

# MARSH & McLENNAN COMPANIES NOTICE OF ANNUAL MEETING AND PROXY STATEMENT 2013

Important Notice Regarding the Availability of Proxy Materials for the Marsh & McLennan Companies Annual Meeting of Stockholders to be held on May 16, 2013: This proxy statement and the Company's 2012 Annual Report are available at <http://proxy.mmc.com>.



Dear Sir,

Your letter of 15th May 2013 has been received.

10:00 a.m. Tuesday, May 16, 2013  
1221 McGraw Hill Building, New York, NY 10020.

I have been instructed to advise you that the  
copy of the report is being sent to you.

When you receive the report, please let me know  
if you have any queries. You may also refer to the  
report for further details.

Yours faithfully,





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## INFORMATION ABOUT OUR ANNUAL MEETING AND SOLICITATION OF PROXIES

Why have I received a Notice regarding Internet Availability of Proxy Materials instead of printed copies of these materials in the mail?

In accordance with rules promulgated by the Securities and Exchange Commission (“SEC”), we have elected to furnish our proxy materials to stockholders over the Internet. Most stockholders are receiving by mail a Notice of Internet Availability of Proxy Materials (“Notice”), which provides general information about the annual meeting, the address of the website on which our proxy statement and annual report are available for review, printing and downloading, and instructions on how to submit proxy votes. For those who wish to receive their materials in a different format (e.g., paper copy by mail or electronic copy by e-mail), the Notice contains instructions on how to do so. Stockholders who are current employees of the Company or who have elected to receive proxy materials via electronic delivery will receive via e-mail the proxy statement, annual report and instructions on how to vote. Stockholders who have elected to receive paper copies of the proxy materials will receive these materials by mail.

Who can vote on the matters being decided at the annual meeting?

With respect to each matter properly brought before the meeting, each stockholder (of record or beneficial) who held shares as of March 18, 2013, which we refer to as the record date, is entitled to one vote, in person or by proxy, for each share of common stock held as of that date. As of the record date, there were outstanding 550,445,914 shares of Marsh & McLennan Companies common stock entitled to vote.

**Stockholders of Record:** If, as of the close of business on the record date, your shares were registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or by proxy. In accordance with Delaware law, a list of the Company’s common stockholders of record as of the record date will be available for inspection at our principal executive offices at 1166 Avenue of the Americas, New York, New York for at least ten days prior to the annual meeting.

**Beneficial (“Street Name”) Stockholders:** If, as of the close of business on the record date, your shares were not held directly in your name but rather were held in an account at a brokerage firm, bank or similar intermediary organization, then you are the beneficial holder of shares held in “street name.” The intermediary is considered to be the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct the intermediary how to vote the shares held in your account. Your voting instructions will direct the intermediary how to vote your shares.

How do I vote?

Whether you hold shares as a stockholder of record or beneficial owner, you may direct how your shares are voted without attending the annual meeting. Even if you plan to attend the annual meeting, we encourage you to vote in advance of the meeting in order to ensure that your vote is counted. If you are a stockholder of record, you may vote by submitting a proxy in accordance with the instructions included in your Notice or on your proxy card. If you are a beneficial owner holding shares in street name, you may vote by submitting voting instructions to your broker, bank, trustee or other intermediary in accordance with the Notice or voting instruction form provided to you by that organization. Executors, administrators, trustees, guardians, attorneys and other representatives voting on behalf of a stockholder should indicate the capacity in which they are voting and corporations should vote by an authorized officer whose title should be indicated.

You may vote in the following manner:

**By Telephone or the Internet** —Stockholders may vote their shares via telephone or the Internet as instructed in the Notice or the proxy card, depending on how they received the proxy materials. The telephone and Internet procedures are designed to authenticate a stockholder’s identity, to allow stockholders to vote their shares and confirm that their instructions have been properly recorded.

By Mail—Stockholders who receive hard copies of the proxy materials may choose to vote by mail and, if they so choose, should complete, sign and date their proxy card or voting instruction card and mail it in the pre-addressed envelope included with the proxy materials. Note that, if you are a stockholder of record and you sign and return a proxy or voting instruction card, but do not specify how to vote, your shares will be voted with management, which will be in favor of our director nominees (Item 1); to approve, by nonbinding vote, the compensation of our named executive officers (Item 2); and in favor of the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm (Item 3).

Can I vote my shares in person at the annual meeting?

Yes. However, even if you plan to attend the meeting, we recommend that you vote in advance of the meeting in order to ensure that your vote is counted. If you vote in advance and then attend the meeting, you can always change your vote at the meeting. If your shares are held in street name and you decide to vote in person at the annual meeting, you must obtain from your broker, bank or other intermediary record holder a valid proxy giving you the right to vote the shares, and bring that proxy to the meeting.

Can I change my vote?

Yes. Stockholders of record may revoke their proxy before it is voted at the annual meeting by (i) submitting a new proxy with a later date, (ii) voting in person at the annual meeting or (iii) sending written notification of revocation addressed to:

Marsh & McLennan Companies, Inc.  
1166 Avenue of the Americas  
New York, New York 10036-2774  
Attn: Corporate Secretary

If you hold your shares in street name, you may change your vote by submitting new voting instructions to your broker or other intermediary, following the instructions they provided; or, if you have obtained a legal proxy from your broker or other intermediary giving you the right to vote your shares, by attending the meeting and voting in person.

Who can attend the annual meeting?

Stockholders (of record or beneficial), their proxy holders and the Company's guests may attend the meeting. Verification of share ownership will be requested at the admissions desk. If your shares are held in street name, you must bring to the meeting an account statement or letter from the record holder (i.e., the broker, bank, trustee or other intermediary organization that holds your shares) indicating that you were the beneficial owner of the shares on March 18, 2013.

What are the requirements to conduct business at the annual meeting?

In order to carry on the business of the annual meeting, we must have a quorum. This means at least a majority of the outstanding shares eligible to vote must be present in person or represented by proxy at the annual meeting. Both abstentions and broker nonvotes (described below) are counted for the purpose of determining the presence of a quorum.

What are the voting requirements to elect directors and to approve the other proposals discussed in this proxy statement?

The voting standards applicable to the annual meeting are as follows:

Election of Directors

At the 2013 annual meeting, the election of directors will be "uncontested," meaning that the number of nominees does not exceed the number of directors to be elected. The Company's by-laws provide that in an uncontested election, a nominee will be elected if the number of votes cast "for" the nominee's election





Who will count the votes at the annual meeting?

How may I obtain another set of proxy materials?

This proxy statement and our 2012 Annual Report can be viewed on (and printed from) our website at <http://proxy.mmc.com>. If you wish to receive a separate paper copy of our annual report or proxy statement, you may telephone our office of Investor Relations at (212) 345-5475 or write to:

Marsh & McLennan Companies, Inc.  
1166 Avenue of the Americas  
New York, New York 10036-2774  
Attn: Investor Relations

Who will bear the cost of this proxy solicitation?

We pay the expenses of preparing and distributing the proxy materials and soliciting proxies. We also reimburse brokers and other institutional record holders for their expenses in forwarding these materials to you. For more information, please contact our Investor Relations department at (212) 345-5475.

## CORPORATE GOVERNANCE

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

### Enhanced Corporate Governance Environment

The Board of Directors has taken a series of actions designed to enhance the Company's corporate governance environment. Highlights of these actions include:

#### A. Board Structure

- Board Independence. All of the Company's directors are independent, with the exception of our CEO, who is the only member of management serving on the Board.
- Independent Chairman. The Company maintains separate roles of chief executive officer and chairman of the Board as a matter of policy. An independent director acts as chairman of the Board.
- Offer to Resign upon Change in Circumstances. Pursuant to our Guidelines for Corporate Governance, any director undergoing a significant change in personal or professional circumstances must offer to resign from the Board.

#### B.

## Guidelines for Corporate Governance

Our Guidelines for Corporate Governance (our “Governance Guidelines”) are the means by which the Company and the Board of Directors formally express many of our governance policies. The Governance Guidelines are posted on our website at <http://mmc.com/about/GuidelinesCorporateGovernance.pdf>.

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

- Specific Board functions (Section B), such as:
  - selecting, regularly evaluating the performance of, and approving the compensation paid to, the CEO;
  - providing oversight and guidance regarding the selection, evaluation, development and compensation of other senior executives;
  - planning for CEO and other senior management succession;
  - reviewing, monitoring and, where appropriate, approving the Company's strategic and operating plans, fundamental financial objectives and major corporate actions;
  - assessing major risks facing the Company and reviewing enterprise risk management (“ERM”) programs and processes;
  - overseeing the integrity of the Company's financial statements and financial reporting processes;
  - reviewing processes that are in place to maintain the Company's compliance with applicable legal and ethical standards; and
  - reviewing and monitoring the effectiveness of the Company's corporate governance practices.
- CEO succession planning and management development. (Section C)
- Director qualification standards and director independence. (Sections D.2 and D.3)
- Limits on other public company board service. (Section D.5)
- Majority voting in director elections. (Section E.3)
- Resignation and retirement requirements for independent directors. (Section E.6)
- Separation of independent chairman and CEO. (Section F.2)
- Executive sessions of independent directors at every in-person meeting of the Board. (Section H.3)
- Board access to management and professional advisors. (Section I)
- Director and senior management stock ownership requirements. (Sections K.2 and K.3)

## Director Independence

The Board has determined that all directors other than Mr. Glaser are independent. Therefore, the Board has satisfied its objective that a substantial majority of the Company's directors should be independent of management.

For a director to be considered “independent,” the Board must affirmatively determine that the director has no direct or indirect material relationship with the Company. The Board has established categorical standards to assist it in making determinations of director independence. These standards conform to, or are more exacting than, the independence requirements provided in the NYSE listed company rules. The Company's director independence standards are set forth as Annex A to our Governance Guidelines. With respect to Mr. Mills, the Board considered that he is an executive officer of a company that, in each of the preceding three fiscal years, made payments to, and received payments from, the Company in an amount less than the greater of \$1 million or 2% of his employer's total net revenues.

All members of the Audit, Compensation, Compliance and Risk, and Directors and Governance Committees must be independent directors as defined by the Company's Governance Guidelines.

Members of the Audit Committee must also satisfy a separate SEC and NYSE independence requirement, which provides that they may not be affiliates and may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, other than their directors' compensation. Each member of the Compensation Committee also qualifies as a "non-employee director" (as defined under Rule 16b-3 under the Securities Exchange Act of 1934) and as an "outside director" (as defined in Section 162(m) of the Internal Revenue Code). Under our Governance Guidelines, if a director whom the Board has deemed independent has a change in circumstances or relationships that might cause the Board to reconsider that determination, he or she must immediately notify the chairman of the Board and the chair of the Directors and Governance Committee.

#### Codes of Conduct

Our reputation is fundamental to our business. The Company's directors and officers and other employees are expected to act ethically at all times. To provide guidance in this regard, the Company has adopted a Code of Conduct, The Greater Good







Marsh & McLennan Companies, Inc.  
1166 Avenue of the Americas  
New York, New York 10036-2774  
Attn: Directors and Governance Committee  
c/o Corporate Secretary

The notice must be delivered not earlier than 5:00 p.m. Eastern Time on the 120<sup>th</sup> day, and not later than 5:00 p.m. Eastern Time on the 90<sup>th</sup> day, prior to the first anniversary of the preceding year's annual meeting; provided that, if the date of the upcoming annual meeting is advanced or delayed by more than 30 days from the anniversary date of the previous year's annual meeting, the notice must be delivered not earlier than 5:00 p.m. Eastern Time on the 120<sup>th</sup> day prior to the date of the annual meeting and not later than 5:00 p.m. Eastern Time on the later of (x) the 90<sup>th</sup> day prior to the date of the annual meeting and (y) the 10<sup>th</sup> day following the day on which the date of the rescheduled annual meeting is first publicly announced by the Company.

The director nomination notice must include certain information regarding the director nominee, the proposing stockholder and any associate of the proposing stockholder (such as a beneficial owner of shares owned of record or beneficially by the proposing stockholder). With respect to the proposing stockholder, required information includes all ownership interests in Marsh & McLennan Companies common stock and derivatives of the Company's securities. With respect to the director nominee, the notice must include the information required to be disclosed in a proxy statement with respect to candidates for election as directors, including the nominee's written consent to be named in the proxy statement as a nominee and to serve as director of the Company if elected. The notice also must be accompanied by a letter from the nominee containing certain representations regarding the nominee's independence and compliance with the Company's publicly disclosed corporate governance and other policies and guidelines. The exact notice requirements for director nominations for annual meetings of stockholders are described in detail in Article II, Section 2.10 of the Company's by-laws.

#### Director Election Voting Standard

The Company's by-laws provide that in an uncontested election of directors (i.e., where the number of nominees does not exceed the number of directors to be elected), a director nominee must receive more votes cast "for" than "against" his or her election in order to be elected to the Board. See the discussion under "What are the voting requirements to elect directors and to approve the other proposals discussed in this proxy statement?" on page 2 above.

In connection with the Company's majority voting standard for director elections, the Board has adopted the following procedures, which are set forth more fully in Section E.3 of ourtemedcs5in Sectionof ourtemed10 of the.03 04 s annual meeting, the notinigude ceerectotem90of tshich the date ons ring a /TT3 10te o ncludiardiisultd s annual meeting, the notinigude ce,the

## Attendance

The Board held 11 meetings, including telephonic meetings, during 2012. The average attendance by directors at meetings of the Board and its committees held during 2012 was approximately 93%. All directors attended at least 75% of the meetings of the Board and committees on which they served. The Board's policy is to have all directors attend annual meetings of stockholders and, barring unforeseen circumstances, all directors are expected to attend our annual meeting of stockholders in 2013. All but two of our directors were present at the 2012 annual meeting.

## Tenure

Our Guidelines for Corporate Governance provide that an independent director shall retire no later than at the annual meeting of stockholders following his or her 75th birthday. Any director who is an employee of the Company shall resign from the Board when their employment ceases.

