco #2, Inc.	USA	Delaware
Huntington T. Block Insurance Agency, Inc.	USA	District of Columbia
Impact Forecasting, L.L.C.	USA	Illinois
INPOINT, INC.	USA	Illinois
International Accident Facilities, Inc.	USA	Massachusetts
International Claims Administrators, Inc.	USA	Kansas
International Risk Management (Americas), Inc.	USA	Ohio
International Space Brokers, Inc.	USA	Virginia
IRM/GRC Holding Inc.	USA	Delaware
J H Minet Puerto Rico Inc.	USA	Puerto Rico
Johnson Rooney Welch, Inc.	USA	California
K & K Insurance Group of Florida, Inc.	USA	Florida
K & K Insurance Group, Inc.	USA	Indiana
K2 Technologies Inc.	USA	California
Lightbox Technologies, Inc.	USA	Delaware
McLagan Partners Asia, Inc.	USA	Delaware
McLagan Partners, Inc.	USA	Delaware

Name	Jurisdiction of Incorporation or Organization	
	Country	State/Province
Membership Leasing Trust	USA	Delaware
Minet Holdings Inc.	USA	New York
Minet Re North America, Inc.	USA	Georgia
Modern Survey, Inc.	USA	Minnesota
Muirfield Underwriters, Ltd.	USA	Delaware
NFS Edge Insurance Agency, Inc.	USA	Florida
Paragon Strategic Solutions Inc.	USA	Delaware
Premier Auto Finance, Inc.	USA	Delaware
Private Equity Partnership Structures I, LLC	USA	Delaware
Project Technologies International L.L.C.	USA	Delaware
Protective Marketing Enterprises, Inc.	USA	Tennessee
Redwoods Dental Underwriters, Inc.	USA	North Carolina
Rewards Plus of America Corporation	USA	Maryland
SINSER Management Services (Vermont), Inc.	USA	Vermont
Specialty Benefits, Inc.	USA	Indiana
Stroz Friedberg Electronic Discovery, Inc.	USA	New York
Stroz Friedberg Inc.	USA	Delaware
Stroz Friedberg, LLC	USA	New York
T.J.E. Management, LLC	USA	Minnesota
The Capella Group, Inc.	USA	Texas
Underwriters Marine Services, Inc.	USA	Louisiana
VSC SPE, LLC	USA	Delaware
Ward Financial Group, Inc.	USA	Ohio
Wexford Underwriting Managers, Inc.	USA	Delaware
White Rock USA Ltd.	USA	Vermont
William Gallagher Associates of New Jersey, Inc.	USA	New Jersey
Worldwide Integrated Services Company	USA	Texas
Wrapid Specialty, Inc.	USA	California
WT Government Services, LLC	USA	Delaware
WT Technologies, LLC	USA	Delaware
Aon (Vanuatu) Ltd.	Vanuatu	
Administradora Aon, C.A.	Venezuela	
Aon Group Venezuela, Corretaje de Reaseguros, C.A.	Venezuela	
Aon Risk Services Venezuela, Corretaje de Seguros C.A.	Venezuela	
Aon Vietnam Limited	Vietnam	
Aon Zambia Limited	Zambia	
Aon Zambia Pension Fund Administrators Limited	Zambia	

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

Registration Statement		Purpose
Form	Number	
S-8	333-55773	Pertaining to Aon's stock award plan, stock option plan, and employee stock purchase plan
S-4	333-168320	Pertaining to the registration of 4,545,566 shares of common stock registered on Post Effective Amendment No. 1 related to the Amended and Restated Global Stock and Incentive Compensation Plan of Hewitt Associates, Inc.
S-8	333-103344	Pertaining to the Aon Stock Incentive Plan
S-8	333-106584	Pertaining to Aon's deferred compensation plan
S-8	333-145928	Pertaining to the Aon Stock Incentive Plan
S-8	333-145930	Pertaining to the registration of common stock underlying equity securities issued to Aon's president and chief executive officer
S-8	333-174788	Pertaining to Aon's 2011 stock incentive plan and 2011 employee stock purchase plan
S-8	333-178906	Pertaining to Aon's savings plan
S-4	333-178991	Pertaining to the registration of 355,110,708 Class A Ordinary Shares of Aon Global Limited, and in the related Proxy Statement / Prospectus of Aon Global and Aon Corporation contained therein
S-8	333-184999	Pertaining to Aon plc Company Share Save Plan
S-8	333-199759	Pertaining to the registration of an additional 9,000,000 Class A Ordinary Shares to be issued pursuant to the Aon plc 2011 Incentive Plan
S-3	333-206759	Pertaining to the registration of debt securities, guarantees, preference shares, Class A Ordinary Shares, Convertible Securities, share purchase contracts and share purchase units of Aon plc and debt securities and guarantees of Aon Corporation

of our reports dated February 23, 2017 , with respect to the consolidated financial statements of Aon plc and the effectiveness of internal control over financial reporting of Aon plc, included in this Annual Report (Form 10-K) for the year ended December 31, 2016 .

/s/ ERNST & YOUNG LLP

Chicago, Illinois
February 23, 2017

CERTIFICATIONS

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

1. I have reviewed this annual report on Form 10-K 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: February 23, 2017

/s/ GREGORY C. CASE

Gregory C. Case
Chief Executive Officer

CERTIFICATIONS

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

1. I have reviewed this annual report on Form 10-K 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.

/s/ CHRISTA DAVIES

Date: February 23, 2017

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 Annual Report on Form 10-K of the Company for the year ended December 31, 2016 (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

February 23, 2017

**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 Annual Report on Form 10-K of the Company for the year ended December 31, 2016 (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

February 23, 2017