## Executive Sessions

The independent directors meet in executive session without management at regularly scheduled in-person Board meetings. The independent chairman of the Board presides at these meetings.

## Risk Oversight

It is the responsibility of the Company's senior management to assess and manage our exposure to risk and to bring to the Board of Directors' attention the most material risks facing the Company. The Board oversees risk management directly and through its committees. The Audit Committee and the Compliance and Risk Committee regularly review the Company's policies and practices with respect to risk assessment and risk management, including discussing with management the Company's major risk exposures and the steps that have been taken to monitor and control such exposures. The Directors and Governance Committee considers risks related to CEO succession planning and the Compensation Committee considers risks related to the attraction and retention of talent and risks relating to the design of executive compensation programs and arrangements. See below for additional information about the Board's committees.

## Committees

Our Board has established an Audit Committee, a Compensation Committee, a Compliance and Risk Committee (which is a subcommittee of the Audit Committee), a Directors and Governance Committee, a Finance Committee, a Corporate Responsibility Committee and an Executive Committee to assist the Board in discharging its responsibilities. Following each committee meeting, the respective committee chair reports the highlights of the meeting to the full Board.

Membership on each of the Audit, Compensation, Compliance and Risk, and Directors and Governance Committees is limited to independent directors as required by the Company, the listing standards of the NYSE and the SEC's independence rules. The charters for these committees can be viewed on our website at <http://www.mmc.com/about/governance>.

The table below indicates current committee assignments and the number of times each committee met in 2012:

Director \_\_\_\_\_

## Compensation Committee

Among other things, the Compensation Committee:

- evaluates the performance and determines the compensation of our chief executive officer;
- reviews and approves the compensation of other senior executives; and
- oversees the Company's incentive compensation plans for the chief executive officer and other senior executives and equity-based plans, and discharges the responsibilities of the Committee set forth in these plans.

Meeting Schedule: The Compensation Committee met seven times in 2012, including a special, half-day meeting in February to complete its annual review and make decisions on compensation. Decisions relating to significant matters are usually presented to the Compensation Committee and discussed at more than one meeting to allow for full consideration of the implications and possible alternatives before a final decision is made. The Compensation Committee receives support from its compensation consultant and the Company's management, including the Company's human resources staff, as described below.

The Compensation Committee may delegate all or a portion of its duties and responsibilities to the chair of the Compensation Committee or a subcommittee of the Compensation Committee. If necessary, the chair is authorized to take action on behalf of the Compensation Committee between its regularly scheduled meetings, within certain guidelines. If any such action is taken, the chair reports such action to the Compensation Committee at its next regularly scheduled meeting.

Independent Compensation Consultant: The Compensation Committee engaged Pay Governance LLC as its independent compensation consultant to provide advisory services to the Compensation Committee. The compensation consultant assists the Compensation Committee in performing its duties and makes recommendations to the Compensation Committee regarding our executive compensation programs. The compensation consultant reports directly to the Compensation Committee and provides advice and analysis solely to the Compensation Committee. The compensation consultant supports the Compensation Committee by:

- participating by invitation in meetings, or portions of meetings, of the Compensation Committee to advise the Compensation Committee on specific subjects that arise;
- offering professional advice regarding the compensation and policy recommendations presented to the Compensation Committee by the Company's management, including senior members of the Company's human resources staff; and
- supplying data regarding the compensation practices of comparable companies.

The Compensation Committee requested and received advice from the compensation consultant with respect to all significant matters addressed by the Compensation Committee during 2012. Neither the compensation consultant nor his firm or any of its affiliates provided any services to the Company or its affiliates in 2012.

The Compensation Committee assessed the work of Pay Governance LLC during 2012 pursuant to the rules of the Securities and Exchange Commission and concluded that Pay Governance's work did not raise any conflict of interest.

Company Management: The Company's management, including the Company's human resources staff, supports the Compensation Committee by:

- developing meeting agendas in consultation with the chair of the Compensation Committee and preparing background materials for Compensation Committee meetings;
- making recommendations to the Compensation Committee on the Company's compensation philosophy, short-term and long-term incentive compensation design, and other key governance initiatives, including by providing input regarding the individual performance component of annual

short-term incentive compensation, as discussed in “Compensation of Executive Officers- Compensation Discussion and Analysis” beginning on page 30; and

- responding to actions and initiatives proposed by the Compensation Committee.

In view of the chief executive officer transition effective January 1, 2013, both our President and Chief Executive Officer and our Group President and Chief Operating Officer, provided recommendations with respect to the compensation of other senior executives.

The Company's President and Chief Executive Officer, Group President and Chief Operating Officer, senior members of the Company's human resources staff and internal legal counsel attended Compensation Committee meetings when invited but were not present for executive sessions or for any discussion of their own compensation.

Timing and Procedures of Equity-Based Compensation Awards: Awards under the annual long-term incentive compensation program are approved at a prescheduled meeting of the Compensation Committee each February and, consistent with our historical practice, granted on that same date. Stock options have an exercise price equal to the average of the high and low trading prices of the Company's common stock on the trading day immediately preceding the grant date.

The Compensation Committee periodically awards restricted stock units and stock options to new hires

- to assist and advise the Board in connection with its annual review of the independent status of each non-executive director;
- to oversee the development and implementation of succession planning for the Company's chief executive officer;
- to periodically review with the Board the requisite skills and characteristics for new Board members, as well as the composition and structure of the Board as a whole;
- to consider nominations and recommendations from stockholders for director candidates, properly submitted in writing to the Company's Corporate Secretary;
- to recommend committee assignments to the Board in consultation with the independent chairman and the other committee chairs;
- to review periodically and make recommendations to the Board with respect to independent directors' compensation;
- to approve procedures for director orientation and continuing education;
- to develop processes for and oversee the annual self-evaluations of the Board and its committees;
- to review and advise the Board with respect to any stockholder proposals received in connection with the Company's annual meeting of stockholders; and
- to administer the Company's Policy Regarding Related-Person Transactions.

#### Finance Committee

The Finance Committee reviews and makes recommendations to the Board concerning, among other matters: the Company's capital structure, capital management and methods of corporate finance, including proposed issuances of securities or other financing transactions; and proposed acquisitions, divestitures or other strategic transactions.

#### Corporate Responsibility

The Corporate Responsibility Committee reviews the Company's responsibilities and activities as a corporate citizen. In particular, the committee is charged with identifying and analyzing sustainability, government relations and social responsibility issues and trends, nationally and internationally, that may be relevant to the Company's business positioning, employee involvement and engagement, diversity initiatives or brand, and with making related recommendations to the Board as appropriate.

#### Executive Committee

The Executive Committee is empowered to act for the full Board during the intervals between Board meetings, except with respect to matters that, under Delaware law or the Company's by-laws, may not be delegated to a committee of the Board. The Executive Committee meets as necessary, with all actions taken by the Committee reported at the next Board meeting. The Executive Committee did not meet in 2012.

#### Director Compensation

##### Executive Directors

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

##### Independent Directors

The Board's compensation year runs from June 1 through May 31. For fiscal year 2012, independent directors received a basic annual retainer of \$100,000 paid in cash. The independent chairman of the Board and committee chairs received supplemental retainers as described in the table below. The basic annual retainer and the supplemental retainers are paid quarterly (for pay periods ending on August 15, November 15, February 15 and May 15). Under the terms of the Company's Directors' Stock Compensation Plan, independent directors may elect to receive these retainer amounts in cash, the Company's common stock or a combination thereof, as the director elects. In addition, independent

directors receive an annual stock grant. On June 1, 2012, all independent directors received a grant of the Company's common stock with a fair market value of \$120,000 on the grant date (based on the average of the high and low prices on the immediately preceding trading date). Under the Directors' Stock Compensation Plan, an independent director may defer receipt of all or a portion of any compensation to be paid in the form of the Company's common stock until a specified future date. Independent directors are also eligible to participate in the Company's matching-gift program for certain charitable gifts to educational institutions.

In 2011, the Board reviewed the independent director compensation arrangements, which had been largely unchanged for several years, and requested and received advice from an independent consulting firm, Pay Governance LLP. The Board revised the Company's independent director compensation arrangements effective as of June 1, 2012, at the start of the current compensation year. These revisions are summarized in the table below.

#### Elements of Independent Director Compensation

Element of Compensation	2011 Board Compensation Year (June 1, 2011 - May 31, 2012)	2012 Board Compensation Year (June 1, 2012 - May 31, 2013)
Basic Annual Retainer for All Independent Directors	\$100,000 in cash	Unchanged
Supplemental Annual Retainer for Chair of		
•Audit Committee	\$15,000 in cash	\$25,000 in cash
•Compensation Committee		
Supplemental Annual Retainer for Chair of		
•Compliance and Risk Committee		
•Finance Committee	\$15,000 in cash	Unchanged
•Directors and Governance Committee		
•Corporate Responsibility Committee		
Supplemental Annual Retainer for Independent Chairman of the Board	\$150,000 in cash	\$200,000 in cash
Annual Stock Grant (June 1 of each year) for Independent Directors under the Company's Directors' Stock Compensation Plan	Number of shares having a grant date market value of \$100,000	Number of shares having a grant date market value of \$120,000
Stock Ownership Guidelines	1 times Basic Annual Retainer	5 times Basic Annual Retainer

## 2012 Independent Director Compensation

The table below indicates total compensation received by independent directors for service on the Board and its committees during fiscal 2012:

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)	All Other Compensation (\$)(3)	Total (\$)
Zachary W. Carter (4) .....	115,000	120,000	—	235,000
Oscar Fanjul .....	115,000	120,000	—	235,000
H. Edward Hanway .....	120,000	120,000	—	240,000
Lord Lang .....	275,000	120,000	—	395,000
Elaine La Roche .....	100,000	120,000	—	220,000
Steven A. Mills .....	100,000	120,000	—	220,000
Bruce P. Nolop .....	100,000	120,000	4,000	224,000
Marc D. Oken .....	120,000	120,000	—	240,000
Morton O. Schapiro .....	115,000	120,000	5,000	240,000
Adele Simmons .....	115,000	120,000	5,000	240,000
Lloyd M. Yates .....	100,000	120,000	—	220,000
R. David Yost .....	100,000	120,000	—	220,000

(1) The amounts in this “Fees Earned or Paid in Cash” column reflect payments of the \$100,000 basic annual retainer and any supplemental retainer made during fiscal 2012, representing quarterly payments in February and May 2012 for portions of the 2011 Board compensation year and quarterly payments in August and November 2012 for portions of the 2012 Board compensation year, as shown in the table below. Total amounts for each of the 2011 and 2012 Board compensation years are shown in the “Elements of Independent Director Compensation” on page 17.



August and November 2012. Mr. Schapiro elected to receive 30% of his quarterly payments (\$32,250) in the form of the Company's common stock on a deferred basis. All of the other independent directors received these amounts in cash.

(2)



Oscar Fanjul  
Compensation Committee  
Executive Committee  
Finance Committee (Chair)

Director since 2001

Mr. Fanjul, age 63, is Vice Chairman of Omega Capital, a private investment firm in Spain. Mr. Fanjul is the Founding Chairman and former Chief Executive Officer of Repsol. Mr. Fanjul is a Director of

H. Edward Hanway  
Compensation Committee (Chair)  
Executive Committee  
Finance Committee

Director since 2010



Lord Lang of Monkton Director since 1997  
Compensation Committee  
Directors and Governance Committee  
Executive Committee (Chair)  
Finance Committee

Lord Lang, age 72, began his career as an insurance broker. He was then a Member of the British Parliament from 1979 to 1997, when he was appointed to the House of Lords. He served in the Cabinet as President of the Board of Trade and Secretary of State for Trade and Industry from 1995 to 1997 and as Secretary of State for Scotland from 1990 to 1995. Lord Lang is a Non-Executive Director of Charlemagne Capital Ltd. Lord Lang is also Chairman of the Prime Minister's Advisory Committee on Business Appointments (UK). Former nonexecutive directorships include US Special Opportunities Trust plc, Thistle Mining Inc., General Accident plc, CGU plc and The Automobile Association (UK).

Lord Lang has been the independent chairman of the Board since 2011. We believe Lord Lang's qualifications to chair our Board of Directors include his relevant industry background as an insurance broker, his service on the boards of other companies, as well as his extensive experience in government, including responsibility for policy and the administration of regulatory and competition business practices and international trade negotiations.



Steven A. Mills Director since 2011  
Compensation Committee  
Directors and Governance Committee

Mr. Mills, age 61, is the Senior Vice President & Group Executive, Software & Systems, of International Business Machines Corporation (IBM). Mr. Mills joined IBM in 1973 and has held various executive leadership positions in IBM since 1989. In 2000, he assumed the role of Senior Vice President and Group Executive, Software Group. In 2010, he was named to his current position. In this capacity, he is responsible for directing IBM's \$40 billion product business. This includes over 100,000 employees spanning development, manufacturing, sales, marketing and support professions.

We believe Mr. Mills' qualifications to sit on our Board of Directors include his executive leadership and management experience, his technology expertise, his extensive international experience at IBM and his overall knowledge of global markets.

Bruce P. Nolop Director since 2008  
Audit Committee  
Compliance and Risk Committee  
Corporate Responsibility Committee  
Finance Committee

Mr. Nolop, age 62, served as the Chief Financial Officer of E\*Trade Financial Corporation from September 2008 through 2010 and retired from E\*Trade on March 31, 2011. Mr. Nolop was Executive Vice President and Chief Financial Officer of Pitney Bowes Inc. from 2000 to 2008. From 1993 to 2000, he was a Managing Director of Wasserstein Perella & Co. Prior thereto, he was a Vice President with Goldman, Sachs & Co. from 1986 to 1993, and previously held positions with Kimberly-Clark Corporation and Morgan Stanley & Co.

We believe Mr. Nolop's qualifications to sit on our Board of Directors include his experience in financial accounting and corporate finance and his familiarity with internal financial controls and strategic transactions acquired through executive-level finance positions held in public companies and 18 years' experience as an investment banker.

Marc D. Oken Director since 2006  
Audit Committee (Chair)  
Executive Committee  
Finance Committee

Mr. Oken, age 66 r10 the Chf

Adele Simmons

Director since 1978

## STOCK OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table reflects the number of shares of our common stock, which each director and each named executive officer, as defined below in the Compensation Discussion and Analysis section beginning on page 30, has reported as beneficially owning or in which he or she otherwise has a pecuniary interest. The table also shows the number of shares beneficially owned or otherwise by all directors and executive officers of the Company as a group. These common stock holdings are as of February 28, 2013, except with respect to interests in the Company's 401(k) Savings & Investment Plan and Supplemental Savings & Investment Plan, which are as of December 31, 2012. The table also includes the number of shares of common stock beneficially owned by persons known to the Company to own more than five percent of our outstanding shares.

<u>Name</u>	Amount and Nature of Beneficial Ownership (1)		
	Sole Voting and Investment Power	Other than Sole Voting and Investment Power (2)	Total
J. Michael Bischoff	5,192	108,796	113,988
Zachary W. Carter	27,483	—	27,483
Brian Duperreault (3)	15,242	3,658,459	3,673,701
Oscar Fanjul	65,627	—	65,627
Daniel S. Glaser	169,005	1,595,975	1,764,980
H. Edward Hanway	11,589	—	11,589
Lord Lang	18,842	17,951	36,793
Elaine La Roche	3,759	—	3,759
Steven A. Mills	9,163	—	9,163
Bruce P. Nolop	21,497	—	21,497
Marc D. Oken	33,149	2,325	35,474
Julio A. Portalatin	2,202	74,847	77,049
Morton O. Schapiro	—	44,477	44,477
Adele Simmons	81,208	59,749	140,957
Vanessa A. Wittman (3)	22,314	—	22,314
Lloyd M. Yates	7,006	—	7,006
R. David Yost	18,759	—	18,759
Peter Zaffino	69,048	622,350	691,398
All directors and executive officers as a group (4)	882,694	8,983,613	9,866,307



<u>Name</u>	<u>Aggregate Amount Beneficially Owned</u>	<u>Percentage of Stock Outstanding as of December 31, 2012</u>
Wellington Management Company, LLP (5) 280 Congress Street Boston, MA 02210	47,523,428	8.73%
PRIMECAP Management Company (6) 225 South Lake Ave., #400 Pasadena, CA 91101	31,612,388	5.81%
T. Rowe Price Associates, Inc. (7) 100 E. Pratt Street Baltimore, MD 21202	28,875,216	5.3%

- (1) No director or named executive officer beneficially owned more than 1% of the Company's outstanding common stock, and all directors and executive officers as a group beneficially owned approximately 1.8% of the Company's outstanding common stock.
- (2) This column includes shares of the Company's common stock: (i) held in the form of shares of restricted stock; (ii) held indirectly for the benefit of such individuals or jointly()

## **ITEM 2**

### **ADVISORY (NONBINDING) VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") gives our stockholders the opportunity to vote, on a nonbinding basis, on the compensation of the Company's named executive officers, as disclosed in this proxy statement in accordance with the disclosure rules of the SEC, including the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure set forth herein.

This proposal, commonly known as a "say-on-pay" proposal, is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement.

This advisory vote on executive compensation is not binding on our Board of Directors or the Compensation Committee of the Board. However, the Board and the Compensation Committee will take into account the result of the vote when determining future executive compensation arrangements. We will include this advisory vote on an annual basis at least until the next advisory vote on the frequency of say-on-pay votes (no later than our 2017 Annual Meeting of Stockholders).

As described in the Compensation Discussion and Analysis, our executive compensation policies and programs are designed to attract and retain the most highly qualified and capable professionals while motivating them to lead the Company and our diverse businesses in ways that promote the long-term interests of our stockholders. Our compensation philosophy emphasizes variable compensation that is linked with key corporate priorities, tangible financial and strategic results and stockholder returns.

#### **2012 Financial Performance**

term incentive program, which have significantly reduced our equity run rate, as shown in the chart on page 34 under "Equity Use."

Actions taken in 2012 include:

- The revision of the long-term incentive program for employees below the senior executive level (and their direct reports) to make all long-term incentive compensation payable in cash, thereby reducing the aggregate amount of our equity-based awards by approximately \$58 million (as measured by the grant date fair value), as compared to the equity-based awards that would have been granted in 2013 absent this revision. This long-term incentive program modification became effective with awards granted in February 2013.
- The establishment of a new incentive compensation framework for our senior executives that strengthens the link between performance and rewards. This new incentive compensation framework became effective with the 2013 performance year and long-term incentive awards granted in February 2013.

The Compensation Committee is committed to continued engagement between the Company and stockholders and major proxy advisory firms to understand their views concerning our executive compensation philosophy, policies and practices.

### **Highlights of Executive Compensation Program**

Our executive compensation program is supported by policies and practices that we have implemented in recent years to strengthen the alignment of our executive compensation arrangements with the interests of our stockholders. We discuss our executive compensation policies and programs under "Compensation Policies and Practices Highlights" on page 33 and "Risk and Reward Features of Executive Compensation Corporate Governance Policies" on page 35.

Stockholders are being asked to vote on the following resolution:

RESOLVED, that the stockholders of Marsh & McLennan Companies approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, which disclosure includes the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure set forth in the Company's 2013 annual meeting proxy statement.

**The Board of Directors recommends that you vote FOR the advisory (nonbinding) vote approving executive compensation.**

## COMPENSATION OF EXECUTIVE OFFICERS

### Compensation Discussion and Analysis

The following is a discussion and analysis of our compensation program for our senior executives, focusing on our key compensation principles, policies and practices. This section describes the 2012 compensation decisions with respect to the individuals who served during 2012 as our president and chief executive officer, our chief financial officer, and our other three most highly-compensated executive officers as of December 31, 2012, as listed below. These individuals are included in the 2012 Summary Compensation Table on page 52.

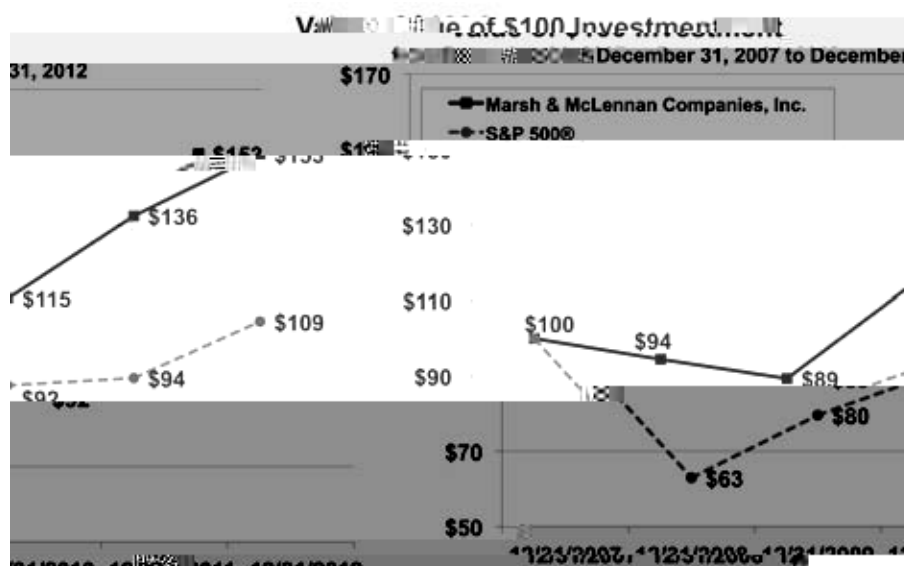
<u>Name</u>	<u>Title</u>
Mr. Brian Duperreault	President and Chief Executive Officer (our "CEO")
Mr. J. Michael Bischoff	Chief Financial Officer
Mr. Daniel S. Glaser	Group President and Chief Operating Officer
Mr. Peter Zaffino	

exchange rate fluctuations and excluding the impact of certain items such as acquisitions, dispositions and transfers among businesses.) As a result, for 2012, we achieved 13.7% growth in consolidated adjusted underlying net operating income ("core NOI growth"), which exceeded our stated target of 10% growth over the long term. (See "Description of Performance Stock Units" on page 42 for the definition of "core NOI growth.") All four of our operating companies produced underlying revenue growth under difficult economic conditions.

The strength of our financial performance over the past five years, including 2012, is reflected in our total return to stockholders. Our annualized total stockholder return for this five-year period is shown in the table below. The chart below shows the value of \$100 invested in our common stock versus the same amount invested in the S&P 500® index for the five-year period, from December 31, 2007 to December 31, 2012. This period corresponds to Mr. Duperreault's tenure and reflects his multi-year efforts to develop and communicate a strategic direction for the Company and execute successfully on this strategy.

	Annualized Total Stockholder Return*				
	5 Years	4 Years	3 Years	2 Years	1 Year
<b>Marsh &amp; McLennan Companies, Inc.</b>	8.9%	12.8%	19.6%	15.5%	12.0%
<b>S&amp;P 500® index</b>	1.7%	14.6%	10.9%	8.8%	16.0%

\* For period ending December 31, 2012



### 2012 Strategic and Operational Performance

In addition to delivering growth in revenue and profitability across our four operating companies for the third consecutive year, in 2012 we continued to execute on our long-term strategy to establish ourselves as an elite global growth company. At the core of this strategy are four pillars that are designed to create exceptional value and superior returns for our stockholders:

- **Produce long-term growth in revenue and earnings:** A top priority is sustained profitable growth.
- **Maintain low capital requirements:** We seek to grow revenue organically and through acquisitions; however, we will not acquire or develop businesses that require significant capital investments.
- **Generate high levels of cash:** We seek to maintain earnings quality and to generate significant cash to fund acquisitions, investments and dividends.
- **Manage risk intelligently:** We continue to focus on managing operational risk.

Highlights for 2012 include:

- Our adjusted earnings per share (as measured for purposes of executive compensation) increased 15.1%, reflecting growth in underlying revenue and improvement in adjusted operating margin. (See



organizational changes. The Compensation Committee established Mr. Glaser's compensation (including his target incentives) in connection with his appointment as our President and Chief Executive Officer, effective as of January 1, 2013.

In addition, the Compensation Committee directed its compensation consultant to work with management over the course of 2012 to analyze our incentive compensation framework for senior executives and develop recommendations with respect to potentially improving the framework. In early 2013, a new incentive compensation framework was established for our senior executives that strengthens the link between performance and rewards, as discussed in "2013 Incentive Compensation Framework" on page 47.

### ***Compensation Policies and Practices Highlights***

Our executive compensation program is supported by several policies and practices that we have implemented in recent years to strengthen the alignment of our executive compensation arrangements with the interests of our stockholders, including the following:

- *Simplified Employment Letters*. The terms and conditions of employment for our senior executives are set forth in simplified employment letters rather than employment agreements. These arrangements are discussed in "Employment Arrangements" on page 55.
- *Limited Severance Arrangements*. We have reduced the severance protections for our senior executives, including Mr. Glaser, our new President and Chief Executive Officer, to a uniform level equal to his or her base salary and three-year average bonus (a 1x multiple). These arrangements are discussed in "Severance Arrangements" on page 48.
- *Performance-Based Long-Term Incentives*. The long-term incentive compensation of our senior executives is delivered predominantly in stock options and performance stock unit awards, the value of which is contingent on stock price appreciation or achieving specific Company financial objectives, as discussed in "Annual Long-Term Incentive Compensation" on page 42.
- *Compensation-Related Risk Oversight*. We maintain policies and practices designed to encourage an appropriate level of risk-taking but which do not encourage our senior executives to take excessive or unnecessary risks. We also maintain a "clawback" policy and policies against hedging and pledging Company stock. These policies and practices are discussed in "Risk and Reward Features of Executive Compensation Corporate Governance Policies" on page 35.

### ***2012 Stockholder Advisory Vote on Named Executive Officer Compensation***

We held an advisory (nonbinding) vote with respect to the compensation of our named executive officers (a "say-on-pay" vote) at our Annual Meeting of Stockholders in May 2012, as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Approximately 80% of the votes cast on the say-on-pay proposal were voted in favor of our executive compensation policies and practices. These results represented an increase of 12 percentage points in the proportion of votes cast in favor of our executive compensation program as compared with our 2011 say-on-pay voting result of 68%.

Following our 2012 Annual Meeting of Stockholders, we actively engaged with several of our large institutional stockholders and major proxy advisory firms to discuss the results of our 2012 say-on-pay vote and learn potential areas for improvement. Discussions concerning our executive compensation philosophy, policies and practices were generally favorable, with feedback on our equity-based compensation practices and the alignment of our compensation decisions with our overall financial and operational performance.

Over the past three years, the Compensation Committee has enhanced the design and operation of our executive compensation program based on its own evaluation of the program's effectiveness and alignment with our long-term strategic and operational objectives and feedback received from several of our large institutional stockholders and major proxy advisory firms. This feedback has both preceded and followed our implementation of an annual say-on-pay vote in 2011. The modifications to our executive compensation program over this period are described in the following table:

Year of Compensation Committee Action	Executive Compensation Program Modification	Implementation
2010	<ul style="list-style-type: none"> <li>• Replaced a portion of the long-term incentive awards previously granted in the form of stock options (25%) to our senior executives and their direct reports with performance stock unit awards.</li> <li>• Introduced performance stock unit awards linked to core net operating income growth against our stated goal of 10% growth over the long term.</li> </ul>	Enhancements became effective with long-term incentive awards granted in February 2011.
2011	<ul style="list-style-type: none"> <li>• Revised the long-term incentive program for employees below the senior executive level (and their direct reports) to make half of long-term incentive compensation payable in cash, thereby reducing the aggregate amount of our equity-based awards by approximately \$66 million or one-third (as measured by the grant date fair value), as compared to the equity-based awards that would have been granted in 2012 absent this revision.</li> </ul>	Modification became effective with long-term incentive awards granted in February 2012.
2012	<ul style="list-style-type: none"> <li>• Revised the long-term incentive program for employees below the senior executive level (and their direct reports) to make all long-term incentive compensation payable in cash, thereby reducing the aggregate amount of our equity-based awards by approximately \$58 million (as measured by the grant date fair value) as compared to the equity-based awards that would have been granted in 2013 absent this revision.</li> <li>• Established a new incentive compensation framework for our senior executives that strengthens the link between performance and rewards.</li> </ul>	<p>Modification became effective with long-term incentive awards granted in February 2013.</p> <p>New incentive compensation framework became effective with 2013 performance year and long-term incentive awards granted in February 2013.</p>

The Compensation Committee is committed to continued engagement between the Company and stockholders and major proxy advisory firms to understand their views concerning our executive compensation philosophy, policies and practices.

### **Equity Use**

The long-term incentive program revisions described in the preceding table have significantly reduced our equity run rate. The following chart shows our equity run rate for the past four years (2009 through 2012), and for the period from January 1 through February 28, 2013. The equity run rate for the 2013 period includes the annual long-term incentive awards granted on February 25, 2013, which reflect our revised long-term incentive program design.





Under this provision, a change in control of the Company by itself will not result in the immediate vesting of a senior executive's equity-based awards, so long as the award is assumed or replaced on equivalent terms. In that case, vesting continues pursuant to the award's original vesting schedule and will be accelerated only if the Company terminates the senior executive's employment without "cause" or the senior executive resigns for "good reason" during the 24 month period following the change in control.

- **Required Executive Stock Ownership.** Senior executives are required to acquire and hold shares of our common stock or stock units from equity-based awards with a value at least equal to a specified multiple of their base salary, as discussed more fully in "Stock Ownership Guidelines" on page 49.
- **Prohibition Against Speculative Activities, Hedging or Pledging of Company Stock.** We prohibit our employees from engaging in speculative or hedging activities (including short sales, purchases or sales of puts or calls and trading on a short-term basis) in our common stock. Our senior executives must obtain approval from our legal department before pledging our securities as collateral for a loan or otherwise.
- **"Clawback" Policies.** We may, to the extent permitted by applicable law, cancel or require reimbursement of any annual bonus awards received by a senior executive if and to the extent that: (i) the amount of the award was based on the achievement of specified consolidated and/or operating company financial results, and we subsequently restate those financial results; (ii) in the Compensation Committee's judgment, the senior executive engaged in intentional misconduct that contributed to the need for the restatement; and (iii) the senior executive's award would have been lower if the financial results in question had been properly reported. In such a case, we will seek to recover from the senior executive the amount by which the actual annual bonus award paid for the relevant period exceeded the amount that would have been paid based on the restated financial results. The policy provides that we will not seek to recover compensation paid more than three years prior to the date the applicable restatement is disclosed. Also, our 2011 Incentive and Stock Award Plan allows us to "claw back" outstanding or already settled equity-based awards.
- **Cap on Executive Severance Payments.** As noted previously, we have reduced severance protections for our senior executives to a uniform level equal to the executive's base salary and three-year average bonus (a "1x multiple"). These arrangements are discussed more fully in "Severance Arrangements" on page 48. In addition, we will not enter into a severance agreement with a senior executive that provides for any cash severance payment that exceeds 2.99 times his or her base salary and three-year average annual bonus award without stockholder approval.

In light of the above, and management's analysis of the incentive compensation programs covering our general employee population, we believe our compensation policies and practices do not encourage excessive or inappropriate risk-taking and that the risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on the Company.

## EXECUTIVE COMPENSATION DESIGN AND PROCESS

### *Design Considerations*

Our executive compensation program is designed to attract and retain the most highly qualified and capable professionals while motivating them to lead the Company and our diverse businesses in ways that promote the long-term interests of our stockholders. We use an integrated compensation framework that is intended to allocate total direct compensation between fixed and variable compensation elements as follows.

<u>Compensation Element</u>	<u>Fixed/Variable</u>	<u>Form of Award</u>
Base salary	Fixed	Cash
Annual bonus	Variable	Cash
Annual long-term incentive award	Variable	Equity-based

Our compensation philosophy emphasizes variable compensation that is linked to key corporate priorities, tangible financial and strategic results and stockholder returns. In 2012, 91% of the target total direct compensation (i.e., the sum of base salary, annual bonus and annual long-term incentive compensation) for

Mr. Duperreault and 78% of the target total direct compensation for our other senior executives was in the form

their achievements against pre-established, quantifiable financial performance objectives and individual strategic performance objectives. In addition, because a significant portion of variable compensation is delivered in the form of equity-based awards, the value ultimately realized by our senior executives from these awards depends on stockholder value creation as measured by the future performance of our common stock.

individual compensation levels based on its overall understanding of the labor market for senior executives, the specific needs of the Company and each of our businesses and each senior executive's individual circumstances.

**Direct Competitors**

In 2012, the Compensation Committee reviewed the executive compensation data disclosed in the proxy statements filed by individual companies that we consider to be our direct competitors based on select criteria, including primary business lines, company size and talent pool. The Compensation Committee refers to this information to develop an overall understanding of the market competitiveness of our executive compensation program and individual compensation levels for our senior executives who are named executive officers.

The companies that comprised the market reference group of direct competitors for the Company and our operating companies, excluding Oliver Wyman because its primary competitors are privately held companies, were as follows:

<b>Marsh &amp; McLennan Companies, Inc. Reference Group</b>
Aon Corporation

<b>Individual Operating Company Reference Groups</b>	
<i>Marsh Inc.</i>	Aon Risk Services (1) Arthur J. Gallagher & Co. Brown & Brown, Inc. Willis Group Holdings Limited
<i>Guy Carpenter &amp; Company, LLC</i>	Aon Benfield (1) Willis Re (2)
<i>Mercer Inc.</i>	Aon Hewitt (1) Towers Watson & Co.

1. A division of Aon Corporation
2. A division of Willis Group Holdings Limited

**Financial Services and General Industry Surveys**

The Compensation Committee also reviewed executive compensation data based on two subsets of S&PT

## **EXECUTIVE COMPENSATION ELEMENTS**

The principal elements of our executive compensation program are base salary, annual bonuses and annual long-term incentive awards. The Compensation Committee believes that each compensation element, and all of these elements combined, are important to maintain a competitive executive compensation program for our senior executives.

### ***Base Salary***

Base salary is intended to provide a fixed level of compensation that is appropriate given a senior executive's

### Financial Performance Objectives

With respect to the financial component of our annual bonus program, the Compensation Committee selected the following financial measures for our corporate and operating company senior executives for 2012:

<b>Senior Executive</b>	<b>Weighting</b>	<b>Measure</b>	<b>Description</b>
<b>Company CEO, Group President &amp; COO and other corporate senior executives</b>	60%	Earnings per share	"Adjusted earnings per share (as measured for purposes of executive compensation)" is earnings per share from continuing operations calculated in accordance with accounting principles generally accepted in the U.S. ("GAAP"), adjusted for the impact of "noteworthy items" as shown in Exhibit A to this proxy statement (adjusted diluted EPS), and adjusted further for the variation between actual and budgeted results for Marsh & McLennan Risk Capital Holdings, Ltd., the legal entity through which the Company owns interests in private equity funds and other investments.
<b>Operating company chief executive officers</b>	50%	Operating company pre-bonus net operating income	Pre-bonus net operating income calculated in accordance with GAAP, adjusted for the annual bonus pool expense, the impact of currency exchange rate fluctuations, acquisitions and dispositions, and "noteworthy items" identified in Exhibit A to this proxy statement.
	25%	Operating company operating revenue	Operating revenue calculated in accordance with GAAP, adjusted for the impact of currency exchange rate fluctuations, acquisitions and dispositions, and "noteworthy items" identified in Exhibit A to this proxy statement.

These performance measures were selected to align with our 2012 objective of driving revenue and earnings growth across the Company. These performance measures were adjusted for the impact of the items identified in the table above to focus the measures on core operating performance.

and bonus award, the senior executive's compensation relative to that of his or her peers at direct competitors and the senior executive's total direct compensation. The application of discretion has helped reward performance appropriately on a year-to-year basis and also on an internal equity basis across senior executives.

### Summary of Financial Performance Results

Name	Measure	Target Performance (Growth %)	Measured Performance (Growth %)
Mr. Duperreault			
Mr. Bischoff	Company earnings per share	11.3%	15.1%
Mr. Glaser			
Mr. Zaffino	Marsh pre-bonus net operating income	9.8%	12.2%
	Marsh operating revenue	4.3%	4.3%
Mr. Portalatin	Mercer pre-bonus net operating income	11.2%	15.7%
	Mercer operating revenue	4.0%	3.8%

### Bonus Award Determinations

The Compensation Committee determined the 2012 annual bonus awards for our named executive officers consistent with its assessment of performance against the financial and individual strategic objectives described above, applying its discretion as deemed appropriate. The annual bonuses for 2012 and 2011 are shown in the table below. Amounts are not disclosed for Messrs. Bischoff and Portalatin for 2011 because they were not named executive officers at any time during 2011.

Name	2012 Target Bonus	Actual Bonus		
		2011	2012	Change
Mr. Duperreault	\$3,000,000	\$4,650,000	<b>\$5,000,000</b>	7.5%
Mr. Bischoff	1,250,000	NA	<b>1,300,000</b>	NA
Mr. Glaser	2,250,000	3,700,000	<b>3,900,000</b>	5.4%
Mr. Zaffino	1,800,000	2,750,000	<b>2,850,000</b>	3.6%
Mr. Portalatin	1,500,000	NA	<b>2,100,000</b>	NA

**Mr. Duperreault's Annual Bonus Award Determination.** Mr. Duperreault's 2012 annual bonus award was \$5,000,000, a 7.5% increase from his 2011 bonus. In making this bonus determination, the Compensation Committee took into consideration the following factors:

- Our strong 2012 financial performance as measured by 2012 earnings per share results and our revenue growth and increased profitability across both of our business segments;
- Mr. Duperreault's leadership in strategically positioning us for future growth; and
- Mr. Duperreault's role in the successful transition of CEO responsibilities to Mr. Glaser.

**Mr. Bischoff's Annual Bonus Award Determination.** Mr. Bischoff's 2012 annual bonus award was \$1,300,000. In making this bonus determination, the Compensation Committee considered our strong financial performance and Mr. Bischoff's effective leadership of the finance function upon Ms. Wittman's resignation from her position as Chief Financial Officer.

relating to effective capital deployment, strengthening of our financial position and continuing initiatives to centralize and globalize the finance function.

**Mr. Glaser's Annual Bonus Award Determination.** Mr. Glaser's 2012 annual bonus award was \$3,900,000, a 5.4% increase from his 2011 bonus. In making this bonus determination, the Compensation Committee took into consideration the following factors:

- The overall strong financial performance across our four operating companies, which were all under Mr. Glaser's management in 2012;
- Mr. Glaser's demonstrated leadership and managerial skills, which he leveraged successfully in taking full accountability and responsibility for all operating companies; and
- Mr. Glaser's transition and readiness to assume full leadership of the Company starting in January 2013.

**Mr. Zaffino's Annual Bonus Award Determination.** Mr. Zaffino's 2012 annual bonus award was \$2,850,000, a 3.6% increase from his 2011 bonus. In making this bonus determination, the Compensation Committee considered Marsh's improved profitability.



compound annualized growth rate basis. Depending on this financial performance, 0% to 200% of the number of performance stock units granted will be delivered in shares of our common stock.

"Core NOI growth" is the year-over-year change of consolidated net operating income calculated in accordance with GAAP, adjusted for "noteworthy items" identified in Exhibit A to this proxy statement (adjusted operating income) and adjusted further for the impact of acquisitions and dispositions and currency exchange rate fluctuations. For a reconciliation of adjusted net operating income to the most directly comparable GAAP financial measures, please see Exhibit A to this proxy statement.

The value ultimately realized from these awards is contingent on the named executive officer's continued service (except in the event of his or her termination of employment under certain circumstances) and will depend on the future performance of our common stock. The terms and conditions of the stock options and restricted stock unit awards are described in the narrative following the Grants of Plan-Based Awards in 2012 Table on page 57 and the terms and conditions of the performance stock unit awards are described in "Description of Performance Stock Units" above.

**Grant Date Fair Value of Long-Term Incentive Awards  
Granted in 2013**

Name	Annual Award			Total
	Stock Options	Performance Stock Units	Restricted Stock Units	
Mr. Duperreault	NA	NA	NA	NA
Mr. Bischoff	\$500,000	\$250,000	\$250,000	\$1,000,000
Mr. Glaser	3,900,000	1,950,000	1,950,000	7,800,000
Mr. Zaffino	1,625,000	812,500	812,500	3,250,000
Mr. Portalatin	1,000,000	500,000	500,000	2,000,000

**Annual Total Compensation Decisions by the Compensation Committee**

The following table summarizes the decisions made by the Compensation Committee in February 2013 and February 2012 with respect to the annual compensation of our named executive officers. Long-term incentive awards granted in and presented for February 2013 are not reflected in the 2012 Summary Compensation Table on page 52, because the awards were made after the end of the fiscal year. The special supplemental long-term incentive award to Mr. Duperreault in February 2012 and the special restricted stock unit awards to Mr. Portalatin in February 2012 and Mr. Bischoff in September 2012 are not included in the table below because they were not part of the Compensation Committee's annual compensation decisions. In addition, for Messrs. Bischoff and Portalatin, only February 2013 decisions are shown because they were not named executive officers in 2012. The February 2013 decisions for Mr. Glaser reflect base salary and annual long-term incentive awards relating to his role as CEO effective January 1, 2013 and an annual bonus award relating to his role as Group President and Chief Operating Officer in 2012.

Name	Decision Date	Base Salary	Annual Bonus Awards	Total Cash Compensation	Annual Long-Term Incentive Awards	Total Direct Compensation
Mr. Duperreault	2/25/2013	NA	\$5,000,000	NA	NA	NA
	2/24/2012	1,000,000	4,650,000	5,650,000	8,250,000	13,900,000
	Change		7.5%			
Mr. Bischoff	2/25/2013	650,000	1,300,000	1,950,000	1,000,000	2,950,000
Mr. Glaser	2/25/2013	1,400,000	3,900,000	5,300,000	7,800,000	13,100,000
	2/24/2012	1,000,000	3,700,000	4,700,000	5,000,000	9,700,000
	Change	40.0%	5.4%	12.8%	56.0%	35.1%
Mr. Zaffino	2/25/2013	900,000	2,850,000	3,750,000	3,250,000	7,000,000
	2/24/2012	900,000	2,750,000	3,650,000	3,000,000	6,650,000
	Change	0.0%	3.6%	2.7%	8.3%	5.3%
Mr. Portalatin	2/25/2013	850,000	2,100,000	2,950,000	2,000,000	4,950,000

## SENIOR MANAGEMENT COMPENSATION S



## 2013 Incentive Compensation Framework

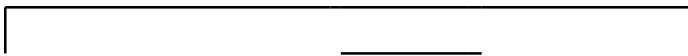
The Compensation Committee directed its compensation consultant, Pay Governance LLC, to work with management during 2012 to analyze our incentive compensation framework for senior executives and develop recommendations with respect to potentially improving the framework. The Compensation Committee believed that we had an opportunity to make certain enhancements, including:

- strengthening the link between performance and incentive compensation, thereby making the Compensation Committee's determinations clearer and more explicit for our senior executives and more transparent to external stakeholders;
- setting incentive compensation targets that are appropriately aligned and calibrated with our strong performance expectations and the Compensation Committee's desire to motivate and reward such performance on both an absolute basis against internal targets and also on a relative basis against the S&P 500<sup>®</sup> and selected companies and general industry; and
- establishing a total compensation approach that provides a basis for determining annual bonus and long-term incentives in a more holistic manner while maintaining the Compensation Committee's flexibility to shift between short-term and long-term incentives as it deems appropriate in particular situations.

With these objectives in mind, the Compensation Committee reviewed recommendations from its compensation consultant, which retained certain key elements of the existing incentive compensation framework but which also made significant revisions based on the Compensation Committee's objectives as described above.

The framework is illustrated in the following graphic and significant features are described below:

- Overall payout range of 0% to 200% of target based on actual performance.
- Continued use of both financial and strategic performance objectives, but with new weightings and measures (as shown in the chart below) and payout range for each objective on a 0% to 150% scale.
- Financial and strategic performance are adjusted by a multiplier to reflect competitive financial and strategic performance against the S&P 500<sup>®</sup> and selected companies and selected companies.



## **BENEFIT PLANS AND OTHER PROGRAMS**

### ***Retirement and Deferred Compensation Plans***

We maintain a defined benefit retirement program in the U.S. consisting of the tax-qualified Marsh &

The amount of the estimated payments and benefits payable to our named executive officers, assuming a change in control of the Company as of the last business day of 2012, is presented in “Potential Payments Upon Termination or Change in Control” on page 66.

**Other Benefits and Perquisites**

Our senior executives are eligible to participate in our health and welfare benefit programs on the same basis as our other eligible employees. We also provide certain perquisites and other personal benefits to our senior executives. In general, the perquisites or other personal benefits provided to our senior executives include (i) the cost of financial counseling and certain income tax return preparation, up to a maximum of approximately \$11,000 per year and (ii) from time to time, the relocation costs associated with hiring newly recruited or promoted senior executives.

We maintain fractional interests in corporate aircraft for business travel. The Compensation Committee agreed that Mr. Duperreault could use these aircraft once per month (on average) to travel to his personal residences (principally to Bermuda) while he served as our CEO.

The Compensation Committee has determined to provide Mr. Glaser with access to a car and driver for commuting purposes and the corporate aircraft, in which we maintain fractional interests, for limited personal travel while he serves as our CEO, as discussed in “Senior Management Compensation Actions and Decisions” on page 45.

The incremental cost of providing perquisites and other personal benefits during 2012 to our named executive officers is presented in the footnotes to the “All Other Compensation” column of the 2012 Summary Compensation Table on page 52.

**STOCK OWNERSHIP GUIDELINES**

We have maintained stock ownership guidelines for our senior executives since January 1, 2007. We believe that these guidelines help align the financial interests of our senior executives with our stockholders by requiring them to acquire and maintain a meaningful ownership interest, in the form of shares or stock units, in our common stock. These guidelines are designed to take into account an individual's needs for portfolio diversification, while maintaining an ownership interest at levels sufficient to assure our stockholders of management's commitment to long-term value creation. Senior executives are expected, over a five-year period, to acquire and hold shares or stock units of our common stock with an aggregate value at least equal to a specified multiple of their base salary (which varies by position). As of February 28, 2013, all of our named executive officers were in compliance with the stock ownership guidelines. The stock ownership guidelines for our named executive officers are as follows:

<u>Named Executive Officer</u>	<u>Ownership Level (as a multiple of base salary)</u>
CEO	6
Other named executive officers	3

Information concerning our stock ownership guidelines is available on our website under: \_\_\_\_\_

year. Generally, remuneration in excess of \$1 million may only be deducted if it is “performance-based compensation” within the meaning of the Internal Revenue Code or satisfies the conditions of a different exemption from the deduction limit.

With respect to the incentive compensation paid to our senior executives for 2012, generally we sought to pay incentive compensation that was deductible for federal income tax purposes by paying our annual bonuses and granting certain annual long-term incentive awards to our named executive officers pursuant to a stockholder-approved plan that satisfied the requirements of the “performance-based compensation” exemption from Section 162(m). Under this plan, an annual incentive award pool was established based on our net operating income for the year. As permitted under the plan, the Compensation Committee could exercise its discretion to reduce (but not increase) the size of the amounts potentially payable to our named executive officers pursuant to the plan's award formula.

Notwithstanding our efforts to maximize the deductibility of the incentive compensation paid to our senior executives, we may from time to time approve elements of compensation for certain senior executives that are not fully deductible, and we reserve the right to do so in the future in appropriate circumstances.

We also structure compensation in a manner intended to avoid the incurrence of any additional tax, interest or penalties under Section 409A of the Internal Revenue Code governing the provision of nonqualified deferred compensation to our service providers.

We account for stock-based compensation in accordance with FASB ASC Topic 718, which requires us to recognize compensation expense relating to share-based payments (such as stock options, performance stock unit awards and restricted stock unit awards) in our financial statements. The recognition of this expense has not caused us to limit or otherwise significantly alter the equity-based compensation element of our executive compensation program. This is because we believe equity-based compensation is a necessary component of a competitive executive compensation program and fulfills important program objectives. The Compensation Committee considers the potential impact of FASB ASC Topic 718 on any proposed change to the equity-based compensation element of our program.

#### **ADDITIONAL CONSIDERATIONS**

This Compensation Discussion and Analysis includes statements regarding the use of various performance measures and related target levels in the limited context of our executive compensation program. These target levels are not intended to be statements of management's expectations of our future financial results or other guidance. Investors should not apply these target levels in any other context.



## **Compensation Committee Report**

Management has the primary responsibility for the Company's financial statements and reporting processes, including the disclosure of executive compensation. With this in mind, the Compensation Committee has reviewed and discussed with management the preceding Compensation Discussion and Analysis, as well as the accompanying compensation tables. Based on that review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be

## 2012 Summary Compensation Table

The following table contains information relating to 2012 compensation paid to, earned by or awarded to our named executive officers, which include our chief executive officer (Mr  
ficer (Mr



## All Other Compensation

Name	Company Contributions to Defined Contribution Plans (\$ (a))	Employee Stock Purchase Plan Interest (\$ (b))	Financial Planning and Income Tax Preparation (\$ (c))	Term Life Insurance (\$ (d))	Personal Use of Corporate Aircraft (\$ (e))	Other (\$ (f))	Total (\$)
Mr. Duperreault	30,000	0	10,000	15,949	441,875	185,500	683,324
Mr. Bischoff	17,933	0	1,525	0	0	0	19,458
Mr. Glaser	30,000	69	10,830	0	0	0	40,899
Mr. Zaffino	27,000	0	9,802	0	0	0	36,802
Mr. Portalatin	0	0	7,491	0	0	0	7,491
Ms. Wittman	5,986	0	0	0	0	0	5,986

- (a) These amounts include the Company's matching contributions under the Company's 401(k) Savings & Investment Plan and Supplemental Savings and Investment Plan (SSIP) attributable to 2012. The Company's 401(k) Savings & Investment Plan is a tax-qualified defined contribution plan. The SSIP is a nonqualified defined contribution plan and is described in further detail in the "Nonqualified Deferred Compensation" section (page 65).
- (b) These amounts represent interest credited on the named executive officers' accounts within the Company's tax-qualified employee stock purchase plan.
- (c) These amounts represent the cost to the Company of offering personal financial planning and tax preparation services. The imputed income attributable to these services is taxable income to the named executive officer. The taxes associated with this income are not reimbursed or paid by the Company.
- (d) Mr. Duperreault was provided with term life insurance with a face amount of \$5 million while he was an employee, as described in the "Employment Arrangements" section on page 55. Mr. Duperreault was provided with \$1 million of coverage through a Company-paid group-term life insurance plan. The amount shown in the table represents the cost to the Company of providing term life insurance with a face amount of \$4 million. The imputed income attributable to this item was taxable income to Mr. Duperreault. The taxes associated with this taxable income were not reimbursed or paid by the Company.
- (e) This amount represents the incremental cost to the Company of Mr. Duperreault's personal use of corporate aircraft in which the Company owns a fractional share. The incremental cost has been calculated by adding the incremental variable costs associated with personal flights on each of the aircraft (including hourly charges, taxes, passenger fees, international fees, catering and incidental ground transportation). The imputed income attributable to his personal use of corporate aircraft was taxable income to Mr. Duperreault. The taxes associated with this taxable income were not reimbursed or paid by the Company.
- (f) As described under "Mr. Duperreault's Retirement" (page 45) in the "Compensation Discussion and Analysis", the Compensation Committee considered Mr. Duperreault's request for post-retirement transitional support and agreed to provide him with administrative support, an office at the Company's office where he is domiciled and access to his existing technology support for one year. This amount represents the estimated incremental cost to the Company of providing Mr. Duperreault with administrative support through December 31, 2013.
7. Total amounts reflected in this column may not equal the sum of amounts reflected in the preceding columns due to rounding to the nearest whole dollar as required by the SEC rules.

## Employment Arrangements

The Company completed the transition from the use of formal employment agreements to simplified employment letters for our senior executives in 2010. We expect that the terms of employment for newly hired or promoted senior executives will be reflected in a simplified employment letter.

### **Employment Letters**

The Company has employment letters with all of the named executive officers that generally follow a common template and include the following principal terms:

- Base salary, target annual bonus opportunity, and target annual long-term incentive opportunity, and applicable ranges. Actual annual bonus payments and annual long-term incentive awards are based on factors described in the "Annual Bonuses" section (pages 39 to 42) and "Annual Long-Term Incentive Compensation" section (page 42) of the "Compensation Discussion and Analysis";
- Except for Mr. Duperreault, who was not entitled to any cash severance, participation in the Company's Senior Executive Severance Pay Plan, as described in the "Severance Arrangements" section (page 48) of the "Compensation Discussion and Analysis" and the "Potential Payments Upon Termination or Change in Control" section (page 66); and
- Nonsolicitation and confidentiality covenants for the benefit of the Company.

### **Mr. Duperreault's Employment Arrangements**

Mr. Duperreault attained age 65 in May 2012 and retired on December 31, 2012. The material terms of his employment arrangements in effect during 2012 and relating to his retirement are described below.

In September 2009, the Company and Mr. Duperreault entered into an agreement to extend his period of employment and transition him to an agreement that is similar, in form and purpose, to the basic employment letter used for other senior executives. Mr. Duperreault's September 2009 employment letter became fully effective after his then-current employment agreement expired on January 29, 2011.

Mr. Duperreault's September 2009 employment letter retained then-current terms of his compensation and benefits (including the absence of any cash severance) and incorporated provisions intended to facilitate a successful transition to his successor. In particular, the employment letter provided that, if specified conditions were satisfied, including that the Compensation Committee determined that Mr. Duperreault satisfactorily participated in the identification and/or development of his successor, then, in the event of Mr. Duperreault's termination of employment prior to age 65 (in May 2012), he would be deemed to have reached normal retirement age for purposes of the vesting and post-retirement exercisability provisions of his equity-based awards (other than those equity-based awards granted to him in connection with his joining the Company). He would also receive the value of his accrued benefits under the U.S. retirement program if they were not otherwise vested at that time. In addition, the agreementuary d(gre20.78 0 ereaul96s ofg the Creeis seTd iTd( be )Tjer 2006 -21 TdTe th211and)Tj-4uaryh211and-22cem

his employment and during the term of his employment agreement would vest in the event that his employment was terminated "without cause" or for "good reason."

In addition, Mr. Duperreault's January 2008 employment agreement provided, and his September 2009 employment letter continued to provide, for term life insurance with a face amount of \$5 million while he was employed by the Company and for eligibility for the Company's retiree medical program without regard to any generally applicable age or service requirements. Mr. Duperreault met the age requirement in May 2012 and this provision expired without effect.

In January 2013, the Compensation Committee considered Mr. Duperreault's request for post-retirement transitional support and agreed to provide him with administrative support, an office at the Company's office where he is domiciled and access to his existing technology support for one year, as described under "Mr. Duperreault's Retirement" (page 45) of the "Compensation Discussion and Analysis."

## **Grants of Plan-Based Awards in 2012**

The following table contains information on the grants of plan-based awards made to the named executive officers in 2012.

1. The February 24, 2012 grants of equity-based awards reported in this table were approved by the Compensation Committee at its meeting on February 24, 2012 and granted on the same date. The February 1, 2012 special restricted stock unit award granted to Mr. Portalatin was approved by the Compensation Committee at its meeting on January 3, 2012 and was granted upon Mr. Portalatin's hire date. The October 1, 2012 special restricted stock unit award granted to Mr. Bischoff was approved by the Compensation Committee at its meeting on September 19, 2012.
2. Upon her resignation in March 2012, Ms. Wittman forfeited her bonus opportunity for 2012. The actual cash bonuses earned are disclosed in the "Non-Equity Incentive Plan Compensation" column of the 2012 Summary Compensation Table.
3. The amounts reported in columns (g), (h) and (i) reflect performance stock unit awards granted on February 24, 2012. The terms and conditions of these awards are described in further detail in the narrative following this table.
4. The amounts reported in column (j) reflect the restricted stock unit awards granted on February 24, 2012 and the special restricted stock unit awards granted on February 1, 2012 and October 1, 2012. The terms and conditions of these awards are described in further detail in the narrative following this table.
5. The amounts reported in column (k) reflect nonqualified stock options granted on February 24, 2012. The terms and conditions of these awards are described in further detail in the narrative following this table.
6. The stock options granted on February 24, 2012 have an exercise price of \$31.885 per share, equal to the average of the high and low trading prices of shares of the Company common stock on February 23, 2012, the trading date immediately preceding the date of grant. The closing market price of the Company's common stock on the date of grant was \$31.77 per share, which was lower than the exercise price.
7. The grant date fair value reported for performance stock unit awards is based on payment at target.

### **Stock Options**

Stock options represent the right to purchase a specified number of shares of the Company's common stock at a specified exercise price for a specified period of time. Stock options are scheduled to vest in four equal annual installments beginning on the first anniversary of the grant date, with earlier vesting and shortened exercisability in the event of death and specified terminations of employment. The options granted to the named executive officers on February 24, 2012 are scheduled to vest on February 24 of 2013, 2014, 2015 and 2016 and will expire no later than February 23, 2022. The stock options have an exercise price equal to the average of the high and low trading prices of shares of the Company's common stock on the trading day immediately preceding the grant date.

### **Restricted Stock Units**

A restricted stock unit represents a promise to deliver a share of the Company's common stock as soon as practicable after vesting. Annual awards of restricted stock units are scheduled to vest in three equal annual installments beginning on the 28<sup>th</sup> of the month in which the first anniversary of the grant date occurs, with earlier vesting in the event of death and specified terminations of employment. The units granted to the named executive officers on February 24, 2012 are scheduled to vest on February 28 of 2013, 2014 and 2015. The special restricted stock unit award granted to Mr. Portalatin on February 1, 2012 is scheduled to vest in full on February 15, 2015. The special restricted stock unit award granted to Mr. Bischoff on October 1, 2012 is scheduled to vest in three equal annual installments on October 15 of 2013, 2014 and 2015. Restricted stock units include the right to payment of dividend equivalents for each share of common stock that is paid in respect of a vested restricted stock unit. Dividend equivalents that relate to restricted stock units that do not vest or are forfeited also will be forfeited. Holders of restricted stock units have no voting rights.

### **Performance Stock Units**

Performance stock units represent a promise to deliver, as soon as practicable after the end of the performance period, a number of shares of the Company's common stock ranging from 0% to 200% of the number of units granted, depending on the Company's achievement of a three-year financial performance objective determined by the Compensation Committee. The performance measure is the Company's consolidated adjusted underlying net operating income growth ("core NOI growth") on a three-year compound annualized growth rate basis. The targeted core NOI growth rate is 10%, which supports our strategy for creating long-term stockholder value. The units granted to the named executive officers on February 24, 2012 are scheduled to vest on February 28, 2015, with earlier vesting in the event of death and specified terminations of employment. Performance stock units include the right to payment of dividend equivalents for each share of common stock that is paid in respect of a vested performance



stock unit. Dividend equivalents that relate to performance stock units that do not vest or are forfeited also will be forfeited. Holders of performance stock units have no voting rights.

The treatment of these awards upon termination of employment or a change in control is described in further detail in the "Potential Payments Upon Termination or Change in Control" on page 66.

## 2012 Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information concerning equity-based awards held by the named executive officers as of December 31, 2012. All outstanding equity awards are with respect to shares of the Company's common stock.

### 2012 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Option Grant Date	Option Awards				Stock Awards					
		Number of Securities Underlying Unexercised Options Exercisable (#) (1)	Number of Securities Underlying Unexercised Options Unexercisable (#) (1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (2)	Option Exercise Price (\$)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (\$ (3)	Market Value of Shares or Units of Stock That Have Not Vested (\$ (4)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (5)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$ (4)
Brian Duperreault	(6) 1/29/2008	400,000	0	0	27.275	1/28/2018					
	(6) 1/29/2008	400,000	0	0	27.275	1/28/2018					
	(6) 1/29/2008	0	0	400,000	27.275	1/28/2018					
	2/26/2008	265,152	0	0	26.070	2/25/2018					
	2/23/2009	0	326,798	0	19.045	2/22/2019					
	2/22/2010	618,557	618,557	0	22.705	2/21/2020					
							2/22/2010	29,363	1,012,143		
		2/21/2011	154,610	463,831	0	30.595	2/21/2021				
							2/21/2011	44,942	1,549,151		
							2/21/2011			67,413	2,323,726
	2/24/2012	0	724,338	0	31.885	2/23/2022					
						2/24/2012	64,686	2,229,726			
						2/24/2012			111,731	3,851,368	
J. Michael Bischoff	3/16/2005	0	0	14,000	30.505	3/15/2015					
	(7) 7/1/2005	6,500	0	0	27.860	3/19/2013					
	(7) 7/1/2005	5,000	0	0	27.860	3/16/2014					
	3/15/2006	4,286	0	0	30.215	3/14/2016					
	2/21/2007	4,688	0	0	29.600	2/11/2017					
	2/22/2010	8,505	8,506	0	22.705	2/21/2020					
							2/22/2010	1,212	41,778		
		2/21/2011	1,874	5,623	0	30.595	2/20/2021				
							2/21/2011	2,180	75,145		
							2/21/2011			1,635	56,358
	2/24/2012	0	8,279	0	31.885	2/23/2022					
						2/24/2012	3,137	108,132			
						2/24/2012			1,569	54,083	
						10/1/2012	44,346	1,528,607			
Daniel S. Glaser	12/10/2007	100,000	0	0	25.815	12/9/2017					
	2/23/2009	490,197	163,398	0	19.045	2/22/2019					
	2/22/2010	309,278	309,279	0	22.705	2/21/2020					
							2/22/2010	14,682	506,089		
		2/21/2011	74,962	224,889	0	30.595	2/20/2021				
							2/21/2011	21,791	751,136		
							2/21/2011			32,686	1,126,686
	2/24/2012	0	413,9022	0	31.885	2/23/2022					
						2/24/2012	3,137	108,132			
						2/24/2012	108,132	3,682,700			

1. Represents vested and unvested, non-performance contingent stock options and performance-contingent stock options that have met the applicable performance criteria. The unvested options ratably vest and become exercisable in 25% increments on the first four anniversaries of the grant date.
2. Represents vested and unvested, performance-contingent stock options. Performance-contingent stock options, other than those granted to Mr. Duperreault in 2008 and discussed in footnote 6 below, are exercisable following vesting only to the extent that the closing price of the Company's common stock equals or exceeds 115% of the exercise price for ten consecutive trading days after the option has vested.
3. The table below provides the vesting schedule of the restricted stock units that were not vested as of December 31, 2012.


## 2012 Option Exercises and Stock Vested

The following table sets forth certain information concerning (i) stock options exercised by the named executive officers in 2012 and (ii) restricted stock unit awards held by the named executive officers that vested in 2012.

### 2012 OPTION EXERCISES AND STOCK VESTED

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$ (1))	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$ (2))
Brian Duperreault	580,392	8,787,856	86,838	2,765,790
J. Michael Bischoff	0	0	5,188	165,238
Daniel S. Glaser	0	0	43,078	1,372,034
Peter Zaffino	56,000	785,004	46,808	1,492,561
Julio A. Portalatin	0	0	0	0

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## Defined Benefit Retirement Program

The Company maintains a defined benefit retirement program in the United States consisting of the tax-qualified Marsh & McLennan Companies Retirement Plan and the nonqualified Benefit Equalization Plan and Supplemental Retirement Plan. The Benefit Equalization Plan is a restoration plan that provides those participants subject to certain Internal Revenue Code limitations with retirement benefits on a comparable basis to those provided to employees who are not subject to such limitations. The Supplemental Retirement Plan provides for an enhanced benefit for a select group of highly compensated employees. Messrs. Duperreault, Bischoff, Glaser and Zaffino participate in the United States defined benefit retirement program. Mr. Portalatin was not eligible to participate in the retirement program in 2012, and Ms. Wittman did not satisfy the requirements for a vested benefit at her termination of employment.

For participants who are eligible for all three plans, annual benefits payable at age 65 in the form of a straight-life annuity are determined generally by the following formula:

- 2.0% of eligible salary for each of the first 25 years of eligible benefit service; plus
- 1.6% of eligible salary for each of the next five years of eligible benefit service; plus
- 1.0% of eligible salary for each year of eligible benefit service over 30 years.

The above sum is reduced by an amount representing a portion of the participant's estimated Social Security benefit.

Benefits under the retirement program vest upon the earliest of (i) a participant's attainment of five years of service, (ii) attainment of age 65, or (iii) a change in control of the Company. Messrs. Duperreault, Bischoff, Glaser, and Zaffino have a vested benefit under the retirement program.

The present value of the accumulated pension benefits of the named executive officers who participate in these plans as of the end of 2012, as well as other information about each of our defined benefit pension plans, is reported in the table below. Assumptions used in the calculation of these amounts, other than retirement age are included in footnote 8 to the Company's audited financial statements for the fiscal year ended December 31, 2012, included in the Company's Annual Report on Form 10-K filed with the SEC on February 27, 2013. The assumed retirement date used for purposes of this table is January 1, 2013 for Messrs. Duperreault and Bischoff, and age 65 years for all other named executives. Benefits under the tax-qualified Marsh & McLennan Companies Retirement Plan are generally paid as a monthly annuity for the life of the retiree and his or her designated survivor, if the participant has elected to be paid on a joint and survivor basis. Benefits earned and vested under the nonqualified plans prior to 2005 may be payable as a lump sum as well. The lump-sum option is only available to Mr. Bischoff because none of the other named executive officers have nonqualified plan benefits that were earned and vested as of December 31, 2004. The Company's policy for funding its obligation under the tax-qualified plan is to contribute amounts at least suf. The

**PENSION BENEFITS TABLE FOR 2012**

<b>Name</b>	<b>Plan Name</b>	<b>Number of Years Credited Service (#) (1)</b>	<b>Present Value of Accumulated Benefit (\$) (2)</b>	<b>Payments During Last Fiscal Year (\$)</b>
Brian Duperreault	Qualified Retirement Plan	5.0	224,989	0
	Benefit Equalization Plan	5.0	725,740	0
	Supplemental Retirement Plan	5.0	225,917	0
	Total		1,176,646	0
J. Michael Bischoff	Qualified Retirement Plan	31.0	1,364,069	0
	Benefit Equalization Plan	31.0	856,934	0
	Supplemental Retirement Plan	31.0	602,086	0
	Total		2,823,089	0
Daniel S. Glaser	Qualified Retirement Plan	15.0	198,656	0
	Benefit Equalization Plan	15.0	432,847	0
	Supplemental Retirement Plan	15.0	139,226	0
	Total		770,729	0
Peter Zaffino	Qualified Retirement Plan	11.3	200,022	0
	Benefit Equalization Plan	11.3	341,405	0
	Supplemental Retirement Plan	11.3	117,390	0
	Total		658,817	0
Julio A. Portalatin	Qualified Retirement Plan	0.9	0	0
	Benefit Equalization Plan	0.9	0	0
	Supplemental Retirement Plan	0.9	0	0
	Total		0	0
Vanessa A. Wittman	None			

1. Represents years of benefit accrual service as of December 31, 2012. Mr. Glaser's 15.0 years of service includes 9.9 years of service for his prior period of service with Marsh from July 1982 through May 1992.
2. Assumptions used in the calculation of these amounts, other than retirement age, which has been assumed for purposes of this table to be 65 years, are included in footnote 8 to the Company's audited financial statements for the fiscal year ended December 31, 2012, included in the Company's Annual Report on Form 10-K filed with the SEC on February 27, 2013. The U.S. Retirement Program provides a survivor benefit, in the form of a monthly annuity, to a qualifying spouse, same-sex spouse or domestic partner upon the death of a participant. The present value of this survivor benefit in the event of death on December 31, 2012 was \$670,342 for Mr. Duperreault, \$1,605,927 for Mr. Bischoff, \$898,501 for Mr. Glaser, and \$313,155 for Mr. Zaffino. The survivor benefit was not applicable to Mr. Portalatin and Ms. Wittman since they did not have a vested accrued benefit under the U.S. Retirement Program as of December 31, 2012.



## Potential Payments Upon Termination or Change in Control

The following table sets forth the estimated payments and benefits to be provided to the named executive officers (except for Ms. Wittman) in the event of the specified terminations of employment and in connection with a change in control of the Company. Ms. Wittman is not included in the following table because she did not receive any payments and forfeited the unvested portion of her outstanding equity awards upon her resignation in March 2012. In accordance with SEC rules, this table assumes that the relevant triggering event occurred on December 31, 2012, the last business day of the last completed fiscal year, and that the market price of the Company's common stock was the closing stock price as of December 31, 2012 (\$34.47 per share), the last trading day of 2012. Also in accordance with SEC rules, we describe all termination and change in control events potentially applicable to Mr. Duperreault; however, the only event that actually applied to Mr. Duperreault was "normal retirement."

Except for Mr. Duperreault, the employment letter for each named executive officer provides that the named executive officer will participate in the Company's Senior Executive Severance Pay Plan. In general, the Senior Executive Severance Pay Plan provides for cash severance solely in the event of an involuntary termination of employment without "cause" (as described below) or, within the two-year period following a change in control of the Company, either by the successor entity without cause or by the participant for a termination of employment for "good reason" (as described below). In addition, each such named executive officer is entitled to specified benefits upon death or "disability" (as described below).

Cash severance under the Senior Executive Severance Pay Plan is equal to the sum of:

- one times annual base salary;
- one times the average of the annual bonuses paid to the participant for each of the three prior calendar years; and
- a pro rata bonus for the year of termination.

The Senior Executive Severance Pay Plan also provides 12 months of outplacement services and



Name	Termination Reason	Total Cash Payment (\$ (1))	Unvested Stock Awards (\$ (2))	Unvested Option Awards (\$ (2))	Accumulated Dividend Equivalents on Outstanding Stock Units (\$)	Welfare and Retirement Benefits (\$ (3) (4))	Total (\$ (5))
Brian Duperreault	Involuntary termination without cause	0	12,360,356	18,865,941	426,399	33,355	31,686,050
	Termination for good reason	0	12,360,356	18,865,941	426,399	0	31,652,696
	Involuntary termination without cause or termination for good reason following a change in control	0	12,360,356	18,865,941	426,399	33,355	31,686,050
	Death or Disability	0	12,360,356	18,865,941	426,399	0	31,652,696
	Normal Retirement	0	13,644,053	18,865,941	451,722	0	32,961,716
J. Michael Bischoff	Involuntary termination without cause	2,421,400	1,897,918	143,263	23,706	23,002	4,509,289
	Involuntary termination without cause or termination for good reason following a change in control	2,371,400	1,897,918	143,263	23,706	23,002	4,459,289
	Death or Disability	1,250,000	1,897,918	143,263	23,706	0	3,314,888
	Normal Retirement	1,300,000	1,915,946	143,263	24,062	0	3,383,271
Daniel S. Glaser	Involuntary termination without cause	8,466,667	3,374,096	6,159,082	140,448	22,921	18,163,214
	Termination for good reason	0	506,089	6,159,082	34,796	0	6,699,966
	Involuntary termination without cause or termination for good reason following a change in control	6,816,667	6,955,219	8,100,479	249,312	22,921	22,144,597
	Death or Disability	2,250,000	6,955,219	8,100,479	249,312	0	17,555,009
Peter Zaffino	Involuntary termination without cause	5,866,667	2,061,754	0	82,370	30,015	8,040,805
	Involuntary termination without cause or termination for good reason following a change in control	4,816,667	4,344,220	3,653,154	153,169	30,015	12,997,224
	Death or Disability	1,800,000	4,344,220	3,653,154	153,169	0	9,950,543
Julio A. Portalatin	Involuntary termination without cause	2,950,000	431,185	0	8,506	30,015	3,419,706
	Involuntary termination without cause or termination for good reason following a change in control	2,350,000	1,489,966	374,484	29,393	30,015	4,273,857
	Death or Disability	1,500,000	1,489,966	374,484	29,393	0	3,393,843

1. The following table sets forth the calculation of amounts shown in the "Total Cash Payment" column of the table above. For purposes of this calculation, because this table assumes that termination of employment occurs at year-end, the amount shown in the "Pro Rata Bonus" column of the table below is equal to the individual's actual bonus for the entire year.

Name	Termination Reason	Base Salary (\$)	Average Bonus (\$)	Total (\$)	Severance Multiplier	Total Severance (\$ (a))	Pro Rata Bonus (a) (b)	Total Cash Payment (\$)
Mr. Duperreault	Involuntary termination without cause	N/A	N/A	N/A	0	0	0	0
	Termination for good reason	N/A	N/A	N/A	0	0	0	0
	Involuntary termination without cause or termination for good reason following a change in control	N/A	N/A	N/A	0	0	0	0
	Death or Disability	N/A	N/A	N/A	0	0	0	0
	Normal Retirement	N/A	N/A	N/A	0	0	0	0
Mr. Bischoff	Involuntary termination without cause	650,000	471,400	1,121,400	1	1,121,400	1,300,000	2,421,400
	Involuntary termination without cause or termination for good reason following a change in control	650,000	471,400	1,121,400	1	1,121,400	1,250,000	2,371,400
	Death or Disability	N/A	N/A	N/A	0	0	1,250,000	1,250,000
	Normal Retirement	N/A	N/A	N/A	0	0	1,300,000	1,300,000
Mr. Glaser	Involuntary termination without cause	1,000,000	3,566,667	4,566,667	1	4,566,667	3,900,000	8,466,667
	Termination for good reason	N/A	N/A	N/A	0	0	0	0
	Involuntary termination without cause or termination for good reason following a change in control	1,000,000	3,566,667	4,566,667	1	4,566,667	2,250,000	6,816,667
	Death or Disability	N/A	N/A	N/A	0	0	2,250,000	2,250,000
Mr. Zaffino	Involuntary termination without cause	900,000	2,116,667	3,016,667	1	3,016,667	2,850,000	5,866,667
	Involuntary termination without cause or termination for good reason following a change in control	900,000	2,116,667	3,016,667	1	3,016,667	1,800,000	4,816,667
	Death or Disability	N/A	N/A	N/A	0	0	1,800,000	1,800,000
Mr. Portalatin	Involuntary termination without cause	850,000	0 <sup>(6)</sup>	850,000	1	850,000	2,100,000	2,950,000
	Involuntary termination without cause or termination for good reason following a change in control	850,000	0 <sup>(6)</sup>	850,000	1	850,000	1,500,000	2,350,000
	Death or Disability	N/A	N/A	N/A	0	0	1,500,000	1,500,000

- (a) Reflects amounts payable by the Company in the form of a lump-sum as soon as practicable following termination of employment, subject to the individual's execution of a general release of claims for the benefit of the Company .
- (b) "Pro Rata Bonus" amounts, if any, are payable by the Company at the same time as annual bonuses for the applicable year are paid to the Company's senior executives generally, subject to the individual's execution of a general release of claims for the benefit of the Company.

2. Reflects equity-based awards, with respect to the Company's common stock, outstanding as of December 31, 2012. The value of 2011 and 2012 performance stock units is shown at 160% and 100% performance, respectively. For Messrs. Duperreault and Bischoff, normal retirement treatment of performance stock units assumes 2011 and 2012 results as determined by the Compensation Committee and target performance for the remaining years of the award period for each award. The vesting of equity-based awards will accelerate in the event of death or permanent disability (as defined in the applicable equity-based award document). In addition, with respect to Mr. Duperreault, if he terminated his employment and the Compensation Committee determined that Mr. Duperreault had satisfied the conditions specified in his 2009 employment letter providing for vesting and exercisability of 400,000 stock options, as described in the "Employment Arrangements" section (page 55). The aggregate value of the accelerated vesting with respect to all of Mr. Duperreault's then-unvested option awards was \$18,865,941.
3. Each of the named executive officers is entitled to continue receiving Company-sponsored health insurance for 12 months. To receive such benefits, a named executive officer is required to contribute at the same level as similarly situated active

employees. Each of the named executive of

contained in his employment agreement; or (v) any violation of any statutory or common law duty of loyalty to the Company or any of its subsidiaries.

For awards granted to Mr. Duperreault from 2008 through 2010 under his 2008 employment agreement and for awards granted to Mr. Glaser from 2007 through 2010 under his 2007 employment agreement, "good reason" is defined as: (i) a material diminution in his position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by his employment agreement; (ii) any removal from the positions he holds; (iii) any failure by the Company to comply with the provisions of his employment agreement pertaining to his level of compensation; (iv) failure by the Company to comply with any other material provisions of the employment agreement; (v) change in his principal work location to more than 50 miles from his current work location. Additionally, Mr. Duperreault's definition of "good reason" includes his no longer serving as the chief executive officer, reporting to the board of directors, of the top-tier "parent company" resulting from a change in control.

The employment letters for Messrs. Bischoff, Glaser, Portalatin and Zaffino define "permanent disability" as occurring when it is determined (by the Company's disability carrier for the primary long-term disability plan or program applicable to the named executive officer because of his or her employment with the Company) that the named executive officer is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

Mr. Duperreault's and Mr. Glaser's prior employment agreements defined "disability" as occurring when he is prevented from performing satisfactorily his obligations under his employment agreement for a period of at least 90 consecutive days or 180 nonconsecutive days within any 365-day period.

### ***Change in Control***

As described in the "Risk and Reward Features of Executive Compensation Corporate Governance Policies" section (pages 35 to 36), the terms of equity-based awards granted after March 15, 2007 contain a "double-trigger" change in control vesting provision, which requires a change in control of the Company followed by a specified termination of employment for accelerated vesting to occur. Under the double-trigger provision, a change in control of the Company by itself would not cause an employee's equity-based award to vest, so long as the award is assumed or replaced on equivalent terms. In that case, vesting would continue pursuant to the award's original vesting schedule unless, in addition to the change in control, the employee's employment terminates without "cause" or for "good reason" during the 24 months following the change in control.

The change in control provisions included in our Senior Executive Severance Pay Plan and in Messrs. Duperreault's and Glaser's prior employment agreements also require a "double-trigger."

We believe that requiring a "double-trigger," rather than providing severance payments (and vesting of equity-based awards, in the case of Mr. Duperreault, who was not entitled to any cash severance) solely on the basis of a change in control, is more consistent with the purpose of encouraging the continued employment of the senior executive following a change in control.

The terms of equity-based awards granted before March 16, 2007 provide that in the event of a change in control of the Company, equity-based awards become fully vested and exercisable, and any restrictions contained in the terms of conditions of the awards lapse.

Our previous equity-based compensation plans contained a reimbursement provision providing that, if any equity-based award that vests as a result of a change in control of the Company is subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, we will make a payment to the recipient as necessary to restore such individual to the same after-tax position had such excise tax not been imposed. No such payment to any of our named executive officers would have been required if a change in control of the Company had occurred on December 31, 2012. This reimbursement provision was eliminated under the terms of the 2011 Incentive and Stock Award Plan, which applies to awards granted after May 19, 2011, the date when our stockholders approved the plan. In addition, our senior executives' employment letters and the Senior Executive Severance Pay Plan do not contain such a reimbursement provision.

Cash severance payments are not eligible for any tax reimbursement benefit.

We use the same definition of “change in control” in the equity incentive plans, the Senior Executive Severance Pay Plan and Messrs. Duperreault's and Glaser's prior employment agreements.

The applicable definitions of “cause” and “good reason” in connection with equity-based awards for the named executive officers are similar to those described above in “Termination of Employment.”

### **Restrictive Covenants**

Each of the named executive officers is subject to nonsolicitation covenants that prohibit the executive from:

- soliciting any customer or client with respect to a competitive activity; and
- soliciting or employing any employee for the purpose of causing the employee to terminate employment.

Each of the named executive officers is also subject to noncompetition covenants that prohibit the executive from engaging in a competitive activity.

For Mr. Duperreault, the noncompetition and nonsolicitation period is 24 months from the date of termination of employment. For the other named executive officers, this period is 12 months from the date of termination of employment. Mr. Glaser's noncompetition and nonsolicitation period is 24 months from date of termination of employment effective with his appointment as President and Chief Executive Officer on January 1, 2013.

In addition, at all times prior to and following termination of employment, the named executive officers are subject to a perpetual confidentiality covenant.

## **EQUITY COMPENSATION PLAN INFORMATION**

### **Equity Compensation Plan Information Table**

The following table sets forth information as of December 31, 2012, with respect to compensation plans under which equity securities of the Company are authorized for issuance:

<b>Plan category</b>	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)(2)	(b) Weighted-average exercise price of outstanding options, warrants and rights (2)(3)(\$)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (2)
Equity compensation plans approved by stockholders .....	18,932,404 (4)	\$28.14	32,743,312 (5)
Equity compensation plans not approved by stockholders .....	24,906,005 (6)	29.86	13,177,884 (7)
<b>Total</b>	<b>43,838,409</b>	<b>29.10</b>	<b>45,921,196</b>

- (1) This column reflects shares subject to outstanding and unexercised options granted over the last ten years under the *2000 Senior Executive Incentive and Stock Award Plan*, *2000 Employee Incentive and Stock Award Plan* and *2011 Incentive and Stock Award Plan*. This column also contains information regarding the equity awards specified in notes (4) and (6) below. There are no warrants or stock appreciation rights outstanding.
- (2) The number of shares that may be issued during the current offering periods under stock purchase plans, and the weighted-average exercise price of such shares, are uncertain and consequently not reflected in columns (a) and (b). The number of shares to be purchased will depend on the amount of contributions with interest accumulated under these plans as of the close of each purchase period during the current offering periods and the value of a share of Company common stock on each purchase date. An estimate of the number of shares subject to purchase during the current offering period for the *1999 Employee Stock Purchase Plan* is 918,296 shares. An estimate of the number of shares subject to purchase during the current offering periods which mature in 2012 for the *Stock Purchase Plan for International Employees*, *Stock Purchase Plan for French Employees*, *Save as You Earn Plan (U.K.)*, *Irish Savings Related Share Option Scheme 2001* and the *Share Participation Schemes for employees in Ireland* is 267,593 shares. The shares remaining available for future issuance shown in column (c) include any shares that may be acquired under all current offering periods for

these stock purchase plans. Further information regarding shares available for issuance under these plans is set forth in the first bullet in each of notes (5) and (7) below.

- (3) The weighted-average exercise price in column (b) does not take into account the awards referenced in notes (4) and (6) below.
- (4) Includes 4,914,183 shares that may be issued to settle outstanding restricted stock unit, deferred stock unit, and deferred bonus unit awards under the *2011 Incentive and Stock Award Plan* and the *2000 Senior Executive Incentive and Stock Award Plan* and predecessor plans and programs as well as other deferred compensation obligations under the *Directors' Stock Compensation Plan* and the *Supplemental Savings & Investment Plan*, a nonqualified deferred compensation plan providing benefits to employees whose benefits are limited under the Company's *401(k) Savings & Investment Plan*.
- (5) Includes the following:
  - 4,136,312 shares available for future awards under the *1999 Employee Stock Purchase Plan*, a stock purchase plan qualified under Section 423 of the Internal Revenue Code. Employees may acquire shares at a discounted purchase price (which may be no less than 95% of the market price of the stock on the relevant purchase date) on four quarterly purchase dates within the one-year offering period with the proceeds of their contributions plus interest accumulated during the respective quarter.
  - 25,289,609 shares available for future awards under the *2011 Incentive and Stock Award Plan*. Awards may consist of stock options, stock appreciation rights, restricted stock, restricted stock units, stock bonuses and stock awards in lieu of cash awards, dividend equivalents and other stock-based or unit-based awards. The grant, exercise or settlement of any award may be subject to the achievement of performance goals or other performance-based terms. Consistent with plan terms, the shares available for future awards include shares previously forfeited, canceled, exchanged or surrendered, including shares surrendered to satisfy withholding tax on restricted stock unit distributions.
  - 2,771,792 shares available for future deferrals directed into share units under the *Supplemental Savings & Investment Plan* described in note (4) above.
  - 545,599 shares available for future awards under the *Directors' Stock Compensation Plan*. Awards may consist of shares, deferred stock units and dividend equivalents.
- (6) Includes 6,786,663 shares that may be issued to settle outstanding restricted stock unit, deferred stock unit and deferred bonus unit awards under the *2000 Employee Incentive and Stock Award Plan* and predecessor plans and programs and 91,770 shares that may be issued to settle outstanding stock unit awards and corresponding dividend equivalents under the *Special Severance Pay Plan*.
- (7) Includes the following:
  - 12,092,129 shares available for future awards under the *Stock Purchase Plan for International Employees, Stock Purchase Plan for French Employees, Save as You Earn Plan (U.K.), and Irish Savings Related Share Option Scheme 2001*.
  - 173,768 shares available for future awards under the *Share Participation Schemes for employees in Ireland*. Awards are made in shares of stock.
  - 911,987 shares available for future awards under the *Special Severance Pay Plan*. Awards consist of stock units and dividend equivalents.

The material features of the Company's compensation plans that have not been approved by stockholders and under which Company shares are authorized for issuance are described below. Any such material plans under which awards in Company shares may currently be granted are included as exhibits to, or incorporated by reference in, the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

**Stock Purchase Plan for International Employees, Stock Purchase Plan for French Employees, Save As You Earn Plan (U.K.) and Irish Savings Related Share Option Scheme.**

Eligible employees may elect to contribute to these plans through regular payroll deductions over an offering period which varies by plan from one to five years. On each purchase date, generally the end of the offering period, participants may receive their contributions plus interest in cash or use that amount to

urchase price. Plan

**2000 Employee Incentive and Stock Award Plan and predecessor plans and programs.** The terms of the 2000 Employee Incentive and Stock Award Plan are described in Note 9 to the Company's consolidated financial statements for the fiscal year ended December 31, 2012, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2013. The 2000 Employee Incentive and Stock Award Plan replaced the 1997 Employee Incentive and Stock Award Plan, the terms of which are described in Note 7 to the Company's consolidated financial statements for the fiscal year ended December 31, 1999, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 29, 2000. No future awards may be granted under any predecessor plan or program.

**Share Participation Schemes for employees in Ireland.** Eligible participants may elect to acquire shares of stock at market price by allocating their bonus and up to an equivalent amount of their basic salary. The acquired shares are held in trust and generally may not be transferred for two years following their acquisition. The initial value of any shares held in trust for more than three years is not subject to income tax.

**Special Severance Pay Plan.** Under this plan, certain holders of restricted stock or awards in lieu of restricted stock who have at least ten years of service with the Company or one of its subsidiaries will receive payment in shares upon forfeiture of their award if their employment terminates. The amount of the payment is based on years of service, with the individual receiving up to a maximum of 90% of the value of the restricted shares after 25 years of service, and is subject to execution of a nonsolicitation agreement. Grants made on or after January 1, 2007, are not eligible for treatment under this plan.





## ITEM 3

### RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent external audit firm retained to audit the Company's financial statements. The Audit Committee has appointed Deloitte & Touche LLP as the Company's independent registered public accounting firm for the 2013 fiscal year, subject to stockholder ratification. Deloitte & Touche was first retained as the independent registered accounting firm of the Company in 1989. As noted above, the Audit Committee is responsible for reviewing and approving the compensation of Deloitte & Touche as part of the Audit Committee's annual appointment process. As part of its regular process, the Audit Committee periodically considers the rotation of the independent external audit firm. Among other matters, the Audit Committee annually reviews and approves the leadership, composition and organization of the external audit team. Further, in conjunction with the mandated rotation of the independent registered public accounting firm's lead audit partner, the Audit Committee and its chairman are directly involved in the review and approval of Deloitte & Touche's lead audit partner. The members of the Audit Committee and the Board believe that the continued retention of Deloitte & Touche to serve as the Company's independent registered public accounting firm is in the best interests of the Company and its investors.

Deloitte & Touche will audit our consolidated financial statements for fiscal year 2013 and perform other services. Deloitte & Touche acted as the Company's independent registered public accounting firm for the year ended December 31, 2012. A Deloitte & Touche representative will be present at the 2013 annual meeting of stockholders, and will have an opportunity to make a statement and to answer your questions.

The affirmative vote of a majority of the shares of the Company's common stock present or represented and entitled to vote at the annual meeting is required to ratify the appointment of Deloitte & Touche LLP. Unless otherwise directed in the proxy, the persons named in the proxy will vote **FOR** the ratification of Deloitte & Touche LLP.

**The Board of Directors recommends that you vote FOR this proposal.**

#### Fees of Independent Registered Public Accounting Firm

For the fiscal years ended December 31, 2012 and 2011, fees for services provided by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu and their respective affiliates were as follows:

	(\$ in '000s)	
	2012	2011
<b>Audit Fees</b>	\$22,736	\$ 20,406
Includes audits of the effectiveness of the Company's internal control over financial reporting at December 31, 2012 and 2011, audits of consolidated financial statements and reviews of the consolidated financial statements included in the Company's quarterly reports on Form 10-Q, statutory reports and regulatory audits.		
<b>Audit-Related Fees</b>	2,960	1,700
Includes audits of employee benefit plans, computer- and control-related audit services, agreed-upon procedures, merger and acquisition assistance and accounting research services.		
<b>Tax Fees</b>	4,681	1,161
Includes tax compliance and other services not related to the audit.		
<b>All Other Fees</b>	70	23
Includes consulting fees related to outsourcing projects.		
<b>Total</b>	<u>30,447</u>	<u>\$ 23,290</u>

***Audit Committee Pre-Approval Policy***

The

Based upon the review and discussions described in this report, the Committee recommended to the Board, and the Board approved, that the audited financial statements and management's annual report on internal control over financial reporting be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC. The Committee has also selected Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2013. The Board of Directors concurred with that selection and has recommended this selection to the Company's stockholders for ratification.

**Submitted by the Audit Committee  
of the Board of Directors**

Zachary W. Carter  
Elaine La Roche  
Bruce P. Nolop

Marc D. Oken (Chair)  
Lloyd M. Yates

## **SUBMISSION OF STOCKHOLDER PROPOSALS AND OTHER ITEMS OF**

Exhibit A

**Marsh & McLennan Companies, Inc.**  
**Non-GAAP Measures**  
**Twelve Months Ended December 31**  
(Millions) (Unaudited)

The Company presents below certain additional financial measures that are "non-GAAP measures," within the meaning of Regulation G under the Securities Exchange Act of 1934. These measures are: *adjusted operating income (loss)*; *adjusted operating margin*; and *adjusted income, net of tax*.

The Company presents these non-GAAP measures to provide investors with additional information to analyze the Company's performance from period to period. Management also uses these measures to assess performance for incentive compensation purposes and to allocate resources in managing the Company's businesses. However, investors should not consider these non-GAAP measures in isolation from, or as a substitute for, the financial information that the Company reports in accordance with GAAP. The Company's non-GAAP measures reflect subjective determinations by management, and may differ from similarly titled non-GAAP measures presented by other companies.

**Adjusted Operating Income (Loss) and Adjusted Operating Margin**

*Adjusted operating income (loss)* is calculated by excluding the impact of certain noteworthy items from the Company's GAAP operating income or (loss). The following tables identify these noteworthy items and reconcile adjusted operating income (loss) to GAAP operating income or (loss), on a consolidated and segment basis, for the twelve months ended December 31, 2012 and 2011. The following tables also present *adjusted operating margin*, which is calculated by dividing adjusted operating income by consolidated or segment GAAP revenue.

	Risk & Insurance Services	Consulting	Corporate/ Eliminations	Total
<b>Twelve Months Ended December 31, 2012</b>				
<b>Operating income (loss)</b>	<b>\$ 1,374</b>	<b>\$ 652</b>	<b>\$ (197)</b>	<b>\$ 1,829</b>
Add (deduct) impact of noteworthy items:				
Restructuring charges (a)	8	58	12	78
Adjustments to acquisition related accounts (b)	(32)	(3)	—	(35)
Other	(2)	—	(6)	(8)
<b>Operating income adjustments</b>	<b>(26)</b>	<b>55</b>	<b>6</b>	<b>35</b>
<b>Adjusted operating income (loss)</b>	<b>\$ 1,348</b>	<b>\$ 707</b>	<b>\$ (191)</b>	<b>\$ 1,864</b>

a) Includes severance from restructuring activities and related charges, costs for future rent and other real estate costs, and fees and consulting costs related to recent acquisitions and cost reduction activities, including charges of \$16 million for exit activities related to Mercer's Canadian outsourcing business and \$9 million for cost reduction activities related to recent acquisitions.

(b) Reflects the change resulting from the re-measurement to fair value each quarter of contingent consideration related to acquisitions, net of an \$8 million impairment charge of an identifiable intangible asset in 2012.

**Adjusted income, net of tax**

*Adjusted income, net of tax* is calculated as: the Company's GAAP income from continuing operations, adjusted to reflect the after-tax impact of the operating income adjustments set forth in the preceding table. The related adjusted diluted earnings per share as calculated under the two-class method, reflects reductions for the portion of each item attributable to non-controlling interests and participating securities so that the calculation is based only on the amounts attributable to common shareholders.

	Amount	Diluted EPS
<b>Twelve Months Ended December 31, 2012</b>		
Income from continuing operations	\$ 1,204	
Less: Non-controlling interest, net of tax	25	
Amount attributable to participating securities	2	
Subtotal	\$ 1,177	\$ 2.13
Add operating income adjustments	\$ 35	
Deduct impact of income taxes	(24)	
Adjusted income, net of tax	\$ 1,188	\$ 2.15

## Exhibit B

As discussed more fully in "Financial Services and General Industry Surveys" on page 38, the Compensation Committee reviewed executive compensation data from two subsets of companies that participated in an executive compensation survey conducted in 2012 by Towers Watson & Co., an independent compensation consulting firm. The Compensation Committee's review was based on executive compensation data as of March 31, 2012, as compiled by Towers Watson from the companies listed below.

### Financial Services Subset of Survey Participants

ACE Limited	Chubb	Loews	State Street
AFLAC	CIGNA	MasterCard	SunTrust Banks
Allstate	Fifth Third Bancorp	Principal Financial Group	Travelers
American Express	Franklin Resources	Progressive	Unum Group
Ameriprise Financial	Hartford Financial Services	Prudential Financial	U.S. Bancorp
BB&T	Humana	Regions Financial	Western Union
Capital One Financial	Lincoln Financial	SLM	

### General Industry Subset of Survey Participants

3M	Corning	Illinois Tool Works	Public Service Enterprise Group
Accenture	Covidien	Ingersoll-Rand	Quest Diagnostics
ACE Limited	CSX	International Paper	Raytheon
AES	Cummins	J.C. Penney Company	Regions Financial
AFLAC	Danaher	Jacobs Engineering	Rockwell Automation
Agilent Technologies	Darden Restaurants	Johnson Controls	Seagate Technology
Air Products and Chemicals	Devon Energy	Kellogg	Sempra Energy
Alcoa	DIRECTV Group	Kimberly-Clark	Sherwin-Williams
Allergan	Dollar Tree	Kohl's	SLM
Allstate	Dominion Resources	L-3 Communications	Southern Company Services
Ameren	Dow Chemical	Limited	Spectra Energy
American Electric Power	DTE Energy	Lincoln Financial	Sprint Nextel
Ameriprise Financial	Duke Energy	Loews	St. Jude Medical
American Express	DuPont	Lorillard Tobacco	Stanley Black & Decker
Amgen	Eastman Chemical	Marathon Oil	Staples
Anadarko Petroleum	Eaton	Marriott International	Starbucks Coffee
Apache	eBay	MasterCard	Starwood Hotels & Resorts
Automatic Data Processing	Ecolab	Mattel	State Street
Ball	Edison International	McGraw-Hill	Stryker
Baxter International	Eli Lilly	MeadWestvaco	SunTrust Banks
BB&T	EMC	Medtronic	Sysco
BD (Becton Dickinson)	Emerson Electric	Micron Technology	TE Connectivity
Best Buy	Entergy	Monsanto	Textron
Biogen Idec	Estee Lauder	Mosaic	Thermo Fisher Scientific
BorgWarner	Exelon	Motorola Solutions	Time Warner
Boston Scientific	Express Scripts	Murphy Oil	Time Warner Cable
Bristol-Myers Squibb	Fifth Third Bancorp	Mylan	Travelers
C.H. Robinson Worldwide	FirstEnergy	Newmont Mining	Tyson Foods
Capital One Financial	Fluor	NextEra Energy	U.S. Bancorp
Carnival			



Marsh & McLennan Companies, Inc.  
1166 Avenue of the Americas